

DAILY MARKET REVIEW

23 March, Thursday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 22 March some negative external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed with a maximum drop of 1.1-1.2% this year, on Wednesday the main indices of the Asia-Pacific region showed similar changes. The markets were pressured by investors' concerns about the possible delay in the implementation of the US economic support program if the US Congress could not take a decision on health care reform. An additional negative factor for the financial sector was the statement of the representative of the US Senate Banking Committee that there would be no complete abrogation of the Dodd-Frank law. May Brent futures traded near the mark of \$50.7 per barrel, \$0.6 below our closing level on 21 March. Oil quotes declined after the publication of data from the American Petroleum Institute, which recorded an increase in oil reserves in the US last week by 4.5 million barrels.

Most of the trading session the MICEX Index and the European Stoxx Europe 600 Index had on average a half-point minus, playing out the fall of the US market on Tuesday. In the second half of the day buyers became more active on the Russian market – the MICEX Index was able to play back all losses and closed with a 0.7% rise, thanks to the neutral start of trading in the US and the turn of the Brent quotes from \$50 per barrel, despite the report of the US Department of Energy on the growth of reserves and production of oil last week. The main contribution to the MICEX Index growth was made by shares of Gazprom and Transneft on Bloomberg's information that a number of energy companies received a letter from the Federal Property Management Agency with a recommendation to pay dividends at 50% of profit.

During the trading session the changes of the MicexPWR Sector Index in general corresponded to the broad market. The main contribution to the final growth of the sector indicator was made by shares of FGC UES, which added 4% on Bloomberg's information on dividends of energy companies with state participation. From the current news of the sector, we can note the announcement by S&P agency about the change in the outlook of the rating of Rosseti, FGC UES, MOESK and IDGC of Centre from "stable" to "positive" following a similar action in relation to Russia's sovereign rating.

ELECTRIC POWER INDUSTRY NEWS

Commercial losses of electricity without borders

The growth of the economy stimulates energy consumption. But along with the growth of consumption in absolute terms, the loss of electricity also inevitably increases. Is it possible to break this negative dependence?

Read full text: <http://www.bigpowernews.ru/interview/document76022.phtml>

COMPANY NEWS

Belgorodenergo collected more than 6.5 million rubles of damage from unscrupulous consumers through the court

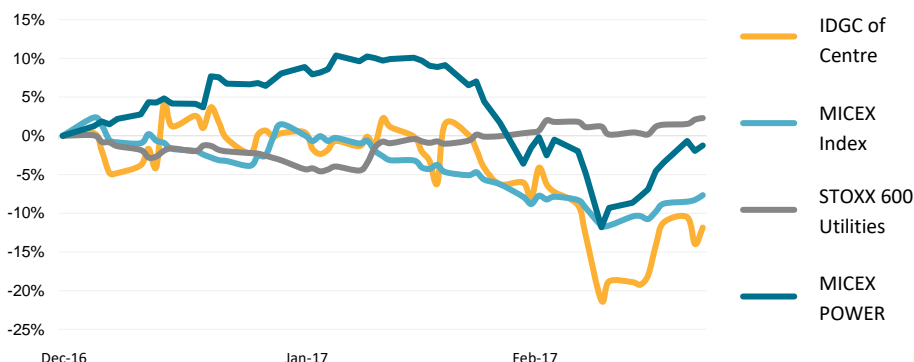
In 2016, through arbitration courts and courts of general jurisdiction from individuals and legal entities that had non-metered electricity consumption, IDGC of Centre – Belgorodenergo division recovered about 6.5 million rubles. Another 12.8 million rubles of damage was paid voluntarily by unscrupulous consumers to avoid litigation. 264 thousand rubles fell on fines imposed as an administrative penalty and paid in favour of the state.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/59212/>

Smolensk power engineers of IDGC of Centre are ready to pass the flood period of 2017

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/59460/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 061,53	0,66%	-7,67%
S&P 500	2 348,45	0,19%	4,90%
FTSE 100	7 324,72	-0,73%	2,55%
DAX	11 904,12	-0,48%	3,68%
DJStoxx 600	374,03	-0,44%	3,49%
STOXX Utilities	283,10	0,19%	2,29%
Nikkei	19 041,38	-2,13%	-0,38%
Sensex	29 167,68	-1,08%	9,54%
CSI300	3 450,05	-0,47%	4,23%
Bovespa	63 521,34	0,86%	5,47%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,08	0,02%	2,80%
USD/RUB	57,23	-0,09%	-5,65%
Euro/RUB	61,73	0,06%	-3,26%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 248,84	0,32%	8,83%
Brent*, USD/bbl	50,64	-0,63%	-12,75%

* - May futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3940
Capitalisation**, billion RUB	16,63
Capitalisation**, million USD	290,64

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,72%	-1,24%
Shares of IDGC of Centre**	2,47%	-11,86%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	1,61%	-13,13%
FGC UES	3,59%	-4,13%
IDGC of Volga	1,12%	4,55%
MOESK	-2,03%	13,03%
IDGC of Northern Caucasus	-0,26%	-14,51%
IDGC of Centre and Volga Reg	1,80%	6,76%
IDGC of North-West	1,28%	-13,45%
IDGC of Urals	0,00%	-5,78%
IDGC of Siberia	1,59%	-16,13%
IDGC of South	-1,23%	-23,28%
Lenenergo, ordinary shares	-0,39%	-6,72%
TRK, ordinary shares	0,00%	-10,08%
Kubanenergo	-0,75%	5,98%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

MRKC
MRKC RX
MRKC.MM