

DAILY MARKET REVIEW

1 February, Wednesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 31 January some moderately negative external background formed on the Russian market. On Monday the US indices DJIA and S&P500 fell 0.6%, on Tuesday the composite stock index of the Asia-Pacific region MSCI Asia Pacific lost about 0.5%. The markets are still pressured by rising fears of investors about the strengthening of the protectionist focus of the foreign policy of the new US administration. The Japanese market had the largest decline in the Asian session – the Nikkei255 index decline at 1.7% was, including, due to the strengthening of the yen after reports that the Bank of Japan at the end of the last meeting did not expand the program to support the economy and change the basic parameters of monetary policy. March Brent futures traded near the mark of \$55.2 per barrel, at the closing level on 30 January. Brent quotes continue consolidating in a narrow range of \$54-57 per barrel. As analysts note, signs of activity growth in oil production in the US negate the positive factor of undertaken by the world's largest producers of fuel efforts to reduce production.

The Russian market has been reducing for the second day in a row – in the second half of the day the MICEX Index loss exceeded 0.5% under the pressure of the ongoing deterioration in sentiment on the global markets. Futures on the US indices and the European Stoxx Europe 600 Index most of the trading session were in a small minus, despite good European statistics. In the Eurozone the GDP growth in the fourth quarter accelerated to 0.5%, the rise in consumer prices in January by 1.8% was the highest since February 2013, the unemployment rate in December fell to the lowest level since May 2009. The Western markets were pressured, including, by weak quarterly reporting of a number of large companies. In addition, experts say, the activity of buyers is largely constrained by the expectations of the Fed meeting, which will end on Wednesday.

At the end of the trading session the MicexPWR Sector Index underperformed. The main contribution to the sector indicator underperformance in comparison with the MICEX Index was made by shares of RusHydro and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

In 2016 "Rosseti" refinanced its debt portfolio by 43%

The holding "Rosseti" refinanced 237 billion rubles of loans and credits last year, which accounted for about 43% of the debt portfolio of the group, told the holding. According to the company's report, as of the end of 2016 relative to the level of 2015, the weighted average interest on the debt portfolio of "Rosseti" fell 2.6 percentage points - to 8.9% per annum. At the same time, interest expenses decreased by 8 billion rubles, and the debt portfolio of the holding - by about 20 billion rubles.

Read full text: <http://www.kommersant.ru/doc/3206956>

COMPANY NEWS

In 2016 "Lipetskenergo" received 36,000 customers' requests

During the period from January to December 2016, offices of customer service of IDGC of Centre – Lipetskenergo division received 36,114 requests from citizens. Of these, 85% (30,585) requests were from individuals, 15% (5,529) from legal entities.

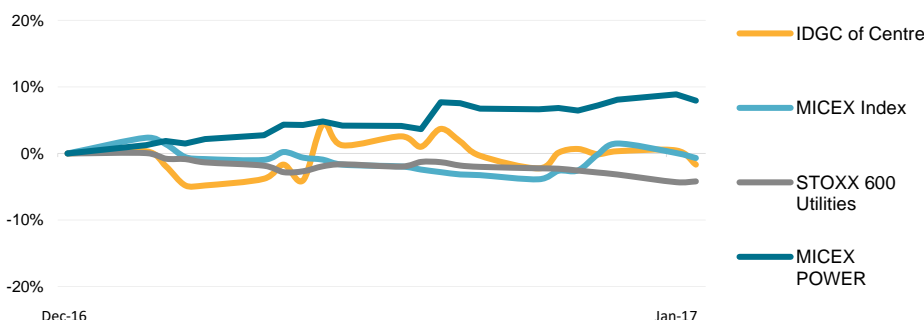
Read full text: <https://www.mrsk-1.ru/press-center/news/branches/58713/>

In 2016 "Tverenergo" filed 358 lawsuits to collect receivables from consumers

Tver branch of IDGC of Centre consistently implements a set of measures for the collection of receivables from consumers. In the past year, the legal service of "Tverenergo" filed in court 358 claims for a total amount of 1.067 billion rubles.

Read full text: http://www.afanasy.biz/news/economy/?ELEMENT_ID=108038

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 217,39	-0,75%	-0,69%
S&P 500	2 278,87	-0,09%	1,79%
FTSE 100	7 099,15	-0,27%	-0,61%
DAX	11 535,31	-1,25%	0,47%
DJStoxx 600	360,12	-0,67%	-0,36%
STOXX Utilities	265,15	0,12%	-4,20%
Nikkei	19 041,34	-1,69%	-0,38%
Sensex	27 655,96	-0,70%	3,87%
CSI300	3 387,96	0,00%	2,35%
Bovespa	64 670,78	0,57%	7,38%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,08	0,85%	2,54%
USD/RUB	60,16	-0,26%	-0,82%
Euro/RUB	64,43	0,14%	0,98%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 210,72	1,26%	5,51%
Brent*, USD/bbl	55,58	0,47%	-3,32%

* - March futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4395
Capitalisation**, billion RUB	18,55
Capitalisation**, million USD	308,41

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-0,87%	7,94%
Shares of IDGC of Centre**	-2,12%	-1,68%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-1,30%	8,27%
FGC UES	-1,77%	14,32%
IDGC of Volga	3,46%	14,82%
MOESK	-1,26%	13,36%
IDGC of Northern Caucasus	-1,67%	6,80%
IDGC of Centre and Volga Reg	-0,65%	3,99%
IDGC of North-West	0,18%	-1,45%
IDGC of Urals	1,78%	4,26%
IDGC of Siberia	1,30%	2,15%
IDGC of South	-1,58%	-4,96%
Lenenergo, ordinary shares	-0,36%	-0,64%

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