

DAILY MARKET REVIEW

8 May, Tuesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 7 May some moderately positive external background formed on the Russian market. On Friday the US indices DJIA and S&P500 grew by 1.3-1.4% on good labour market statistics. In the US, unemployment fell 4% in May to 3.9% for the first time since 2000, while the growth in the number of jobs and the average hourly wage fell short of expectations. According to analysts, the data is favourable for risky assets – the world's largest economy is in good shape without demonstrating obvious signs of increased inflationary pressures. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific traded near zero with mixed changes of the main country indices. July Brent futures traded near \$75.5 per barrel, \$0.8 higher than the closing level on Friday, 4 May. Oil prices updated the maximum since the end of 2014 on the expectations of the US revision of the agreement on the Iranian atom – Donald Trump this week should take a decision on sanctions against Iran. Against this background, traders have so far ignored the increase in activity of American oil producers – according to Baker Hughes, the number of operating oil drilling rigs in the country has increased for the fifth consecutive week.

On Monday the Russian market was dominated by buyers – in the middle of the day the growth of the MOEX Russia Index exceeded a percent due to high oil prices and moderately positive sentiment on the western markets. The European Stoxx Europe 600 Index and futures for US indices added on average about half a percent, continuing to play back good statistics on the US labour market. The reaction of investors to Vladimir Putin's inauguration for the fourth presidential term and the nomination of Dmitry Medvedev for the post of prime minister turned out to be neutral. Trading activity in the domestic market was lower due to a day off in the UK (First May bank holiday). At the end of trading, Russian investors preferred to fix part of the profit, despite the growth of Brent quotations to around \$76 per barrel and the continued positive trend of the western markets – the growth rate of the MOEX Russia Index slowed to a third of a percent.

As a result of the trading session the MicexPWR Sector Index outperformed. The main contribution to the final MicexPWR outperformance in comparison with the MOEX Russia Index was made by shares of Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Energy suggests the government to increase the status of the commission on the electric power industry, seriously increasing its authority, says the newspaper

The Energy Ministry proposes to expand the list of issues considered by the commission on the electric power industry. As reported by Kommersant, the draft resolution is posted on regulation.gov.ru. In particular, the powers of the commission may include a key issue for the industry – review of results of the selection of energy modernization projects. For example, responsibility for the formation of a long-term demand for capacity (now assigned to the Ministry of Energy) is also offered to transfer to it.

Read full text: <http://www.bigpowernews.ru/news/document82876.phtml>

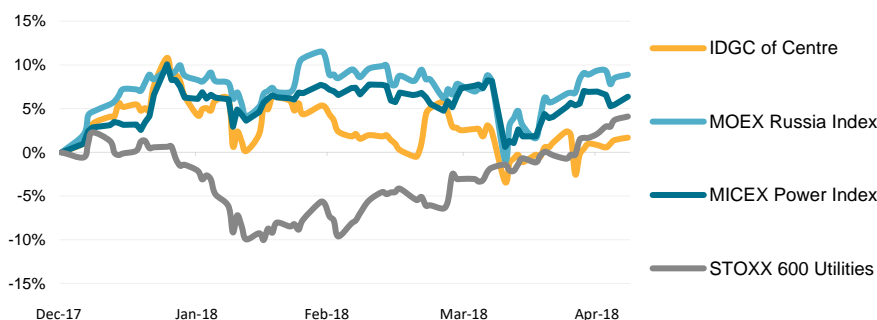
COMPANY NEWS

Employees of IDGC of Centre on the eve of Victory Day actively participate in the improvement of memorials and military graves of the Great Patriotic War

IDGC of Centre honours the feat of heroes who defeated fascism. The regions where the company operates were the site of fierce battles and key battlefields of the Great Patriotic War. Power engineers patronize military burial grounds, helping to carry out their improvement and maintain order and cleanliness, as well as provide electricity for under construction and reconstructed memorials and monuments. On the eve of the 73rd anniversary of the Great Victory, this work is being conducted within the framework of the historical and memorial project of IDGC of Centre "Light of Memory".

Read full text: <https://www.mrsk-1.ru/press-center/news/company/63907/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 297,12	0,33%	8,88%
S&P 500	2 672,63	0,35%	-0,04%
FTSE 100	7 567,14	0,00%	-1,57%
DAX	12 948,14	1,00%	0,24%
DJStoxx 600	389,51	0,64%	0,08%
Nikkei	22 467,16	-0,03%	-1,31%
Sensex	35 208,14	0,84%	3,38%
CSI300	3 834,19	1,58%	-4,88%
Bovespa	82 714,42	-0,49%	8,26%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	63,20	-0,45%	9,67%
EURO/RUB	75,64	-0,64%	9,96%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 314,21	-0,02%	0,88%
Brent*, USD/bbl	76,17	1,74%	16,33%

* - July futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3620	15,28	241,81
IDGC of Centre & Volga Reg	0,3660	41,25	652,64

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,38%	4,10%
MICEX POWER Index	0,89%	6,38%
IDGC of Centre**	0,28%	1,69%
IDGC of Centre and Volga Region**	0,27%	21,31%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,13%	0,01%
FGC UES	0,43%	9,01%
IDGC of Volga	0,39%	26,16%
MOESK	1,62%	-16,13%
IDGC of Northern Caucasus	0,59%	-11,46%
IDGC of North-West	-5,82%	5,77%
IDGC of Urals	0,67%	8,35%
IDGC of Siberia	2,95%	6,55%
IDGC of South	5,51%	-0,67%
Lenenergo, ordinary shares	6,60%	31,25%
TRK, ordinary shares	0,00%	-10,24%
Kubanenergo	-0,16%	-18,37%

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