



REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 10 January some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500, having updated their next historical records, added 0.1-0.4%. The rise was led by shares in the financial sector, supported by an increase in yields of US government bonds, among other things. In general, investors' attention is directed to the corporate reporting season that starts this week – analysts are waiting for a fundamental confirmation of the high price levels on which American stock markets are located. On Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific traded in a small minus within half a percent. According to the State Statistic Board of the PRC, in December the producer price index was at a minimum since November 2016, the growth of the consumer price index did not reach the forecast of economists. These data, writes Reuters, support the view that the slowdown in China's economy began in the last few months. March Brent futures traded near \$69.1 per barrel, \$1.3 higher than the closing level on 9 January. Positive background for quotations, which renewed a maximum of three years, was the report of the American Petroleum Institute on a significant reduction in oil reserves in the country last week – by 11.2 million barrels, three times more than the forecast.

For the most part of the trading session, the MOEX Russia Index, the emerging markets index MSCI EM, futures for US indices and the European Stoxx Europe 600 Index were in a small minus within half a percent. The reason for fixing profits on world stock exchanges after an active rally at the beginning of the year was Bloomberg's information that the Chinese authorities recommended slowing or suspending purchases of US government bonds, which provoked increased sales of the US government bonds and the dollar weakening. Nevertheless, at the end of trading, the MOEX Russia Index was able to gain a foothold in positive territory due to the stability of Brent quotes near \$69 for a barrel. The oil market in addition to the weakening of the dollar was supported by a report from the US Department of Energy on the reduction of oil production in the country by 300 thousand barrels per day.

During the trading session the changes of the MicexPWR Sector Index generally corresponded to the market. The main contribution to the final MicexPWR growth was made by shares of RusHydro.

ELECTRIC POWER INDUSTRY NEWS

Ways to apply infrastructure mortgage searched for

The Ministry of Economics proposed its draft program for modernization of power plants, which is tentatively estimated at 1.5 trillion rubles. The Ministry wants to extend to the energy industry the now discussed infrastructure mortgage mechanism, the proposal specifies the possibility to redistribute facilities to be commissioned by years, which, according to analysts, will not overload consumers. The large-scale industry at the same time believes that the new mechanism is not market-based and will not be able to create an alternative to the old investment contracts.

Read full text:

<https://www.kommersant.ru/doc/3514771?query=%D1%8D%D0%BB%D0%B5%D0%BA%D1%82%D1%80%D0%BE%D1%8D%D0%BD%D0%B5%D1%80%D0%B3%D0%B5%D1%82%D0%B8%D0%BA%D0%B0>

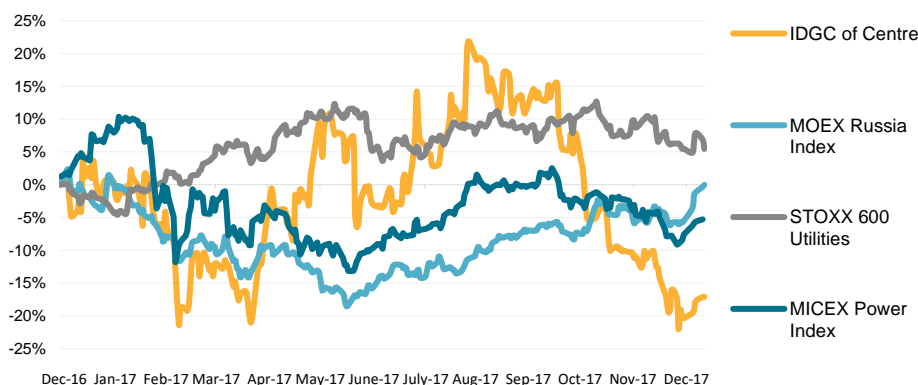
COMPANY NEWS

Power engineers conducted a raid to identify non-metered and non-contractual electricity consumption in Gryazinsky district

Power engineers of IDGC of Centre - Lipetskenergo division conducted a large-scale raid to prevent theft of electricity in Gryazinsky district. The specialists checked electricity meters at a number of legal entities and residential customers, and held preventive talks about the need to comply with the electrical safety rules.

Read full text: <https://www.eprussia.ru/news/base/2018/5588755.htm>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 232,27	0,31%	5,81%
S&P 500	2 748,23	-0,11%	2,79%
FTSE 100	7 748,51	0,23%	0,79%
DAX	13 281,34	-0,78%	2,82%
DJStoxx 600	398,60	-0,38%	2,42%
Nikkei	23 788,20	-0,26%	4,49%
Sensex	34 433,07	-0,03%	1,10%
CSI300	4 207,81	0,44%	4,39%
Bovespa	78 200,57	-0,84%	2,35%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	57,05	-0,96%	-1,01%
EURO/RUB	68,21	-0,95%	-0,84%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 316,89	0,31%	1,08%
Brent*, USD/bbl	69,20	0,55%	3,48%

* - March futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,3089	34,81	610,25

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-1,32%	5,45%
MICEX POWER Index	0,38%	3,49%
IDGC of Centre**	0,00%	4,07%
IDGC of Centre and Volga Region**	-0,81%	1,06%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,67%	2,39%
FGC UES	-0,12%	1,57%
IDGC of Volga	-1,60%	5,07%
MOESK	1,13%	-0,78%
IDGC of Northern Caucasus	3,13%	2,86%
IDGC of North-West	0,00%	0,96%
IDGC of Urals	0,00%	7,88%
IDGC of Siberia	-1,67%	2,62%
IDGC of South	-1,26%	5,02%
Lenenergo, ordinary shares	0,79%	6,15%
TRK, ordinary shares	-0,27%	0,54%
Kubanenergo	1,80%	0,77%

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