

DAILY MARKET REVIEW

27 January, Friday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 26 January some positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500, updating their historical highs, were 0.8% up, while the DJIA closed above the psychological level of 20,000 points. On Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific added more than a percent, futures for US indices continued rising. The market was supported by aggravated expectations that the new US president will adhere to his plans to increase budget spending, tax cuts and easing regulation. The speed, writes MarketWatch, with which Donald Trump signs decrees in the first days after taking the presidential office, allows investors to expect that these expectations will soon be implemented. In particular, after the Friday's inauguration Donald Trump adopted several decisions that big business found favourable, including, he signed decrees on the regulation easing for US industrial enterprises and removal of barriers for construction of two oil pipelines. March Brent futures traded near the mark of \$55.6 per barrel, at the closing level on 25 January. Brent quotes continue consolidating in a narrow sideways corridor on controversial news background. On the one hand, the market was pressured by the US Department of Energy statistics, which recorded growth of fuel reserves and oil production last week. On the other hand, the negative factor of these data was offset by the statement of oil minister of Kuwait on full commitment to the OPEC's agreement to cut production. According to him, some of OPEC countries have not yet reduced production in its entirety, but they will increase the pace of its reduction in the near future to meet the conditions of the agreement on reduction of oil production.

On Friday the Russian market was dominated by buyers – in the afternoon the pace of growth of the MICEX Index exceeded 2%. Our market was supported by both improved sentiment on western markets, and the growth of Brent quotations to around \$56.5 per barrel. The MICEX Index closed trading at daily highs, despite uncertain beginning of the trading session in the US after the publication of the statistics on applications for unemployment benefits and sales of new buildings in December, which fell short of expectations.

During the trading session the MicexPWR Sector Index underperformed, the activity of buyers on Thursday was mainly concentrated in the first tier shares.

ELECTRIC POWER INDUSTRY NEWS

Not the last mile

The Government will not be able to cope with the "last mile" by July - a mechanism to raise tariffs for large companies. The budget is not ready to compensate for shortfall in income to distribution grid companies in the amount of 10.4 billion rubles, and this amount will have to pass onto consumers again. As "Kommersant daily" found, the Ministry of Energy sees the differentiation rate of Federal Grid Company (FGC) as one of the options: for large consumers it will grow only by 17%, and for distribution grids – it will fall 5%.

Read full text: <http://www.kommersant.ru/doc/3200749>

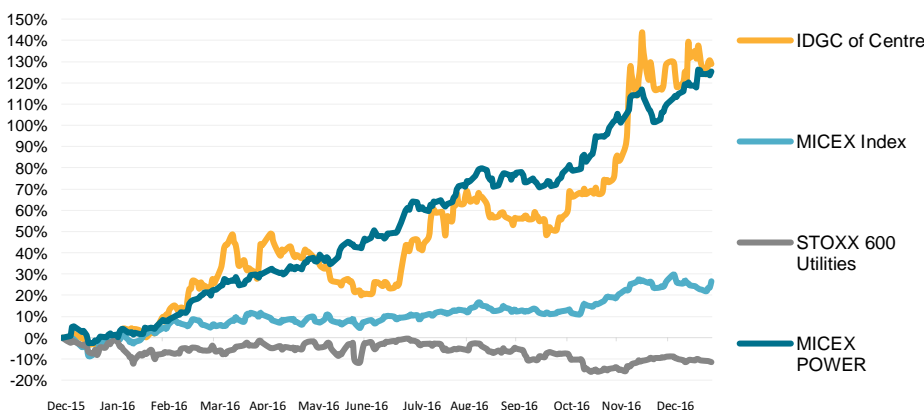
COMPANY NEWS

Tambovergo fully performed the repair program in 2016

IDGC of Centre – Tambovergo division summed up the 2016 repair program. All its activities were carried out in full and on time, in some areas they were ahead of schedule.

Read full text: http://www.advis.ru/php/view_news.php?id=F791AA58-B1B5-D04C-8944-4EF1FB418F11

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 229,20	2,44%	-0,16%
S&P 500	2 296,68	-0,07%	2,58%
FTSE 100	7 161,49	-0,04%	0,26%
DAX	11 848,63	0,36%	3,20%
DJStoxx 600	367,50	0,25%	1,68%
STOXX Utilities	268,84	-0,30%	-2,87%
Nikkei	19 402,39	1,81%	1,51%
Sensex	27 708,14	0,00%	4,06%
CSI300	3 387,96	0,36%	2,35%
Bovespa	66 190,63	0,53%	9,90%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,07	-0,47%	1,62%
USD/RUB	59,15	-0,11%	-2,49%
Euro/RUB	63,43	-0,31%	-0,60%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 188,50	-1,02%	3,57%
Brent*, USD/bbl	56,24	2,11%	-1,02%

* - March futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4465
Capitalisation**, billion RUB	18,85
Capitalisation**, million USD	318,69

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,72%	7,22%
Shares of IDGC of Centre**	-0,78%	-0,11%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	0,10%	6,57%
FGC UES	3,19%	11,02%
IDGC of Volga	0,08%	9,64%
MOESK	-0,41%	7,80%
IDGC of Northern Caucasus	-0,21%	8,62%
IDGC of Centre and Volga Reg	-0,26%	3,38%
IDGC of North-West	-1,28%	-2,18%
IDGC of Urals	-0,60%	0,91%
IDGC of Siberia	-0,68%	3,94%
IDGC of South	-0,20%	-4,96%
Lenenergo, ordinary shares	0,18%	-1,27%

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