

DAILY MARKET REVIEW

28 December, Thursday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 26 December some neutral external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed with a small decrease of 0.1% – the rise in shares of commodity companies following the growth in prices for oil and metals was offset by the fall of papers of the technology sector led by Apple on forecasts of weaker than expected demand for the iPhone X in the first quarter of 2018. Trading activity remains low, MarketWatch writes, given the absence of many traders before the New Year, the volume of deals on Tuesday was minimal this year. The composite index of the Asia-Pacific region MSCI Asia Pacific added about a third of a percent after the commodity companies on Wednesday. Negative exception in the Asian session was the Chinese CSI300, which lost 1.5% due to fears of deteriorating access to liquidity. February Brent futures traded near \$66.7 per barrel, \$0.3 above the closing level on 26 December. Brent quotes updated the highs since May 2015 on the news of an explosion at the oil pipeline in Libya, which supplies oil to the country's largest export terminal of Es Sider. According to Bloomberg, this led to a reduction in oil supplies by 60-70 thousand barrels per day.

The main benchmark for the Russian market on Wednesday was changes of oil prices. The MOEX Russia Index spent most of the trading session in a small plus within half a percent, playing out new two-year highs of oil. At the same time, the buyers' activity was limited to inexpressive changes of Western markets, where investors are more focused on rebalancing their portfolios, and correction of oil prices after the rally on Tuesday. Brent quotes retreated from the morning levels on the information that the work of the pipeline Forties in the North Sea can be resumed by 1-2 January.

During the trading session the MicexPWR Sector Index underperformed. The main contribution to the overall MicexPWR underperformance in comparison with the MOEX Russia Index was made by shares of FGC UES and Gazprom's generation companies.

ELECTRIC POWER INDUSTRY NEWS

Rosseti's Board of Directors approved the company's new dividend policy

Rosseti's Board of Directors approved a new dividend policy, fixing the provisions of the May's Governmental Resolution on the company's dividends, Rosseti said.

Read full text: <http://www.bigpowernews.ru/news/document81190.phtml>

Rosseti confirmed the rating 7++ "Developed Corporate Governance Practice"

Non-commercial partnership "Russian Institute of Directors", based on the results of monitoring corporate governance practices, confirmed the corporate governance rating assigned to Rosseti at the level of 7++ "Developed Corporate Governance Practice" by the method of the National Corporate Governance Rating (NCGR).

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=32319

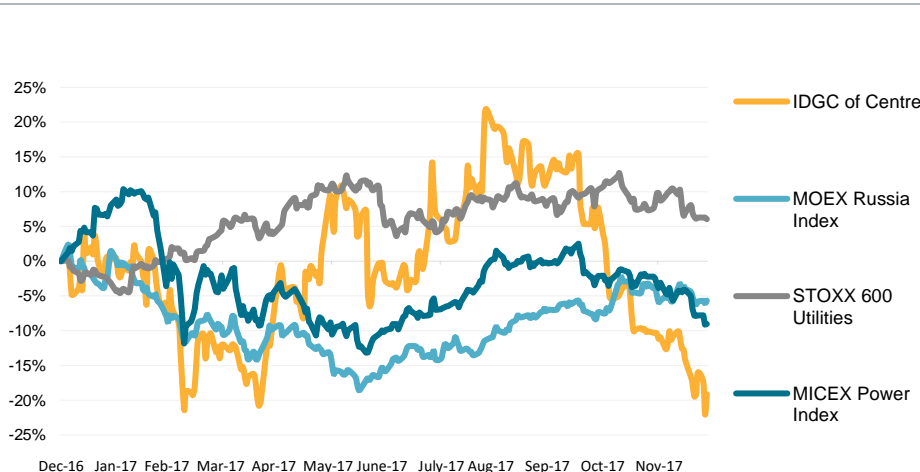
COMPANY NEWS

Smolenskenergo continues to systematically collect debts from unscrupulous citizens

IDGC of Centre - Smolenskenergo division continues to collect receivables for services rendered for electric power transmission. All available mechanisms of administrative and legal influence on non-payers are used. The main measure is still claims and lawsuits and enforcement actions conducted jointly with the Federal Service of Court Marshals.

Read full text: <https://glavnayatema.com/?p=35014>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MOEX Russia	2 106,17	0,44%	-5,67%
S&P 500	2 682,62	0,08%	19,82%
FTSE 100	7 620,68	0,37%	6,69%
DAX	13 070,02	-0,02%	13,84%
DJStoxx 600	390,54	0,07%	8,06%
Nikkei	22 911,21	0,08%	19,86%
Sensex	33 911,81	-0,29%	27,36%
CSI300	3 991,21	-1,54%	20,58%
Bovespa	76 072,54	0,48%	26,31%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
USD/RUB	57,73	-0,80%	-4,82%
EURO/RUB	68,54	-0,80%	7,41%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 287,18	0,32%	12,17%
Brent*, USD/bbl	66,44	-0,87%	13,36%

* - February futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3615	15,26	264,35
IDGC of Centre & Volga Reg	0,3089	34,81	602,98

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.16
STOXX 600 Utilities	-0,21%	6,04%
MICEX POWER Index	0,12%	-9,01%
IDGC of Centre**	3,73%	-19,13%
IDGC of Centre and Volga Region**	0,47%	101,28%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-0,04%	-29,76%
FGC UES	-0,67%	-20,08%
IDGC of Volga	-0,55%	78,39%
MOESK	1,11%	1,34%
IDGC of Northern Caucasus	-2,94%	-17,69%
IDGC of North-West	-1,38%	-8,91%
IDGC of Urals	-0,72%	25,53%
IDGC of Siberia	0,00%	32,62%
IDGC of South	-3,72%	13,55%
Lenenergo, ordinary shares	-4,31%	-15,26%
TRK, ordinary shares	0,00%	-24,79%
Kubanenergo	-1,52%	-10,34%

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