

DAILY MARKET REVIEW

24 January, Wednesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 23 January some positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500, having updated their historical records, closed with an increase of 0.5-0.8%, on Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific added more than a percent. The positive factor for the markets was the end of the three-day suspension of the work of the US federal government – US lawmakers agreed to extend funding to government agencies until 8 February. Until then, Republicans and Democrats need to agree on budgetary issues, in particular, on financing programs in the field of immigration, military and social spending. Additional support to investors was provided by the IMF's improvement of the forecast for the world GDP growth for 2018 to 3.9% from 3.7%, expected in October. March Brent futures traded near \$69.5 per barrel, \$0.7 higher than the closing level on 22 January. Oil prices were supported, including, by the increased IMF oil price forecast for 2018 by \$9.7 – up to \$59.9 per barrel as part of improving expectations for the global economy.

Despite the external optimism, on Tuesday a full-scale correction unfolded on the Russian market after three weeks of almost non-stop rally – at daily lows the losses of the MOEX Russia Index reached 1.2%. In the second half of the trading session the MOEX Russia Index managed to play back two-thirds of the losses due to the rise of Brent quotations to \$69.9 per barrel and moderately positive sentiments on the western markets. The European Stoxx Europe 600 Index added about a third of a percent, US trades started in a small plus – investors were supported by good corporate reporting and expectations of resolving the political crisis in Germany, where official negotiations on the formation of the government coalition started on Tuesday.

During the trading session the MicexPWR Sector Index looked significantly worse than the market – investors actively recorded profits after a confident rise in shares of companies in the sector in the previous two trading sessions. The main contribution to the MicexPWR underperformance in comparison with the MOEX Russia Index was made by shares of FGC UES and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Energy opposed the support of green energy at the expense of large consumers

From 2024 renewable energy should develop according to market principles and on the basis of stimulating demand for electricity, follows from the letter of the Ministry of Energy to the government from December 29th. "Vedomosti" got acquainted with the copy, the representative of the vice-premier Arkady Dvorkovich confirmed receipt of the document. Currently, renewable energy projects are supported by agreements on the provision of capacity (in force until 2024) in the European part of Russia, the Urals and Siberia.

Read full text: <https://www.vedomosti.ru/business/articles/2018/01/24/748766-podderzhki-zelenoi-energetiki>

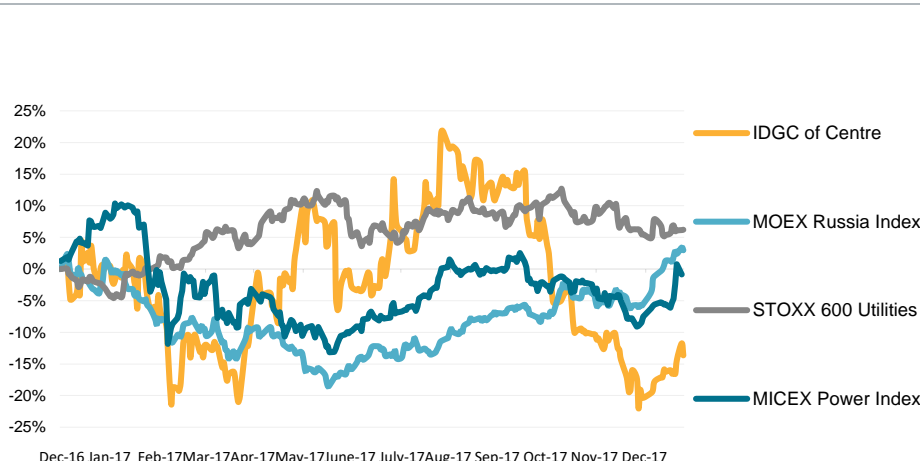
COMPANY NEWS

Kurskenergo in 2017 collected 49 million rubles in court from non-payers

IDGC of Centre - Kurskenergo division performs regular work to recover accounts receivable for services on transmission of electricity from consumers in the region. As of 1 January 2018, the total debt of counterparties to the enterprise amounted to more than one billion rubles, including over half a billion rubles - arrears. Specialists of Kurskenergo implement a set of measures to recover debts. Claims and lawsuits bring a significant result. By the end of 2017, 255 judgments in the amount of 49 million rubles were rendered in favour of the power company.

Read full text: <http://www.energostrana.ru/news/powerindustry/26499.html>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 298,95	-0,42%	8,97%
S&P 500	2 839,13	0,22%	6,19%
FTSE 100	7 731,83	0,21%	0,57%
DAX	13 559,60	0,71%	4,97%
DJStoxx 600	402,81	0,17%	3,50%
Nikkei	24 124,15	1,29%	5,97%
Sensex	36 139,98	0,96%	6,12%
CSI300	4 382,61	1,06%	8,73%
Bovespa	80 678,34	-1,22%	5,60%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	56,63	0,07%	-1,74%
EURO/RUB	69,27	-0,19%	0,70%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 341,21	0,55%	2,95%
Brent*, USD/bbl	69,96	1,35%	4,62%

* - March futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3860	16,30	287,78
IDGC of Centre & Volga Reg	0,3089	34,81	614,78

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,05%	6,21%
MICEX POWER Index	-1,63%	8,28%
IDGC of Centre**	-2,15%	8,43%
IDGC of Centre and Volga Region**	-1,00%	1,36%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,16%	13,36%
FGC UES	-3,60%	9,90%
IDGC of Volga	-0,55%	5,70%
MOESK	-0,46%	-3,67%
IDGC of Northern Caucasus	-3,14%	-3,65%
IDGC of North-West	-1,95%	6,35%
IDGC of Urals	-0,82%	14,80%
IDGC of Siberia	-2,79%	6,55%
IDGC of South	-1,09%	6,69%
Lenenergo, ordinary shares	-1,76%	10,52%
TRK, ordinary shares	0,00%	3,23%
Kubanenergo	0,13%	0,00%

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