

DAILY MARKET REVIEW

19 January, Friday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 18 January some moderately positive external background formed on the Russian market. The US indices DJIA and S&P500, having updated their historical records, closed Wednesday with an increase of 0.9-1.3%. The market was supported by strong quarterly statements and optimistic forecasts of a number of large companies, including thanks to tax reform, and good statistics – the growth rate of industrial production in the US in December was the maximum in five years. In addition, the regional review of the Fed "Beige Book" recorded a further strengthening of the US economy and labour market. On Thursday the composite index of the Asia Pacific region MSCI Asia Pacific fell within a third of a percent after the correction of the Japanese Nikkei225 after the update of highs at the beginning of the day since November 1991. March Brent futures traded near \$69.3 per barrel, slightly above the closing level on 17 January. Positive background for oil quotations was data of the American Petroleum Institute, which recorded a decline in oil reserves last week more than forecast.

On Thursday the Russian market was dominated by buyers, the MOEX Russia Index updated the historic record. As analysts say, high oil prices made investors pay attention to the undervaluation of Russian stocks compared to other markets, which showed a steady recovery last year. In addition, strong statistics from China contributed to the optimism of investors in emerging markets, where the GDP growth in 2017 accelerated to the maximum since 2015 6.9% from 6.7% in 2016. The MOEX Russia Index was able to close the trading session with an increase of 0.9%, despite the decline in Brent quotations to around \$68.8 per barrel and the worsening of sentiment on the western markets under pressure from both the ambiguous reporting of large companies and contradictory statistics. In the US the number of new buildings in December fell more than forecast, while the number of applications for unemployment benefits fell at a record since 2008 rate to a minimum since 1973.

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 rise was made by shares of FGC UES and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

Russia to be under Central Asian voltage

Turkmenistan will supply 1,000 MW of electricity to Pakistan. The agreement on this was reached during the talks of the President of this country Hussein Mammun with the Turkmen Foreign Minister Rashid Meredov, who is currently on a visit to Islamabad. Pakistan, as a participant in the CASA-1000 project on the transmission of electricity from Tajikistan and Kyrgyzstan to India via Afghanistan, is looking for additional options for the supply of electricity, since the construction of power lines has not yet begun. "NG" became aware that Russia is ready to join the implementation of energy export-oriented infrastructure projects in Central Asia.

Read full text: http://www.ng.ru/cis/2018-01-18/6_7153_turkmenia.html

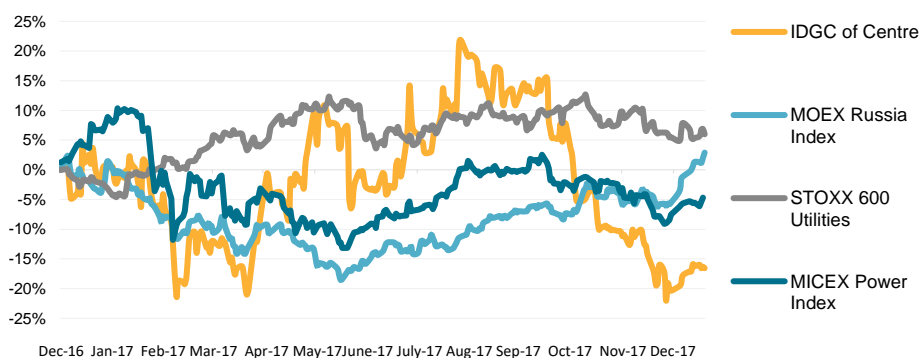
COMPANY NEWS

IDGC of Centre in the Tambov region provided power supply to a new farm enterprise

In the Tambov region, a livestock manufacture facility for production of milk on the site of a peasant farm of Vyacheslav Storozhev has been put into operation. The facility in Uvarovsky district for 130 cows with the productivity of more than 500 tons of milk per year was built with the support of the state: out of 12.5 million rubles allocated for these purposes, 7.5 million rubles were given for the development of family livestock farms.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/62886/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 297,47	0,86%	8,90%
S&P 500	2 798,03	-0,16%	4,65%
FTSE 100	7 700,96	-0,32%	0,17%
DAX	13 281,43	0,74%	2,82%
DJStoxx 600	398,73	0,19%	2,45%
Nikkei	23 763,37	-0,44%	4,39%
Sensex	35 260,29	0,51%	3,53%
CSI300	4 271,42	0,55%	5,97%
Bovespa	80 962,65	-0,28%	5,97%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	56,59	0,36%	-1,80%
EURO/RUB	69,17	0,22%	0,56%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 327,03	0,01%	1,86%
Brent*, USD/bbl	69,31	-0,10%	3,65%

* - March futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3730	15,75	278,26
IDGC of Centre & Volga Reg	0,3089	34,81	615,14

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,82%	5,99%
MICEX POWER Index	0,66%	4,12%
IDGC of Centre**	-0,27%	4,78%
IDGC of Centre and Volga Region**	-0,20%	-0,46%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,87%	1,74%
FGC UES	1,22%	2,50%
IDGC of Volga	0,14%	1,85%
MOESK	-1,05%	-5,45%
IDGC of Northern Caucasus	0,26%	2,08%
IDGC of North-West	-0,55%	5,19%
IDGC of Urals	-0,22%	9,55%
IDGC of Siberia	-0,42%	3,93%
IDGC of South	-1,70%	6,52%
Lenenergo, ordinary shares	2,34%	9,27%
TRK, ordinary shares	0,53%	2,43%
Kubanenergo	-1,15%	-1,28%

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