

DAILY MARKET REVIEW

18 May, Thursday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 17 May some moderately negative external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed with a small decline of around 0.1%, on Wednesday the main country indices of the Asia-Pacific region and futures for US indices lost more than half a percent. The pressure on the markets is caused by political scandals connected with Donald Trump, the development of which, in the opinion of a number of experts, could theoretically lead to the impeachment of the US president. In addition to the accusations that Donald Trump revealed to the Russian Foreign Minister secret information about the Islamic State (a terrorist group, banned in Russia), the New York Times published a story that the US president allegedly asked the FBI ex-director to stop investigating ties with Russia of the former national security adviser M. Flynn. At the same time, Democratic congressmen argue that the request to stop the investigation is an attempt to obstruct justice, and such an accusation in the US is one of the grounds for impeachment. July Brent futures traded near the mark of \$51.5 per barrel, \$0.3 below the closing level of 16 May. Quotes were under pressure from the data of the American Petroleum Institute, which recorded an unexpected increase in oil inventories for analysts in the US last week. An additional negative factor for the market was the statement by IEA experts that the extension of the OPEC+ agreement on the limitation of production may not be sufficient to reduce oil reserves in 2017 to an average level in five years.

The MICEX index on Wednesday showed a flat trend near the zero mark under the influence of differently directed external factors. On the one hand, the Russian market was pressured by negative sentiments in Western markets – in the second half of the day the fall of the European Stoxx Europe 600 Index and American indices exceeded a percent on the growth of political tension in the US. On the other hand, Brent quotes continued to rise and tested the mark of \$52.5 per barrel after the release of data from the US Department of Energy, indicating a reduction in oil reserves and production in the country last week.

During the trading session the MicexPWR Sector Index looked worse than the broad market. The main contribution to the final growth of the sector indicator was made by shares of FGC UES, Rosseti and Unipro.

ELECTRIC POWER INDUSTRY NEWS

The Russian government simplified the connection of new customers to power grids

Russian Prime Minister Dmitry Medvedev signed resolutions simplifying the procedure for connection of new customers to power grids, follows from documents published on the official portal of legal information and the website of the Cabinet of Ministers.

Read full text: <http://1prime.ru/energy/20170516/827455351.html>

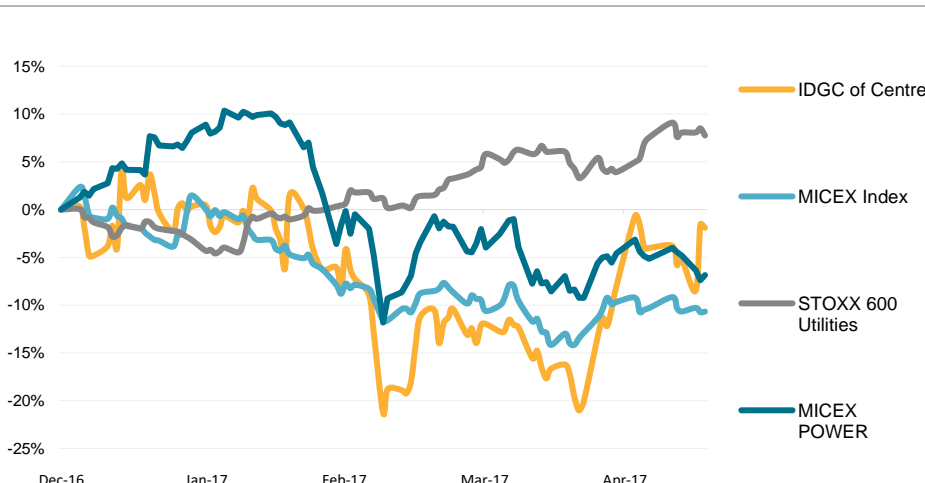
COMPANY NEWS

IDGC of Centre's Board of Directors recommended that the Annual General Meeting of Shareholders should allocate 100.0% of the RAS net profit for 2016 for dividend payments

16 May 2017, the Board of Directors of IDGC of Centre, PJSC (hereinafter referred to as the Company) discussed issues related to the organization and conduct of the Annual General Meeting of Shareholders (hereinafter referred to as the AGM): a candidate for the Company's auditor was proposed, recommendations on the distribution of profits, including the size of dividends on the Company's shares for 2016, drafts of revised internal documents were considered.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/60109/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 994,35	0,07%	-10,68%
S&P 500	2 357,03	-1,82%	5,28%
FTSE 100	7 503,47	-0,25%	5,05%
DAX	12 631,61	-1,35%	10,02%
DJStoxx 600	391,14	-1,20%	8,22%
STOXX Utilities	298,23	-0,70%	7,75%
Nikkei	19 814,88	-0,53%	3,66%
Sensex	30 658,77	0,25%	15,14%
CSI300	3 409,97	-0,54%	3,02%
Bovespa	67 540,25	-1,67%	12,14%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,11	0,56%	5,90%
USD/RUB	56,26	-0,47%	-7,25%
Euro/RUB	62,04	0,31%	-2,78%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 261,36	1,95%	9,92%
Brent*, USD/bbl	52,21	1,08%	-11,06%

* - July futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4385
Capitalisation**, billion RUB	18,51
Capitalisation**, million USD	329,05

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,58%	-6,84%
Shares of IDGC of Centre**	-0,34%	-1,90%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	2,70%	-20,64%
FGC UES	3,81%	-6,05%
IDGC of Volga	8,47%	20,09%
MOESK	1,03%	9,69%
IDGC of Northern Caucasus	1,22%	-24,72%
IDGC of Centre and Volga Reg	-0,76%	5,41%
IDGC of North-West	-1,62%	-22,55%
IDGC of Urals	2,24%	-16,72%
IDGC of Siberia	-4,45%	-17,92%
IDGC of South	-1,44%	-34,73%
Lenenergo, ordinary shares	2,32%	-7,81%
TRK, ordinary shares	0,00%	-14,92%
Kubanenergo	0,37%	-6,44%

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