

DAILY MARKET REVIEW

21 November, Tuesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 20 November some neutral external background formed on the Russian market. On Friday the US indices DJIA and S&P500 lost 0.3% -0.4%, on Monday the composite index of the Asia-Pacific region MSCI Asia Pacific showed a comparable trend. The markets were pressured by media reports that US Special Counsel R. Mueller requested from members of the election headquarters of D. Trump documents about their contacts with Russia. According to the Financial Times, experts fear that the investigation will help delay the tax reform in the US, the implementation of which is already embedded in the value of shares. January Brent futures traded near \$62.6 per barrel, \$0.5 above the closing level on Friday, 17 November. Positive background for quotations was statements of Saudi Energy Minister that the OPEC+ countries should announce the extension of the deal to reduce production at a meeting on 30 November, as well as data on the slowing of shale activity in the US. According to a report by the oilfield service company Baker Hughes, the number of operating drilling rigs in the country last week did not change.

On Monday the MICEX Index spent the trading session with a low changing flat trend near zero. Moderately positive sentiment on European markets was offset by correction of oil prices, which fell to \$61.5 per barrel. The Stoxx Europe 600 Index in the afternoon added more than 0.5%, managing to play back the morning decline, provoked by media reports that in Germany after a month of negotiations attempts to form a ruling coalition failed. The mood of investors in Europe improved after the German president called on the parties to return to the negotiating table and resume cooperation, thus preventing early parliamentary elections.

During the trading session the MicexPWR Sector Index looked significantly better than the market. The main contribution to the final MicexPWR growth was made by shares of FGC UES, whose support was provided by good IFRS results for nine months – adjusted EBITDA increased by 7.6% y/y, to 99.5 billion rubles. Adjusted net profit increased by 11%, to 56 billion rubles.

ELECTRIC POWER INDUSTRY NEWS

Long-term tariffs for electricity to appear in Russia, the Far East to be the first to receive them, says the newspaper

The current tariff regulation in the electric power industry in the Far East impedes the implementation of a number of investment projects for development of gold deposits, and also reduces the efficiency and prospects of using hydroelectric power stations, a representative of the Ministry of Energy told Vedomosti. According to the newspaper, at the end of last week the government approved introduction of an amendment to the law on the electric power industry to the State Duma, which should improve investment case of the Far East.

Read full text: <http://www.bigpowernews.ru/markets/document80638.phtml>

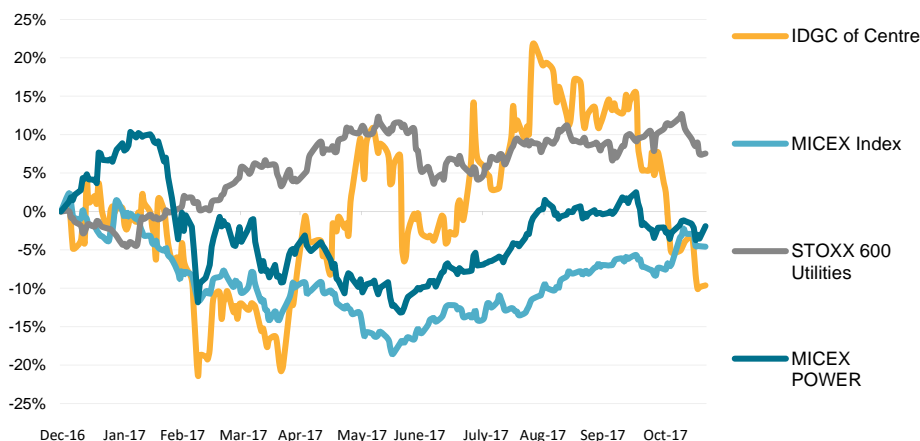
COMPANY NEWS

Since the beginning of the year, IDGC of Centre's specialists conducted more than 1,000 electrical safety lessons for children

Since the beginning of 2017, IDGC of Centre's specialists have conducted more than 1,000 lessons for children in 11 regions of the Central Federal District in the framework of the program for prevention of electrical injury.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/62411/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 130,39	-0,07%	-4,58%
S&P 500	2 582,14	0,13%	15,33%
FTSE 100	7 389,46	0,12%	3,45%
DAX	13 058,66	0,50%	13,74%
DJStoxx 600	386,39	0,67%	6,91%
STOXX Utilities	297,67	0,07%	7,55%
Nikkei	22 261,76	-0,60%	16,47%
Sensex	33 359,90	0,05%	25,29%
CSI300	4 143,83	0,56%	25,19%
Bovespa	73 437,28	0,00%	21,93%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,17	-0,36%	11,70%
USD/RUB	59,63	-0,60%	-1,69%
Euro/RUB	70,36	-0,49%	10,26%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 276,92	-1,20%	11,28%
Brent*, USD/bbl	62,22	-0,80%	6,05%

* - January futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4040
Capitalisation**, billion RUB	17,06
Capitalisation**, million USD	286,02

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	1,71%	-1,90%
Shares of IDGC of Centre**	0,25%	-9,62%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	5,00%	-20,51%
FGC UES	4,09%	-16,71%
IDGC of Volga	0,69%	96,34%
MOESK	0,47%	-5,68%
IDGC of Northern Caucasus	-0,54%	-17,01%
IDGC of Centre and Volga Reg	-0,29%	109,46%
IDGC of North-West	-1,81%	-1,64%
IDGC of Urals	-1,32%	13,98%
IDGC of Siberia	0,00%	45,76%
IDGC of South	1,41%	-3,63%
Lenenergo, ordinary shares	0,58%	-5,09%
TRK, ordinary shares	1,00%	-15,13%
Kubanenergo	0,50%	-8,05%

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

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