

DAILY MARKET REVIEW

25 April, Wednesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 24 April some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed in different directions with changes in the range of 0.1%. Hopes for a positive resolution of trade disputes with the PRC – the US Treasury Secretary announced a possible trip to China to discuss trade agreements – were offset by the continued decline in shares of technology companies and fears of an accelerated rate rise by the Fed due to inflation risks. The yields of US 10-year government bonds have come close to the psychological mark of 3% after the growth of expectations of three more rate increases by the Federal Reserve in the current year. According to the Chicago Stock Exchange, the probability of this scenario has reached 40%. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.3% mainly due to the growth of the Chinese CSI300 by 2%. The Chinese market was supported by a statement on the results of a meeting of the Political Bureau of the Central Committee of the Communist Party of China in which analysts saw signals that China could introduce incentive measures in tax policy and provide favourable monetary policy to reduce financial risks and stabilize the market if external demand weakens. June Brent futures traded near \$75.1 per barrel, \$1.2 higher than our closing on 23 April. The rise in oil prices was promoted by increased risks of the escalation of the armed conflict of Saudi Arabia, the largest oil exporter, and Yemen (supported by Iran), which controls the Bab el Mandeb Strait, through which tankers with oil from the Persian Gulf enter Europe and America.

The MOEX Russia Index spent most of the trading session in a small plus on average about half a percent, playing out high oil prices and the statement of the US Treasury Secretary on the possible removal of sanctions from Rusal, if Oleg Deripaska refuses to control the company. According to analysts, the information that American sanctions are aimed in large part against specific people, rather than branches of the domestic economy, can lead to a certain reduction in risk premiums in Russian assets. In addition, experts believe that the softening of the US position on Rusal makes it extremely unlikely that the SDN list will expand with respect to other Russian companies. At the end of the day, the MOEX Russia Index reduced its growth rates due to worsening of sentiment on global markets after the yield of US ten-year government bonds rose above 3% for the first time since January 2014.

As a result of the trading session the MicexPWR Index outperformed. The main contribution to the outpacing rise of MicexPWR in comparison with the MOEX Russia Index was made by shares of Inter RAO and IDGC of Centre and Volga Region.

ELECTRIC POWER INDUSTRY NEWS

Deputy Energy Minister Kravchenko does not see significant risks for companies in Russia's electricity sector from the US sanctions imposed

Read full text: <http://www.bigpowernews.ru/news/document82648.phtml>

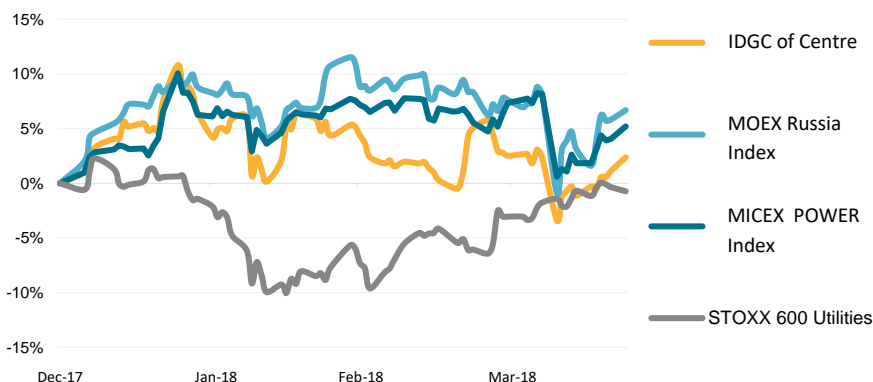
COMPANY NEWS

IDGC of Centre assists in the implementation of public housing programs in regions of the Central Federal District

Specialists of IDGC of Centre - Tamboverenergo division completed the first stage of connection to the grid of a new micro-district in the southern part of the city of Tambov. The work was carried out within the framework of the program "Housing for the Russian Family". Its goal is to support certain categories of citizens who need to improve their housing conditions and increase the affordability of housing by reducing the average cost per square metre of housing.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/63761/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 253,77	0,12%	6,83%
S&P 500	2 634,56	-1,34%	-1,46%
FTSE 100	7 425,40	0,36%	-3,41%
DAX	12 550,82	-0,17%	-2,84%
DJStoxx 600	383,11	-0,02%	-1,56%
Nikkei	22 278,12	0,86%	-2,14%
Sensex	34 616,64	0,48%	1,64%
CSI300	3 843,49	2,05%	-4,65%
Bovespa	85 469,08	-0,16%	11,87%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	61,77	0,72%	7,18%
EURO/RUB	75,79	0,18%	10,19%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 330,35	0,42%	2,11%
Brent*, USD/bbl	73,86	-1,14%	12,28%

* - June futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.17
IDGC of Centre	0,3630	15,33		248,12
IDGC of Centre & Volga Reg	0,3492	39,35		637,15

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,47%	-0,26%
MICEX POWER Index	0,45%	5,68%
IDGC of Centre**	-0,41%	1,97%
IDGC of Centre and Volga Region**	4,61%	15,74%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-2,27%	0,90%
FGC UES	-1,20%	7,07%
IDGC of Volga	3,75%	15,78%
MOESK	-0,69%	-20,13%
IDGC of Northern Caucasus	0,58%	-10,16%
IDGC of North-West	-1,24%	-8,27%
IDGC of Urals	-0,68%	4,53%
IDGC of Siberia	1,24%	6,99%
IDGC of South	-0,73%	-9,03%
Lenenergo, ordinary shares	-0,17%	22,71%
TRK, ordinary shares	0,00%	-8,36%
Kubanenergo	0,00%	-17,98%

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