

DAILY MARKET REVIEW

23 June, Friday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 22 June some moderately negative external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 lost 0.1-0.3%. The sale of the energy sector due to cheaper oil levelled the rise of shares of biotech companies, supported by media reports on the intention of Donald Trump to soften the regulation of this industry. As noted by Reuters, the decline in oil may become a harbinger of low inflation, which puts pressure on other cyclical sectors in addition to energy companies, including banking and industrial. On Thursday the main country stock indices of the Asia-Pacific region closed trading near the zero mark, while the Australian S&P/ASX200 added 0.7%, led by shares of mining companies due to recovery of metal prices. August Brent futures traded near the mark of \$44.7 per barrel, \$1.1 lower than the closing level on 21 June. Quotations have been falling for the fifth week in a row and on Wednesday they renewed a new low this year. Despite the low prices, production in the USA continues to grow and according to the data of the Department of Energy of the country reached a two-year maximum (9.35 million barrels per day). This undermines the spirit of the OPEC+ countries, experts note, which are actively losing market share in favour of US oil producers.

The MICEX Index opened almost with a percent decline under the pressure of negative changes of oil prices and the fall in shares of Norilsk Nickel and Magnit after the ex-dividend date. In the afternoon, the MICEX Index could gain a foothold in the positive area due to growth of Brent quotations above \$45 per barrel, contributing, among other things, to improving sentiment on the western exchanges. Published during the trading session US statistics on the number of applications for unemployment benefits for the past week and the index of leading economic indicators in May coincided with analysts' expectations and had no significant effect on the trend of stock indices.

During the trading session, the MicexPWR Sector Index looked better than the broad market. The main contribution to the leading final rise in the sector indicator in comparison with the MICEX Index was made by shares of FGC UES.

ELECTRIC POWER INDUSTRY NEWS

The state is ready to subsidize loans for renewable energy sources

If one subsidizes even 2 percentage points of the loan rates for power companies, annually it will require 25-27 billion rubles.

Read full text: <http://www.vedomosti.ru/business/articles/2017/06/23/695673-subsidirovat-vozobnovlyaemie-energii>

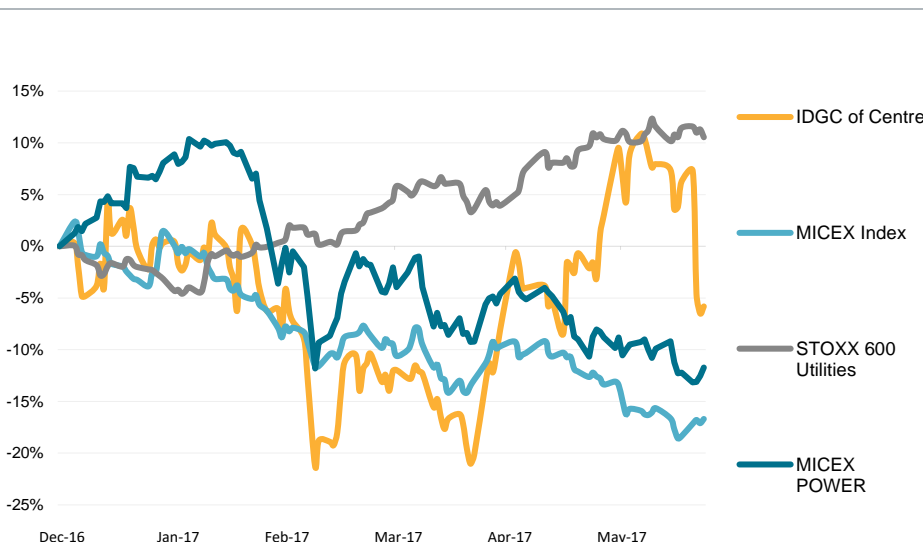
COMPANY NEWS

Smolenskenergo for 5 months of 2017 connected to its grids 10 apartment buildings in the Smolensk region

For the past period of 2017 IDGC of Centre – Smolenskenergo division provided connection to electric grids of nine 10-storey houses in the city of Smolensk and a five-story house in the city of Vyazma. Most of the facilities are connected by the first category of power supply reliability. The total power of the grid connection was 1.58 MW.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/60453/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 860,05	0,50%	-16,69%
S&P 500	2 434,50	-0,05%	8,74%
FTSE 100	7 439,29	-0,11%	4,15%
DAX	12 794,00	0,15%	11,44%
DJStoxx 600	388,53	0,01%	7,50%
STOXX Utilities	305,93	-0,68%	10,54%
Nikkei	20 110,51	-0,14%	5,21%
Sensex	31 290,74	0,02%	17,52%
CSI300	3 590,34	0,07%	8,47%
Bovespa	61 272,21	0,84%	1,73%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,12	0,08%	6,08%
USD/RUB	60,00	2,43%	-1,08%
Euro/RUB	66,80	2,26%	4,68%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 250,51	0,32%	8,98%
Brent*, USD/bbl	45,22	0,89%	-23,12%

* - August futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4210
Capitalisation**, billion RUB	17,77
Capitalisation**, million USD	296,23

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,93%	-11,72%
Shares of IDGC of Centre**	0,72%	-5,82%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	0,64%	-31,46%
FGC UES	3,37%	-19,29%
IDGC of Volga	0,64%	27,23%
MOESK	-0,12%	-10,69%
IDGC of Northern Caucasus	1,30%	-29,48%
IDGC of Centre and Volga Reg	0,06%	14,86%
IDGC of North-West	-2,23%	-28,18%
IDGC of Urals	-0,34%	-10,33%
IDGC of Siberia	0,81%	-25,45%
IDGC of South	0,00%	-31,68%
Lenenergo, ordinary shares	-2,56%	-20,44%
TRK, ordinary shares	0,00%	-25,21%
Kubanenergo	3,41%	-9,31%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

MRKC
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