

DAILY MARKET REVIEW

1 December, Friday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 30 November some moderately negative external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed in different directions, despite strong statistics – the assessment of the US GDP growth in the third quarter was improved to a maximum of 3.3% in three years. The DJIA index rose by 0.4%, having updated the historical maximum, the S&P500 lost less than 0.1%, Nasdaq fell 1.3%. Such changes were due to a drop in shares of high-tech companies, in which, analysts believe, investors took profits after a long enough rally. It is the weight of these companies in the main US indices that determined the final changes in the stock indicators. On Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific lost about a percent – the fall in the quotations of shares of technology companies, which followed the decline of this sector in the US, offset positive statistical data from China. The PMI index in the Chinese industry in November rose against forecasts, and already 16 months is above the 50-point threshold, which indicates the continued increase in manufacturing activity in China. Of the main country indices, only the Japanese Nikkei225 was in the black, which was supported, among other things, by the weakening of the yen. January Brent futures traded near \$63.5 per barrel, \$0.4 below the closing level on 29 November. Negative background for oil quotes was the message of the US Department of Energy about the growth of oil production in the country to the next record for weekly statistics.

The Russian market for the second day in a row has been moving in antiphase with western markets. The MOEX Russia Index spent the first half of the day in a small minus, within half a percent, despite the restrained optimism of Western investors. The European Stoxx Europe 600 Index and futures for US indices throughout the day showed an average growth of about a third percent in anticipation of voting in the US Senate for tax reform, on good statistics and news from Germany. In the Eurozone unemployment fell to 8.8% in October, the lowest level since January 2009, in the US, as a whole, data on incomes and expenditures of the population in October, applications for unemployment benefits were better than expectations. According to media reports, on Thursday the German Chancellor and the leaders of the CSU and the SPD will begin negotiations initiated by the country's president to create a coalition for the formation of the government. The rise of Brent quotations to \$64 per barrel on media reports that the OPEC+ agreement was prolonged until the end of 2018, and the next records of US indices at the beginning of trading also failed to support Russian investors, moreover, the activity of sellers increased significantly – the fall of the MOEX Russia Index reached 1.5%.

As a result of the trading session the MicexPWR Sector Index outperformed. The main contribution to the MicexPWR outperformance in comparison with the MOEX Russia Index was made by Enel Russia, which added more than 5% on the management's statements on improving the guidance for net profit and EBITDA in 2017-2019 and maintaining the dividend payout ratio at 60% of net profit in 2017.

ELECTRIC POWER INDUSTRY NEWS

It's time to establish order

The professional community identified problems that hinder the effective functioning of the power grid complex.

Read full text: <https://eprussia.ru/epr/330/2033354.htm>

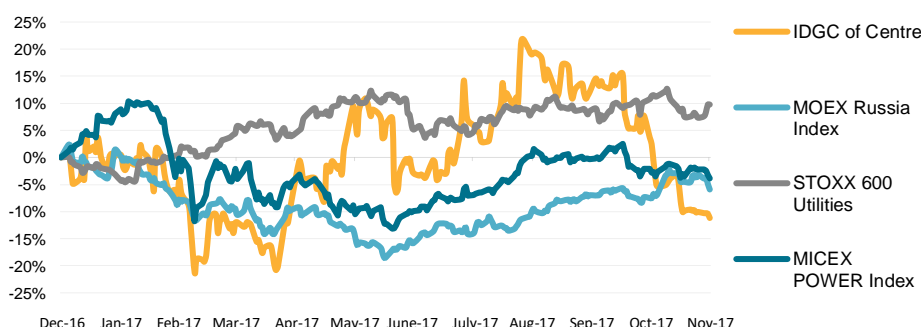
COMPANY NEWS

196 masters of Belgorodenergo to undergo production training

Training of masters began at IDGC of Centre - Belgorodenergo division. The distance course of lectures is conducted by independent not-for-profit organization of continuing professional education "Kirov Training Centre "Energetik" in 4 stages from 27 November to 12 December. During this time, 196 masters from all Distribution Zones will undergo the training.

Read full text: <http://www.bigpowernews.ru/press/document80808.phtml>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MOEX Russia	2 100,62	-1,10%	-5,92%
S&P 500	2 647,58	0,82%	18,26%
FTSE 100	7 326,67	-0,90%	2,57%
DAX	13 023,98	-0,29%	13,44%
DJStoxx 600	386,69	-0,33%	6,99%
Nikkei	22 724,96	0,57%	18,89%
Sensex	33 149,35	-1,35%	24,50%
CSI300	4 006,10	-1,18%	21,03%
Bovespa	71 970,99	-1,00%	19,50%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
USD/RUB	58,33	-0,14%	-3,83%
EURO/RUB	69,20	-0,42%	8,45%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 275,01	-0,67%	11,11%
Brent*, USD/bbl	62,63	0,16%	6,86%

* - January futures

Source: Bloomberg, Company calculations

Shares	Price**, P	MCap**, P bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,3089	34,81	596,81

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.16
STOXX 600 Utilities	0,01%	9,76%
MICEX POWER Index	-0,59%	-3,90%
IDGC of Centre**	-0,87%	-11,19%
IDGC of Centre and Volga Region**	-0,95%	105,27%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-3,42%	-26,12%
FGC UES	-0,15%	-18,92%
IDGC of Volga	-1,14%	86,34%
MOESK	-0,84%	-7,80%
IDGC of Northern Caucasus	2,94%	-20,63%
IDGC of North-West	-2,82%	0,18%
IDGC of Urals	-3,33%	23,40%
IDGC of Siberia	-0,84%	40,38%
IDGC of South	-4,69%	4,77%
Lenenergo, ordinary shares	-1,90%	-6,27%
TRK, ordinary shares	-0,25%	-15,97%
Kubanenergo	-2,00%	-10,00%

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