

# DAILY MARKET REVIEW

25 January, Thursday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 24 January some neutral external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed near record values with mixed changes within 0.2%. Investors are still supported by the fact of the end of the three-day suspension of the US government. According to MarketWatch, the completion of the "shutdown" has removed the element of uncertainty, allowing investors to focus on corporate reporting, which is still quite strong. On Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific was near zero with mixed changes of the main country indices. The Japanese Nikkei225 lost 0.8% on the continuing strengthening of the yen against the dollar. March Brent futures traded near \$69.9 per barrel, at the closing level on 23 January. Oil quotes have closely approached the three-year high due to the sharp weakening of the dollar in the world foreign exchange market after the statement of the head of the US Department of Finance that the weakening of the dollar helps the American economy by improving the conditions for foreign trade. At the same time, the further rise in oil prices was stopped by the report of the American Petroleum Institute about a significant – by 4.8 million barrels – growth of oil reserves in the country last week.

In the first half of the trading session profit-taking continued on the Russian market – at daily lows losses of the MOEX Russia Index exceeded 0.6%. The European Stoxx Europe 600 Index traded near zero, without providing significant support to our market – the positive factor from strong statistics on business activity was offset by the strengthening of the euro against the dollar to a maximum in three years. According to preliminary data of IHS Markit, the consolidated Eurozone PMI in January rose to a maximum in 12 years due to the rise in activity in the service sector. In the second half of the trading session, the MOEX Russia Index was able to come out in a small plus due to a half-percentage increase in the major US indices and the rise of Brent quotes above \$70 per barrel. Positive background for the oil market was data from the US Department of Energy, which recorded a decline in oil reserves of 1.1 million barrels and a decrease of 3.2 million barrels in inventories at the Cushing terminal, where oil traded on NYMEX, is stored.

As a result of the trading session, the MicexPWR Sector Index underperformed mainly due to a decrease in shares of RusHydro.

## ELECTRIC POWER INDUSTRY NEWS

### Ministry of Energy agreed to change the timing of commissioning of large investment projects of Rosatom in Russia, according to the newspaper

It is about the new units of Novovoronezh NPP-2 and Leningrad NPP-2. The Ministry is ready to shift their launch for a year and two, respectively. The goal is to reduce the price load on consumers: the industry will begin to pay for the capacity of these units later, and the growth rates of wholesale energy prices in 2019-2020 will drop by 1.8 percentage points. According to analysts, the work of each unit would cost consumers about 40 billion rubles a year.

Read full text: <http://www.bigpowernews.ru/markets/document81468.phtml>

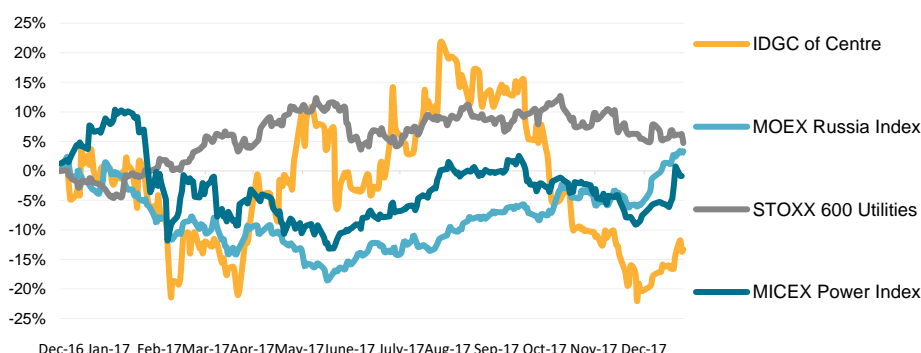
## COMPANY NEWS

### More than 16 thousand people applied in Smolenskenergo in 2017 for value-added services

Following the results of 2017, IDGC of Centre - Smolenskenergo division concluded 16,800 contracts for provision of value-added services, which is 5.1% higher than the number of contracts concluded in 2016 and almost 80% more than in 2015. The most popular among residents of the Smolensk region in 2017 were services for replacement, installation and testing of electricity meters - 13,476 applications were received.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/62921/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 306,99	0,35%	9,35%
S&P 500	2 837,54	-0,06%	6,13%
FTSE 100	7 643,43	-1,14%	-0,58%
DAX	13 414,74	-1,07%	3,85%
DJStoxx 600	400,79	-0,50%	2,98%
Nikkei	23 940,78	-0,76%	5,17%
Sensex	36 161,64	0,06%	6,18%
CSI300	4 389,89	0,17%	8,91%
Bovespa	83 680,00	3,72%	9,53%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	56,41	-0,38%	-2,11%
EURO/RUB	69,07	-0,28%	0,41%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 358,46	1,29%	4,27%
Brent*, USD/bbl	70,53	0,81%	5,47%

\* - March futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,3089	34,81	617,11

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-1,41%	4,72%
MICEX POWER Index	0,00%	8,28%
IDGC of Centre**	0,39%	8,85%
IDGC of Centre and Volga Region**	0,07%	1,43%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,73%	14,19%
FGC UES	0,06%	9,97%
IDGC of Volga	-1,57%	4,04%
MOESK	0,35%	-3,34%
IDGC of Northern Caucasus	-1,35%	-4,95%
IDGC of North-West	-0,54%	5,77%
IDGC of Urals	0,21%	15,04%
IDGC of Siberia	2,05%	8,73%
IDGC of South	1,41%	8,19%
Lenenergo, ordinary shares	0,85%	11,46%
TRK, ordinary shares	0,26%	3,50%
Kubanenergo	-1,66%	-1,66%

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