



REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 18 January some neutral external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed lower by 0.3%, on Wednesday the composite stock index of the Asia-Pacific region MSCI Asia Pacific traded near zero with multidirectional changes of the major country indices in the region. As noted by Bloomberg, the markets are waiting for the inauguration ceremony of Donald Trump, which will be held on Friday, and the traditional speech of the new president of the United States on this occasion. According to experts, up to this time a significant movement of stock indices in one direction or another is unlikely. In particular, investors are hoping to hear from Donald Trump details of his plans to increase government spending and tax cuts, which the post-election "Trump Rally" on the stock markets of developed countries was related to. March Brent futures traded near the mark of \$55.5 per barrel, or \$0.3 less than the closing level on 17 January. Oil prices were down, including, on fears of the US production growth – a number of experts, including the head of the IEA, believe that in the second half of 2017 in the United States producers of shale oil will substantially increase production amid rising prices, which would negate the results of the reduction in production by OPEC and other countries.

For most of the trading session the MICEX Index was flat with a small loss in the range of 0.5% under pressure from falling oil prices – Brent quotes in the afternoon fell to around \$54.5 per barrel. European markets looked a little better, which are supported by statistics and expectations of keeping the soft policy by the ECB. In the US, consumer prices increased by 2.1% following the results of 2016, which is the maximum rate of increase of the indicator since 2011, in December the growth of industrial production in the US was a record for two years, in the Eurozone inflation in December accelerated to the highest since September 2013. As for the ECB, according to most economists, the regulator will not make adjustments to the monetary policy at a meeting on Thursday, and later this year will extend the asset purchase program at least until the beginning of 2018.

During the trading session the MicexPWR Sector Index looked significantly better than the market. The main contribution to the final MicexPWR growth was made by shares of RusHydro and FGC UES. Shares of RusHydro, adding 7.7% on the maximum for the time of trading on the Moscow stock exchange daily turnover, for the first time since May 2012 rose above the nominal value - 1 ruble, shares of FGC UES closed at 4-year highs.

ELECTRIC POWER INDUSTRY NEWS

The unknown for the energy market

Market forces and new technologies have begun to play a much greater role in the energy sector. The balance of the market may change, concluded participants in the forum in Davos.

Read full text: <http://www.vedomosti.ru/newspaper/articles/2017/01/18/673429-neizvestnie-rinka-energetiki>

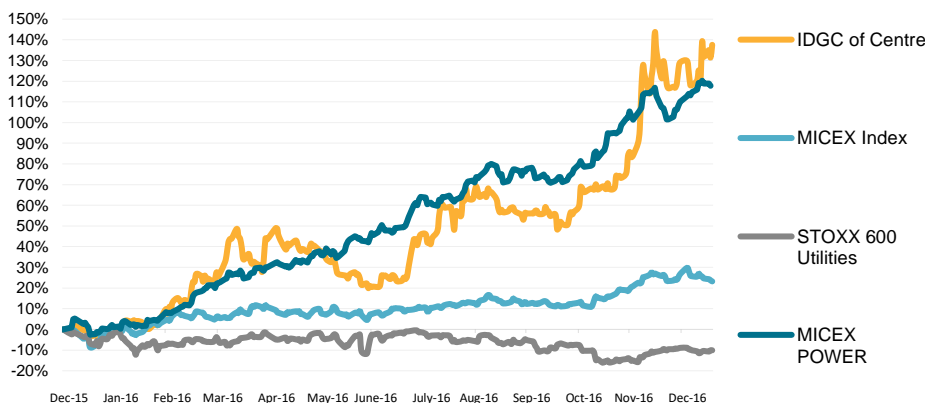
COMPANY NEWS

Power engineers of the Bryansk branch of IDGC of Centre received thanks for their help in the elimination of the consequences of bad weather in the Rostov region

To the address of IDGC of Centre – Bryanskenergo division a letter of thanks was received from Deputy Director General - Director of PJSC "IDGC of South" - "Rostovenergo" Sergey Chekmarev. The letter expressed gratitude to the management and specialists of the enterprise for their help in the aftermath of the natural disaster that struck the Rostov region in December last year.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/58639/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 170,09	-0,40%	-2,81%
S&P 500	2 271,89	0,18%	1,48%
FTSE 100	7 247,61	0,38%	1,47%
DAX	11 599,39	0,51%	1,03%
DJStoxx 600	363,07	0,18%	0,46%
STOXX Utilities	273,14	-0,04%	-1,31%
Nikkei	18 894,37	0,43%	-1,15%
Sensex	27 257,64	0,08%	2,37%
CSI300	3 339,37	0,39%	0,88%
Bovespa	64 149,57	-0,32%	6,51%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,07	-0,15%	1,58%
USD/RUB	59,40	-0,34%	-2,07%
Euro/RUB	63,29	0,09%	-0,82%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 204,30	-1,05%	4,95%
Brent*, USD/bbl	53,92	-2,79%	-5,10%

* - March futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4635
Capitalisation**, billion RUB	19,57
Capitalisation**, million USD	329,42

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	3,87%	7,69%
Shares of IDGC of Centre**	2,66%	3,69%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	3,09%	7,88%
FGC UES	7,31%	7,42%
IDGC of Volga	3,50%	13,57%
MOESK	3,43%	7,46%
IDGC of Northern Caucasus	2,57%	-0,45%
IDGC of Centre and Volga Reg	0,69%	8,85%
IDGC of North-West	1,81%	2,36%
IDGC of Urals	2,08%	4,26%
IDGC of Siberia	3,84%	6,57%
IDGC of South	-0,19%	-0,19%
Lenenergo, ordinary shares	-0,09%	-1,36%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

MRKC

MRKC.RX

MRKC.MM