

DAILY MARKET REVIEW

10 May, Thursday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 8 May some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed with an increase of 0.3-0.4%, on Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.6%. The driver of the rise was shares of the technology sector, led by papers of Apple, which continue to update historical records. Additional support for investors in the Asian session was provided by strong Chinese statistics – in April China returned to the surplus of the balance of foreign trade against the backdrop of maintaining high demand for its goods abroad, despite the tension in trade relations with the US. July Brent futures traded near \$75.6 per barrel, \$0.4 below the closing level on 7 May. Oil quotations, which had updated their maximum since November 2014, moved downwards after the announcement by Donald Trump that he would announce his decision on the nuclear deal with Iran on Tuesday at 09:00 p.m. Moscow time. As noted by the media, after the rally in recent weeks, traders preferred to fix profits in anticipation of the decision of the US president.

Most of the trading session, the MOEX Russia Index was on average in half a percent minus. Investors in Russian assets preferred to reduce their positions on the eve of announcement of the decision on the Iranian nuclear deal, which most of the world's exchanges will play out on 9 May when our market is closed. According to the American media, Donald Trump is inclined to withdraw from the agreement and resume sanctions against Iran. According to experts, this development may lead to an increase in geopolitical tensions in the Middle East, including in Syria. Pressure on the Russian market was also given by a decline in oil quotations and moderately negative sentiment in Europe – the Stoxx Europe 600 Index lost about a third of a percent, including on the political problems of Italy, which was on the verge of new parliamentary elections after the failure of negotiations on the formation of a coalition government. The export-oriented Russian market was kept from a larger decline by the weakening of the ruble against the dollar – the dollar index DXY rose to the highs of the beginning of the year in anticipation of a more decisive tightening of the monetary policy by the Fed. The MOEX Russia Index closed trading in a small plus due to a half-percentage increase in the closing auction.

As a result of the trading session the MicexPWR Sector Index underperformed. The main contribution to the MicexPWR reduction in antiphase with the MOEX Russia Index was made by shares of FGC UES and IDGC of Centre and Volga Region. From the general trends of shares of electric grid companies, the difference was with a 12% growth of shares of IDGC of South on Interfax's information that the company can spend 73.8% of its net profit under RAS on dividend payment following the results of 2017.

ELECTRIC POWER INDUSTRY NEWS

Russia's revenues from electricity exports in 1Q 2018 increased by 15%, while the volume of supplies decreased by 5.5% - according to the Federal Customs Service

The export of electricity from Russia in January-March 2018 decreased by 5.5% compared to the same period in 2017 - to 3.64 billion kWh, PRIME reports with reference to materials of the Federal Customs Service (FCS) of the Russian Federation.

Read full text: <http://www.bigpowernews.ru/markets/document82882.phtml>

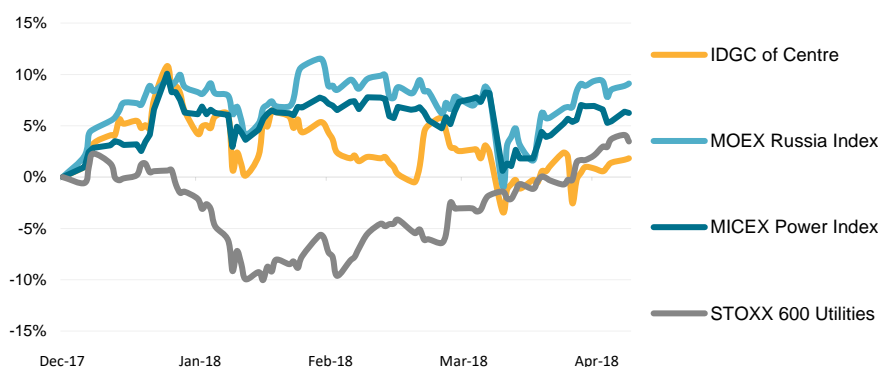
COMPANY NEWS

Orelenergo in the first quarter of 2018 fulfilled 508 applications for connection of customers to grids

IDGC of Centre - Orelenergo division summed up the results of work on connection of customers to grids for the 1st quarter of 2018. During this period, the company fulfilled 508 applications for grid connection with a total capacity of 11.74 MW.

Read full text: <http://www.energostrana.ru/news/powerindustry/26822.html>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 301,99	0,21%	9,11%
S&P 500	2 671,92	-0,03%	-0,06%
FTSE 100	7 565,75	-0,02%	-1,59%
DAX	12 912,21	-0,28%	-0,04%
DJStoxx 600	390,00	0,13%	0,21%
Nikkei	22 508,69	0,18%	-1,13%
Sensex	35 216,32	0,02%	3,40%
CSI300	3 878,68	1,16%	-3,78%
Bovespa	82 956,05	0,29%	8,58%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	62,71	-0,77%	8,82%
EURO/RUB	74,81	-1,09%	8,76%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 314,63	0,03%	0,91%
Brent*, USD/bbl	74,85	-1,73%	14,31%

* - July futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre	0,3625	15,30	244,03
IDGC of Centre & Volga Reg	0,3600	40,57	646,92

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,61%	3,47%
MICEX POWER Index	-0,11%	6,26%
IDGC of Centre**	0,14%	1,83%
IDGC of Centre and Volga Region**	-1,64%	19,32%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,04%	-0,02%
FGC UES	-0,65%	8,30%
IDGC of Volga	-1,12%	24,74%
MOESK	-0,80%	-16,80%
IDGC of Northern Caucasus	-0,59%	-11,98%
IDGC of North-West	-2,00%	3,65%
IDGC of Urals	-0,88%	7,40%
IDGC of Siberia	-3,69%	2,62%
IDGC of South	11,62%	10,87%
Lenenergo, ordinary shares	2,30%	34,27%
TRK, ordinary shares	0,00%	-10,24%
Kubanenergo	-0,16%	-18,49%

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