

DAILY MARKET REVIEW

26 December, Tuesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 25 December some neutral external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed with a slight decrease in the range of 0.1% – investors took profits on the fact of signing by Donald Trump of the law on tax reform. The published statistics were ambiguous and had no significant effect on the trading trends. In November the growth of population spending accelerated and surpassed analysts' expectations, sales of new buildings increased at a record pace to a maximum for 10 years, at the same time, the volume of orders for durable goods did not reach the forecasts, and the consumer confidence index in December fell to a minimum in three months. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific traded near zero with mixed changes of the main country stock indices. February Brent futures closed trading on Friday at about \$65.3 per barrel, \$0.6 higher than our closing level. Quotations were supported by the information of the oil service company Baker Hughes that despite the two-year highs of oil prices, the number of operating oil production facilities in the US remained unchanged last week.

In the absence of external guidance – the western financial exchanges are closed due to Christmas holidays – the MOEX Russia Index spent most of the trading session in plus within a third of a percent. The main contribution to the total growth of the MOEX Russia Index was made by shares of AFK Sistema and MTS – these securities were supported by the conclusion of a settlement agreement with Rosneft and Bashneft, according to which AFK Sistema is obliged to pay 100 billion rubles to Bashneft by 30 March 2018. Investors' activity was low – the ruble volume of trading in shares at Moscow Exchange was three times less than the average value for the last 30 trading sessions.

As a result of the trading session the MicexPWR Sector Index underperformed mainly due to a decrease in shares of RusHydro and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

The State Duma proposed to the RF Cabinet of Ministers to speed up the approval of the energy strategy of the Russian Federation until 2035

After the strategy is approved, MPs propose to the Cabinet to speed up the development and submission to the State Duma of a package of bills aimed at developing a competitive retail market and improving the wholesale electricity market.

Read full text: <http://www.bigpowernews.ru/markets/document81122.phtml>

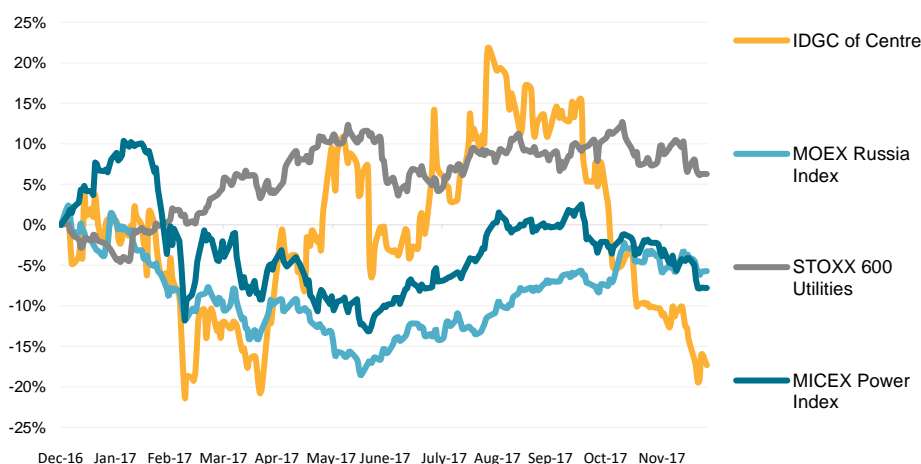
COMPANY NEWS

IDGC of Centre's Board of Directors approved the Company's Business Plan for 2018

A meeting of the Company's Board of Directors was held on 21 December 2017, which approved the Company's Business Plan for 2018 and forecast indicators for 2019-2022. The Business Plan for 2018 is formed taking into account the draft of the Forecast of socio-economic development of the Russian Federation for 2018 and the planned period of 2019-2020 (hereinafter – the Forecast), prepared by the Ministry of Economic Development of Russia. Scenario conditions for the formation of the Business Plan for 2018 provide for indexation of tariffs for electricity transmission services in accordance with the Forecast, as well as indicators of dividend policy in accordance with Order of the Government of the Russian Federation dated 29.05.2017 № 1094.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/62751/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MOEX Russia	2 105,06	0,10%	-5,72%
S&P 500	2 683,34	0,00%	19,85%
FTSE 100	7 592,66	0,00%	6,30%
DAX	13 072,79	0,00%	13,86%
DJStoxx 600	390,28	0,00%	7,99%
Nikkei	22 939,18	0,16%	20,01%
Sensex	33 940,30	0,00%	27,47%
CSI300	4 041,54	-0,32%	22,10%
Bovespa	75 186,53	0,00%	24,84%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
USD/RUB	58,32	-0,42%	-3,86%
EURO/RUB	69,13	-0,57%	8,33%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 274,16	0,00%	11,04%
Brent*, USD/bbl	65,25	0,00%	11,33%

* - February futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre	0,3695	15,60	267,50
IDGC of Centre & Volga Reg	0,3089	34,81	596,97

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.16
STOXX 600 Utilities	0,00%	6,27%
MICEX POWER Index	-0,02%	-7,79%
IDGC of Centre**	-1,60%	-17,34%
IDGC of Centre and Volga Region**	-0,39%	104,59%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-0,09%	-28,38%
FGC UES	-0,36%	-18,33%
IDGC of Volga	0,20%	81,96%
MOESK	0,00%	-2,56%
IDGC of Northern Caucasus	4,96%	-13,61%
IDGC of North-West	-1,89%	-5,64%
IDGC of Urals	1,93%	28,27%
IDGC of Siberia	1,79%	35,60%
IDGC of South	-0,16%	16,22%
Lenenergo, ordinary shares	0,41%	-11,26%
TRK, ordinary shares	0,00%	-24,37%
Kubanenergo	12,27%	-9,54%

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