

DAILY MARKET REVIEW

19 April, Wednesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 18 April some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed trading 0.9% up after shares of financial and industrial companies – the attention of traders, writes Reuters, switched from geopolitical tensions to quarterly reports of companies. At the same time, on Tuesday the composite stock index of the Asia-Pacific region, MSCI Asia Pacific, lost more than 0.5%. The Chinese market was down because of concerns over possible tightening of regulation, the Australian S&P/ASX 200 was hit by falling prices for iron ore and copper. Of the main country stock indices of the APR only the Japanese Nikkei 225 traded in the positive area on the yen weakening. June Brent futures traded near the mark of \$55.3 per barrel, \$0.3 below the closing level on 17 April. Oil quotes decreased on fears of growth in drilling activity and production in the US, which worsens the effect of the OPEC+ agreement on production cuts. At the same time, Citi analysts warn that the refusal of the agreement participants from the extension of the deal will lead to a sharp drop in oil prices.

The neutral start of trading on the Russian market was replaced by a percentage drop, following the Brent decline below \$55 and the worsening of sentiment on European exchanges. The European Stoxx Europe 600 lost about a percent in the second half of the day due to the unpredictability of the presidential election race in France – there are still several days left before the first round (it is scheduled for 23 April), and there is still no clear leader among the candidates. A negative factor for European investors is also more than a 2% decline in the British market, provoked by a 1.5% increase in the pound after the announcement by the British premier on early parliamentary elections on 8 June – earlier elections were scheduled to be held only in 2020. The head of the government explained the need for the elections by the fact that among the deputies there is no unity in Brexit – the opposition parties are trying to obstruct the arrangements between London and Brussels. Additional pressure on the markets was provided by the worse than expected statistics published in the US on industrial production and the number of new buildings in March and weak reporting by a number of large American companies, including Goldman Sachs.

As a result of the trading session the MicexPWR Sector Index looked worse than the broad market. The main contribution to the MicexPWR reduction was made by shares of FGC UES and Rosseti, which were pressured by the statement of the head of Rosseti that, in the absence of the government directive, the holding adheres to the logic of paying dividends on the group at 25%, despite the fact that a number of companies – in particular, FGC UES, MOESK and Tyumenenergo – can pay more than 25%.

ELECTRIC POWER INDUSTRY NEWS

"Rosseti" focuses on the dividends of "daughters" at 25% of profits, but is also ready to pay 50%

"Rosseti" is guided by dividend payments of subsidiaries and affiliated companies in the amount of 25% of net profit, but is ready to pay at the level of 50% if such an order is received, told journalists the head of the company Oleg Budargin.

Read full text: <http://www.bigpowernews.ru/news/document76531.phtml>

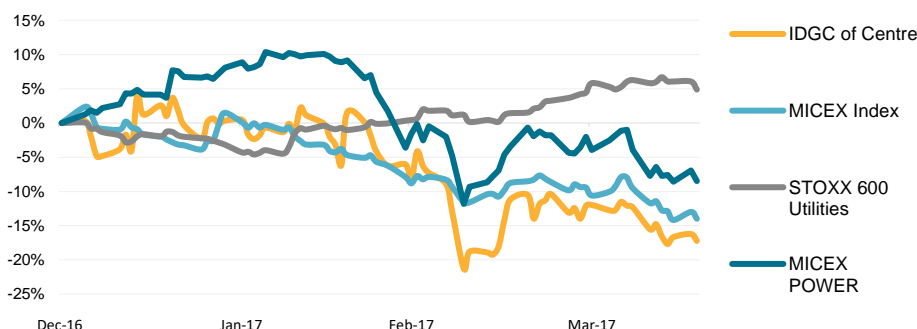
COMPANY NEWS

About 500 Kostromaenergo's employees in the first quarter were given the opportunity to undergo vocational training

IDGC of Centre - Kostromaenergo division summed up the work on the organization of professional training, retraining and advanced training of personnel in the first quarter of 2017. 483 employees of the enterprise received the training opportunity during this period, including 287 representatives of working specialties, 143 - senior managers, and 53 specialists.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/59708/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 920,29	-1,15%	-13,99%
S&P 500	2 337,03	-0,51%	4,39%
FTSE 100	7 147,50	-2,46%	0,07%
DAX	12 000,44	-0,90%	4,52%
DJStoxx 600	376,35	-1,11%	4,13%
STOXX Utilities	290,28	-1,11%	4,88%
Nikkei	18 418,59	0,35%	-3,64%
Sensex	29 319,10	-0,32%	10,11%
CSI300	3 462,63	-0,49%	4,61%
Bovespa	64 127,88	-0,32%	6,48%

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

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,06	0,00%	1,20%
USD/RUB	56,25	-0,08%	-6,67%
Euro/RUB	59,84	0,10%	-5,05%

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

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 284,71	0,00%	11,49%
Brent*, USD/bbl	55,36	0,00%	-2,57%

* - June futures

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

Shares of IDGC of Centre	Value
Last transaction, RUB	0,37
Capitalisation**, billion RUB	15,62
Capitalisation**, million USD	277,70

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-1,66%	-8,48%
Shares of IDGC of Centre**	-1,20%	-17,23%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-3,27%	-22,63%
FGC UES	-3,60%	-14,30%
IDGC of Volga	-0,58%	6,88%
MOESK	-0,94%	5,90%
IDGC of Northern Caucasus	-3,76%	-24,49%
IDGC of Centre and Volga Reg	-2,39%	1,96%
IDGC of North-West	-1,61%	-22,36%
IDGC of Urals	-1,40%	-14,59%
IDGC of Siberia	-1,13%	-27,00%
IDGC of South	0,00%	-33,78%
Lenenergo, ordinary shares	-2,56%	-6,81%
TRK, ordinary shares	6,59%	-8,19%
Kubanenergo	-1,19%	-4,60%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

MRKC

MRKC:RM

MRKC:MM