

DAILY MARKET REVIEW

24 April, Tuesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 23 April some moderately negative external background formed on the Russian market. On Friday the US indices DJIA and S&P500 lost 0.8-0.9%. The driver of the fall was the technology sector led by Apple due to a forecast of weaker than expected sales and discussion by the US Congress of the topic of personal data protection. Additional pressure on the markets was exerted by an increase in the yield of American ten-year government bonds to 2.96%, the maximum since January 2014, on speculation that a rise in price of oil and metals could lead to a faster inflation and, accordingly, to an accelerated increase in the Fed's key interest rate. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific was 0.2% down, with mixed changes of the main country indices. June Brent futures traded near \$73.9 per barrel, \$0.3 higher than the closing level on Friday, 20 April. Consolidation of quotations near the maximum for three and a half years was due to the results of the meeting of the ministerial committee of the OPEC+ countries. Despite the recorded reduction in oil inventories in developed countries by impressive 300 million barrels, the meeting participants, according to the head of the RF Ministry of Energy, "came to a consensus that one cannot stop ... there are serious risks for rebalancing."

Changes of the Russian market on Monday was marked by increased volatility. In the first half of the trading session, the MOEX Russia Index and the index of emerging markets MSCI EM lost within a percent. The exit of investors from emerging markets was provoked by an increase in the yield of US 10-year government bonds to a psychological level of 3% due to increased fears of accelerated tightening of monetary policy by the Fed. According to the Chicago Stock Exchange, the likelihood that the US Central Bank will raise the rate three times this year reached 40%. The MOEX Russia Index spent the second half of the day in plus, adding on average within half a percent – support was provided to buyers by a statement of the US Treasury that sanctions could be removed from Rusal if the main owner of the company, Oleg Deripaska, refuses control. According to a number of analysts, this easing could be "forced in" by Germany and France, which seek to protect European business from American restrictions for Russia.

As a result of the trading session the MicexPWR Index outperformed, the major contribution to the outpacing rise of MicexPWR in comparison with the MOEX Russia Index was made by shares of Rosseti and FGC UES. The growth of these securities accelerated after Interfax reported that the state corporation Rostec can get up to 30% in the authorized capital of the power grid holding, becoming a strategic partner of the company in the framework of cooperation on digital grid development projects. The proposal on Rostec's entry into Rosset, writes Interfax, was put forward by the head of Rostec in a letter to the Prime Minister. In turn, the head of the government instructed departments to work out the proposal that he considered promising.

ELECTRIC POWER INDUSTRY NEWS

Rostec may become a shareholder of Rosseti

The implementation of the program of digitalization by Rosseti with a volume of 1.3 trillion rubles can lead to a change in the state control scheme over the holding. Rostec intends to acquire up to 30% in the authorized capital of the state holding.

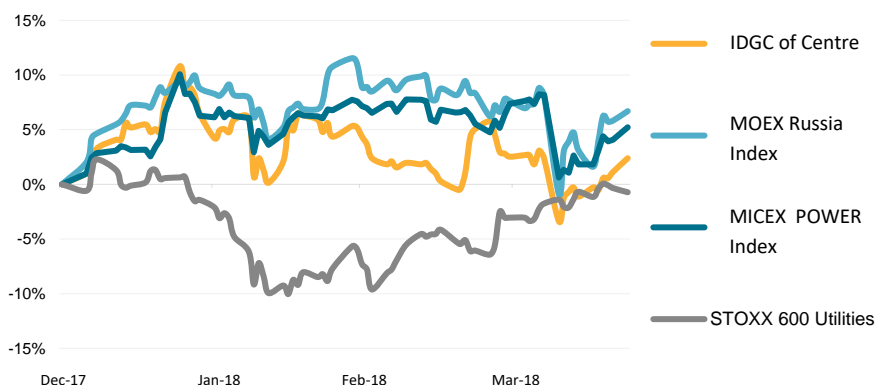
Read full text: <https://www.kommersant.ru/doc/3612697>

COMPANY NEWS

IDGC of Centre and IDGC of Centre and Volga Region summed up the results of activity in 2017 and discussed plans for 2018

Read full text: <https://www.mrsk-1.ru/press-center/news/company/63759/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 250,99	0,82%	6,70%
S&P 500	2 670,29	0,01%	-0,12%
FTSE 100	7 398,87	0,42%	-3,76%
DAX	12 572,39	0,25%	-2,67%
DJStoxx 600	383,18	0,35%	-1,54%
Nikkei	22 088,04	-0,33%	-2,97%
Sensex	34 450,77	0,10%	1,16%
CSI300	3 766,33	0,15%	-6,56%
Bovespa	85 602,50	0,06%	12,04%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	61,32	0,76%	6,41%
EURO/RUB	75,65	0,33%	9,98%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 324,83	-0,86%	1,69%
Brent*, USD/bbl	74,71	0,88%	13,58%

* - June futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3645	15,39	250,94
IDGC of Centre & Volga Reg	0,3338	37,62	613,46

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,38%	-0,73%
MICEX POWER Index	1,09%	5,21%
IDGC of Centre**	1,25%	2,39%
IDGC of Centre and Volga Region**	2,08%	10,64%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	5,87%	3,24%
FGC UES	2,39%	8,36%
IDGC of Volga	2,74%	11,59%
MOESK	0,84%	-19,58%
IDGC of Northern Caucasus	0,88%	-10,68%
IDGC of North-West	-1,23%	-7,12%
IDGC of Urals	3,04%	5,25%
IDGC of Siberia	0,83%	5,68%
IDGC of South	1,48%	-8,36%
Lenenergo, ordinary shares	2,08%	22,92%
TRK, ordinary shares	0,00%	-8,36%
Kubanenergo	0,31%	-17,98%

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