

# DAILY MARKET REVIEW

6 April, Thursday

2017



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 05 April some positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 grew by 0.1-0.2%, led by shares of oil and gas companies. In general, writes Reuters, investors are waiting for a good reporting season, but at the same time assess chances of implementing large-scale fiscal stimulus. As analysts say, even if corporate reporting proves to be good, the US market can be adjusted without significant tax cuts, which has already been taken into account in the trends of the indices. On Wednesday the main country stock indices of the Asia-Pacific region added on average 0.5% following the US market. The leader of growth in the region was the Chinese CSI300 index, rising 1.4% after two days off. China's stock market was supported by the expectation of a meeting between the US President and the PRC President scheduled for this week and media reports on a large-scale infrastructure project – the Chinese authorities intend to build a huge new city whose area should triple the size of New York. June Brent futures traded near the mark of \$54.5 per barrel, \$0.6 above the closing level on 04 April. Oil prices were supported by the unexpectedly large reduction in fuel stocks in the US – the data of the American Petroleum Institute showed a drop in crude oil reserves by 1.83 million barrels, gasoline stocks – by 2.56 million barrels.

The key driver for the trend of the Russian market on Wednesday was changes of oil prices. In the middle of the day the MICEX Index added about 1.5% after the increase in Brent quotations to around \$55 per barrel. In the second half of trading the growth rate of the MICEX Index fell by one third after the oil price dropped to \$54 per barrel, triggered by the report of the US Department of Energy on the growth of oil reserves in the country by 1.5 million barrels. The European and American statistics published throughout the day were generally neutral and had no significant effect on the changes of the stock markets. In the Eurozone in March the composite business activity index updated the record for the last six years, but it turned out to be below the forecast. In the US in March the number of jobs (according to the ADP version) increased by the maximum since December 2014 263 thousand, while the index of business activity in the service sector fell more than forecasts. At the end of the day the MICEX Index returned to the session highs after positive start of trading in the US, where the main indices showed a half-percentage growth.

As a result of the trading session the MicexPWR Sector Index looked worse than the broad market. A significant contribution to the MicexPWR lagging trend in comparison with the MICEX Index was made by shares of FGC UES and Rosseti, which closed the trades near the zero mark under pressure of continuing uncertainty in the matter of dividends for 2016.

## ELECTRIC POWER INDUSTRY NEWS

**The level of dividends should become a KPI for the management of state-owned companies, it is necessary to finance investment programs at the expense of borrowed resources, says Mr. Siluanov**

The level of payment of dividends for state-owned companies should be an indicator of the effectiveness of management, and for investment programs it is necessary to raise borrowed funds, said the head of the RF Ministry of Finance Anton Siluanov.

Read full text: <http://www.bigpowernews.ru/news/document76215.phtml>

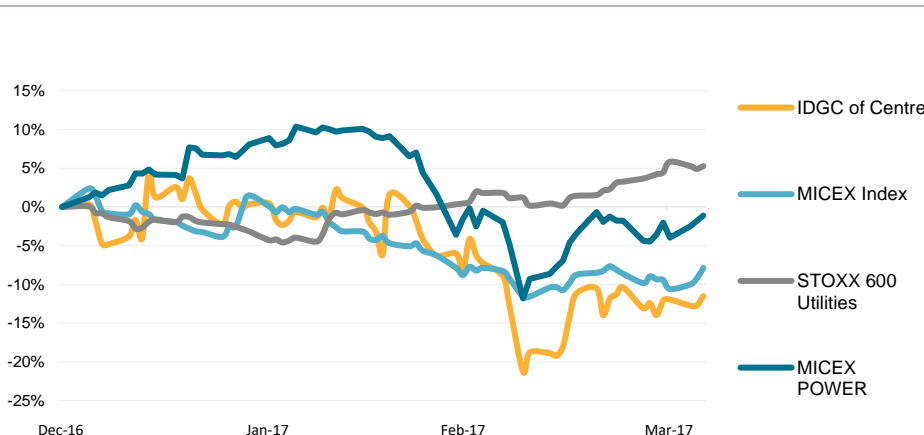
## COMPANY NEWS

**Since the beginning of the year Lipetskenergo's specialists identified 114 illegal connections to grids**

During the period from January to March 2017, specialists of IDGC of Centre – Lipetskenergo division conducted 46 raids in their service area to identify the theft of electricity.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/59595/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 056,32	1,51%	-7,90%
S&P 500	2 352,95	-0,31%	5,10%
FTSE 100	7 331,68	0,13%	2,64%
DAX	12 217,54	-0,53%	6,41%
DJStoxx 600	380,09	0,02%	5,17%
STOXX Utilities	291,33	0,34%	5,26%
Nikkei	18 861,27	0,27%	-1,32%
Sensex	29 974,24	0,21%	12,57%
CSI300	3 503,89	1,38%	5,86%
Bovespa	64 774,77	-1,51%	7,55%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,06	-0,13%	1,24%
USD/RUB	56,56	0,74%	-6,76%
Euro/RUB	60,24	0,58%	-5,59%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 255,76	-0,04%	9,43%
Brent*, USD/bbl	54,36	0,35%	-6,98%

\* - June futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3955
Capitalisation**, billion RUB	16,70
Capitalisation**, million USD	295,24

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,73%	-1,11%
Shares of IDGC of Centre**	1,41%	-11,52%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	0,25%	-13,41%
FGC UES	0,08%	-7,01%
IDGC of Volga	0,84%	7,68%
MOESK	-0,20%	10,69%
IDGC of Northern Caucasus	3,51%	-13,15%
IDGC of Centre and Volga Reg	0,12%	8,72%
IDGC of North-West	0,43%	-14,55%
IDGC of Urals	-1,64%	-8,81%
IDGC of Siberia	0,45%	-19,83%
IDGC of South	1,28%	-24,62%
Lenenergo, ordinary shares	0,00%	-7,72%
TRK, ordinary shares	0,00%	-10,08%
Kubanenergo	1,86%	6,78%

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