

DAILY MARKET REVIEW

13 February, Tuesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 12 February some moderately positive external background formed on the Russian market. On Friday the US indices DJIA and S&P500 increased by 1.4-1.5% within the correction after the 4% collapse on Thursday. Investors were supported, analysts say, including by signing by the US President of the bill on the extension of the government's funding at least until March 2019. In general, experts say, high volatility remains at the markets after several years of quiet growth. Following the US stock exchanges, on Monday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.6%. Japanese markets are closed on Monday in connection with the holiday on the occasion of the Day of the founding of the state. April Brent futures traded near \$63.4 per barrel, slightly below the closing level on Friday, 9 February. The restraining factor for the recovery of oil quotations after the 8% drop last week was the data from Baker Hughes, pointing to the maximum since January last year increase in the number of operating oil drilling rigs in the US, which increased the fears of traders in terms of production growth in the country.

On Monday the Russian and European markets recovered after active sales of the last two weeks due to the return of demand for risky assets. In the second half of the day the growth rates of the MOEX Russia Index and the European Stoxx Europe 600 Index were about 1.5%, futures for US indices added a percent. An additional positive factor for the markets was the media's information that Donald Trump this week, as part of the submission of the draft budget for the next fiscal year, can announce an investment of \$200 billion over 10 years in the reconstruction and development of the US infrastructure, including highways and airports. At the same time, the media write, the White House expects that the promise to invest significant amounts of budget funds will encourage state governments and the private sector to invest \$1.5 trillion in US infrastructure projects. At the same time, analysts believe, stock markets will spend the next week or more in search of a new equilibrium after a sharp increase in volatility and a collapse – investors, frightened by the scale of market fluctuations, are not yet rushing to return with purchases. At the end of the trading session the MOEX Russia Index reduced its growth rate to 1% after the Brent price retreated to \$63.1 per barrel on OPEC's mixed monthly report. On the one hand, the cartel's experts increased the forecast for oil demand in 2017-2018, on the other hand, expectations for supplies from countries outside the cartel were substantially increased, mainly due to the production growth in the US.

As a result of the trading session the changes of the MicexPWR Sector Index corresponded to the market. The main contribution to the MicexPWR rise was made by shares of FGC UES and RusHydro.

ELECTRIC POWER INDUSTRY NEWS

System Operator and Rosseti jointly to develop the concept of a system of operational and technological management of grid infrastructure

Boris Ayuyev, Chair of the Management Board of JSC SO UES, and Pavel Livinsky, Director General of PJSC Rosseti, discussed cooperation in organizing operational and technological management of electric grids at a meeting on 9 February, the press service of SO reported.

Read full text: <http://www.bigpowernews.ru/markets/document81700.phtml>

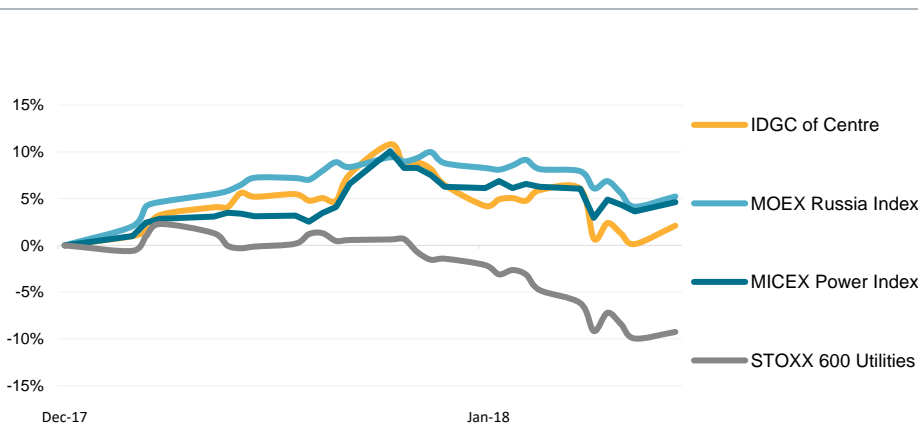
COMPANY NEWS

IDGC of Centre in the past year reduced by 2 billion rubles accounts receivable for electricity transmission services

IDGC of Centre summed up the work to reduce accounts receivable for electricity transmission services for 2017. During this period, the company managed to reduce the total amount of debt by 2.0 billion rubles.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/63120/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 220,12	1,05%	5,23%
S&P 500	2 656,00	1,39%	-0,66%
FTSE 100	7 177,06	1,19%	-6,64%
DAX	12 282,77	1,45%	-4,91%
DJStoxx 600	372,93	1,17%	-4,18%
Nikkei	21 382,62	0,00%	-6,07%
Sensex	34 300,47	0,87%	0,72%
CSI300	3 890,10	1,29%	-3,49%
Bovespa	80 898,70	0,00%	5,89%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	58,17	0,86%	0,94%
EURO/RUB	71,39	0,88%	3,79%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 322,70	0,46%	1,53%
Brent*, USD/bbl	62,59	-0,32%	-5,79%

* - April futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	Change	
			per day	fr 31.12.17
IDGC of Centre	0,3635	15,35		263,81
IDGC of Centre & Volga Reg	0,3195	36,01		618,98

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,77%	-9,26%
MICEX POWER Index	0,96%	4,61%
IDGC of Centre**	1,96%	2,11%
IDGC of Centre and Volga Region**	1,62%	5,90%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,39%	7,33%
FGC UES	1,90%	7,34%
IDGC of Volga	1,61%	4,58%
MOESK	-0,98%	-9,90%
IDGC of Northern Caucasus	-1,45%	-11,20%
IDGC of North-West	1,99%	-1,35%
IDGC of Urals	1,99%	10,26%
IDGC of Siberia	1,21%	9,61%
IDGC of South	1,01%	0,33%
Lenenergo, ordinary shares	1,29%	6,56%
TRK, ordinary shares	-0,54%	-0,27%
Kubanenergo	0,69%	-6,38%

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