

DAILY MARKET REVIEW

30 May, Tuesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 29 May some moderately positive external background formed on the Russian market. On Friday the US indices DJIA and S&P500 added less than 0.1%, the S&P index again updated the historical maximum. Support for investors was provided by good data on the US economy – an estimate of the GDP growth in the first quarter was improved to 1.2% from the initial 0.7%, while analysts expected a review with an increase to 0.8-0.9%, consumer spending that accounts for more than 70% of the US GDP, increased by 0.6%, and not by 0.3%, as previously reported. On Monday the main country indices of the Asia-Pacific region did not demonstrate a single trend in conditions of low trading activity due to holidays in the US, UK and China. July Brent futures traded near the mark of \$52.1 per barrel, \$0.5 higher than the closing level on Friday, 26 May. Oil prices were adjusting after the collapse by almost 5% on Thursday in the framework of fixing profits on the fact that OPEC+ countries prolonged the agreement on limiting oil production. At the same time, Baker Hughes data on the continuing 11th consecutive week of increasing number of operating drilling rigs in the US, the number of which had reached a maximum since April 2015, became a constraining factor for the recovery of quotations.

The MICEX Index held the trading session on Monday in a small plus on average within half a percent. Support for the Russian market, mainly, was provided by the growth of prices of Brent crude quotations, which were fixed above \$52.5 per barrel. Investors' activity was low, given the weekend on the stock exchanges of the United Kingdom and the United States. In general, in the absence of investment ideas, the domestic market remains at the lows this year, despite the relatively high oil prices and the restoration of interest of global investors to emerging markets – the MSCI EM index is at its maximum since May 2015.

As a result of the trading session the MicexPWR Sector Index looked significantly worse than the broad market. The main contribution to the reduction of the sector indicator in antiphase with the MICEX Index was made by shares of Rosseti and FGC UES. Shares of Rosseti are still under pressure with information on the low dividends for 2016, shares of FGC were sold after the publication of weak IFRS financial statements for the first quarter – net profit in comparison with the same period in 2016 decreased by 2.8 times, to 5.8 billion rubles.

ELECTRIC POWER INDUSTRY NEWS

MED predicts the growth of electricity generation in Russia by 2020 by 2.2% to the level of 2016

The growth of electricity generation in the Russian Federation by 2020 will be 2.2% compared to 2016, while consumption will grow by 2.4%, forecasts the Ministry of Economic Development (MED) until 2020.

Read full text: <http://peretok.ru/news/generation/15694/>

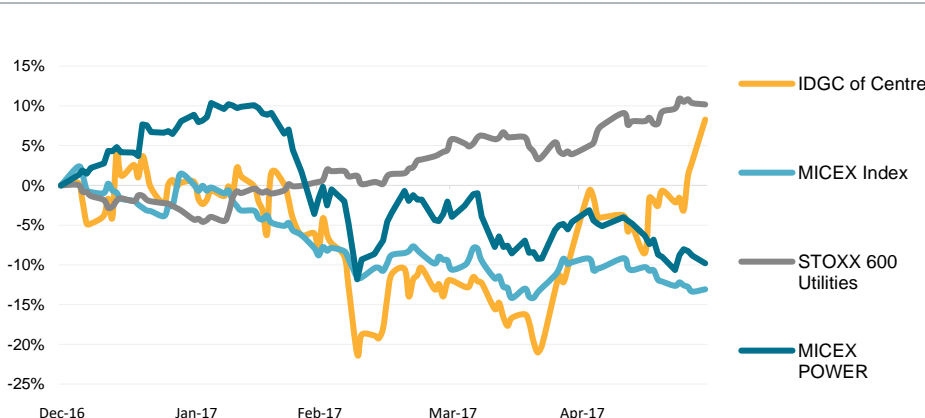
COMPANY NEWS

IDGC of Centre within the first PPP project in the industry connects large poultry facilities in the Tambov region to grids

IDGC of Centre continues implementation of the first public-private partnership project in the Russian electric grid complex in the Tambov region. It is about providing the power grid infrastructure for new large enterprises for growing and processing poultry meat, created on the site of PJSC "Tokarevskaya Poultry Plant" and LLC "Tambov Turkey". The work is carried out within the framework of the concession agreement signed by IDGC of Centre and the administration of the Tambov region. Its conditions are innovative for the industry, allowing to increase the availability of new power grid facilities for consumers while reducing risks of the project implementation.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/60203/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 940,77	0,34%	-13,08%
S&P 500	2 415,82	0,00%	7,91%
FTSE 100	7 547,63	0,00%	5,67%
DAX	12 628,95	0,21%	10,00%
DJStoxx 600	391,25	-0,03%	8,25%
STOXX Utilities	304,95	-0,16%	10,18%
Nikkei	19 682,57	-0,02%	2,97%
Sensex	31 109,28	0,26%	16,84%
CSI300	3 480,43	0,00%	5,15%
Bovespa	63 760,94	-0,51%	5,87%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,12	-0,08%	6,25%
USD/RUB	56,76	1,22%	-6,43%
Euro/RUB	63,67	1,04%	-0,22%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 268,10	0,11%	10,51%
Brent*, USD/bbl	52,29	0,27%	-10,92%

* - July futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4840
Capitalisation**, billion RUB	20,43
Capitalisation**, million USD	360,02

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-1,09%	-9,82%
Shares of IDGC of Centre**	5,10%	8,28%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-5,31%	-34,19%
FGC UES	-2,88%	-16,34%
IDGC of Volga	2,62%	29,46%
MOESK	0,11%	-3,01%
IDGC of Northern Caucasus	-1,94%	-31,07%
IDGC of Centre and Volga Reg	2,27%	9,46%
IDGC of North-West	2,99%	-24,73%
IDGC of Urals	2,88%	-13,07%
IDGC of Siberia	6,13%	-15,17%
IDGC of South	1,77%	-34,16%
Lenenergo, ordinary shares	-5,02%	-24,34%
TRK, ordinary shares	-4,44%	-18,70%
Kubanenergo	0,90%	-9,43%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

MRKC
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