

DAILY MARKET REVIEW

12 April, Thursday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 11 April some neutral external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed with a rise of 1.7-1.8% due to signs of easing tension in the US-China trade relations. According to media reports, Donald Trump welcomed the PRC president's promise to give foreign companies greater access to the financial and manufacturing sectors of the country, to increase imports, and to improve the protection of intellectual property and provide a more transparent and manageable environment for foreign investment. China also plans to reduce tariffs on imported cars and allow foreign automakers to own larger shares in joint ventures to produce cars in the country. At the same time, the markets remain nervous due to the increased geopolitical risks in the Middle East. The media reports that the international coalition can make an air strike on Syria in response to the possible use of chemical weapons by government forces are becoming more insistent. Against this background, on Wednesday futures for US indices lost about half a percent, the composite stock index of the Asia-Pacific region MSCI Asia Pacific traded near zero, with different changes of the main country indices. June Brent futures traded near \$70.8 per barrel, \$0.3 higher than our closing on 10 April. Oil quotes renewed their maximum for almost three years on fears that the situation in Syria could lead to interruptions in the supply of fuel from the Middle East.

Increased volatility due to geopolitical tensions remained at the Russian market on Wednesday. In the morning, the MOEX Russia Index continued its recovery after the sell-off on Monday, adding more than 2% due to the weakening of the ruble to the lows of 2016 and the rise in Brent quotes above \$71 per barrel. In the middle of the trading session, domestic assets were pressured by Donald Trump's Twitter message, in which the US president called on Russia to "prepare" to reflect the US missile attack on Syria and criticized the authorities for supporting the Syrian President Bashar Assad. Before that, the Russian ambassador to Lebanon stated that the Russian side reserves the right to shoot down all missiles in case of US aggression against Syria. Market participants fear an aggravation of the situation around Syria, as it may threaten with new anti-Russian sanctions affecting, among other things, Russia's debt securities. At the end of the day, the domestic market was supported by Brent crude oil prices, which rose to \$73 per barrel, for the first time since 2014. Traders in the oil market continue to lay a geopolitical premium – on Wednesday evening, the deadline to which the US president promised to announce the punishment of Damascus for the alleged chemical attack expires.

During the trading session the MicexPWR Sector Index underperformed. Due to the weakening of the ruble and rising prices for raw materials, export-oriented industries still look better than sectors that work for domestic demand.

ELECTRIC POWER INDUSTRY NEWS

Pavel Livinsky: "Despite the increase in the number of dangerous weather phenomena, Rosseti has improved the reliability of power supply"

Director General of the company "Rosseti" Pavel Livinsky during his speech at the final meeting of the enlarged Collegium of the Ministry of Energy of the Russian Federation noted that in 2017 the power engineers continued to improve production performance due to special attention paid to training specialists and preparation of equipment for peak loads.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=32879

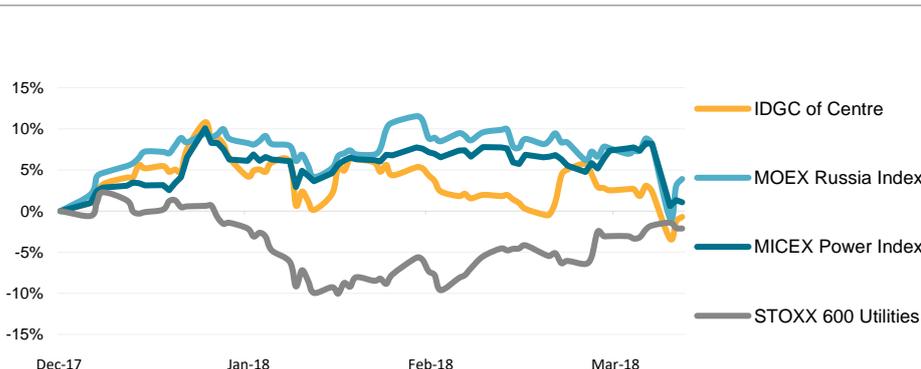
COMPANY NEWS

In 2018 Smolenskenergo to install 2,615 bird protection devices on overhead power lines

IDGC of Centre - Smolenskenergo division pays special attention to ensuring environmental safety of production activities.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/63650/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2192,15	0,85%	3,91%
S&P 500	2655,15	-0,06%	-0,69%
FTSE 100	7257,14	-0,13%	-5,60%
DAX	12293,97	-0,83%	-4,83%
DJStoxx 600	376,18	-0,59%	-3,34%
Nikkei	21687,1	-0,49%	-4,73%
Sensex	33940,44	0,18%	-0,34%
CSI300	3938,34	0,28%	-2,30%
Bovespa	85262,34	0,89%	11,60%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	62,3699	6,49%	8,23%
EURO/RUB	76,8522	6,91%	11,73%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1361,58	1,65%	4,49%
Brent*, USD/bbl	72,51	2,07%	8,43%

* - June futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares	Price**, ₺	Change	
		₺ bln	MCap**, \$ mln
IDGC of Centre	0,3535	14,92	239,28
IDGC of Centre & Volga Reg	0,3092	34,85	558,70

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,06%	-2,12%
MICEX POWER Index	-0,25%	1,07%
IDGC of Centre**	0,57%	-0,70%
IDGC of Centre and Volga Region**	-2,00%	2,49%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-1,87%	-9,08%
FGC UES	0,98%	4,88%
IDGC of Volga	-2,32%	4,53%
MOESK	-0,56%	-21,69%
IDGC of Northern Caucasus	1,18%	-10,94%
IDGC of North-West	0,00%	-17,31%
IDGC of Urals	0,24%	-1,91%
IDGC of Siberia	9,68%	3,93%
IDGC of South	-0,98%	-15,38%
Lenenergo, ordinary shares	0,72%	17,08%
TRK, ordinary shares	-2,29%	-7,82%
Kubanenergo	-0,94%	-19,13%

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