

DAILY MARKET REVIEW

25 September, Monday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 22 September some moderately negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed with a decrease of 0.2-0.3%. The reasons for correction from historical highs were the growth of expectations of a Fed rate hike in December – according to the CME FedWatch tool, the markets estimate the chances of such a scenario at 70%, and a new aggravation of the confrontation between the US and the DPRK. After his statement from the rostrum of the United Nations about the readiness to "completely destroy" North Korea, the US president signed a decree tightening sanctions against the DPRK. In turn, North Korea regarded this as a declaration of war and reported readiness for retaliatory actions, including tests of a super-powerful hydrogen bomb in the Pacific Ocean. Against this background, investors' demand for defensive assets increased, futures for US indices lost 0.2%. The composite index of the Asia-Pacific region MSCI Asia Pacific traded in a small minus, having reduced to the beginning of our trading most of the intraday losses. November Brent futures traded near \$56.6 per barrel, \$0.4 higher than the closing on 21 September. Oil quotes are approaching the semi-annual peak on the eve of the meeting of the OPEC+ committee, which, according to media reports, including plans to discuss the possibility of extending the deal after the first quarter of 2018.

The MICEX Index on Friday showed a slightly negative trend – losses were generally not more than half a percent within the overall fixation of profits in emerging markets. Activity of sellers was constrained by stability of the prices for oil and improvement of moods on the western exchanges. The European Stoxx Europe 600 Index in the afternoon consolidated in the positive area due to strong statistics – the growth of business activity in the Eurozone in September, according to preliminary data of IHS Markit, reached a maximum level since May and became one of the best for the last six years.

During the trading session the MicexPWR Sector Index outperformed. The main contribution to the final rise of MicexPWR in antiphase with the market was made by shares of FGC UES, which, according to analysts, are now shifting investors from Rosseti after activating profit-taking in these securities. In turn, the reason for deepening the correction in shares of Rosseti could become Kommersant's information that all electricity grids in Crimea in the near future can go under Rosseti's control, thereby creating a real risk for the energy holding under Western sanctions. However, experts believe, the market reaction to this piece of news is more emotional - potential sanctions will not have a strong impact on the company, which reduces purchases of imported equipment, conducts business in the ruble zone and attracts financing primarily in the Russian market.

ELECTRIC POWER INDUSTRY NEWS

The State Duma adopted a law on the release of unclaimed dividends from income tax

The State Duma adopted in the third and final reading the law providing for the release of dividends not claimed by shareholders from corporate income tax.

Read full text: <http://tass.ru/ekonomika/4583646>

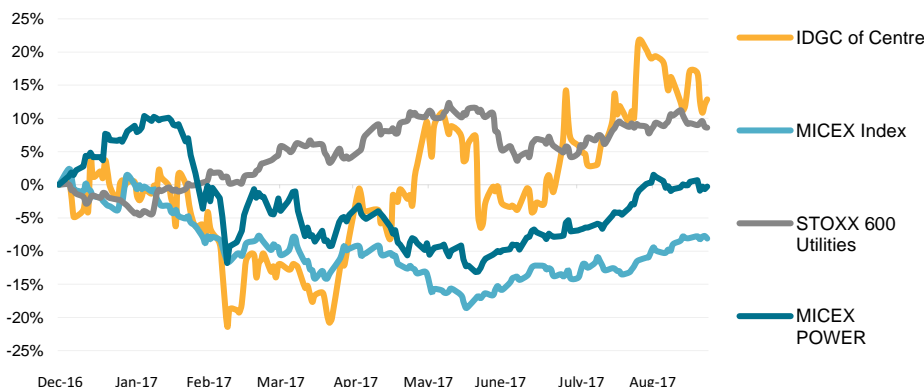
COMPANY NEWS

Kurskenergo successfully implements the energy saving program

IDGC of Centre – Kurskenergo division pays much attention to the implementation of activities within the framework of the energy saving and energy efficiency program. This allows annually to reduce energy losses by more than 3 million kWh and decrease the consumption of fuel and energy resources spent on industrial and economic needs by more than 6%.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/62002/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 051,63	-0,42%	-8,11%
S&P 500	2 502,22	0,06%	11,76%
FTSE 100	7 310,64	0,64%	2,35%
DAX	12 592,35	-0,06%	9,68%
DJStoxx 600	383,22	0,09%	6,03%
STOXX Utilities	300,58	-0,12%	8,60%
Nikkei	20 296,45	-0,25%	6,18%
Sensex	31 922,44	-1,38%	19,89%
CSI300	3 837,73	0,00%	15,94%
Bovespa	75 389,75	-0,28%	25,18%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,20	0,15%	13,64%
USD/RUB	58,22	0,16%	-4,01%
Euro/RUB	69,26	-0,72%	8,54%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 297,30	0,47%	13,05%
Brent*, USD/bbl	56,86	0,76%	-3,25%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,5045
Capitalisation**, billion RUB	21,30
Capitalisation**, million USD	365,81

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,42%	-0,26%
Shares of IDGC of Centre**	0,70%	12,86%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-3,57%	-10,82%
FGC UES	2,83%	-14,15%
IDGC of Volga	1,37%	105,36%
MOESK	-0,11%	-1,00%
IDGC of Northern Caucasus	0,96%	-4,99%
IDGC of Centre and Volga Reg	-0,31%	120,81%
IDGC of North-West	-0,16%	10,55%
IDGC of Urals	0,00%	13,68%
IDGC of Siberia	-3,65%	57,47%
IDGC of South	-1,11%	-14,69%
Lenenergo, ordinary shares	2,10%	1,36%
TRK, ordinary shares	0,00%	-14,92%
Kubanenergo	0,14%	-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