

DAILY MARKET REVIEW

22 March, Wednesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 21 March some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 decreased by 0.1-0.2%, continuing three-week consolidation at historical highs, the main country indices of the Asia-Pacific region traded without a single trend. As noted in Reuters, the world stock markets demonstrate uncertain changes following the US market because of investors' concern that the promised by Trump in early February tax reforms and budget incentives may start later than expected. May Brent futures traded near the mark of \$51.8 per barrel, \$0.3 higher than our closing on March 20. CNBC reports that both growing expectations of extension by the OPEC+ countries to limit oil production, and the hope of traders that the strong global demand will reduce inventories and excess supply of fuel on the market, help stabilize oil prices.

Most of the trading session the MICEX Index was on average half a percentage point in positive territory on the background of moderately rising prices for oil and positive trends of European indices, supported, among other things, by a decrease in political uncertainty in France, where the popularity of pro-European candidate E. Macron is growing. In the second half of the day corrective sentiments prevailed in the Russian and European markets after the start of trading in the US by a nearly percentage drop in major indices, triggered by investors' fears about a possible delay in the implementation of the economic support program if the US Congress cannot take a decision on health care reform.

As a result of the trading session the MicexPWR Index looked significantly worse than the broad market – investors actively took profits in most, with the exception of Rosseti, "heavy" securities of the index after a 15% corrective growth of MicexPWR from the lows on 10 March.

ELECTRIC POWER INDUSTRY NEWS

A draft law introduced to the State Duma, weakening control over electricity consumers in case of emergencies

The Government of the Russian Federation has submitted to the State Duma a draft law that excludes the provision of the withdrawal of the Unified Energy System of Russia (UES) from emergency situations from the powers of system operators that carry out operational dispatch management in the energy sector.

Read full text: <http://www.bigpowernews.ru/markets/document75967.phtml>

COMPANY NEWS

IDGC of Centre conducted the "Analysts' Day" for representatives of the investment community, dedicated to the results of the company's activities for 2016 and forecasts for 2017

At the meeting with representatives of the investment community, IDGC of Centre's representatives told the guests about the company's production and financial results for 2016. The main issue of the meeting was recently published IFRS statements.

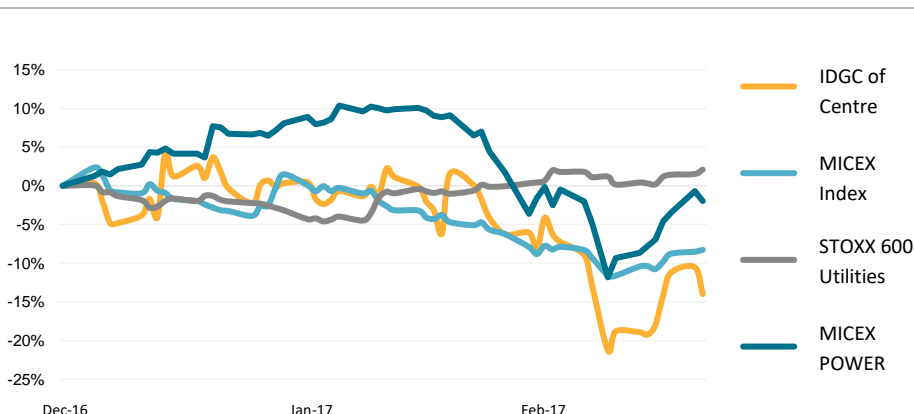
Read full text: https://www.mrsk-1.ru/investors/presentations/ir_news/59451/

IDGC of Centre reduced its operating expenses by almost a quarter in 2016

IDGC of Centre summed up the implementation in 2016 of the Program for increasing operational efficiency and reducing costs (hereinafter the Program). In the specified period, the company as a whole managed to reduce operating expenses by more than 24%, taking into account inflation to the level of 2012, which is 9 percentage points higher than the target level set by the Strategy for Development of the Electric Grid Complex of the Russian Federation.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/59303/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 048,07	0,26%	-8,27%
S&P 500	2 344,02	-1,24%	4,70%
FTSE 100	7 378,34	-0,69%	3,30%
DAX	11 962,13	-0,75%	4,19%
DJStoxx 600	375,67	-0,53%	3,94%
STOXX Utilities	282,56	0,56%	2,09%
Nikkei	19 455,88	-0,34%	1,79%
Sensex	29 485,45	-0,11%	10,74%
CSI300	3 466,35	0,49%	4,72%
Bovespa	62 980,37	-2,93%	4,57%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,08	0,76%	2,78%
USD/RUB	57,28	-1,12%	-5,56%
Euro/RUB	61,70	-1,08%	-3,32%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 244,81	0,86%	8,48%
Brent*, USD/bbl	50,96	-1,28%	-12,20%

* - May futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3845
Capitalisation**, billion RUB	16,23
Capitalisation**, million USD	283,37

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-1,27%	-1,95%
Shares of IDGC of Centre**	-3,88%	-13,98%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	1,46%	-14,50%
FGC UES	-3,51%	-7,46%
IDGC of Volga	-3,50%	3,39%
MOESK	-1,33%	15,37%
IDGC of Northern Caucasus	-2,07%	-14,29%
IDGC of Centre and Volga Reg	-1,08%	4,86%
IDGC of North-West	0,86%	-14,55%
IDGC of Urals	0,65%	-5,78%
IDGC of Siberia	5,18%	-17,44%
IDGC of South	1,75%	-22,33%
Lenenergo, ordinary shares	1,08%	-6,36%
TRK, ordinary shares	0,00%	-10,08%
Kubanenergo	-0,85%	6,78%

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 RX
MRKC.MM