

DAILY MARKET REVIEW

11 April, Tuesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 10 April some neutral external background formed on the Russian market. The US indices DJIA and S&P500 closed Friday with a small decrease of 0.1% on ambiguous statistics from the labour market – unemployment in March fell to a minimum in 10 years, while the number of jobs in the economy increased at a minimal pace since last May. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific was trading in a small plus with mixed trends of the main country indices – the Japanese Nikkei225 added 0.7% on the yen weakening, while the Chinese CSI300 was 0.3% down on news about the investigation of the antimonopoly bodies in respect of the regulator of the insurance industry. The results of the meeting of the leaders of the United States and China did not impress investors – the final statements of the parties were declarative. June Brent futures traded near \$55.5 per barrel, \$0.2 higher than the closing level on Friday, 7 April. Oil prices rose on Bloomberg's information about a stop of production at the largest field in Libya. At the same time, the growth of activity of oil shale producers in the US continues to be a negative factor for the oil market. According to Baker Hughes, the number of oil rigs in the country is increasing for the twelfth week in a row and has reached its maximum since August 2015.

The Russian market remains under the pressure of geopolitical factors – at daily lows the fall of the MICEX Index exceeded 2.5%. In addition to fears of a deterioration in relations with the United States following the Friday's American missile attack on the Syrian airbase, a significant additional negative factor for investors was the reports of Western media about the threat of new sanctions against the Russian Federation due to the support of the Syrian authorities, which the West accuses of using chemical weapons. First, the US permanent representative to the United Nations on CNN said that Donald Trump is considering the possibility of imposing new sanctions against the Russian Federation in connection with the situation in Syria. Secondly, The Times writes that the British Foreign Secretary intends to demand at the summit of the heads of foreign affairs agencies of the G7 countries the adoption of new sanctions against Russia, if it does not give up support for Bashar Assad.

During the trading session the MicexPWR Sector Index looked significantly worse than the broad market, at daily lows the index fell more than 4%. The main contribution to the final MicexPWR decline was made by shares of RusHydro and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

"The last mile" to be covered by dividends of "Rosseti"

As found by Kommersant, the Ministry of Energy faced criticism of proposals to extend the "last mile" (a mechanism for subsidizing small electricity consumers at the expense of large ones) on the part of the Ministry of Economy and the Federal Antimonopoly Service. The Ministry of Energy proposed, when cancelling the "mile", to compensate for shortfall in income of distribution grids due to differentiation of the tariff of Federal Grid Company (FGC) or the ban on direct FGC's contracts with consumers. The Ministry of Economy and FGC in return offer to return to the old idea of introducing a fee for unused grid capacity or abolishing the lowering factor for population tariffs. The positions of the regulators came together only in one: they agree to consider compensation for the shortfall in income of distribution grids at the expense of dividends of "Rosseti".

Read full text: <http://www.kommersant.ru/doc/3267886>

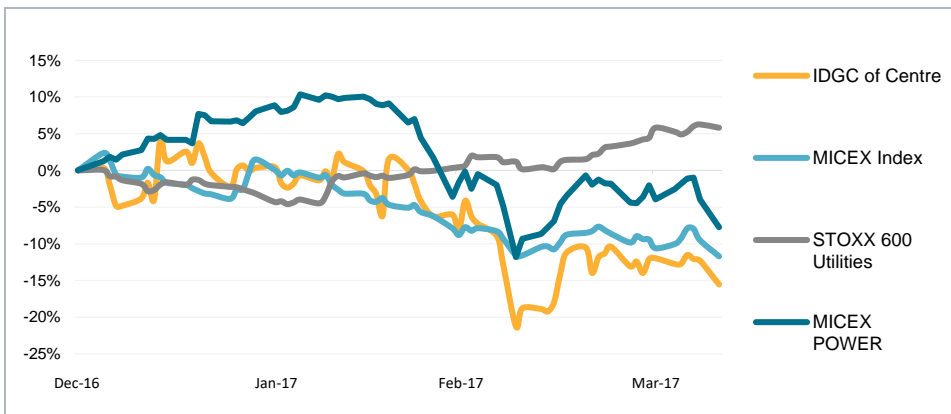
COMPANY NEWS

Tambovenergo prepares for safe mass repairs

IDGC of Centre – Tambovenergo division is completing preparations for mass repair and preventive work, which will begin in May. On the eve of the mass work the departments of the enterprise have taken measures to prevent industrial injuries.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/59625/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 971,23	-2,43%	-11,71%
S&P 500	2 357,16	0,07%	5,29%
FTSE 100	7 348,94	-0,01%	2,89%
DAX	12 200,52	-0,20%	6,27%
DJStoxx 600	381,25	0,00%	5,49%
STOXX Utilities	292,85	-0,44%	5,81%
Nikkei	18 797,88	0,71%	-1,66%
Sensex	29 575,74	-0,44%	11,08%
CSI300	3 505,64	-0,34%	5,91%
Bovespa	64 649,82	0,09%	7,34%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,06	0,08%	0,79%
USD/RUB	56,92	0,86%	-6,16%
Euro/RUB	60,57	0,81%	-5,08%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 254,68	0,01%	9,34%
Brent*, USD/bbl	55,98	1,34%	-4,21%

* - June futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3775
Capitalisation**, billion RUB	15,94
Capitalisation**, million USD	279,99

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-3,96%	-7,75%
Shares of IDGC of Centre**	-3,70%	-15,55%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-4,94%	-21,14%
FGC UES	-3,85%	-15,80%
IDGC of Volga	-1,49%	6,43%
MOESK	-2,27%	5,57%
IDGC of Northern Caucasus	-1,09%	-17,46%
IDGC of Centre and Volga Reg	-4,60%	3,58%
IDGC of North-West	0,89%	-17,45%
IDGC of Urals	-1,70%	-12,16%
IDGC of Siberia	-0,46%	-22,34%
IDGC of South	-2,79%	-26,91%
Lenenergo, ordinary shares	-1,58%	-9,54%
TRK, ordinary shares	-7,52%	-12,18%
Kubanenergo	-0,78%	2,64%

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