

# DAILY MARKET REVIEW

24 April, Monday

2017



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 21 April some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed with a rise of 0.8-0.9%, on Friday the main country indices of the Asia-Pacific region showed comparable changes. Investors' optimism was promoted by strong statistics from the US labour market – the number of Americans continuing to receive unemployment benefits fell to a minimum in 17 years, as well as the statement of the Secretary of Treasury that the plan of Donald Trump on tax cuts is planned to be held before the end of the year, not depending on the abolition of Obamacare. Additional support for traders in the Asian session was given by the statement of the head of the Bank of Japan that the Central Bank will continue to adhere to the highly stimulating monetary policy – despite the fact that the situation in the Japanese economy is better than could be expected a couple of months ago, inflation rates remain too weak. June Brent futures traded at \$53.1 per barrel, slightly above the closing level on 20 April. Oil prices stabilized after the fall in the middle of the week, including, on the verbal intervention of OPEC representatives, including the oil ministers of Saudi Arabia and Kuwait, signalling a possible extension of the agreements on the reduction of production for another six months, despite the continuing record fuel reserves and production growth in the US. At the same time, Goldman Sachs noted that the situation on the market does not explain such a significant drop in prices – analysts say that the main reasons for the quotations decline were technical factors, not fundamental ones.

In the first half of the day the MICEX Index grew within a percent, playing back the positive closing of US stock exchanges on Thursday. The leaders of growth at the Russian market, which was oversold in recent weeks, were dividend stories – prefs of Transneft, Gazprom, Sberbank and Alrosa. On Friday the head of the Federal Property Management Agency supported the position of the Ministry of Finance about allocating 50% of profits of state-owned companies for dividends, but nevertheless noted the need for an individual analysis of the impact of increased dividend payments on the implementation of investment programs for each of the companies. The rise of the Russian market was restrained by uncertain changes on the western markets, where investors preferred to take wait-and-see positions before the first round of the presidential elections in France on 23 April. Against this background, good statistics could not provide significant support to the western markets – in the Eurozone, according to preliminary data, the composite business activity index in April peaked in six years, house sales in the secondary market in the US rose to a maximum in 10 years in March. At the end of the day the MICEX Index was able to maintain more than half the percentage growth, despite the drop in Brent quotes below \$52.

As a result of the trading session the MicexPWR Sector Index underperformed, having closed trading at the zero mark against the backdrop of different changes of the main index securities.

## ELECTRIC POWER INDUSTRY NEWS

### The decision on dividends for each state-owned company to be taken separately, says the Federal Property Management Agency

The decision on the amount of dividends for each state-owned company will be taken separately, the final decision has not yet been made, the head of the Federal Property Management Agency Dmitry Pristansky told reporters.

Read full text: <http://www.bigpowernews.ru/news/document76652.phtml>

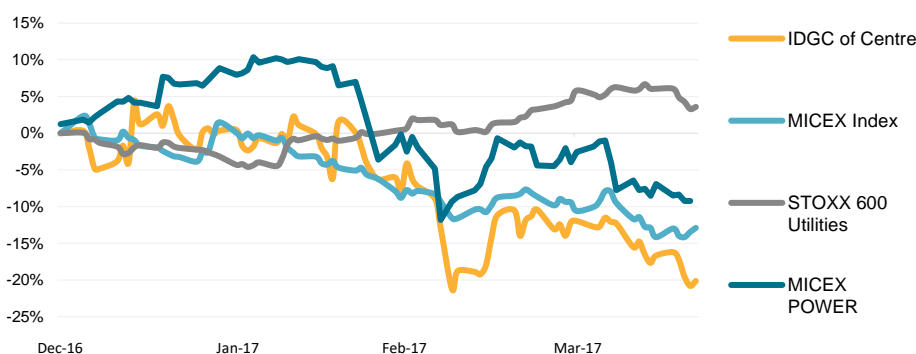
## COMPANY NEWS

### In 2017 Kurskenergo to spend about three million rubles on environmental protection measures

IDGC of Centre – Kurskenergo division continues implementing the environmental program, which includes a set of special measures to reduce the negative impact on the environment. In 2017, announced in Russia as the Year of Ecology, the branch plans to implement more than 12 environmental protection measures in all production units.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/59750/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



| World indexes   | Value     | Change  |             |
|-----------------|-----------|---------|-------------|
|                 |           | per day | fr 31.12.16 |
| MICEX           | 1 944,72  | 0,65%   | -12,90%     |
| S&P 500         | 2 353,56  | -0,10%  | 5,12%       |
| FTSE 100        | 7 114,55  | -0,06%  | -0,40%      |
| DAX             | 12 048,57 | 0,18%   | 4,94%       |
| DJStoxx 600     | 378,12    | 0,02%   | 4,62%       |
| STOXX Utilities | 286,71    | 0,29%   | 3,59%       |
| Nikkei          | 18 620,75 | 1,03%   | -2,58%      |
| Sensex          | 29 365,30 | -0,19%  | 10,29%      |
| CSI300          | 3 466,71  | 0,13%   | 4,73%       |
| Bovespa         | 63 760,62 | 0,00%   | 5,87%       |

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

| Currency rates | Value | Change  |             |
|----------------|-------|---------|-------------|
|                |       | per day | fr 31.12.16 |
| Euro/USD       | 1,07  | 0,00%   | 1,90%       |
| USD/RUB        | 56,42 | 0,43%   | -6,40%      |
| Euro/RUB       | 60,61 | 0,58%   | -3,82%      |

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

| Raw             | Value    | Change  |             |
|-----------------|----------|---------|-------------|
|                 |          | per day | fr 31.12.16 |
| Gold, USD/oz    | 1 281,90 | 0,00%   | 11,25%      |
| Brent*, USD/bbl | 52,99    | 0,00%   | -6,74%      |

\* - June futures

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

| Shares of IDGC of Centre      | Value  |
|-------------------------------|--------|
| Last transaction, RUB         | 0,357  |
| Capitalisation**, billion RUB | 15,07  |
| Capitalisation**, million USD | 267,15 |

Source: Central Bank of Russia, Company calculations

| Russian indexes            | Change  |             |
|----------------------------|---------|-------------|
|                            | per day | fr 31.12.16 |
| MICEX-Power Index          | 0,02%   | -9,22%      |
| Shares of IDGC of Centre** | 0,85%   | -20,13%     |

Source: Bloomberg, Company calculations

| Grid companies               | Change** |             |
|------------------------------|----------|-------------|
|                              | per day  | fr 31.12.16 |
| Rosseti, ordinary shares     | -0,46%   | -24,81%     |
| FGC UES                      | 0,09%    | -14,37%     |
| IDGC of Volga                | 3,93%    | 8,57%       |
| MOESK                        | 0,53%    | 5,68%       |
| IDGC of Northern Caucasus    | -0,60%   | -24,49%     |
| IDGC of Centre and Volga Reg | -0,07%   | 1,28%       |
| IDGC of North-West           | 0,49%    | -25,27%     |
| IDGC of Urals                | -0,34%   | -12,16%     |
| IDGC of Siberia              | 1,64%    | -26,16%     |
| IDGC of South                | -0,57%   | -33,40%     |
| Lenenergo, ordinary shares   | 2,17%    | -5,99%      |
| TRK, ordinary shares         | -1,89%   | -12,82%     |
| Kubanenergo                  | -1,84%   | -8,05%      |

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