



## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 21 December some neutral external background formed on the Russian market. On Wednesday the major US indices DJIA and S&P500 closed with a slight decrease of 0.1% after the final approval by the US Congress of a bill laying the foundation for a large-scale tax reform. The document has been sent for signing to US President Donald Trump, for whom it will be the first major victory in fulfilling election promises. As analysts say, investors prefer to record profits on the fact of adoption of the reform, as since the victory of Mr. Trump in the presidential elections in the US the stock market has grown by more than 25%. On Thursday the main country indices of the Asia-Pacific region did not demonstrate a single trend. The decision of the Japanese Central Bank, which as expected retained the current aggressive stimulating monetary policy, could not support the Japanese Nikkei225, which lost 0.1%. In turn, positive background for the Chinese CSI300, which added 0.9%, was the results of the Central Economic Work Conference, according to which the PRC government will soften the policy of restricting lending in its economic program for 2018. February Brent futures traded near \$ 64.6 per barrel, \$0.6 higher than the closing level on 20 December. Quotes rose on the message of the US Department of Energy about a significant reduction in oil reserves in the country last week – by 6.5 million barrels, twice the forecast.

On Thursday the domestic market was dominated by sellers for the fifth consecutive session – in the middle of the day the loss of the MOEX Russia Index reached a percent. LUKOIL and Tatneft, which fell 1.2% and 5.7%, respectively, after the ex-dividend date, acted as the drivers of the decline. Securities of the financial sector continue to underperform – after the Central Bank took the systemically meaningful Promsvyazbank for sanation, Vedmosti writes, under the control of the Central Bank in addition to Sberbank, now there are seven banks – a serious result for six months. Preservation of geopolitical tension was facilitated by the news of the American media about the approval by the US administration of small arms deliveries to Ukraine and the official extension of EU economic sanctions against Russia for another six months. The European Stoxx Europe 600 Index traded near zero in anticipation of results of the early parliamentary elections in Catalonia. At the end of the day the markets were supported by good US statistics, where, despite the revision of the estimate of the US GDP growth in the third quarter from 3.3% to 3.2%, the rate of increase is record since the beginning of 2015.

During the trading session the MicexPWR Sector Index outperformed. The main contribution to the MicexPWR outperformance in comparison with the MOEX Russia Index was made by RusHydro's shares, which adjusted after active sales at the beginning of the week.

## ELECTRIC POWER INDUSTRY NEWS

### More transparency

The coming 2018 will bring with it a number of changes in the tariff sphere. From 1 July, the premium of suppliers of last resort to the price of electricity will be calculated according to a new scheme - using the method of comparison of analogues or reference sales. As a result, all the suppliers of last resort operating in the same subject of the Russian Federation will receive equal conditions. For them, a competitive environment is created so that the consumer chooses the most efficient supplier.

Read full text: <https://rg.ru/2017/12/20/s-1-iuliia-izmeniatsia-pravila-ustanovleniia-tarifov-na-elektroenergiju.html>

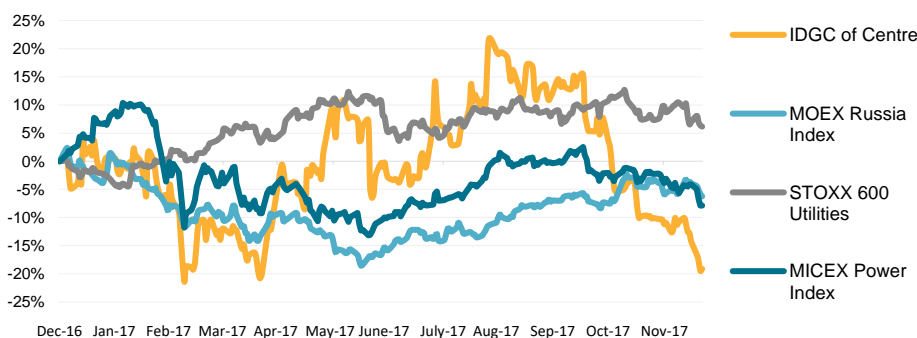
## COMPANY NEWS

### Electric grids reconstructed in the Yaroslavl region

More than 50 power lines and a kilometre of new wire. Power engineers of the city of Danilov are completing large-scale reconstruction of electric grids in two districts of the city.

Read full text: <http://gtk.tv/news/79741.ns>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MOEX Russia	2093,38	-0,46%	-6,24%
S&P 500	2687,49	0,31%	20,04%
FTSE 100	7601,88	1,02%	6,43%
DAX	13110,06	0,31%	14,19%
DJStoxx 600	390,58	0,57%	8,07%
Nikkei	22866,1	-0,11%	19,63%
Sensex	33756,28	-0,06%	26,78%
CSI300	4067,85	0,93%	22,89%
Bovespa	74366,22	1,36%	23,48%

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

Currency rates	Value	Change	
		per day	fr 31.12.16
USD/RUB	58,717	0,18%	-2,58%
EURO/RUB	69,5033	0,48%	10,29%

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

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1265,99	0,03%	9,87%
Brent*, USD/bbl	64,65	0,14%	13,78%

\* - February futures

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

Shares	Price**, ₺	MCap**, ₺ bln	
		MCap**, \$ mln	MCap**, \$ mln
IDGC of Centre	0,3615	15,26	259,92
IDGC of Centre & Volga Reg	0,2995	33,75	574,84

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.16
STOXX 600 Utilities	-0,22%	6,15%
MICEX POWER Index	-0,04%	-7,89%
IDGC of Centre**	0,42%	-19,13%
IDGC of Centre and Volga Region**	-0,83%	102,36%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	0,70%	-28,53%
FGC UES	-0,06%	-19,66%
IDGC of Volga	-0,64%	80,54%
MOESK	3,69%	-3,12%
IDGC of Northern Caucasus	-3,03%	-20,18%
IDGC of North-West	-2,07%	-5,45%
IDGC of Urals	-0,24%	25,23%
IDGC of Siberia	-0,45%	33,21%
IDGC of South	-0,35%	9,35%
Lenenergo, ordinary shares	-1,10%	-10,26%
TRK, ordinary shares	0,00%	-23,11%
Kubanenergo	-1,51%	-17,47%

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**