

DAILY MARKET REVIEW

8 December, Friday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 7 December some moderately negative external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed with a decline of 0.2% – renewed purchases in shares of technology companies were offset by a fall in the commodity sector, following a sharp reduction in the price of oil. Nervousness to investors was added by President Donald Trump's statement that he does not exclude the suspension of the government's work, if lawmakers do not agree on the country's budget for 2018 and raise the ceiling of the state debt until Friday. On Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific added about 0.3% within the correction from a minimum in six weeks after eight days of decline in a row. February Brent futures traded near \$61.3 per barrel, \$0.9 lower than the closing level on 6 December. Pressure on the Brent quotes, which on Wednesday lost 2.6%, was provided by the US Department of Energy data on a sharp increase in gasoline reserves in the country last week and the growth of production in the country to a record level of 9.7 million barrels per day.

The MOEX Russia Index spent the first half of the trading session in a small minus within half a percent, playing back a correction on the oil market in conditions of moderately positive sentiments on European exchanges. The European Stoxx Europe 600 Index added about a third of a percent on good statistics – the volume of orders of industrial companies in Germany increased in October despite the forecast, the Eurozone's GDP in the third quarter increased by 2.6%, while a 2.5% increase was previously reported. In the second half of the day, sales in the domestic market intensified after the news of a new lawsuit filed by Rosneft and Bashneft against AFK Sistema for 132 billion rubles. The amount of the claim, explained Rosneft, corresponds to the amount of dividends withdrawn from Bashneft by the defendant from 2009 to 2014. Thus, the total amount of claims of Rosneft to Sistema doubled and exceeded 260 billion rubles. Against this backdrop, the MOEX Russia Index, having lost a percent, closed trading near daily lows, despite the rise of Brent quotations to around \$62 per barrel and improvement in sentiment on the western markets after the start of trading in the US with a slight increase in major indices.

During the trading session the changes of the MicexPWR Sector Index in general corresponded to the MOEX Russia Index. The main contribution to the final MicexPWR decline was made by shares of Inter RAO and RusHydro.

ELECTRIC POWER INDUSTRY NEWS

A new program for modernization of power capacities in Russia to be finalized in the coming months

Details of a new program for modernization of power capacities, which will replace the program of the Capacity Supply Agreement that is coming to an end this year will be finalized in the coming months. This was announced on Wednesday in an interview with Gazeta.Ru of the head of the Ministry of Economic Development of Russia Maxim Oreshkin.

Read full text: <http://tass.ru/ekonomika/4790903>

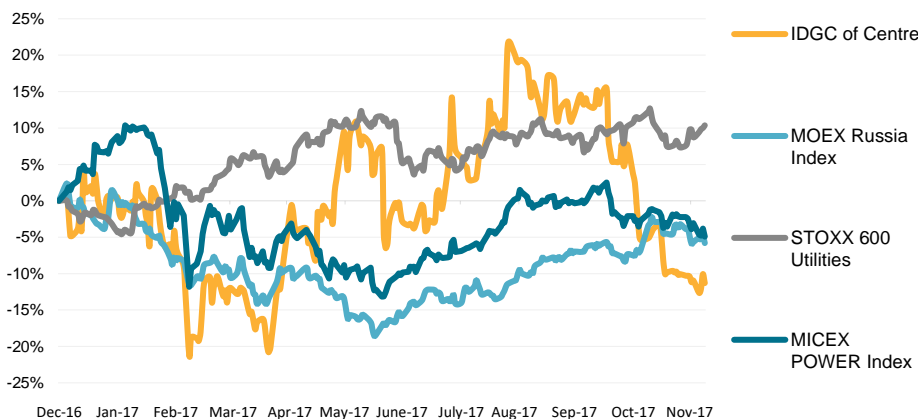
COMPANY NEWS

IDGC of Centre completed the reconstruction of a large feeding centre in Tambov

Specialists of IDGC of Centre - Tambovenergo division have completed the reconstruction of one of the major power centres of Tambov - the 110/35/6 kV Substation "Pigment". Work at the power facility lasted from July. The power engineers upgraded the relay protection and automation of transformers, replaced part of the substation's equipment with more modern and safe samples, and carried out a number of other works.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/62571/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MOEX Russia	2 103,15	-0,99%	-5,80%
S&P 500	2 636,98	0,29%	17,78%
FTSE 100	7 320,75	-0,37%	2,49%
DAX	13 045,15	0,36%	13,62%
DJStoxx 600	386,41	0,02%	6,91%
Nikkei	22 498,03	1,45%	17,70%
Sensex	32 949,21	1,08%	23,75%
CSI300	3 971,06	-1,11%	19,97%
Bovespa	72 487,45	-1,07%	20,36%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
USD/RUB	58,93	0,40%	-2,85%
EURO/RUB	69,71	0,11%	9,24%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 247,22	-1,28%	8,69%
Brent*, USD/bbl	62,20	1,60%	6,13%

* - February futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3965	16,74	284,07
IDGC of Centre & Volga Reg	0,3089	34,81	590,76

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.16
STOXX 600 Utilities	0,33%	10,37%
MICEX POWER Index	-1,16%	-4,93%
IDGC of Centre**	-1,37%	-11,30%
IDGC of Centre and Volga Region**	-2,31%	102,91%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	0,05%	-27,41%
FGC UES	0,22%	-20,94%
IDGC of Volga	-1,68%	87,68%
MOESK	-0,24%	-7,46%
IDGC of Northern Caucasus	-0,58%	-22,45%
IDGC of North-West	-4,57%	-1,27%
IDGC of Urals	-1,41%	27,66%
IDGC of Siberia	0,00%	37,40%
IDGC of South	-0,54%	5,53%
Lenenergo, ordinary shares	1,33%	-3,09%
TRK, ordinary shares	0,00%	-15,97%
Kubanenergo	-2,60%	-13,91%

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