

DAILY MARKET REVIEW

16 June, Friday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 15 June some negative external background formed on the Russian market, the main source of which was the information that the US Senate approved the expansion of sanctions against Russia. According to media reports, a new package of restrictions suggests both strengthening the existing sanctions, and the introduction of new ones that affect metallurgical, mining, transport and railroad companies. On Wednesday the US indices DJIA and S&P500 closed in different directions with changes within 0.2%, on Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific lost about 0.5%. The Fed's decision to raise the rate by 0.25 percentage points, to 1-1.25% per annum, was already taken into account in quotes, however, the Central Bank's plans to tighten monetary policy proved to be more "hawkish" than expected. The Fed, said Bloomberg, made it clear that it still expects the other rate hike in 2017 and keeps the plans of increase in 2018, and it was a surprise for many investors who believed that the Fed would slow the rate of rate hike due to the persistence of weak inflation. In addition, already in 2017, the Federal Reserve plans to begin reducing assets on the balance sheet, which after stimulating programs reached \$4.5 trillion – starting with the introduction of a limit of \$10 billion, in the year ahead, the Fed will gradually increase it to \$50 billion a month. August Brent futures traded near the mark of \$47 per barrel, at the closing level on 14 June. Oil prices stabilized after a 3% drop on Wednesday on data from the US Department of Energy, which recorded a resumption of oil production growth in the country, the less than predicted decline in oil reserves and an unexpected increase in gasoline stocks. In addition, oil quotes on Wednesday were pressured by the IEA forecast, whose analysts expect the growth of oil production outside OPEC, mainly in the US, by 1.5 million barrels per day (b/s) with the increase in global oil demand only by 1.4 million b/s.

In the first half of the day, sales on the Russian market on the news of the new US sanctions had a character close to panic – the fall of the MICEX Index reached 3.5%. According to experts, despite the lack of specifics on the new US sanctions, growing political risks make foreign investors reduce their positions in Russian assets. In the second half of the trading session, the MICEX Index was able to cut the losses to 1.1%. Ambiguous perception of US initiatives in Europe also contributed to improving sentiment in our market – in particular, Germany and Austria sharply criticized the US sanctions, which may affect European companies. In conditions of increased volatility, the trading volume on the Russian stock market amounted to 91 billion rubles – the maximum since December 2014.

During the day the changes of the MicexPWR Sector Index on the whole corresponded to the MICEX Index. The main contribution to the final decline in the sector indicator was made by shares of FGC UES and RusHydro.

ELECTRIC POWER INDUSTRY NEWS

BCS changed the ratings of shares of most companies in the Russian electricity sector after revaluation

Financial Group (FG) "BCS" revised the forecasted prices of shares of companies in the electricity sector of the Russian Federation, the FG reports.

Read full text: <http://www.finmarket.ru/analytics/4549883>

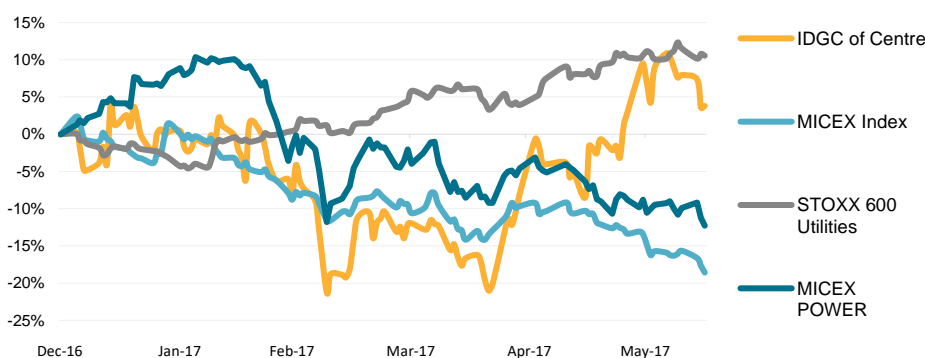
COMPANY NEWS

The first electricity charging station constructed in the Lipetsk region

The administration of the Lipetsk region together with IDGC of Centre - Lipetskenergo division and PJSC "Lukoil" implements a pilot project for creating charging infrastructure for electric vehicles.

Read full text: <http://gorodlip.ru/auto/134113/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 817,82	-1,12%	-18,58%
S&P 500	2 432,46	-0,22%	8,65%
FTSE 100	7 419,36	-0,74%	3,87%
DAX	12 691,81	-0,89%	10,55%
DJStoxx 600	386,05	-0,39%	6,81%
STOXX Utilities	305,96	-0,23%	10,55%
Nikkei	19 831,82	-0,26%	3,75%
Sensex	31 075,73	-0,26%	16,71%
CSI300	3 528,79	-0,18%	6,61%
Bovespa	61 922,93	0,00%	2,82%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,11	-1,11%	6,00%
USD/RUB	57,03	0,21%	-5,98%
Euro/RUB	63,95	0,27%	0,21%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 253,98	-0,55%	9,28%
Brent*, USD/bbl	46,92	-0,17%	-20,23%

* - August futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4640
Capitalisation**, billion RUB	19,59
Capitalisation**, million USD	343,49

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-1,18%	-12,29%
Shares of IDGC of Centre**	0,22%	3,80%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-2,03%	-36,66%
FGC UES	-3,25%	-23,82%
IDGC of Volga	0,66%	22,23%
MOESK	-3,59%	-7,24%
IDGC of Northern Caucasus	0,66%	-31,07%
IDGC of Centre and Volga Reg	-4,16%	16,82%
IDGC of North-West	-3,45%	-28,73%
IDGC of Urals	-1,69%	-11,55%
IDGC of Siberia	-4,93%	-28,55%
IDGC of South	-3,62%	-33,97%
Lenenergo, ordinary shares	-2,66%	-20,35%
TRK, ordinary shares	6,99%	-16,39%
Kubanenergo	3,20%	-11,03%

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
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