

DAILY MARKET REVIEW

28 November, Tuesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 27 November some neutral external background formed on the Russian market. The US indices DJIA and S&P500 closed a shortened trading session on Friday with an increase of 0.1-0.2% on information on record sales on "Black Friday". On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific fell half a percent after the resumption of active sales in the Chinese market. The CSI300 index, which lost 1.3%, was still pressured, including, by investors' concerns about the country's huge debt, which, according to some estimates, is three times higher than the GDP. At the same time, according to Reuters, the debts of Chinese companies continue to grow, despite the authorities' efforts to limit the use of borrowed funds. The scale of the debt problem, writes Reuters, underscores the fact that debt servicing expenses absorbed about a quarter of state-owned companies' revenues over the past few quarters. In this regard, the media recalls the statement of the head of the People's Bank of China about the risks that the increase in the debt burden entails – this could lead to an unexpected drop in asset prices after a long period of growth. January Brent futures traded near \$63.7 per barrel, \$0.3 higher than the closing level on Friday, 24 November. Quotes of oil are consolidating at the highs of two years ago on optimism about the possible extension of the OPEC+ agreement on the reduction of oil production till the end of 2018. At the same time, the information of the oil service company Baker Hughes about the increase in the number of operating oil drilling rigs in the US by nine units last week became a deterrent for the market.

The neutral start of trading on the Russian market was replaced by active sales – on daily lows the MOEX Russia Index lost about a percent. Taking profits after a steady growth last week was due to correction of oil prices and weak negative changes of major European indices, which were pressured by both Chinese problems and the political crisis in Germany. According to the media, despite the statements of the representatives of the CDU/CSU and the SPD about the readiness for the talks, the possibility of creating a coalition of these political forces is under big question because of the divergence of positions on a wide range of issues of domestic and foreign policy. At the end of the day the MOEX Russia Index was able to slightly reduce the daily losses after the next update of historical records at the start of trading by US indices on strong statistics – home sales in the primary market in October were the highest in the last ten years.

During the trading session the MicexPWR Sector Index looked better than the broad market. The main contribution to the small MicexPWR growth in antiphase with the MOEX Russia Index was made by shares of Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Energy sent to the Cabinet a bill on long-term grid tariffs

The Ministry of Energy of the Russian Federation sent a bill for approval to the Government, providing for the transition to long-term tariffs for electricity transmission. The Ministry expects that the document can be submitted to the State Duma in the spring session, said Deputy Energy Minister Vyacheslav Kravchenko.

Read full text: <http://peretok.ru/news/nets/17094/>

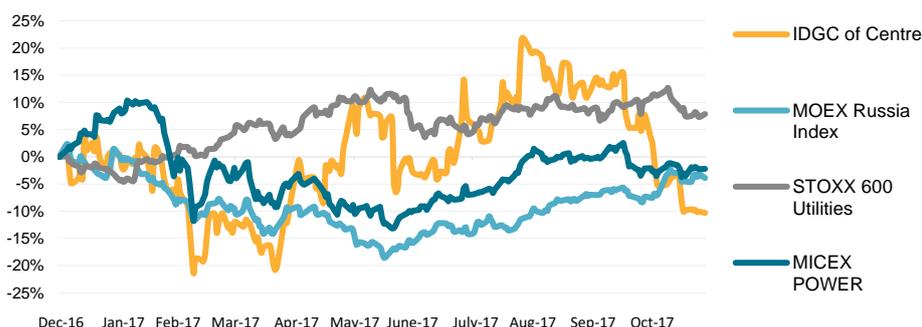
COMPANY NEWS

IDGC of Centre held a conference call and a webcast dedicated to the consolidated results of the company's activities for 9 months of 2017

Based on the results of the publication of the unaudited interim condensed consolidated financial statements for 9 months of 2017 under IFRS, IDGC of Centre's management held a conference call with representatives of the investment community to broadcast the presentation on the Internet dedicated to the activity results for 9 months of 2017 and forecasts for 2017.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/62486/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MOEX Russia	2145,87	-0,71%	-3,89%
S&P 500	2604,75	0,09%	16,34%
FTSE 100	7401,94	-0,10%	3,63%
DAX	13053,17	-0,05%	13,69%
DJStoxx 600	386,13	-0,13%	6,84%
STOXX Utilities	298,56	0,51%	7,87%
Nikkei	22495,99	-0,24%	17,69%
Sensex	33724,44	0,13%	26,66%
CSI300	4049,95	-1,32%	22,35%
Bovespa	73514,71	-0,87%	22,06%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,1919	-0,12%	13,33%
USD/RUB	58,5318	0,12%	-2,89%
Euro/RUB	69,3309	0,22%	10,01%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1294,92	0,47%	12,38%
Brent*, USD/bbl	63,54	-0,50%	11,83%

* - January futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares of IDGC of Centre	Value
Last transaction, RUB	0,401
Capitalisation**, billion RUB	16,93
Capitalisation**, million USD	289,23

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,03%	-2,21%
Shares of IDGC of Centre**	-0,25%	-10,29%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	0,40%	-21,06%
FGC UES	-0,78%	-18,45%
IDGC of Volga	-1,11%	90,98%
MOESK	0,00%	-5,35%
IDGC of Northern Caucasus	-3,67%	-22,68%
IDGC of Centre and Volga Reg	-0,89%	110,27%
IDGC of North-West	-3,11%	1,82%
IDGC of Urals	2,04%	21,88%
IDGC of Siberia	0,00%	43,37%
IDGC of South	-3,75%	7,82%
Lenenergo, ordinary shares	0,97%	-5,00%
TRK, ordinary shares	0,00%	-13,45%
Kubanenergo	0,00%	-9,31%

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