

DAILY MARKET REVIEW

11 May, Thursday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 10 May some moderately positive external background formed on the Russian market. During our holidays, the index of developed countries MSCI World fell 0.2%, while the index of developing countries MSCI EM and the London indicator FTSE RIOB, reflecting the trends of 15 most liquid receipts for shares of Russian issuers, grew by 1.2-1.3%. The main driver of the changes of the world stock indices on 9-10 May was the victory of E. Macron in the presidential elections in France, which sharply reduced the political uncertainty in the Eurozone. At the same time, in the markets of developed countries, profits were mainly taken on the fact that Mr. Macron was expected to be elected president of France, while the assets of emerging markets were in demand amid the restoration of investors' interest in risky assets. On Wednesday, most of the major country indices in the Asia-Pacific region showed weak positive trends. Only the Chinese CSI300 traded in the red against its own ambiguous statistics: consumer price growth accelerated faster than forecast in April, while producer price growth slowed more than expected. July Brent futures traded near the mark of \$48.9 per barrel, \$0.4 below the closing level on Friday, 5 May. Quotes are still pressured by growing shale activity in the US – according to the oil service company Baker Hughes, the number of drilling rigs is growing for the 16th week in a row. At the same time, the potential for reducing oil prices was limited both by the data of the American Petroleum Institute, which indicated the maximum decrease in oil reserves in the US since the beginning of the year, and by statements of representatives from Russia and Saudi Arabia about a possible extension of the deal to limit production for 2018.

By playing out the growth of receipts in London on 9-10 May, the MICEX Index spent most of the day in a confident plus, adding about a percent. At the end of the day, the growth of the MICEX Index exceeded a percent after the rise in Brent quotations above \$50 per barrel after the release of data from the US Department of Energy, which recorded a decline in commercial oil reserves in the country last week by 5.3 million barrels – almost three times more than expected.

During the trading session the changes of the MicexPWR Sector Index corresponded to the MICEX Index. The main contribution to the final growth of the sector indicator was made by shares of Inter RAO and Unipro. Unipro's shares were supported by strong IFRS financials for the first quarter – adjusted net profit was 4.64 billion rubles against a loss of 2 billion rubles a year earlier, as well as the management's proposals to allocate about 12 billion rubles on dividends for 4Q2016-3Q2017.

ELECTRIC POWER INDUSTRY NEWS

Mr. Putin instructed the government by 1 September to implement compulsory certification of meters

President of the Russian Federation Vladimir Putin instructed the government by 1 September 2017 to implement mandatory certification of metering devices of utilities. This is stated in the list of instructions on the results of the meeting of President with representatives of business organizations of the Novgorod region, published on the Kremlin's website.

Read full text: <http://www.bigpowernews.ru/markets/document76974.phtml>

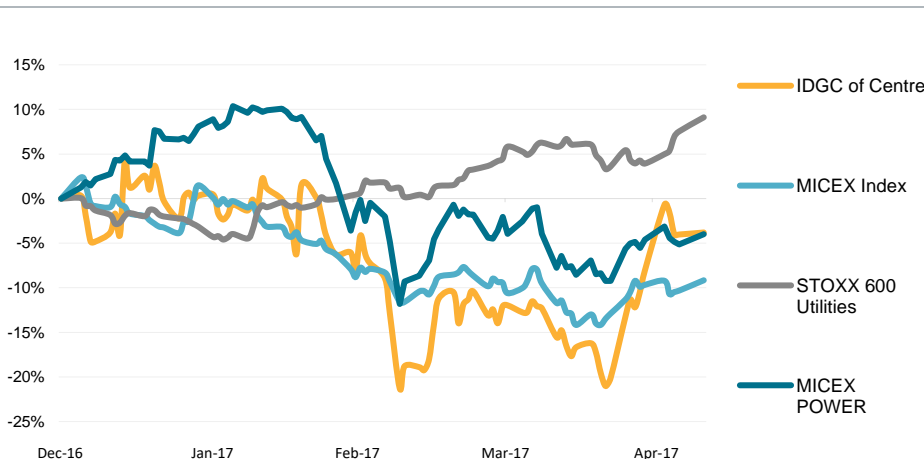
COMPANY NEWS

Belgorodenergo to invest 187 million rubles in the construction of grids to connect sites of private developers

In 2017, IDGC of Centre – Belgorodenergo division will construct grids for connecting more than 1,200 sites of individual developers, says the press-service of the company.

Read full text: <http://www.interfax-russia.ru/Center/news.asp?id=831029&sec=1679>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



| World indexes | Value | Change | |
|-----------------|-----------|---------|-------------|
| | | per day | fr 31.12.16 |
| MICEX | 2 028,21 | 1,29% | -9,16% |
| S&P 500 | 2 399,63 | 0,01% | 7,18% |
| FTSE 100 | 7 385,24 | 1,20% | 3,39% |
| DAX | 12 757,46 | 0,32% | 11,12% |
| DJStoxx 600 | 396,45 | 0,48% | 9,69% |
| STOXX Utilities | 301,98 | 1,46% | 9,11% |
| Nikkei | 19 900,09 | 2,34% | 4,11% |
| Sensex | 30 248,17 | 1,30% | 13,60% |
| CSI300 | 3 337,70 | -1,33% | 0,83% |
| Bovespa | 67 349,73 | 2,50% | 11,83% |

Source: Bloomberg, Company calculations

| Currency rates | Value | Change | |
|----------------|-------|---------|-------------|
| | | per day | fr 31.12.16 |
| Euro/USD | 1,09 | -1,18% | 3,34% |
| USD/RUB | 58,54 | 1,68% | -3,49% |
| Euro/RUB | 64,24 | 2,41% | 0,67% |

Source: Bloomberg, Company calculations

| Raw | Value | Change | |
|-----------------|----------|---------|-------------|
| | | per day | fr 31.12.16 |
| Gold, USD/oz | 1 219,10 | -0,73% | 6,24% |
| Brent*, USD/bbl | 50,22 | 2,28% | -14,45% |

* - July futures

Source: Bloomberg, Company calculations

| Shares of IDGC of Centre | Value |
|-------------------------------|--------|
| Last transaction, RUB | 0,4300 |
| Capitalisation**, billion RUB | 18,15 |
| Capitalisation**, million USD | 310,12 |

Source: Central Bank of Russia, Company calculations

| Russian indexes | Change | |
|----------------------------|---------|-------------|
| | per day | fr 31.12.16 |
| MICEX-Power Index | 1,19% | -4,01% |
| Shares of IDGC of Centre** | 0,23% | -3,80% |

Source: Bloomberg, Company calculations

| Grid companies | Change** | |
|------------------------------|----------|-------------|
| | per day | fr 31.12.16 |
| Rosseti, ordinary shares | 0,91% | -19,21% |
| FGC UES | 0,86% | -4,92% |
| IDGC of Volga | 1,83% | 24,11% |
| MOESK | 0,10% | 9,69% |
| IDGC of Northern Caucasus | -1,17% | -23,13% |
| IDGC of Centre and Volga Reg | 0,06% | 20,00% |
| IDGC of North-West | 0,23% | -20,18% |
| IDGC of Urals | 1,01% | -9,12% |
| IDGC of Siberia | 1,47% | -9,56% |
| IDGC of South | 0,58% | -33,40% |
| Lenenergo, ordinary shares | 0,97% | -5,81% |
| TRK, ordinary shares | -8,45% | -15,76% |
| Kubanenergo | 0,62% | -6,09% |

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