

DAILY MARKET REVIEW

2 April, Monday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 30 March some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 grew by 1.1-1.4% due to strong data on the economy and the recovery of technology sector shares within the correction after the last days' sales. In the US the number of applications for unemployment benefits has fallen to a minimum since 1973, the consumer confidence index in March has updated the record since 2004, the growth of expenditures and household incomes in February justified analysts' expectations. Another reason for the rise of the US market, according to some experts, was the effect of the end of the quarter – investors preferred to record profits from short positions. On Friday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.5% mainly due to the growth of the Japanese market. The value of the Nikkei225 index increased by 1.4% due to the weakening of the yen and good statistics – in February industrial production in Japan jumped at a record pace since 2011. May Brent futures closed trading on Thursday at around \$70.3 per barrel, \$0.4 above the closing level on 29 March. Oil prices were supported by information provided by Baker Hughes, an oilfield service company, about the reduction in the number of operating oil drilling rigs in the US.

In the absence of external benchmarks – the western financial exchanges are closed in connection with the celebration of Catholic Easter – the MOEX Russia Index spent the trading session flat near zero. The statement of the Ministry of Foreign Affairs of the Russian Federation that Moscow will respond equivalently and symmetrically to Western countries that ejected Russian diplomats was largely expected and did not have a significant impact on the course of trading. So, 60 American diplomats will be ejected from Russia and the US Consulate General in St. Petersburg will be closed. At the same time, the US State Department stated that Moscow's decision to expel diplomats shows that Russia is not interested in diplomacy, and Washington reserves the right to retaliate. Investors' activity was low – the ruble trading volumes were almost 4 times lower than the average value for the last 30 trading sessions, and in general since the beginning of the year.

As a result of the trading session the MicexPWR Sector Index looked significantly better than the market. The main contribution to the MicexPWR growth in antiphase with the MOEX Russia Index was made by shares of FGC UES, RusHydro and Unipro.

ELECTRIC POWER INDUSTRY NEWS

Alexander Novak told President of Russia Vladimir Putin about the results of the work of the fuel and energy complex in 2017

29 March, Minister of Energy of the Russian Federation, Chairman of the Board of Directors of Rosseti Alexander Novak briefed President of the Russian Federation Vladimir Putin on the results of the agency's work for 2017.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=32804

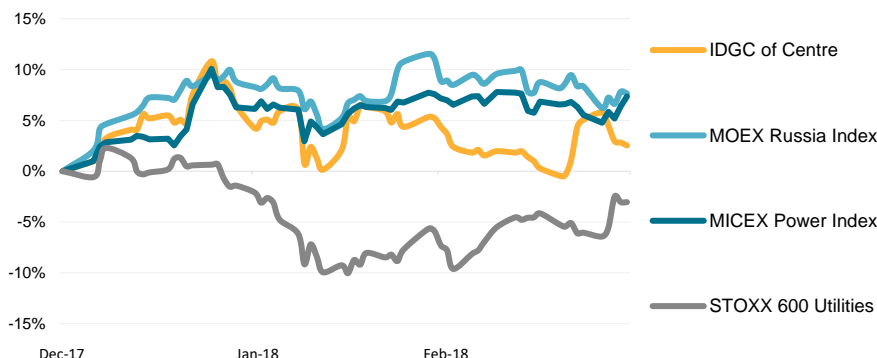
COMPANY NEWS

The repair program of Smolenskenergo in 2017 amounted to 191.31 million rubles

The repair program of IDGC of Centre - Smolenskenergo division in 2017 was implemented in full and on schedule. The total cost of repair work amounted to 191.31 million rubles. At the same time, 92.91 million rubles were spent to repair cable and overhead power lines of 0.4-110 kV, 6-110 kV substations - 48.9 million rubles, buildings and structures - 11.55 million rubles. 18.84 million rubles were spent to repair vehicles, and 19.11 million rubles - to repair means of dispatching and technological control, instrumentation, as well as relay protection and automation.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/63505/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 270,98	-0,16%	7,64%
S&P 500	2 640,87	0,00%	-1,22%
FTSE 100	7 056,61	0,00%	-8,21%
DAX	12 096,73	0,00%	-6,35%
DJStoxx 600	370,87	0,00%	-4,70%
Nikkei	21 454,30	1,40%	-5,76%
Sensex	32 968,68	0,00%	-3,20%
CSI300	3 898,50	0,11%	-3,28%
Bovespa	85 365,56	0,00%	11,73%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	57,76	0,35%	0,23%
EURO/RUB	71,09	-0,34%	3,36%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 325,48	0,00%	1,74%
Brent*, USD/bbl	69,34	0,00%	5,41%

* - May futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3650	15,41	266,77
IDGC of Centre & Volga Reg	0,3250	36,63	634,09

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,00%	-3,05%
MICEX POWER Index	0,91%	7,35%
IDGC of Centre**	-0,27%	2,53%
IDGC of Centre and Volga Region**	0,15%	7,72%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,14%	-7,44%
FGC UES	2,34%	11,82%
IDGC of Volga	0,25%	14,95%
MOESK	-0,77%	-14,35%
IDGC of Northern Caucasus	0,87%	-9,64%
IDGC of North-West	-0,42%	-7,88%
IDGC of Urals	0,00%	4,53%
IDGC of Siberia	-0,83%	4,37%
IDGC of South	0,00%	-4,18%
Lenenergo, ordinary shares	0,00%	18,02%
TRK, ordinary shares	-3,07%	-6,47%
Kubanenergo	0,98%	-8,29%

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