

# DAILY MARKET REVIEW

30 October, Monday

2017



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed with an increase of 0.1-0.3%, including through the tax reform promotion. The day before the lower house of Congress approved the draft law on the budget, which will allow the Senate to approve the tax reform by a simple majority, for which the Republicans have enough votes. Even after the closure of the US exchanges, the American IT giants, including Amazon, Microsoft and Alphabet, provided good reporting, which supported Asian markets – on Friday the composite index of the Asia-Pacific region MSCI Asia Pacific added about 0.5%. December Brent futures traded near \$59.4 per barrel, \$0.8 higher than our closing on Thursday. Positive background for oil prices was the statement of Crown Prince of Saudi Arabia, who spoke in favour of extending the OPEC+ deal after March 2018.

On Friday the Russian market was dominated by buyers, the MICEX Index closed trading with a growth of 1.1%. Investors were supported by an increase in oil prices – at the end of the day Brent quotes exceeded \$60 per barrel for the first time since July 2015, and maintaining optimistic sentiments on Western markets. The Stoxx Europe 600 Index during the day added about 0.5% on good reporting by regional companies and the continuing weakening of the euro after the ECB meeting. Trades in the US began with the update of the record by the S&P500 index on good statistics – the GDP growth in the third quarter surpassed the forecast and amounted to 3% in annual terms, and strong reporting by high-tech companies. An additional positive factor for the export-oriented market of the Russian Federation was the weakening of the ruble against the dollar – the US currency continued to strengthen after the publication of data on GDP changes. The decision of the Bank of Russia to reduce the key interest rate by 0.25 p.p. to 8.25% was expected by investors and had no significant impact on the Russian market. At the same time, analysts drew attention to the fact that in the press release the regulator retained an indication of the likely continuation of the monetary policy softening: "The Bank of Russia allows for further reduction of the key rate at next meetings."

As a result of the trading session the MicexPWR Sector Index looked somewhat worse than the broad market, mainly due to shares of FGC UES, which lost 0.9%, despite strong RAS financials for 9M2017 – adjusted net profit increased by 35% y/y to RUB 26.9 bn. Shares of Rosseti, which closed trading significantly better than the market, were supported by a statement of Deputy Head of the holding Yevgeny Olkhovich that Rosseti is preparing to propose a new approach to its dividend policy to increase the market capitalization, and a statement by a representative of the Ministry of Economic Development that the dividend policy of Rosseti should depend on the efficiency of work, and not on the tariff size.

## ELECTRIC POWER INDUSTRY NEWS

**"Rosseti" assured investors that they will continue to pay dividends, but is working to change the dividend policy**

Last Friday, Deputy Director General of Rosseti Yevgeny Olkhovich assured Interfax that the state holding is ready to offer shareholders a new approach to dividend policy. This is necessary to increase capitalization, the top manager noted, Vedomosti reports.

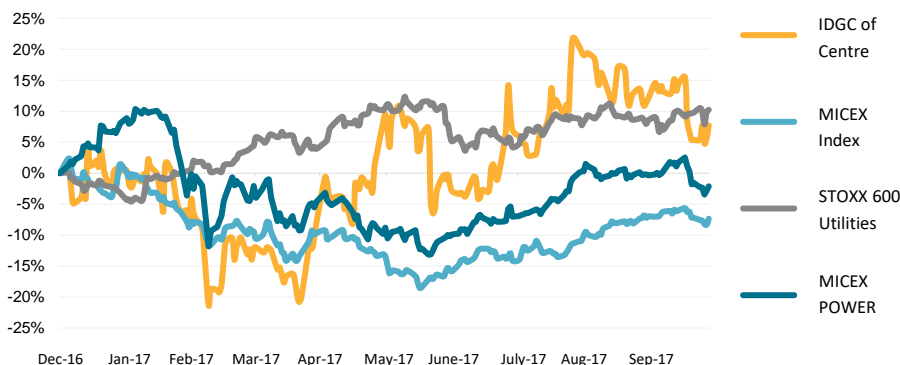
Read full text: <http://www.bigpowernews.ru/news/document80352.phtml>

## COMPANY NEWS

**IDGC of Centre has published its financial statements under RAS for 9 months of 2017, Earnings before Interest, Taxation, Depreciation & Amortisation (EBITDA) increased by 15,2%**

Read full text: [https://www.mrsk-1.ru/investors/presentations/ir\\_news/62230/](https://www.mrsk-1.ru/investors/presentations/ir_news/62230/)

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 068,76	1,08%	-7,34%
S&P 500	2 581,07	0,81%	15,29%
FTSE 100	7 505,03	0,25%	5,07%
DAX	13 217,54	0,64%	15,12%
DJStoxx 600	393,43	0,55%	8,86%
STOXX Utilities	305,09	0,35%	10,23%
Nikkei	22 008,45	1,24%	15,14%
Sensex	33 157,22	0,03%	24,53%
CSI300	4 021,97	0,71%	21,51%
Bovespa	75 975,71	0,10%	26,15%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,16	-0,63%	10,37%
USD/RUB	57,76	0,26%	-4,77%
Euro/RUB	68,29	0,76%	7,02%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 273,35	0,50%	10,97%
Brent*, USD/bbl	60,44	1,92%	2,91%

\* - December futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4815
Capitalisation**, billion RUB	20,33
Capitalisation**, million USD	351,91

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,71%	-2,11%
Shares of IDGC of Centre**	2,01%	7,72%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	2,51%	-17,20%
FGC UES	-0,91%	-20,03%
IDGC of Volga	0,18%	94,64%
MOESK	-1,29%	-5,90%
IDGC of Northern Caucasus	-1,30%	-14,06%
IDGC of Centre and Volga Reg	1,28%	113,38%
IDGC of North-West	5,19%	10,55%
IDGC of Urals	1,65%	12,46%
IDGC of Siberia	1,00%	56,27%
IDGC of South	2,45%	-4,20%
Lenenergo, ordinary shares	1,60%	-7,90%
TRK, ordinary shares	0,00%	-15,97%
Kubanenergo	-0,50%	-9,20%

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**