

# DAILY MARKET REVIEW

16 January, Tuesday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 15 January some moderately positive external background formed on the Russian market. On Friday the US indices DJIA and S&P500, having updated their historical highs, closed with an increase of 0.7-0.9%. The market was supported by better-than-expected quarterly statements of JPMorgan and BlackRock, good statistics on retail sales and inflation in December, the dollar weakening. On Friday the US dollar fell to a minimum for three years paired with the euro on the news of the agreement by major parties of the parliamentary coalition in Germany, which will form the government. On Monday, following the US market, the composite index of the Asia-Pacific region MSCI Asia Pacific added up to a third of a percent, the deterrent for Asian markets at the beginning of the week was the dollar weakening. Nevertheless, the Japanese Nikkei225 was able to close trading with a 0.3% increase, thanks to the rise in stock prices of financial companies benefiting from an increase in yields of government bonds triggered by the announcement of the Central Bank of Japan about reducing the volume of purchase of long-term government bonds. March Brent futures traded near \$69.9 per barrel, \$0.7 higher than the closing level on 12 January. Quotes of Brent oil stopped at the psychological level of \$70 per barrel in anticipation of new drivers of growth. Analysts note the oil being overbought, given not the most favourable news background. In particular, according to Baker Hughes, the number of operating drilling rigs in the US increased last week by 10 units – the maximum rate in more than six months – to 752. In Canada this figure almost doubled and reached its highest level in 10 months – 185.

On Monday the MOEX Russia Index spent the trading session flat near zero. The stability of Brent quotations at \$70 per barrel was levelled by a decline in European markets that were under pressure of the euro strengthening. The dollar paired with the euro renewed the minimum in more than three years on fears of a faster monetary tightening in the Eurozone than previously thought. Investors' activity on world stock markets was low due to the absence of trading in the US, where the stock market was closed on Monday in connection with the celebration of Martin Luther King Day.

During the trading session the changes of the MicexPWR Sector Index in general corresponded to the MOEX Russia Index. The main contribution to the small MicexPWR growth in antiphase with the MOEX Russia Index was made by shares of Unipro.

## ELECTRIC POWER INDUSTRY NEWS

### Energy consumers expect an excess of energy capacity of 26.2 GW in Russia in 2023

Energy Consumers Association believes it unnecessary to modernize power plants with non-market subsidies, considering that the net surplus of capacity in 2023 will be 26.2 GW, or more than 10% of the total capacity of the energy system of Russia.

Read full text: <https://1prime.ru/INDUSTRY/20180115/828339388.html>

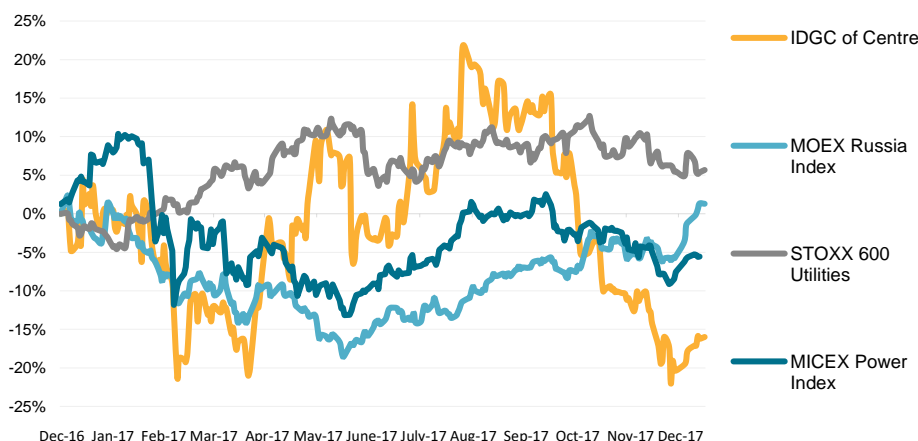
## COMPANY NEWS

### Head of IDGC of Centre was at the Smolensk branch of the company on a working visit

General Director of IDGC of Centre Oleg Isaev checked activities of Vyazemsky Distribution Zone of IDGC of Centre - Smolenskenergo division, and also met with the work team. This Distribution Zone is the second largest in the branch after Smolensk City Distribution Zone.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/62863/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 261,53	-0,04%	7,19%
S&P 500	2 786,24	0,00%	4,21%
FTSE 100	7 769,14	-0,12%	1,06%
DAX	13 200,51	-0,34%	2,19%
DJStoxx 600	397,83	-0,17%	2,22%
Nikkei	23 714,88	0,26%	4,17%
Sensex	34 843,51	0,73%	2,31%
CSI300	4 225,24	0,01%	4,82%
Bovespa	79 752,38	0,51%	4,39%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	56,60	-0,69%	-1,78%
EURO/RUB	68,26	0,29%	-0,77%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 339,99	0,18%	2,85%
Brent*, USD/bbl	70,26	0,56%	5,07%

\* - March futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,3089	34,81	615,04

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,31%	5,68%
MICEX POWER Index	0,05%	3,18%
IDGC of Centre**	0,27%	5,48%
IDGC of Centre and Volga Region**	0,40%	0,20%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,33%	0,56%
FGC UES	-0,76%	0,80%
IDGC of Volga	-0,33%	2,09%
MOESK	-0,91%	-3,00%
IDGC of Northern Caucasus	-0,75%	3,13%
IDGC of North-West	0,00%	6,35%
IDGC of Urals	0,66%	9,55%
IDGC of Siberia	0,85%	3,06%
IDGC of South	1,60%	6,19%
Lenenergo, ordinary shares	-1,33%	8,13%
TRK, ordinary shares	0,53%	1,89%
Kubanenergo	-1,18%	-3,70%

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**