

# DAILY MARKET REVIEW

15 January, Monday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 12 January some neutral external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 added 0.7-0.8%, updating their historical records. Securities of commodity companies outperformed after the rise in prices for oil and metals, as well as shares of industrial enterprises on optimism for the world economy. The World Bank raised its forecast for the world GDP growth in 2018 by 0.2 p.p., to 3.1%, while the forecast for the US GDP for 2018 and 2019 was improved by 0.3 p.p. – to 2.5% and 2.2%, respectively. On Friday the composite index of the Asia-Pacific region MSCI Asia Pacific added about a third of a percent, including with good statistics on China's trade balance. In December exports from China exceeded the expectations of economists, while imports slowed significantly. Negative exception in the Asian session was the Japanese Nikkei225, which lost 0.2% due to the continued strengthening of the yen. March Brent futures traded near \$69.2 per barrel, \$0.5 lower than the closing level on 11 January. Oil prices were adjusting after the update on Wednesday of a three-year high above \$70 per barrel on the OPEC chief's statement that in 2018 the world oil market will be balanced, and the OPEC+ deal to reduce production will last until the end of 2018 and will not be completed ahead of time.

On Friday the Russian market was dominated by corrective sentiment after a confident rally since the beginning of the year. The MOEX Russia Index closed with an increase of 0.7% only due to a 6% jump in Lukoil's "heavy" index shares, supported by decisions of the board of directors on the repayment of most treasury securities (about 12% of the authorized capital) and buying back. In addition, the activity of sellers in our market was limited to stable oil prices around \$69 per barrel and moderately positive changes of the western markets. The European Stoxx Europe 600 Index added about a third of a percent on media reports that the CDU/CSU alliance of Chancellor Angela Merkel succeeded in reaching a preliminary agreement with the Social Democrats on the formation of a coalition government of Germany. Trading in the US began with growth within half a percent with the next update of records of the main indices – investors were supported by quarterly statements of JPMorgan and BlackRock, and good statistics on inflation and retail sales in December.

As a result of the trading session the MicexPWR Sector Index underperformed, the negative changes were demonstrated by the majority of the most liquid and capitalized shares of electricity companies. The main contribution to the MicexPWR decline in antiphase with the MOEX Russia Index was made by shares of Rosseti and RusHydro.

## ELECTRIC POWER INDUSTRY NEWS

### The Ministry of Energy proposed its way to share 1 trillion rubles

President Vladimir Putin at the end of last year approved the idea of attracting new investments to upgrade thermal power plants. But he put the conditions: tariffs should not rise above inflation, the modernization program should take into account the need for development of power grids, renewable energy facilities, nuclear power plants, stations in remote areas.

Read full text: <https://www.vedomosti.ru/business/articles/2018/01/15/747751-minenergo-razdelit-1-trln>

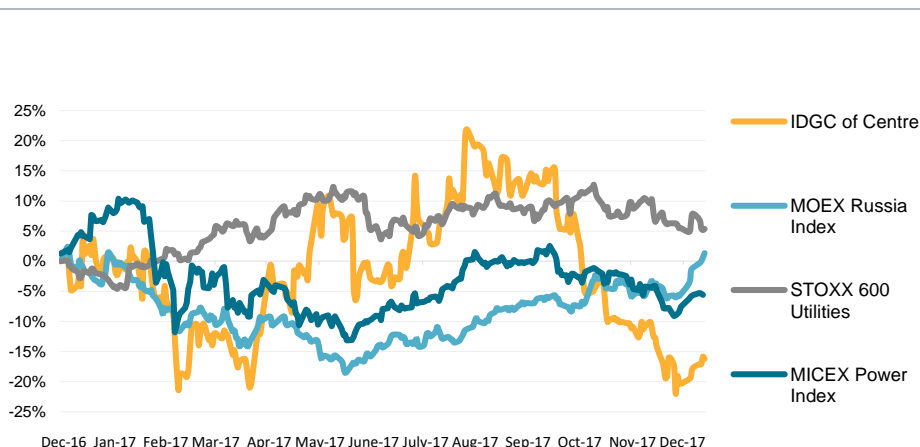
## COMPANY NEWS

### IDGC of Centre to take an active part in events of the Year of Safety Culture in the Kursk region

2018 has been declared in the Kursk region as the Year of Life Safety Culture of the population. IDGC of Centre - Kurskenergo division will actively participate in the implementation of activities aimed at enhancing the safety culture in various areas of activity of organizations and the population of the region.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/62848/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 262,38	0,71%	7,24%
S&P 500	2 786,24	0,67%	4,21%
FTSE 100	7 778,64	0,20%	1,18%
DAX	13 245,03	0,32%	2,53%
DJStoxx 600	398,49	0,31%	2,39%
Nikkei	23 653,82	-0,24%	3,90%
Sensex	34 592,39	0,26%	1,57%
CSI300	4 225,00	0,46%	4,82%
Bovespa	79 349,12	-0,02%	3,86%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	57,00	0,22%	-1,10%
EURO/RUB	68,06	0,26%	-1,06%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 337,64	1,15%	2,67%
Brent*, USD/bbl	69,87	0,88%	4,49%

\* - March futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3745	15,81	277,40
IDGC of Centre & Volga Reg	0,3089	34,81	610,79

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,19%	5,35%
MICEX POWER Index	-0,24%	3,13%
IDGC of Centre**	-0,40%	5,20%
IDGC of Centre and Volga Region**	-0,59%	-0,20%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-1,76%	0,89%
FGC UES	-0,48%	1,57%
IDGC of Volga	-1,77%	2,44%
MOESK	-0,56%	-2,11%
IDGC of Northern Caucasus	0,50%	3,91%
IDGC of North-West	1,28%	6,35%
IDGC of Urals	-0,87%	8,83%
IDGC of Siberia	-0,43%	2,18%
IDGC of South	-2,34%	4,52%
Lenenergo, ordinary shares	-0,75%	9,58%
TRK, ordinary shares	0,80%	1,35%
Kubanenergo	-2,68%	-2,55%

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