

DAILY MARKET REVIEW

1 November, Wednesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 31 October some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed with a decline of 0.3-0.4% on reports that the lower house of the US Congress is considering a gradual rather than a one-time reduction in corporate income tax rates. According to US media sources, some members of the budget committee of the House of Representatives are inclined to reduce the tax from the current 35% by 3 percentage points a year beginning in 2018. Thus, the rate will reach 20% promised by President Donald Trump by 2022. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific traded near zero, remaining at the maximum for 10 years. The activity of buyers was constrained by weak data from China, where business activity in the processing industry slowed in October. The decision of the Japanese Central Bank, which is expected to retain the current aggressive stimulating monetary policy, did not impress investors. December Brent futures traded near the mark of \$60.8 per barrel, \$0.5 higher than our closing on 30 October. Quotes continue to update the two-year highs on the background of signs of readiness of the OPEC+ countries to extend the agreement on the reduction of production to achieve a balance in the market.

Most of the trading session the MICEX Index was in a half-percentage plus, playing back peak oil values and moderate optimism on the western markets. The European Stoxx Europe 600 Index in the middle of the day added about a third percent, including thanks to strong statistics: the Eurozone GDP in the third quarter grew by 0.6% and exceeded the expectations of economists, unemployment in September updated its minimum since early 2009, while inflation in October was weaker than forecasts. An additional positive factor for the export-oriented domestic market was the weakening of the ruble against the dollar – the US currency was strengthened by a broad front in the world foreign exchange market. US indices showed a slight rise in early trading on information that the US consumer confidence index rose to a maximum in 17 years in October. Nevertheless, the MICEX Index for the second consecutive day failed to close in positive territory. The main contribution to the decline in the index was made by continuing sales in shares of Magnit.

During the trading session the MicexPWR Sector Index looked worse than the broad market. The main contribution to the MicexPWR underperformance in comparison with the MICEX Index was made by shares of FGC UES and Rushydro. Rushydro's securities could be pressured by RAS statements for 9 months: revenue increased by 19.7% y/y, to 103.86 billion rubles, EBITDA – by 3%, to 60.05 billion rubles, net profit fell by 21.6%, to 33.5 billion rubles.

ELECTRIC POWER INDUSTRY NEWS

The Ministry of Energy did not support the intention of Rosseti to receive the functions of the dispatcher of UES of Russia

The new head of Rosseti, Pavel Livinsky, appealed to the premier in October with this idea. Sources in the industry say that the position of Rosseti at the meeting in the Ministry of Energy on Monday was deemed poorly worked out, but Rosseti stated that they intend to further lobby the takeover.

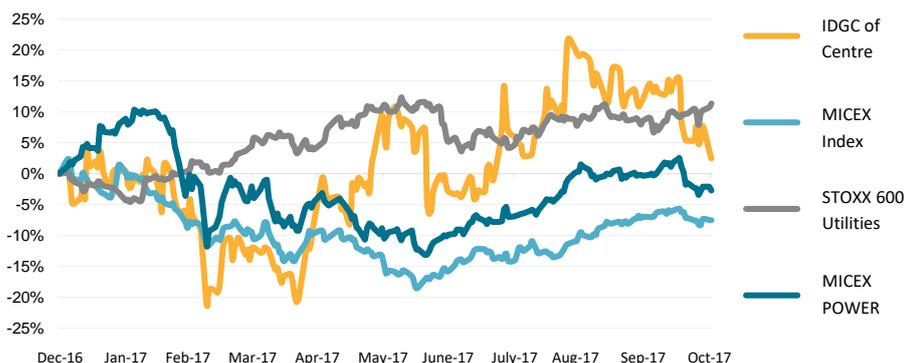
Read full text: <http://www.bigpowernews.ru/markets/document80389.phtml>

COMPANY NEWS

Specialists of IDGC of Centre for nine months revealed more than eight and a half thousand facts of theft of electricity

Read full text: <https://www.mrsk-1.ru/press-center/news/company/62246/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 064,31	-0,05%	-7,54%
S&P 500	2 575,26	0,09%	15,03%
FTSE 100	7 493,08	0,07%	4,90%
DAX	13 229,57	0,00%	15,23%
DJStoxx 600	395,22	0,33%	9,35%
STOXX Utilities	308,19	0,53%	11,35%
Nikkei	22 011,61	0,00%	15,16%
Sensex	33 213,13	-0,16%	24,74%
CSI300	4 006,72	-0,07%	21,05%
Bovespa	74 308,49	-0,66%	23,38%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,16	0,15%	10,74%
USD/RUB	57,87	-0,36%	-4,59%
Euro/RUB	67,22	-0,46%	5,34%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 271,45	-0,38%	10,80%
Brent*, USD/bbl	60,94	0,58%	3,87%

* - December futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4580
Capitalisation**, billion RUB	19,34
Capitalisation**, million USD	334,12

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-0,68%	-2,75%
Shares of IDGC of Centre**	-1,19%	2,46%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-0,56%	-17,20%
FGC UES	-1,92%	-22,24%
IDGC of Volga	-0,18%	94,29%
MOESK	-0,60%	-7,02%
IDGC of Northern Caucasus	-1,83%	-14,97%
IDGC of Centre and Volga Reg	1,27%	115,20%
IDGC of North-West	-2,26%	2,36%
IDGC of Urals	1,33%	15,50%
IDGC of Siberia	-3,03%	60,81%
IDGC of South	-0,96%	-1,72%
Lenenergo, ordinary shares	0,87%	-4,72%
TRK, ordinary shares	0,00%	-15,97%
Kubanenergo	-1,38%	-9,89%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, PJSC

127018, Moscow, 2nd Yamskaya, 4

+7 (495) 747 92 92

<http://mrsk-1.com/en/investors/>

IR Division

+7 (495) 747 92 92, ext. 33-34

ir@mrsk-1.ru

Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

MRKC
MRKC:RM
MRKC:MM