

DAILY MARKET REVIEW

6 February, Tuesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 5 February some negative external background formed on the Russian market. On Friday the US indices DJIA and S&P500 fell 2.1-2.5%, at the maximum rate for more than two years, on Monday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 1.5%. The markets were pressured by fears of more tightening of monetary policy by the Federal Reserve after the publication of strong labour market statistics, than is currently forecasted. The growth of jobs in the US in January exceeded expectations, unemployment remained at the lowest level since 2000, 4.1%, the growth in hourly wages was a record since 2009. After the publication of these statistics, the head of the Federal Reserve Bank of Dallas said that to reduce inflationary risks, the interest rate in 2018 can be raised more than three times. In turn, according to the head of the Federal Reserve Bank of Minneapolis, the report of the Department of Labor became the first sign of accelerating the growth of salaries in the US, which may affect the size of the base interest rate in the country. In general, Reuters notes, fears of a revival of inflation hit bonds, pushed stock indices from record highs and prompted speculations that central banks around the world may be forced to tighten policies more aggressively. April Brent futures traded near \$68 per barrel mark, \$0.2 lower than the closing level on Friday, 2 February. Negative background for the quotes was the strengthening of the dollar and data from the oil service company Baker Hughes, which pointed to the growth in the number of operating oil production facilities in the US for the second consecutive week.

On Monday the Russian market was dominated by sellers within the global trend of investors' withdrawal from risky assets – at daily lows, the fell of the MOEX Russia Index reached 1.2%. The European Stoxx Europe 600 Index and the emerging markets index MSCI EM lost more than a percent. Published during the day European statistics was ambiguous and had no significant impact on the course of trading. The composite index of business activity in the Eurozone in January rose to a maximum in almost 12 years, the rate of job creation became the highest since the end of 2000, while retail sales in December fell more than economists had expected. In the second half of the day, the MOEX Russia Index managed to play most of the losses back due to the reversal of US markets after a percentage drop at the beginning of the trading session on strong statistics – the US business activity index in the US services sector rose to its peak since August 2005.

During the trading session the changes of the MicexPWR Sector Index in general corresponded to the MOEX Russia Index. The main contribution to the final MicexPWR decline was made by shares of Inter RAO and Enel Russia.

ELECTRIC POWER INDUSTRY NEWS

The government once again began to address the problem of surplus grid capacity of industrial consumers, says the newspaper

Their volume reaches 69 GW, which more than double the capacity of thermal power plants constructed since 2008. Since 2012 they have been trying to force consumers to pay for surplus capacity, but it was not possible to coordinate these initiatives. Now the discussion can also be confronted with the conflict of departments: the commission of Deputy Prime Minister Arkady Dvorkovich has been given to the Ministry of Energy, but the Ministry of Economy was the first to propose its own version of the reform.

Read full text: <http://www.bigpowernews.ru/markets/document81615.phtml>

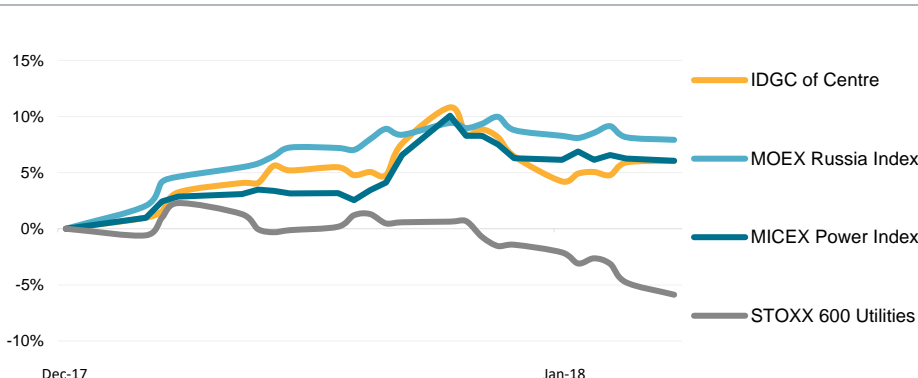
COMPANY NEWS

IDGC of Centre, PJSC approved the Regulations on Dividend Policy as amended

2 February 2018, a meeting of the Board of Directors of IDGC of Centre, PJSC (hereinafter – the Company) was held, which approved the Regulations on Dividend Policy of the Company as amended (hereinafter – the Dividend Policy). The document has been aligned with Instruction of the Russian Federation Government dated 29.05.2017 № 1094-r and the Articles of Association of the Company.

Read full text: <http://www.bigpowernews.ru/press/document81611.phtml>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2276,85	-0,22%	7,92%
S&P 500	2761,2	-0,03%	3,28%
FTSE 100	7360,49	-1,11%	-4,26%
DAX	12706,22	-0,62%	-1,64%
DJStoxx 600	382,82	-1,35%	-1,63%
Nikkei	22682,08	-2,55%	-0,36%
Sensex	34757,16	-0,88%	2,06%
CSI300	4274,15	0,07%	6,04%
Bovespa	84127,82	0,10%	10,11%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	56,0408	-0,39%	-2,76%
EURO/RUB	70,0958	0,44%	1,90%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1335,21	0,17%	2,47%
Brent*, USD/bbl	68,27	-0,45%	2,09%

* - April futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3775	15,94	284,39
IDGC of Centre & Volga Reg	0,3178	35,82	639,09

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-1,16%	-5,88%
MICEX POWER Index	-0,19%	6,06%
IDGC of Centre**	0,13%	6,04%
IDGC of Centre and Volga Region**	0,41%	5,34%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	2,04%	12,77%
FGC UES	0,23%	8,55%
IDGC of Volga	0,78%	6,33%
MOESK	-0,83%	-7,34%
IDGC of Northern Caucasus	-0,28%	-7,55%
IDGC of North-West	2,70%	2,50%
IDGC of Urals	-2,30%	11,69%
IDGC of Siberia	0,00%	11,79%
IDGC of South	0,64%	5,02%
Lenenergo, ordinary shares	0,10%	6,77%
TRK, ordinary shares	-1,06%	0,27%
Kubanenergo	-3,04%	-6,51%

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