

DAILY MARKET REVIEW

9 February, Thursday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 08 February some neutral external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed with slight increase in the range of 0.2% – good reporting of a number of companies was levelled by decreasing oil prices. On Wednesday the composite stock index of the Asia-Pacific region MSCI Asia Pacific added 0.5%, as noted in the Bloomberg agency, due to higher quotations of Chinese enterprises in the real estate sector. April Brent futures traded near the mark of \$54.8 per barrel, or \$0.3 less than the closing level on 07 February. Oil prices fell on the American Petroleum Institute (API) data, which recorded a sharp increase in US oil inventories last week – by 14.2 million barrels. In addition, the US Energy Information Administration in the Department of Energy raised the outlook for oil production in the country for 2018 from 9.3 to 9.5 million barrels per day – the highest level since 1970.

On Wednesday the Russian market was under pressure from falling oil prices – in the second half of the day the MICEX Index losses exceeded 1.5%. The driver of our market reduction was oil stocks, led by Gazprom's shares, an additional negative factor for which was the MSCI message on reducing assessment of free float shares in the concern from 0.5 to 0.45. It is believed at VTB Capital, it can lead to weight loss of Gazprom's securities in the MSCI index by 10% and an outflow of \$250 million from passive investors. At the end of the day, the MICEX Index could move away from daily lows after the reversal in oil prices – in the US Department of Energy statistics, which in fact confirmed the changes of oil reserves from the API, investors nevertheless drew attention to the reduction of stocks of gasoline, while analysts expected an increase in this figure as well.

During the trading session the MicexPWR Sector Index outperformed mainly due to continued growth of shares of FGC UES.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Energy presented a mechanism to level electricity tariffs in the Far Eastern Federal District "RusHydro", which will collect special charge to the price of power in the European, Ural and Siberian parts of Russia to reduce electricity tariffs in the Far Eastern Federal District (FEFD), will have to transfer these funds to budgets of the regions, and from there Far Eastern energy companies will get the money, said PRIME with reference to materials of the Russian Ministry of Energy.

Read full text: http://www.bigpowernews.ru/markets/document75379_phtml

COMPANY NEWS

IDGC of Centre increased its electricity transmission services in 2016 by 2.5%

The volume of electricity transmission services of IDGC of Centre following the results of 2016 increased by 2.5% and amounted to 56.177 million kWh.

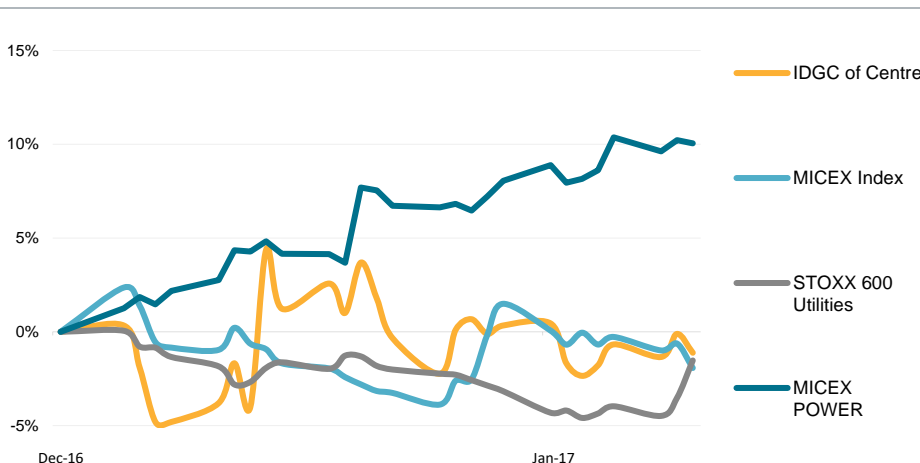
Read full text: <https://www.mrsk-1.ru/press-center/news/company/58783/>

Belgorodenergo: demand for the service "Grid connection support" quadrupled

Last year, IDGC of Centre – Belgorodenergo division provided more than 20,600 value-added services to natural and legal persons, individual entrepreneurs and organizations of various forms of ownership. The most popular services were installation (replacement) of metering equipment, including installation and maintenance of an automatic commercial metering system, and support of connection to the power grid.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/58782/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 189,61	-1,31%	-1,93%
S&P 500	2 294,67	0,07%	2,49%
FTSE 100	7 188,82	0,04%	0,64%
DAX	11 543,38	-0,05%	0,54%
DJStoxx 600	363,94	0,33%	0,70%
STOXX Utilities	272,54	2,07%	-1,53%
Nikkei	19 007,60	0,51%	-0,56%
Sensex	28 289,92	-0,16%	6,25%
CSI300	3 387,96	0,00%	2,35%
Bovespa	64 835,40	0,99%	7,65%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,07	0,05%	1,71%
USD/RUB	59,19	0,82%	-2,41%
Euro/RUB	63,24	0,13%	-0,90%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 241,53	0,62%	8,19%
Brent*, USD/bbl	55,12	0,13%	-4,12%

* - April futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4420
Capitalisation**, billion RUB	18,66
Capitalisation**, million USD	315,24

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-0,17%	10,04%
Shares of IDGC of Centre**	-1,01%	-1,12%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-0,81%	9,13%
FGC UES	3,29%	26,08%
IDGC of Volga	-2,01%	8,84%
MOESK	-4,02%	14,25%
IDGC of Northern Caucasus	-0,21%	6,80%
IDGC of Centre and Volga Reg	2,57%	10,41%
IDGC of North-West	-1,97%	-0,36%
IDGC of Urals	0,58%	4,56%
IDGC of Siberia	-3,09%	-6,45%
IDGC of South	-0,79%	-4,58%
Lenenergo, ordinary shares	-1,39%	3,00%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, PJSC

127018, Moscow, 2nd Yamskaya, 4
+7 (495) 747 92 92
<http://mrsk-1.com/en/investors/>

IR Division

+7 (495) 747 92 92, ext. 33-34
ir@mrsk-1.ru

Tickers

Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC.RX
MRKC.MM