

DAILY MARKET REVIEW

2 December, Friday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 1 December some moderately positive external background formed on the Russian market. On Wednesday the US indices S&P500 and DJIA closed the trading session mixed with the changes within 0.3% – the growth of shares of oil companies was offset by a decline in the cost of utilities and telecommunications companies. On Thursday the composite index of Asia-Pacific region MSCI Asia Pacific added about one percent after the stock prices of oil companies. The markets in the Asian session were additionally supported by statistics from China, where the official indexes of business activity in the processing industry and the service sector in November rose to peaks in June-July 2014. February Brent futures traded near the mark of \$52.3 per barrel, or \$1.3 higher than the closing level on 30 November. The oil market is still playing back on the OPEC decision to reduce production by 1.2 million barrels per day in the first half of 2017. Meanwhile, experts are cautiously commenting on the oil market price prospects, pointing mainly to two factors that can limit the price growth at the range of \$55-60 per barrel in the medium term: traditionally a weak executive discipline in OPEC and increase of shale oil supply with prices over \$50 a barrel.

The MICEX Index continued updating historic highs following the rise in oil prices. In the second half of the trading session the MICEX Index growth exceeded a percent after Brent quotations had risen to around \$53.5 per barrel. An additional positive factor for our market was statistics on business activity – according to a Markit research, the PMI of manufacturing industries in November rose to a maximum value of 5.5 years. At the end of the day the MICEX Index growth rate decreased by almost one-third of daily highs – investors preferred to take profits amid increasing negative trends of European markets, where concerns of market participants were associated with increased risk of political instability in Italy after a referendum on 4 December. Against this backdrop good statistics for the Eurozone and the US failed to provide significant support to investors – in the Eurozone in October the unemployment fell to 9.8% – a minimum of seven years, in the US in November the index of business activity in the manufacturing sector rose to the highest level since February 2015.

During the trading session the MicexPWR Sector Index underperformed mainly due to lower shares of RusHydro and Rosseti, in which investors took profits after a strong growth on Wednesday.

ELECTRIC POWER INDUSTRY NEWS

The State Duma adopted in the first reading a draft of reducing energy consumption by budget institutions

The State Duma on Wednesday at the plenary session passed the first reading of a government bill aimed at reducing energy consumption of public sector organizations.

Read full text: <http://www.bigpowernews.ru/markets/document74245.phtml?1&q=>

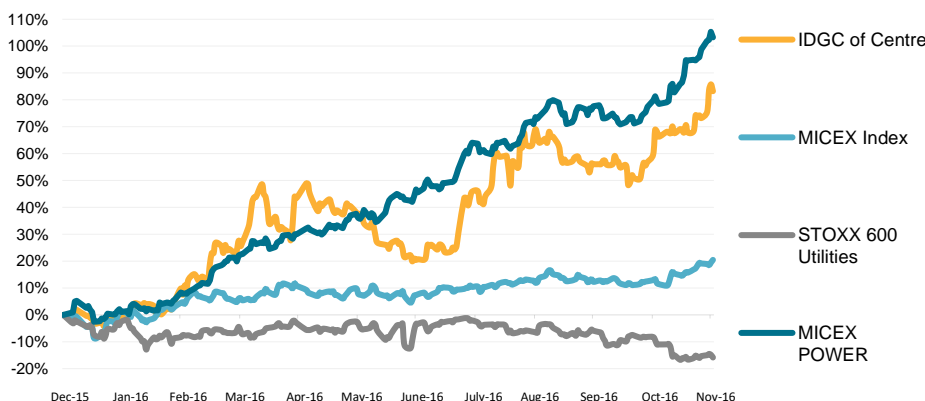
COMPANY NEWS

Orelenergo summed up metrological support of production for 10 months of 2016

IDGC of Centre – Orelenergo division summed up the metrological support of production for 10 months of 2016. All planned activities for this period were implemented in full.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/57935/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	2 121,87	0,81%	20,47%
S&P 500	2 191,08	-0,35%	7,20%
FTSE 100	6 752,93	-0,45%	8,18%
DAX	10 534,05	-1,00%	-1,95%
DJStoxx 600	340,86	-0,33%	-6,82%
STOXX Utilities	257,59	-1,14%	-15,86%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	26 559,92	-0,35%	1,69%
CSI300	3 565,04	0,76%	-4,45%
Bovespa	59 506,54	-3,88%	37,27%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,06	0,25%	-12,60%
USD/RUB	65,24	0,45%	-10,49%
Euro/RUB	69,34	0,73%	-12,99%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 171,69	-0,13%	10,42%
Brent*, USD/bbl	53,94	4,05%	18,52%

* - February futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3575
Capitalisation**, billion RUB	15,09
Capitalisation**, million USD	231,35

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	-0,99%	103,32%
Shares of IDGC of Centre**	-1,38%	83,24%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti, ordinary shares	-2,98%	156,24%
FGC UES	-1,22%	232,91%
IDGC of Volga	1,69%	163,24%
MOESK	0,45%	19,87%
IDGC of Northern Caucasus	7,47%	49,60%
IDGC of Centre and Volga Reg	-2,08%	146,82%
IDGC of North-West	0,20%	81,02%
IDGC of Urals	-2,08%	73,68%
IDGC of Siberia	1,92%	30,33%
IDGC of South	-8,57%	64,10%
Lenenergo, ordinary shares	0,51%	116,81%

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
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