

DAILY MARKET REVIEW

28 September, Thursday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 27 September some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed in different directions with changes within 0.1%, on Wednesday the main country indices of the Asia-Pacific region showed similar changes. On the one hand, the markets were supported by expectations of accelerating the implementation of tax reform in the US – Donald Trump promised in the coming days to provide details of this program. According to economists, tax breaks will support corporate profits and accelerate the growth of the US economy by about 1 p.p. On the other hand, the activity of buyers was restrained by statements of the head of the Fed that she considers it expedient to continue to tighten monetary and credit policy, without waiting for inflation to recover to the target 2%. At the same time, Janet Yellen stressed that too gradual increase of rates can be dangerous. After that, the market's assessment of the probability of a rate hike at the December meeting increased from 63% to 70%. November Brent futures traded near \$58.8 per barrel, \$0.4 higher than the closing on 26 September. The rise in quotations was promoted by the report of the American Petroleum Institute on the reduction of oil reserves in the country last week and the continuing tension around Iraqi Kurdistan – according to preliminary data, more than 90% of the referendum participants voted for independence from Baghdad.

Most of the trading session the MICEX Index and the Stoxx Europe 600 Index were in a small plus within half a percent. The Russian and European markets were supported, including, by the weakening of the ruble and the euro against the dollar on increased expectations of the Fed rate hike in December. An additional positive factor for investors in the second half of the day was better-than-expected statistics from the US on durable goods orders in August and growth of US indices at the beginning of trading.

During the trading session the changes of the MicexPWR Sector Index in general corresponded to the MICEX Index. The main contribution to the final MicexPWR growth was made by shares of RusHydro and Mosenergo.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Economy developed a new scheme for calculating profitability for power units constructed under power supply agreements – says the newspaper

The agency proposed to simplify the complicated formula for calculating the profitability of new power units, linking it to the zero-coupon yield curve of federal loan bonds. This would make payment for new units more transparent, they believe in the market, and, according to various estimates, would lower incomes of energy companies by an average of 5-25 billion rubles a year. However, sources in the market fear that the Ministry of Economy can freeze the reform, redistributing the income of market participants.

Read full text: <http://www.bigpowernews.ru/markets/document79835.phtml>

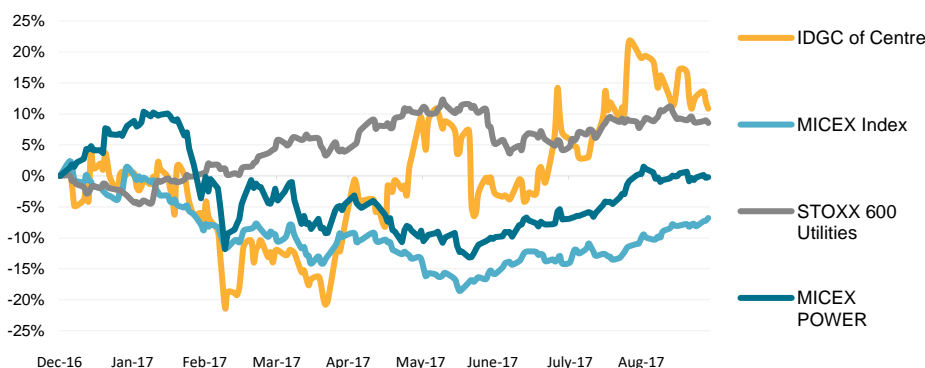
COMPANY NEWS

The Tambovenergo project reached the final of the All-Russian competition "ENES-2017"

IDGC of Centre - Tambovenergo is recognized as the winner of the regional stage of the IV All-Russian competition of implemented projects in the field of energy saving, energy efficiency and energy development "ENES-2017". The project "Experimental operation of a power transformer with a magnetic core from amorphous steel" presented by the branch became the best in the nomination "Leader in the implementation of the best available technologies in the field of energy saving and energy efficiency".

Read full text: http://www.advis.ru/php/view_news.php?id=B0EF8FE1-6CE6-7245-94DC-8F5FEFF3D16F

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 081,12	0,48%	-6,79%
S&P 500	2 507,04	0,41%	11,98%
FTSE 100	7 313,51	0,38%	2,39%
DAX	12 657,41	0,41%	10,25%
DJStoxx 600	385,62	0,41%	6,70%
STOXX Utilities	300,42	-0,39%	8,55%
Nikkei	20 267,05	-0,31%	6,03%
Sensex	31 159,81	-1,39%	17,03%
CSI300	3 821,20	0,01%	15,44%
Bovespa	73 796,71	-0,70%	22,53%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,18	-0,25%	11,74%
USD/RUB	57,52	-0,08%	-5,17%
Euro/RUB	68,02	-0,78%	6,60%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 282,78	-0,87%	11,79%
Brent*, USD/bbl	57,90	-0,92%	-1,48%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4955
Capitalisation**, billion RUB	20,92
Capitalisation**, million USD	363,69

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,15%	-0,18%
Shares of IDGC of Centre**	-1,00%	10,85%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	0,17%	-9,87%
FGC UES	0,09%	-14,79%
IDGC of Volga	-0,86%	106,88%
MOESK	0,34%	-1,34%
IDGC of Northern Caucasus	1,37%	0,45%
IDGC of Centre and Volga Reg	-0,12%	119,05%
IDGC of North-West	-1,13%	11,27%
IDGC of Urals	-0,27%	14,29%
IDGC of Siberia	-3,30%	50,54%
IDGC of South	0,90%	-14,12%
Lenenergo, ordinary shares	-0,53%	2,82%
TRK, ordinary shares	4,29%	-7,98%
Kubanenergo	-2,80%	-16,09%

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