

DAILY MARKET REVIEW

9 November, Thursday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 08 November some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed in different directions near zero, on Wednesday the main country stock indices of the Asia-Pacific region showed comparable changes. Investors' attention is directed to the promotion of tax reform in the US, which President Donald Trump's administration promised to implement by this year-end. However, after the US stock exchanges closure, the Washington Post reported the Republican leaders in the Senate consider a different approach to tax reform than their counterparts in the House of Representatives – including the possibility of deferring a corporate income tax cut to 2019. January Brent futures traded near \$63.3 per barrel, \$0.6 below the closing on 07 November. The decline in quotations was due to data of the American Petroleum Institute, indicating a less significant than expected reduction in oil reserves in the country last week.

The Russian market has been steadily growing for the second day in a row, playing back high oil levels – in the middle of the trading session the MICEX Index added more than a percent. The drivers of our market rise are papers of oil and gas companies and Sberbank, which was supported on Wednesday by publication of strong RAS financials for ten months – net profit increased by 30% y/y, to 560 billion rubles. Moderately negative sentiment on the western markets, due to the potential delay in reducing taxes in the US and weak reporting of a number of large companies, did not have a significant impact on the changes of the domestic market. At the end of the day, the growth rate of the MICEX Index slowed to less than 0.5% after the reduction of Brent quotations to around \$63 per barrel on statistics from the US Department of Energy: oil reserves rose against the forecast, and production in the country jumped to 9.62 million barrels per day – maximum for weekly data for the entire collection time since 1983.

During the trading session the changes of the MicexPWR Sector Index in general corresponded to the MICEX Index. The main contribution to the MicexPWR rise was made by papers of Unipro and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

Utility tariffs in Russia increased by 4.5% since the beginning of the year, says Rosstat

Tariffs for utilities in Russia in January-October 2017 increased by 4.5%, the Federal State Statistics Service (Rosstat) said on Tuesday.

Read full text: <http://www.bigpowernews.ru/markets/document80469.phtml>

COMPANY NEWS

In 2017 IDGC of Centre modernizes a number of large and significant power facilities of the Central Federal District

IDGC of Centre continues implementation of the investment program of 2017. The document provides, in particular, the modernization of a number of large feeding centres, which are significant for the socio-economic development of regions of the company's service area (11 subjects of the Central Federal District).

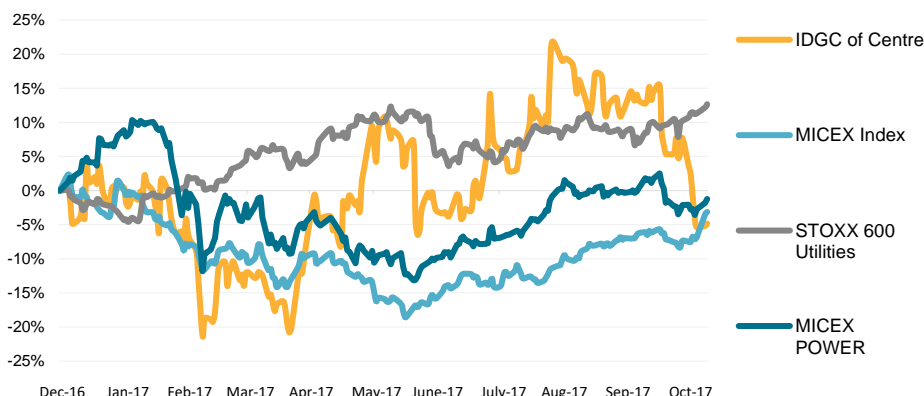
Read full text: <https://www.mrsk-1.ru/press-center/news/company/62318/>

For nine months IDGC of Centre executed about 63.5 thousand contracts for rendering value-added services to consumers

IDGC of Centre summed up the results of implementation of value-added services for nine months of 2017. During the reporting period, 62,218 contracts were concluded with customers, and 63,435 executed.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/62315/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 163,01	0,35%	-3,12%
S&P 500	2 594,38	0,14%	15,88%
FTSE 100	7 529,72	0,22%	5,42%
DAX	13 382,42	0,02%	16,56%
DJStoxx 600	394,45	-0,05%	9,14%
STOXX Utilities	311,85	0,41%	12,67%
Nikkei	22 913,82	-0,10%	19,88%
Sensex	33 218,81	-0,46%	24,76%
CSI300	4 048,01	-0,15%	22,29%
Bovespa	74 363,13	2,69%	23,47%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,16	0,09%	10,24%
USD/RUB	58,46	0,04%	-3,63%
Euro/RUB	67,77	-0,46%	6,20%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 281,36	0,48%	11,67%
Brent*, USD/bbl	63,49	-0,31%	8,22%

* - January futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4255
Capitalisation**, billion RUB	17,96
Capitalisation**, million USD	307,31

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,57%	-1,23%
Shares of IDGC of Centre**	0,35%	-4,81%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	0,45%	-18,10%
FGC UES	0,92%	-19,19%
IDGC of Volga	-0,18%	93,21%
MOESK	0,00%	-6,35%
IDGC of Northern Caucasus	-0,81%	-16,33%
IDGC of Centre and Volga Reg	-0,55%	109,39%
IDGC of North-West	-0,89%	0,91%
IDGC of Urals	-0,78%	15,50%
IDGC of Siberia	-0,79%	50,54%
IDGC of South	-4,02%	0,19%
Lenenergo, ordinary shares	3,90%	1,63%
TRK, ordinary shares	0,00%	-13,03%
Kubanenergo	-1,14%	-10,23%

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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