



REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 25 January some moderately positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed in different directions with changes within 0.2%. Good reporting of a number of large companies was offset by weak statistics from the US real estate market – home sales in the secondary market fell in December stronger than forecasts. On Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific lost about a third of a percent – the pressure on Asian export-oriented companies was given by a continuing decline in the dollar after the statement by U.S. Treasury Secretary on the benefits of a weak national currency for foreign trade. March Brent futures traded near \$71 per barrel, \$0.9 above the closing level on 24 January. Oil quotes updated their three-year highs due to the fall in the dollar and data from the U.S. Department of Energy, which recorded a decline in oil reserves for the tenth consecutive week by 1.1 million barrels and a decrease by 3.2 million barrels of reserves at the Cushing terminal, which stores oil, traded on NYMEX.

On Thursday the Russian market was dominated by buyers – the MOEX Russia Index updated its historical record, at daily highs, the growth rate of the MOEX Russia Index was about a percent. Support for the domestic market was provided by high oil prices and moderately positive sentiments on the western markets in anticipation of the ECB meeting. The European regulator, as expected, retained all key interest rates, including the refinancing rate at zero, the deposit rate at -0.4%. Also, the ECB kept the volume of asset purchase within the QE at a level of €30 billion a month until September. At the same time, the ECB head's statements on the region's robust economic recovery and the expected acceleration of inflation in response to this provoked a sharp strengthening of the euro against the dollar, putting pressure on European exchanges – losses of the Stoxx Europe 600 Index exceeded 0.5%. Against this background, Russian investors preferred to fix part of profits, the growth rate of the MOEX Russia Index decreased to 0.6%. The stability of Brent quotations near \$71 per barrel and new records of US indices at the beginning of the day, despite weak statistics on sales of new buildings in December, kept the Russian market from more active sales.

During the trading session the MicexPWR Sector Index looked significantly worse than the market. The main contribution to the final MicexPWR decline in antiphase with the MOEX Russia Index was made by shares of FGC UES, RusHydro and Rosseti.

ELECTRIC POWER INDUSTRY NEWS

The State Duma adopted in the first reading a draft on reducing costs for registration of land plots for grid facilities

The State Duma adopted in the first reading a draft law aimed at reducing material and time costs for registration of rights to land plots for the purpose of construction, reconstruction and operation of line facilities.

Read full text: <http://www.bigpowernews.ru/news/document81479.phtml?1&q=>

COMPANY NEWS

Belgorodenergo to spend 644 million rubles on the repair program

In 2018, IDGC of Centre - Belgorodenergo division will spend 644 million rubles on the repair program. For the upcoming autumn-winter period, it is planned to prepare 2,236 km of 0.4-110 kV power lines, 786 transformer substations and distribution points, and to clear 428 hectares of power lines from woody and shrubby vegetation.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/62939/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 320,03	0,57%	9,97%
S&P 500	2 839,25	0,06%	6,20%
FTSE 100	7 615,84	-0,36%	-0,94%
DAX	13 298,36	-0,87%	2,95%
DJStoxx 600	398,56	-0,56%	2,41%
Nikkei	23 669,49	-1,13%	3,97%
Sensex	36 050,44	-0,31%	5,85%
CSI300	4 365,08	-0,57%	8,29%
Bovespa	83 680,00	0,00%	9,53%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	56,39	-0,04%	-2,15%
EURO/RUB	69,45	0,55%	0,96%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 348,26	-0,75%	3,49%
Brent*, USD/bbl	70,42	-0,16%	5,31%

* - March futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,3089	34,81	617,36

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,82%	3,86%
MICEX POWER Index	-0,72%	7,50%
IDGC of Centre**	-0,65%	8,15%
IDGC of Centre and Volga Region**	0,29%	1,72%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-2,32%	11,54%
FGC UES	-2,08%	7,68%
IDGC of Volga	-0,14%	3,90%
MOESK	-0,35%	-3,67%
IDGC of Northern Caucasus	-0,27%	-5,21%
IDGC of North-West	-0,36%	5,38%
IDGC of Urals	-1,66%	13,13%
IDGC of Siberia	-1,20%	7,42%
IDGC of South	-1,70%	6,35%
Lenenergo, ordinary shares	-0,65%	10,73%
TRK, ordinary shares	0,00%	3,50%
Kubanenergo	-1,30%	-2,93%

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