

DAILY MARKET REVIEW

19 February, Monday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 16 February some positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 increased by 1.2%. US markets continue to recover on easing fears of a more aggressive than expected tightening of monetary policy by the Fed after the publication of weak data on retail sales for January. In addition, a positive factor for investors was the fall of the dollar in the world foreign exchange market on economists' concerns about the growing US budget deficit and a decrease in the yields of US government bonds. Following the US stock exchanges, the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.8% on Friday. At the same time, a significant number of Asian trading platforms, including exchanges of China, Hong Kong and South Korea, were closed due to the celebration of the New Year according to the Lunar calendar. April Brent futures traded near \$64.6 per barrel, \$1.3 higher than the closing level on 15 February. Analysts call the weakening of the dollar as the main factor in the growth of oil quotes.

The MOEX Russia Index closed trading on Friday with a half-percentage decline, despite the positive moods on the western markets and the stability of oil prices. The European Stoxx Europe 600 Index added more than half a percent in the afternoon, US trading began with a slight increase in major indices on good statistics from the US, where in January the number of new buildings rose to a maximum since October 2016, the number of building permits reached a maximum in 10 years, in February the index of consumer attitudes of the University of Michigan, contrary to forecasts, rose to a maximum since October last year. Negative closure of the Russian market was determined by two corporate stories. Norilsk Nickel's shares fell 8.3% on fears of a resumption of a full-scale conflict between its majority shareholders – Interros and RusAl after the possible withdrawal from the share capital of GMK structures of R. Abramovich, who for five years served as arbitrator in the corporate dispute. According to analysts, this can lead to a deterioration in the quality of corporate governance and the revision of many agreements, including dividends. In turn, Magnit's shares fell 7.8% on information about the sale by the founder of the company S. Galitsky of the 29.1% stake to VTB Bank.

As a result of the trading session the MicexPWR Sector Index outperformed mainly due to growth of shares of RusHydro and Unipro.

ELECTRIC POWER INDUSTRY NEWS

FAS wants to introduce benchmark costs from 2019 when setting tariffs for electricity grids

The Federal Antimonopoly Service (FAS) wants from 2019 to introduce benchmark costs for the establishment of tariffs for power grids, said Deputy Head of the Federal Antimonopoly Service, Vitaly Korolev, RIA Novosti on the sidelines of the Russian Investment Forum in Sochi.

Read full text: <http://www.bigpowernews.ru/markets/document81756.phtml>

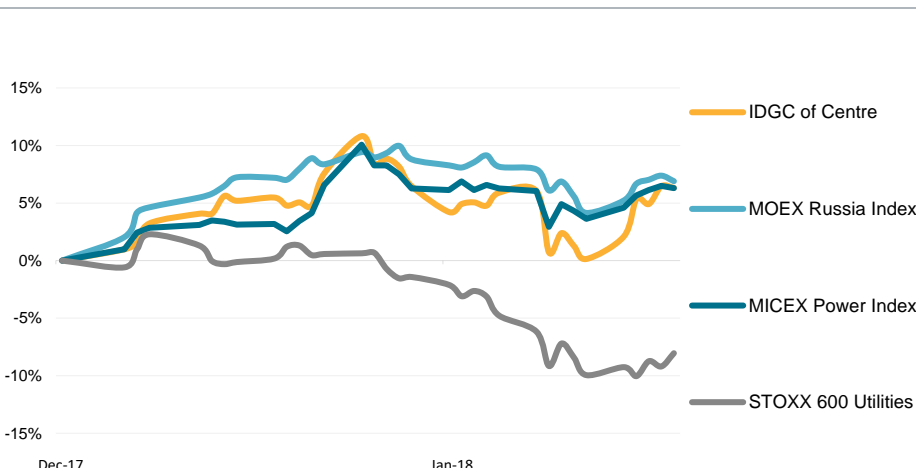
COMPANY NEWS

The delegation of IDGC of Centre headed by General Director Oleg Isaev takes part in the events of the Russian Investment Forum RIF-2018

General Director of IDGC of Centre Oleg Isaev held a number of meetings with heads of regions of the service area of IDGC of Centre and IDGC of Centre and Volga Region being under its management. Thus, a constructive dialogue on the territorial development of grid infrastructure, as well as the consolidation of grid assets, was held during a meeting with Governor of the Vladimir region Svetlana Orlova, Governor of the Smolensk region Alexey Ostrovsky, Governor of the Belgorod region Evgeny Savchenko.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/63184/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 255,27	-0,45%	6,90%
S&P 500	2 732,22	0,04%	2,19%
FTSE 100	7 294,70	0,83%	-5,11%
DAX	12 451,96	0,86%	-3,60%
DJStoxx 600	380,62	1,09%	-2,20%
Nikkei	21 720,25	1,19%	-4,59%
Sensex	34 010,76	-0,84%	-0,14%
CSI300	3 966,96	0,00%	-1,59%
Bovespa	84 524,58	0,28%	10,63%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	56,59	-1,73%	-1,80%
EURO/RUB	70,67	-0,79%	2,74%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 346,96	-0,50%	3,39%
Brent*, USD/bbl	64,84	0,79%	-2,41%

* - April futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,3410	38,43	679,07

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	1,27%	-8,05%
MICEX POWER Index	-0,18%	6,31%
IDGC of Centre**	-0,13%	6,32%
IDGC of Centre and Volga Region**	-0,96%	13,03%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-1,64%	2,57%
FGC UES	-0,28%	9,53%
IDGC of Volga	-0,75%	9,60%
MOESK	-0,86%	-9,90%
IDGC of Northern Caucasus	2,25%	-5,47%
IDGC of North-West	-0,94%	1,54%
IDGC of Urals	-0,64%	10,98%
IDGC of Siberia	-1,87%	14,85%
IDGC of South	-1,71%	-3,68%
Lenenergo, ordinary shares	-0,09%	11,25%
TRK, ordinary shares	0,00%	-0,81%
Kubanenergo	-0,14%	-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