

DAILY MARKET REVIEW

14 February, Wednesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 13 February some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 added 1.4-1.7%. According to MarketWatch, investors returned to the market in search of depreciated shares, despite warnings from investment banks and hedge funds that high volatility will continue, and now such tactics may not be the best solution. Positive background for the markets was the introduction by the administration of the US President in the framework of the publication of the legislative budget proposal of an investment plan of \$200 billion over 10 years in the reconstruction and development of infrastructure in the country. At the same time, analysts noted, the new proposal suggests that the US will not be able to balance the budget within the next ten years, as it was planned earlier – the deficit will persist until 2039. This information put pressure on the dollar, and the subsequent strengthening of Asian currencies limited the growth of regional stock markets – the composite index of the Asia-Pacific region MSCI Asia Pacific rose by 0.4% on Tuesday, while the Japanese Nikkei225 lost 0.6% due to a sharp rise in the price of the yen. April Brent futures traded near \$63 per barrel, \$0.5 lower than the closing level on 12 February. The fear of increasing the supply from the US continues to prevail over the market. On Monday the US Department of Energy raised the forecast of shale oil production by seven of the country's largest companies in February.

On Tuesday the Russian market was dominated by buyers against the backdrop of global demand of investors for emerging market assets. In the second half of the trading session the MSCI EM Index added about a percent, the growth of the MOEX Russia Index exceeded a percent. At the same time, Russian investors ignored the worsening of sentiment on the western markets – the European Stoxx Europe 600 Index and futures for US indices lost about half a percent, and the Brent quotes drop to the level of \$62 per barrel. The oil prices were pressured by the publication of the monthly IEA report, in which experts pointed out the high probability that oil production from non-OPEC countries led by the US this year will grow faster than demand. The MOEX Russia Index closed trading on the daily highs, despite a half-percentage decline in US indices at the beginning of the day.

During the trading session the MicexPWR Sector Index looked somewhat worse than the market – the activity of buyers was mainly concentrated in the first-tier shares. The main contribution to the final MicexPWR growth was made by shares of FGC UES and Unipro.

ELECTRIC POWER INDUSTRY NEWS

Large consumers request the government to accelerate the adoption of a new methodology for calculating the profitability of power plants constructed according to the Capacity Delivery Agreement, says the newspaper

The profitability of new power capacities is tied to the zero-coupon yield curve of OFZ. The industry believes that the mechanism should be launched as early as 2018, which will save 10 billion rubles a year. But the process is delayed, and the adoption of the rules may shift for 2019.

Read full text: <http://www.bigpowernews.ru/markets/document81716.phtml>

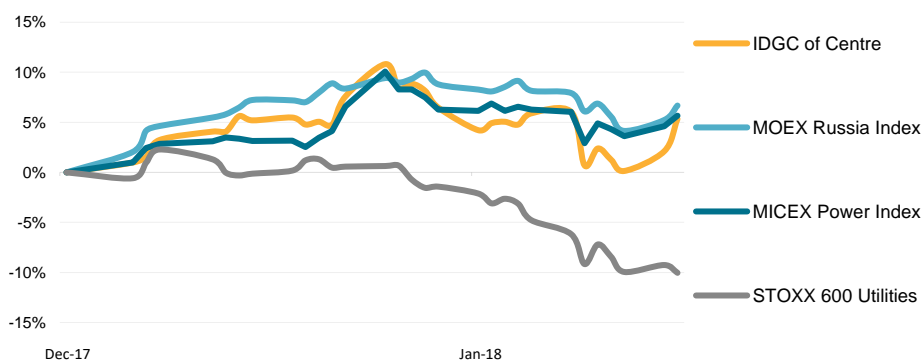
COMPANY NEWS

In 2017 IDGC of Centre fulfilled more than 40 thousand contracts of connection of customers to electric grids

IDGC of Centre summed up the results of work on connection of customers to electric grids for 2017. In the reporting period the company executed 42.3 thousand of grid connection agreements, the total connected capacity under the executed contracts was 865.8 MW.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/63129/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 250,63	1,37%	6,68%
S&P 500	2 662,94	0,26%	-0,40%
FTSE 100	7 168,01	-0,13%	-6,76%
DAX	12 196,50	-0,70%	-5,58%
DJStoxx 600	370,58	-0,63%	-4,78%
Nikkei	21 244,68	-0,65%	-6,68%
Sensex	34 300,47	0,00%	0,72%
CSI300	3 935,63	1,17%	-2,36%
Bovespa	80 898,70	0,00%	5,89%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	58,02	-0,27%	0,67%
EURO/RUB	71,25	-0,21%	3,57%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 329,55	0,52%	2,05%
Brent*, USD/bbl	62,72	0,21%	-5,60%

* - April futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,3330	37,53	646,85

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,86%	-10,04%
MICEX POWER Index	1,00%	5,66%
IDGC of Centre**	3,16%	5,34%
IDGC of Centre and Volga Region**	4,23%	10,37%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,28%	7,63%
FGC UES	1,61%	9,07%
IDGC of Volga	2,47%	7,16%
MOESK	0,62%	-9,34%
IDGC of Northern Caucasus	1,47%	-9,90%
IDGC of North-West	2,34%	0,96%
IDGC of Urals	1,73%	12,17%
IDGC of Siberia	5,58%	15,72%
IDGC of South	0,33%	0,67%
Lenenergo, ordinary shares	0,10%	6,67%
TRK, ordinary shares	-2,16%	-2,43%
Kubanenergo	0,82%	-5,61%

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