

DAILY MARKET REVIEW

17 January, Wednesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 16 January some neutral external background formed on the Russian market. The US market was closed on Monday in connection with the celebration of Martin Luther King Day. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific added about half a percent with mixed changes of the main country indices. The Japanese Nikkei225, which closed trading with a percent growth, was supported by the weakening of the yen against the dollar. March Brent futures traded near \$70 per barrel, slightly higher than the closing level on 15 January. The rise of oil quotations to the levels of 3 years ago, notes Bloomberg, is caused by the efforts of OPEC+ to reduce production. Meanwhile, analysts of the largest banks, including Citigroup, Societe Generale and JPMorgan, expect that the accelerated rebalancing of the global oil market may lead to the OPEC+ countries refusing production restrictions in the middle of this year, and not in December, as the agreement implies between them.

In the first half of the day the Russian market experienced active profit taking after the rally since the beginning of the year – the MOEX Russia Index dropped more than 1.2%. The reason for the correction was the decline in Brent quotes to around \$69.2 per barrel. At the same time, the activity of sellers on the Russian market was limited to positive moods on the western markets, due, among other things, to good corporate reporting. At the end of the trading session, the MOEX Russia Index was able to reduce losses to 0.2% after the Brent quotes reversal from daily lows and the beginning of trading in the US with a half-percentage rise of the main indices with the next update of historical highs.

During the trading session the MicexPWR Sector Index underperformed. The main contribution to the final MicexPWR underperformance in comparison with the MOEX Russia Index was made by shares of Unipro and RusHydro.

ELECTRIC POWER INDUSTRY NEWS

What innovations are needed for Russian energy

The draft Energy Strategy of Russia for the period up to 2035 states that the energy sector needs structural transformation, one of the principles of which should be a change in the structure of investments. The share of R&D expenditures and innovations, as well as modernization of the industry, should increase, primarily to ensure the necessary level of competitiveness of domestic energy equipment, along with the constant standard task of maintaining reliable and uninterrupted energy supply for all consumers.

Read full text: http://www.ng.ru/economics/2018-01-16/4_7151_innovations.html

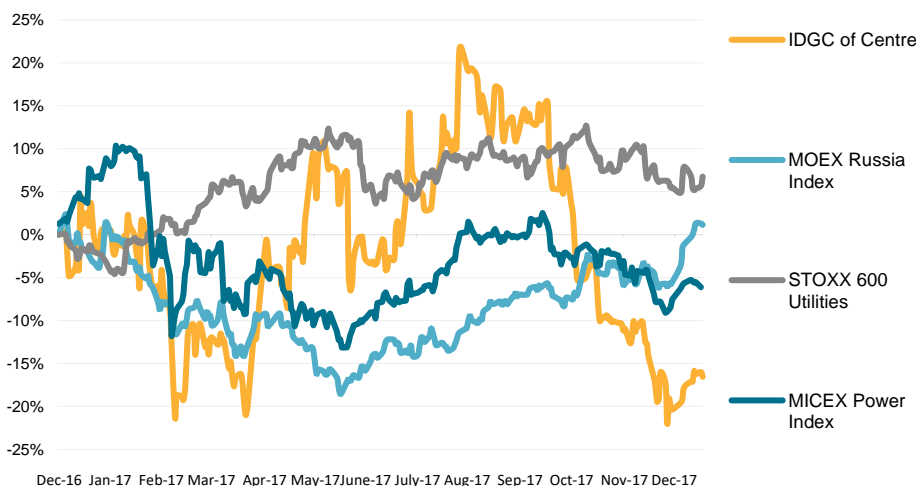
COMPANY NEWS

Employees of Kurskenergo in 2017 received more than 37 thousand customer requests

IDGC of Centre - Kurskenergo division summed up the work with customers for 2017. In the specified period, experts of customer service offices, customer care of the enterprise received 37,264 requests from residents of the Kursk region, which is 39% more than in the previous reporting period. 4,965 requests dealt with issues of connection to the company's grids, 13,026 - provision of value-added services. The rest of the customers' requests concerned issues of reliable and high-quality power supply to consumers.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/62865/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 257,89	-0,16%	7,02%
S&P 500	2 776,42	-0,35%	3,85%
FTSE 100	7 755,93	-0,17%	0,89%
DAX	13 246,33	0,35%	2,54%
DJStoxx 600	398,35	0,13%	2,36%
Nikkei	23 951,81	1,00%	5,21%
Sensex	34 771,05	-0,21%	2,10%
CSI300	4 258,47	0,79%	5,65%
Bovespa	79 831,77	0,10%	4,49%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	56,36	-0,43%	-2,21%
EURO/RUB	68,82	0,82%	0,05%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 338,41	-0,12%	2,73%
Brent*, USD/bbl	69,15	-1,58%	3,41%

* - March futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,3089	34,81	617,71

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	1,03%	6,76%
MICEX POWER Index	-0,62%	2,54%
IDGC of Centre**	-0,67%	4,78%
IDGC of Centre and Volga Region**	-0,60%	-0,40%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,87%	-0,32%
FGC UES	-0,09%	0,71%
IDGC of Volga	-0,72%	1,36%
MOESK	-0,23%	-3,23%
IDGC of Northern Caucasus	0,51%	3,65%
IDGC of North-West	-1,08%	5,19%
IDGC of Urals	0,00%	9,55%
IDGC of Siberia	0,00%	3,06%
IDGC of South	-0,79%	5,35%
Lenenergo, ordinary shares	-1,16%	6,88%
TRK, ordinary shares	0,00%	1,89%
Kubanenergo	-0,13%	-3,83%

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
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