

DAILY MARKET REVIEW

18 January, Thursday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 17 January some moderately negative external background formed on the Russian market. The US indices DJIA and S&P500, which started the trading session on Tuesday with active growth with the update of historical highs, closed it with a decrease of 0.04-0.4%. In this case, according to FactSet, the Dow Jones reversal was the sharpest in two years – during the trades, the index rise exceeded 1%, by the end of the session the indicator went into a small minus within 0.1%. One of the reasons for the worsening of sentiment in the market, writes The Wall Street Journal, was the news that the Intelligence Committee of the House of Representatives of Congress demanded that former US presidential adviser S. Bannon should testify in court in the framework of the investigation of the so-called "Russian intervention" in presidential elections. On Wednesday the main country indices of the Asia-Pacific region showed a slight decrease within half a percent. March Brent futures traded near \$69.1 per barrel, \$0.5 lower than the closing level on 16 January. Quotations were pressured by concerns of traders that high oil prices would trigger for a significant increase in the production of shale oil in the US. In this regard, analysts recall that, according to the forecast of the US Energy Ministry, oil production in the country this year will be a record 10.3 million barrels, and in 2019 will exceed 11 million barrels per day. This is almost 20% more than last year.

Higher volatility remains on the Russian market. Playing out the unexpected turn of the American market and a decline in oil prices, the MOEX Russia Index began trading with more than a percentage drop. However, already in the middle of the day the indicator compensated for all the losses and closed the trades with a confident almost percentage growth. Investors were supported by stabilized oil prices around \$69 per barrel and moderately positive sentiment on the western markets due to good statistics from the US, where the growth in industrial production in December was the maximum in five years. The driver of the rise of the Russian market was "heavy" index securities of Gazprom, which added more than 2%.

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 growth was made by shares of RusHydro.

ELECTRIC POWER INDUSTRY NEWS

Consumption of energy in Russia grows for the second consecutive year

According to the operating data of SO UES, electricity consumption in the Unified Energy System of Russia in 2017 amounted to 1,039.7 billion kWh, which is 1.3% more than consumption in 2016. Electricity consumption in Russia as a whole in 2017 was 1,059.5 billion kWh, which is 0.5% more than in 2016.

Read full text: http://www.ng.ru/energy/2018-01-16/14_7151_consumption.html

COMPANY NEWS

Lipetskenergo sums up the results of 2017

In 2017 IDGC of Centre - Lipetskenergo division successfully fulfilled all the tasks set for the implementation of the main production programs, qualitatively prepared for the autumn-winter period. The energy company performed large-scale work to develop the power grid complex and increase the reliability of electricity supply to consumers of the Lipetsk region.

Read full text: <https://gorod48.ru/news/570074/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 277,89	0,89%	7,97%
S&P 500	2 802,56	0,94%	4,82%
FTSE 100	7 725,43	-0,39%	0,49%
DAX	13 183,96	-0,47%	2,06%
DJStoxx 600	397,97	-0,10%	2,26%
Nikkei	23 868,34	-0,35%	4,85%
Sensex	35 081,82	0,89%	3,01%
CSI300	4 248,12	-0,24%	5,39%
Bovespa	81 189,16	1,70%	6,27%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	56,39	0,05%	-2,15%
EURO/RUB	69,02	0,30%	0,35%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 326,84	-0,86%	1,85%
Brent*, USD/bbl	69,38	0,33%	3,75%

* - March futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3740	15,79	280,02
IDGC of Centre & Volga Reg	0,3089	34,81	617,37

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,10%	6,87%
MICEX POWER Index	0,88%	3,44%
IDGC of Centre**	0,27%	5,06%
IDGC of Centre and Volga Region**	0,13%	-0,27%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	1,19%	0,87%
FGC UES	0,55%	1,27%
IDGC of Volga	0,34%	1,70%
MOESK	-1,26%	-4,45%
IDGC of Northern Caucasus	-1,76%	1,82%
IDGC of North-West	0,55%	5,77%
IDGC of Urals	0,22%	9,79%
IDGC of Siberia	1,27%	4,37%
IDGC of South	2,86%	8,36%
Lenenergo, ordinary shares	-0,10%	6,77%
TRK, ordinary shares	0,00%	1,89%
Kubanenergo	3,85%	-0,13%

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