

DAILY MARKET REVIEW

9 October, Monday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 6 October some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 increased by 0.5-0.6%, all four of the major indices – DJIA, S&P500, Nasdaq Composite and Russell 2000 – updated their historical records. At the same time, according to WSJ Market Data Group, the series of records of the S&P500 is the longest since 1997. On Friday the composite index of the Asia-Pacific region MSCI Asia Pacific added within half a percent. The markets were supported by good statistics from the USA, where data on applications for unemployment benefits were better than expectations, exports in August increased to a maximum level since December 2014, and news about the progress of the US tax reform. According to media reports, the House of Representatives and the Senate approved the draft budget, while the Republicans agreed on a reduction in taxes under a special budget procedure, in which a simple majority in the upper house is sufficient. December Brent futures traded near the mark of \$56.9 per barrel, \$0.3 below the closing level on 5 October. Oil quotations were adjusting after a 2% rise on Thursday on information on the readiness of Russia and Saudi Arabia to extend the OPEC+ agreement and the statement of the Turkish leader on the possible termination of oil transit from Iraqi Kurdistan. At the same time, the potential for lowering oil prices was limited to media reports that the US president could announce the need to withdraw from the nuclear deal with Iran.

Most of the day the MICEX Index was a half-percentage plus, the driver of the growth of the Russian market was Sberbank's shares, which updated the historic maximum on strong RAS financials for nine months – net profit increased by 32% y/y, to 496 billion rubles. The growth rate of the MICEX Index slowed down after the deterioration in sentiment on the western markets after the publication of mixed statistics on the US labour market: in September the number of jobs decreased for the first time since 2010 – by 33 thousand, while unemployment fell to the lowest for 16 years 4.2%, and the growth of hourly wages was higher than expected. The US Department of Labor noted that due to hurricanes, the collection of September data did not correspond to "normal levels", both for the number of jobs and for the number of unemployed. Nevertheless, investors drew attention to the growth of wages – an indicator that the Fed takes into account in forecasting inflation, which led to an increase in expectations of the Fed's rate hike in December, which triggered profit-taking in the US market and an increase in the activity of sellers in Europe. The additional pressure on the Russian market was caused by the fall in oil prices below \$55.5 per barrel – investors fear that the Nate storm, approaching the Gulf of Mexico, will lead to the closure of refineries and a reduction in demand for oil.

During the trading session the changes of the MicexPWR Sector Index in general corresponded to the MICEX Index. The main contribution to the final MicexPWR growth was made by shares of Rosseti.

ELECTRIC POWER INDUSTRY NEWS

Full digitalization of Russian power grids requires 2 trillion rubles – says Mr. Novak

The full digitalization of the Russian power grid complex will require about two trillion rubles, said Russian Energy Minister Alexander Novak in a speech at the Russian Energy Week.

Read full text: <http://www.bigpowernews.ru/news/document79999.phtml>

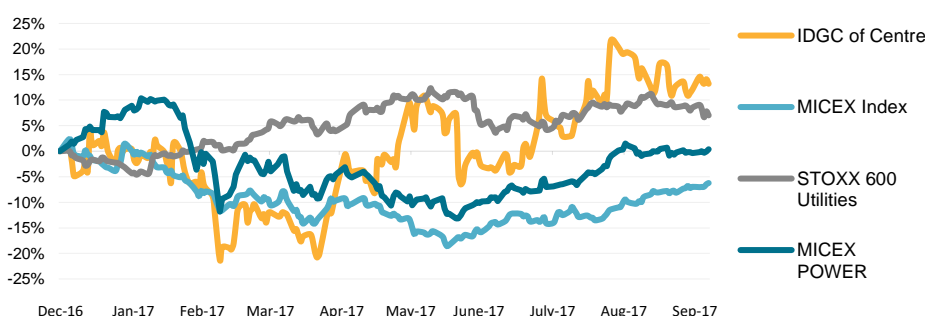
COMPANY NEWS

Projects of IDGC of Centre and IDGC of Centre and Volga Region - winners of the All-Russian competition "MediaTEK-2017"

The project of the Belgorod branch of IDGC of Centre for prevention of electric injuries among children and adolescents "ABC of electrical safety", as well as the project of IDGC of Centre and Volga Region "Comprehensive electrical safety lessons with the "Electric patrol" team became winners of the third All-Russian competition "MediaTEK-2017" in the category "Safe energy".

Read full text: <https://www.mrsk-1.ru/press-center/news/company/62079/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 093,86	0,27%	-6,22%
S&P 500	2 549,33	-0,11%	13,87%
FTSE 100	7 522,87	0,20%	5,32%
DAX	12 955,94	-0,09%	12,85%
DJStoxx 600	389,47	-0,40%	7,76%
STOXX Utilities	296,19	-0,73%	7,02%
Nikkei	20 690,71	0,30%	8,25%
Sensex	31 814,22	0,70%	19,48%
CSI300	3 836,50	0,00%	15,90%
Bovespa	76 054,72	-0,73%	26,28%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,17	0,18%	11,53%
USD/RUB	57,58	-0,35%	-5,07%
Euro/RUB	67,78	-0,23%	6,22%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 276,68	0,67%	11,26%
Brent*, USD/bbl	55,62	-2,42%	-5,30%

* - December futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,5060
Capitalisation**, billion RUB	21,36
Capitalisation**, million USD	370,99

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,44%	0,35%
Shares of IDGC of Centre**	-0,78%	13,20%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	2,19%	-8,96%
FGC UES	-0,38%	-15,77%
IDGC of Volga	0,13%	105,36%
MOESK	0,45%	-0,89%
IDGC of Northern Caucasus	1,42%	-2,72%
IDGC of Centre and Volga Reg	2,54%	117,91%
IDGC of North-West	-0,80%	12,91%
IDGC of Urals	-0,25%	19,15%
IDGC of Siberia	-0,59%	60,69%
IDGC of South	-0,89%	-14,89%
Lenenergo, ordinary shares	-0,09%	0,36%
TRK, ordinary shares	-6,12%	-16,18%
Kubanenergo	1,23%	-14,94%

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