



## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 16 November some moderately positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 lost 0.6% due to skepticism regarding the early approval of the tax reform and ambiguous statistics. In the Senate, Republicans submitted a new version of the bill on tax reform, which included an item on the abolition of the tax provided by the Obamacare program. As experts note, the inclusion of this item in the draft tax reform may further complicate its harmonization. In October retail sales in the US increased more than forecast, inflation slowed to 2% in annual terms, while the Core CPI rose for the first time since January – to 1.8%, the New York Empire State Manufacturing Index fell more than expected in November. On Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific added more than half a percent within the correction after four days of decline in a row, futures for US indices grew by 0.3%. January Brent futures traded near the mark of \$62 per barrel, \$0.4 above the closing level on 15 November. Quotes are recovering after falling on Wednesday on the statistics of the US Department of Energy, which reported an increase in oil and gasoline reserves and production growth to the next record for weekly data for the entire collection time since 1983.

The Russian market on Thursday had an increased volatility. Almost a percent increase in the MICEX Index at the beginning of trading in the middle of the day was replaced by a similar drop after the sell-off in the domestic financial sector. VTB's shares lost about 10%, Sberbank's shares – about 3% on speculation about VTB's financial problems. Reuters linked sales in the bank's shares with the problems of Rosneft in the situation with Venezuela's debt – VTB actively credited foreign projects of the oil company. In turn, analysts of Raiffeisenbank pointed to the increased structural deficit of ruble liquidity in VTB. At the end of the day, the MICEX Index was still able to return to positive area after the pressure of sellers in the financial sector decreased and thanks to positive sentiments on global markets – the European Stoxx Europe 600 Index, the developing countries index MSCI EM, US indices at the beginning of trading added more than half a percent. Restoration of investors' interest in risky assets after sales of recent days, including, was due to good US statistics. The growth in industrial production in October was the highest in the last six months, the use of production capacity – a record since April 2015, the number of Americans who continue to receive unemployment benefits has updated the minimum since December 1973.

As a result of the trading session the MicexPWR Sector Index looked better than the broad market, mainly due to growth of shares of FGC UES and RusHydro. The changes of most liquid securities of the sector, as well as the market as a whole, was characterized by high volatility. In particular, the range of daily fluctuations in ordinary shares of Rosseti was 7.4%, at daytime lows the fall of these securities was approaching 5%.

## ELECTRIC POWER INDUSTRY NEWS

### The Government allowed to deprive power sales of the supplier of last resort status for debts to grids

The Government of the Russian Federation by Resolution No. 1365 of 11 November 2017 amended a number of normative legal acts that establish the possibility of depriving a power sales company of the status of a supplier of last resort in case of failure to fulfill or untimely fulfillment of obligations on payment for electricity transmission services.

Read full text: <http://www.bigpowernews.ru/markets/document80610.phtml>

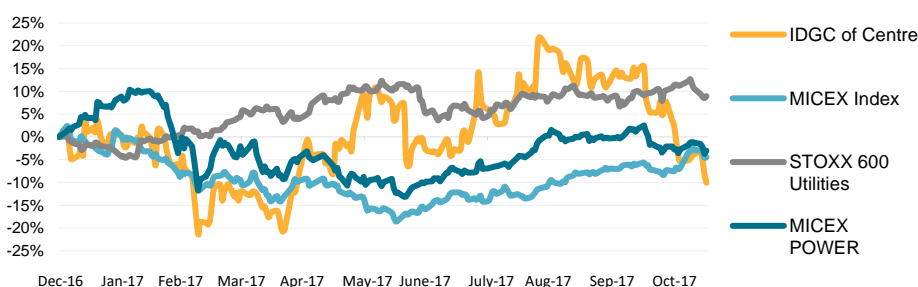
## COMPANY NEWS

### IDGC of Centre became a prize-winner in two nominations of the XX contest of annual reports

The annual report of IDGC of Centre, PJSC for 2016 became a prize-winner of the XX Annual contest of annual reports in the main nomination "The best annual report of the company with a capitalization of up to 40 billion rubles" and in the additional nomination "The best disclosure of information on the corporate website". The organizers of the contest were Moscow Stock Exchange and the media group "RCB".

Read full text: <https://www.mrsk-1.ru/press-center/news/company/62388/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 132,65	0,04%	-4,48%
S&P 500	2 585,64	0,82%	15,49%
FTSE 100	7 386,94	0,19%	3,42%
DAX	13 047,22	0,55%	13,64%
DJStoxx 600	384,93	0,78%	6,50%
STOXX Utilities	301,58	0,42%	8,96%
Nikkei	22 351,12	1,47%	16,93%
Sensex	33 106,82	1,06%	24,34%
CSI300	4 105,01	0,77%	24,02%
Bovespa	72 511,79	2,38%	20,40%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,18	-0,21%	11,94%
USD/RUB	60,25	1,05%	-0,67%
Euro/RUB	71,17	2,14%	11,54%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 278,58	0,03%	11,42%
Brent*, USD/bbl	61,36	-0,82%	4,58%

\* - January futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4020
Capitalisation**, billion RUB	16,97
Capitalisation**, million USD	281,69

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,73%	-3,03%
Shares of IDGC of Centre**	-2,07%	-10,07%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	1,22%	-22,66%
FGC UES	2,53%	-19,32%
IDGC of Volga	1,68%	94,82%
MOESK	-1,05%	-5,35%
IDGC of Northern Caucasus	1,09%	-16,10%
IDGC of Centre and Volga Reg	0,39%	109,39%
IDGC of North-West	0,00%	-0,18%
IDGC of Urals	0,52%	16,41%
IDGC of Siberia	-1,24%	42,77%
IDGC of South	-0,20%	-6,49%
Lenenergo, ordinary shares	-1,33%	-5,72%
TRK, ordinary shares	2,04%	-15,97%
Kubanenergo	-0,88%	-8,85%

Source: MOEX, Company calculations

\*\* - at the price of last transaction at MOEX

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**Tickers**  
Moscow Exchange (MOEX)  
Bloomberg  
Reuters

**MRKC**  
MRKC:RM  
MRKC:MM