

DAILY MARKET REVIEW

21 February, Wednesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 20 February some moderately negative external background formed on the Russian market. On Monday the US exchanges were closed in connection with the celebration of the Presidents' Day, on Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific lost about 0.5% – investors fixed profit after a six-day rally. The reason for correction, among other things, was the decline in futures for US stock indices. The markets of mainland China are still closed in connection with the celebration of the New Year according to the Lunar calendar. April Brent futures traded near \$65.3 per barrel, slightly higher than the closing level on 19 February. Oil quotes were supported by Bloomberg's information that the excess of international oil reserves over the average reserve value for the last five years decreased to 74 million barrels, while fulfillment of the terms of the OPEC+ agreement on the limitation of production in January was 133%. At the same time, experts say, the growing oil production in the US still risks negating the efforts of OPEC and partners. So, at the end of last week, the oil service company Baker Hughes reported an increase in the number of operating oil drilling rigs in the US for the fourth consecutive week.

Most of the trading session the MOEX Russia Index was in the positive area on average in a half-percentage plus, despite attempts to return Brent quotes below \$65 per barrel, more than half-percentage losses of futures for US indices and inexpressive changes of European markets. Negative background for oil quotations was the strengthening of the dollar on expectations of the publication of minutes of the January meeting of the Fed. In turn, the western exchanges were pressured by the renewed growth in yields of US government bonds before the forthcoming placement of US Treasuries by the end of the week for a total of almost \$260 billion. The main drivers for the rise of the MOEX Russia Index were shares of Magnit, adding 7.9% in the correction after two days of active sales and shares of Gazprom, which grew by 2.2% on information that the board of directors in early March will consider the issue "On the prospects for a share buyback program and global depository receipts of PJSC Gazprom". The MOEX Russia Index closed trading near the daily highs, ignoring a half-percentage average decline in the S&P500 and DJIA indices at the beginning of the day.

During the trading session the MicexPWR Sector Index underperformed. The main contribution to the final MicexPWR decline in antiphase with the MOEX Russia Index was made by shares of Unipro and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

The program of modernization of power generation facilities according to the Capacity Delivery Agreement-correction scheme requires careful development of selection criteria

The main tasks, in addition to the requirement to extend the resource, are to increase the economic and environmental efficiency of generation, while observing the condition for the growth of the cost of electricity, not higher than inflation. This was said during the round table "Modernization of power generation facilities: sources of financing", which was held by the State Duma Committee on Energy.

Read full text: <https://www.eprussia.ru/news/base/2018/9126177.htm>

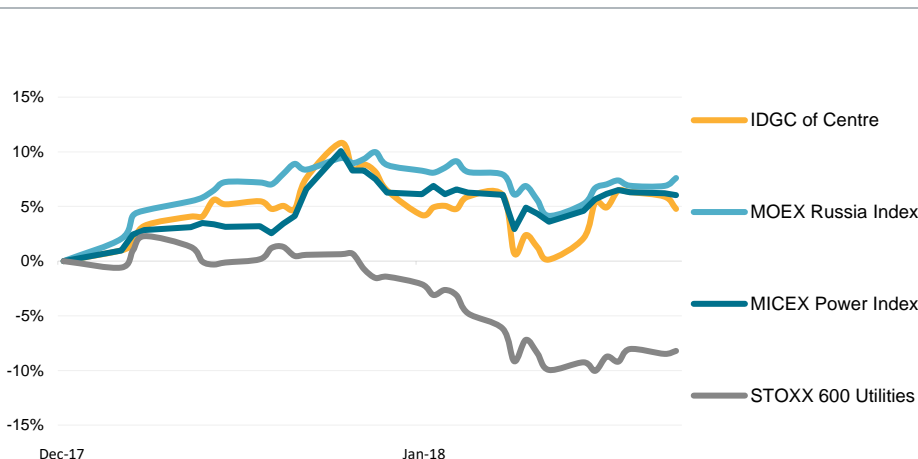
COMPANY NEWS

RAEX (Expert RA) assigned a credit rating of IDGC of Centre, PJSC at the ruAA level

19 February 2018, the Rating Agency RAEX (Expert RA) assigned a long-term credit rating of IDGC of Centre, PJSC at the ruAA level on the national scale, the outlook for the rating is stable.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/63199/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 270,12	0,67%	7,60%
S&P 500	2 716,26	-0,58%	1,60%
FTSE 100	7 246,77	-0,01%	-5,74%
DAX	12 487,90	0,83%	-3,33%
DJStoxx 600	380,51	0,60%	-2,23%
Nikkei	21 925,10	-1,01%	-3,69%
Sensex	33 703,59	-0,21%	-1,04%
CSI300	3 966,96	0,00%	-1,59%
Bovespa	85 803,95	1,19%	12,31%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	56,34	-0,02%	-2,23%
EURO/RUB	69,90	-1,06%	1,62%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 329,19	-1,28%	2,03%
Brent*, USD/bbl	65,25	-0,64%	-1,79%

* - April futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,3477	39,19	695,46

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,30%	-8,21%
MICEX POWER Index	-0,17%	6,03%
IDGC of Centre**	-1,06%	4,78%
IDGC of Centre and Volga Region**	0,20%	15,25%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,79%	2,69%
FGC UES	0,80%	9,23%
IDGC of Volga	-1,32%	8,91%
MOESK	-0,62%	-11,01%
IDGC of Northern Caucasus	-0,55%	-5,21%
IDGC of North-West	-0,38%	0,58%
IDGC of Urals	0,43%	10,98%
IDGC of Siberia	1,85%	20,52%
IDGC of South	1,05%	-3,01%
Lenenergo, ordinary shares	-1,21%	10,52%
TRK, ordinary shares	0,00%	-2,70%
Kubanenergo	0,14%	-5,61%

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