

# DAILY MARKET REVIEW

26 February, Monday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 22 February some moderately negative external background formed on the Russian market. The US indices DJIA and S&P500, during the day having added more than a percent, closed trading by a decrease of 0.5-0.7%. The rally in the market, according to MarketWatch, was replaced by a fall after the publication of minutes of the January's meeting of the Fed, pointing to the strengthening of the US economy and the increase in the likelihood of a greater number of interest rate hikes in 2018. This piece of news pushed the dollar to rise and led to a jump in the yield of ten-year US government bonds to a four-year high of 2.95% per annum. On Thursday, following the decline in the US indices, the composite index of the Asia-Pacific region MSCI Asia Pacific lost about a percent. At the same time, the Chinese CSI300 grew by 2.2% after the resumption of the work of the exchanges of mainland China after a long weekend related to the celebration of the New Year by the lunar calendar. April Brent futures traded near \$64.9 per barrel, \$0.2 lower than the closing level on 21 February. Strengthening of the dollar after the publication of the minutes of the Federal Reserve neutralized the positive data of the American Petroleum Institute, which reported a reduction in fuel stocks last week by 0.9 million barrels.

After a half-percentage decline at the beginning of the day, the MOEX Russia Index soon consolidated in a small plus within half a percent – taking profit in a number of the first-tier shares after the 2% rise of the Russian market on Wednesday was compensated by the confident growth of shares of Magnit and VTB. On European markets sentiment was more pessimistic, the Stoxx Europe 600 Index in the middle of the day lost about a percent under the pressure of negative closing of US exchanges and weak statistics. The UK GDP growth estimate in 2017 was revised from 1.8% to 1.7%, which is the minimum increase since 2012, in Germany in February the index of confidence in the economy of the country was worse than expectations. In the second half of the trading session the activity of buyers in our market got intensified, the MOEX Russia Index updated the historical maximum. Investors were supported by good statistics from the USA, where data on applications for unemployment benefits and the index of leading economic indicators were better than expectations, and the beginning of trading in the US with more than a half-percentage increase in major indices.

During the trading session the MicexPWR Sector Index underperformed. The main contribution to the final MicexPWR decline in antiphase with the MOEX Russia Index was made by shares of FGC UES, which were pressured by the RAS financials for 2017. The company's revenue decreased by 1.1% y/y, to 216.0 billion rubles, the cost of production increased by 8.8% to 152.4 billion rubles, net profit and adjusted net profit decreased by 60.1% to 42.4 billion rubles, and by 21.3% to 46.6 billion rubles, respectively. In general, the RAS financials for 2017 became the main driver for changes of a number of securities of IDGCs on Friday. In particular, shares of IDGC of Volga, which increased net profit by 3.4 times compared to 2016, to 4.6 billion rubles, grew by 5.3%, while shares of IDGC of North-West fell 4.0% – the company received a loss of 2.4 billion rubles against net profit a year earlier.

## ELECTRIC POWER INDUSTRY NEWS

### Rosseti announced its RAS financial results for 2017

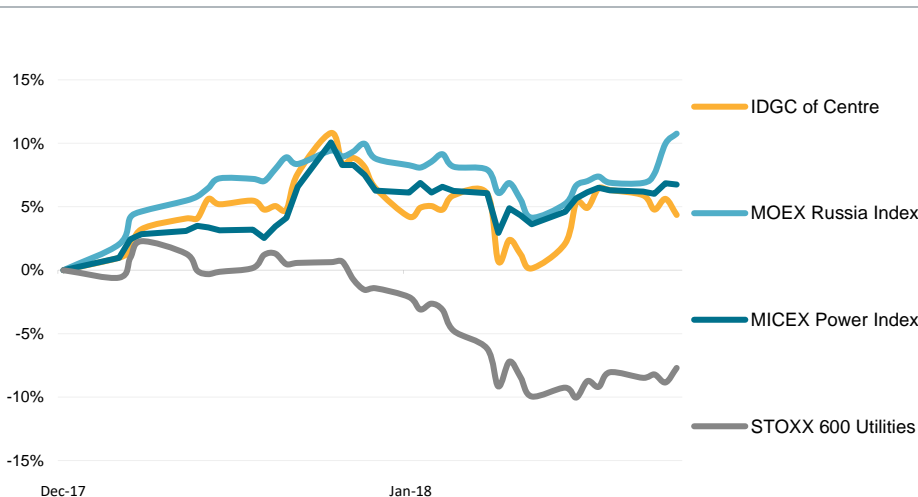
Read full text: [http://www.rosseti.ru/press/news/index.php?ELEMENT\\_ID=32658](http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=32658)

## COMPANY NEWS

### The Belgorod branch of IDGC of Centre provided an additional capacity to a plant for production of vital medicines

Read full text: <https://www.mrsk-1.ru/press-center/news/company/63222/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 336.82	0,71%	10,76%
S&P 500	2 703.96	0,10%	1,14%
FTSE 100	7 252.39	-0,40%	-5,66%
DAX	12 461.91	-0,07%	-3,53%
DJStoxx 600	380,34	-0,20%	-2,27%
Nikkei	21 736.44	-1,07%	-4,52%
Sensex	33 819.50	-0,07%	-0,70%
CSI300	4 052.73	2,16%	0,54%
Bovespa	86 686.45	0,74%	13,46%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	56,65	0,24%	-1,69%
EURO/RUB	69,81	-0,12%	1,49%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 332,05	0,56%	2,25%
Brent*, USD/bbl	66,39	1,48%	-0,08%

\* - April futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3715	15,68	276,84
IDGC of Centre & Volga Reg	0,3420	38,54	680,32

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	1,26%	-7,70%
MICEX POWER Index	-0,09%	6,76%
IDGC of Centre**	-1,20%	4,35%
IDGC of Centre and Volga Region**	0,18%	13,36%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,35%	2,89%
FGC UES	-1,52%	8,18%
IDGC of Volga	5,31%	14,95%
MOESK	0,87%	-10,12%
IDGC of Northern Caucasus	0,27%	-4,69%
IDGC of North-West	-3,97%	-2,31%
IDGC of Urals	1,49%	13,60%
IDGC of Siberia	0,00%	18,78%
IDGC of South	1,37%	-0,84%
Lenenergo, ordinary shares	-0,37%	11,25%
TRK, ordinary shares	-1,35%	-1,62%
Kubanenergo	-1,37%	-8,16%

Source: MOEX, Company calculations

\*\* - at the price of last transaction at MOEX

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**Tickers**  
Moscow Exchange (MOEX)  
Bloomberg  
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**MRKC**  
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