

DAILY MARKET REVIEW

5 December, Tuesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 4 December some moderately negative external background formed on the Russian market. The US indices DJIA and S&P500 closed the Friday's volatile trading session with a decrease of 0.2%. At the same time, in the first half of the day, the indices lost more than 1.5% on media reports that former US National Security Adviser M. Flynn, who admitted his guilt in the FBI's misinformation about his contacts with representatives of Russia, is ready to testify against D. Trump. However, by the end of the day, the markets were able to play practically all the losses back on media reports that Republicans of the upper chamber of Congress have enough votes to approve the tax reform. Indeed, on Saturday the Senate passed a tax reform bill, and now, analysts believe, within a few days the document can be combined with a similar act approved earlier by the House of Representatives. On Monday futures for US indices on these pieces of news added more than half a percent. At the same time, the main country stock indices of the Asia-Pacific region did not show a single trend – analysts noted that investors, in particular, are afraid of growing uncertainty regarding the investigation of the relations between the administration of D. Trump and Russia. February Brent futures traded near \$63.4 per barrel, \$0.7 lower than the closing level on Friday, 1 December. Oil prices declined as part of profit taking after the rally on expectations and on the extension of the OPEC+ agreement. The reason for the correction was the data of the company Baker Hughes about the increase last week in the number of operating oil production facilities in the US to a maximum since the end of September.

The changes of trading on the Russian stock market on Monday differed with increased volatility. The MOEX Russia Index began the trading session with a near-percentage drop, triggered by a decrease in oil prices and news about the investigation of the ties between the administration of D. Trump and Russia. Nevertheless, in the second half of the day the MOEX Russia Index was in more than half a percent plus thanks to a steady rise in world markets on information on the progress of tax reform in the US.

During the trading session the MicexPWR Sector Index looked significantly worse than the market. The main contribution to the final MicexPWR decline in antiphase with the MOEX Russia Index was made by shares of Inter RAO, Enel Russia and Rosseti.

ELECTRIC POWER INDUSTRY NEWS

Under the decision of the Board of Directors, Rosseti to create an R&D fund and in early 2018 to present an updated strategy

In Moscow, the next full-time meeting of the Board of Directors of Rosseti was held under the chairmanship of the Minister of Energy of the Russian Federation Alexander Novak.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=32206

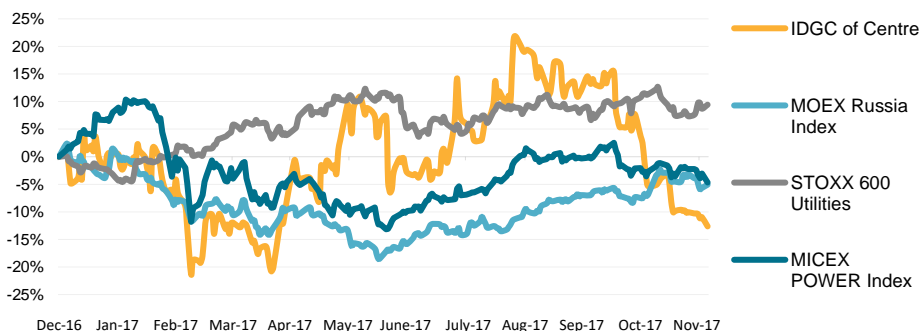
COMPANY NEWS

Moscow Exchange announces results of index review

Moscow Exchange announces the updated list of index components and free float ratios effective from 22 December 2017. The indices were reviewed according to the new calculation methodology that came into force on 27 November 2017.

Read full text: <http://www.moex.com/n17878/?nt=0>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MOEX Russia	2 119,42	0,64%	-5,07%
S&P 500	2 639,44	-0,11%	17,89%
FTSE 100	7 338,97	0,53%	2,75%
DAX	13 058,55	1,53%	13,74%
DJStoxx 600	387,47	0,91%	7,21%
Nikkei	22 707,16	-0,49%	18,80%
Sensex	32 869,72	0,11%	23,45%
CSI300	4 018,86	0,52%	21,41%
Bovespa	73 090,17	1,14%	21,36%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
USD/RUB	58,52	-0,11%	-3,53%
EURO/RUB	69,75	0,33%	9,30%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 276,18	-0,35%	11,21%
Brent*, USD/bbl	62,45	-2,01%	6,55%

* - February futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3905	16,49	281,73
IDGC of Centre & Volga Reg	0,3089	34,81	594,90

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.16
STOXX 600 Utilities	0,67%	9,43%
MICEX POWER Index	-1,63%	-4,66%
IDGC of Centre**	-1,88%	-12,64%
IDGC of Centre and Volga Region**	0,07%	105,95%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-3,25%	-27,43%
FGC UES	-0,61%	-19,78%
IDGC of Volga	-1,33%	85,63%
MOESK	-0,24%	-7,13%
IDGC of Northern Caucasus	-1,13%	-20,86%
IDGC of North-West	-1,44%	-0,55%
IDGC of Urals	0,94%	30,70%
IDGC of Siberia	-1,69%	39,19%
IDGC of South	-1,28%	3,44%
Lenenergo, ordinary shares	-0,86%	-5,36%
TRK, ordinary shares	0,50%	-15,55%
Kubanenergo	1,55%	-9,89%

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