



REVIEW OF STOCK MARKETS

Before the opening of trading on the last trading day in 2017, the Russian market had some moderately positive external background. On Thursday, 28 December, the US indices DJIA and S&P500 rose by 0.2-0.3%, the composite stock index of the Asia-Pacific region MSCI Asia Pacific showed similar changes. Securities of commodity companies outperformed due to higher prices for oil and metals, as well as shares of the technology sector, which continued to play back losses of previous days. In general, trading activity in the markets remained low in the conditions of a shorter working week between the Catholic Christmas and the New Year. February Brent futures traded near \$66.6 per barrel, \$0.6 above the closing level on 28 December. Positive background for the quotes were data from the US Department of Energy, which recorded a decline in oil reserves last week by 4.6 million barrels and a reduction in oil production for the first time since October.

On 29 December, sellers continued to dominate the Russian market. The MOEX Russia Index spent most of the trading session in negative area within half a percent – traders closed long positions before the New Year holidays. Our market was also pressured by weak negative changes of most of the major European markets against the backdrop of the euro strengthening and political problems in Italy. The President of Italy on Thursday signed a decree dissolving the parliament and holding parliamentary elections on 4 March, European media reported. According to analysts, the elections in Italy, which is considered to be a weak link in the EU economy, may be another test for the region, which still faces acute political and economic problems. At the end of the day, the MOEX Russia Index anyway closed in a small plus, finishing the trades with an increase of 0.3%.

As a result of the trading session, the changes of the MicexPWR Sector Index corresponded to the market. The main contribution to the final MicexPWR growth was made by shares of Inter RAO.

The first working day of 2018 starts on a positive note. Since the beginning of the year, oil has risen in price, the US and European markets began the year with the rise of major indices. The MOEX Russia Index for the past three January trading sessions grew by more than 4%. The index of shares of electric power companies is slightly behind, however, has also added from the beginning of the year.

ELECTRIC POWER INDUSTRY NEWS

The Government changed the procedure for connecting to the electricity grid for synchronization with connection of other engineering networks

The Government of the Russian Federation by Resolution No. 1661 of 27 December 2017 approved changes to the Rules of Connection to Electric Grids (approved by Resolution of the Government of 27 December 2004 № 861).

Read full text: <http://www.bigpowernews.ru/news/document81215.phtml>

Mr. Putin signed a law on licensing of energy sales activities

Russian President Vladimir Putin signed on 29 December a law that introduces licensing of energy sales activities, the provision of which will be approved by the Russian Federation Government, follows from the document published on the portal of legal information.

Read full text: <http://www.bigpowernews.ru/markets/document81238.phtml>

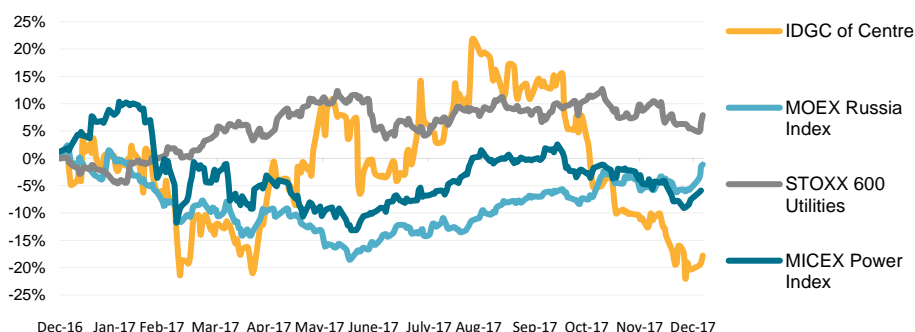
COMPANY NEWS

Fines, suits, darkness. Smolenskenergo continues to work seriously with debtors

IDGC of Centre - Smolenskenergo division continues in the new year to work with debtors. The company uses all legal instruments - lawsuits and claims, restriction of power supply, charging penalties. For 10 months of 2017 the branch limited electric power supply for 2,567 debtors. Among them - enterprises of housing and communal services, state-owned companies, some manufactures.

Read full text: <https://glavnyatema.com/?p=35668>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 207,41	0,45%	4,63%
S&P 500	2 743,15	0,70%	2,60%
FTSE 100	7 724,22	0,37%	0,47%
DAX	13 319,64	1,15%	3,11%
DJStoxx 600	397,35	0,93%	2,10%
Nikkei	23 714,53	0,89%	4,17%
Sensex	34 153,85	0,54%	0,28%
CSI300	4 138,75	0,24%	2,68%
Bovespa	79 071,47	0,54%	3,49%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	57,60	0,00%	-0,05%
EURO/RUB	68,87	0,00%	0,12%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 319,59	-0,26%	1,29%
Brent*, USD/bbl	67,62	-0,66%	1,12%

* - February futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3675	15,52	269,36
IDGC of Centre & Volga Reg	0,3089	34,81	604,38

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	1,30%	7,90%
MICEX POWER Index	0,41%	2,85%
IDGC of Centre**	1,66%	3,23%
IDGC of Centre and Volga Region**	1,82%	3,61%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,69%	1,38%
FGC UES	0,18%	1,14%
IDGC of Volga	2,10%	6,53%
MOESK	0,22%	-0,33%
IDGC of Northern Caucasus	0,00%	-1,30%
IDGC of North-West	0,19%	0,96%
IDGC of Urals	2,95%	8,35%
IDGC of Siberia	1,71%	3,93%
IDGC of South	4,34%	4,52%
Lenenergo, ordinary shares	-0,10%	1,56%
TRK, ordinary shares	0,00%	3,23%
Kubanenergo	-1,27%	-0,51%

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