

DAILY MARKET REVIEW

22 February, Wednesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 21 February some neutral external background formed on the Russian market. On Monday the US markets were closed in observance of President's Day. On Tuesday the main country indices of the Asia-Pacific region did not show a single trend. The Japanese Nikkei225 growth of 0.7% was due to the strengthening of the dollar on the statement of the head of the Philadelphia Federal Reserve Bank that he does not exclude the option to increase the Fed's interest rates already at the next meeting in March. April Brent futures traded near the mark of \$56.2 per barrel, at the closing level on 20 February. At the same time, analysts say, despite the drop in volatility in the oil market, the number of long positions in WTI and Brent rose to record levels – investors are betting on the effectiveness of the efforts of OPEC+ on the restoration of balance in the global market. According to experts, shale producers in the US will not be able to fully close the gap, which can be formed by growing demand and a reduction in the OPEC+ production. In particular, Goldman Sachs believes that the global oil market will move to a deficit during the first half of this year.

Most of the trading session the MICEX Index and the Stoxx Europe 600 Index had a slight increase on average within half a percent. The markets were supported by strong European statistics – according to preliminary data, the composite index of business activity in the Eurozone rose in February to a maximum of 70 months. According to analysts from IHS Markit – provider of the index, if such growth rates of the PMI continue in March, the Eurozone's GDP in the first quarter will increase by 0.6% – the largest quarterly rise in the region's economy over the past two years. An additional positive factor for the Russian market was growth of Brent quotations to around \$57 a barrel on the statement of the head of OPEC that in the coming months OPEC will reach an even higher level of performance of obligations to reduce production, which is currently estimated at 90%.

At the end of the trading session the changes of the MicexPWR Sector Index corresponded to the MICEX Index. The main contribution to the MicexPWR was made by shares of FGC UES, which played a bigger part of the 5% fall on Monday on strong statements for 2016 under RAS – net profit amounted to 106.1 billion rubles, which is 5.9 times higher than in 2015.

ELECTRIC POWER INDUSTRY NEWS

"Rosseti" considers a reasonable level of dividends in 2016 at 25% of profit under RAS, says Mr. Budargin

State Holding "Rosseti" (87.9% controlled by the Russian Federation) expects the Russian government directive on the payment of dividends for 2016, according to a reasonable level of 25% of profit under RAS, said in an interview to Russian journalists CEO of the company Oleg Budargin.

Read full text: <http://www.bigpowernews.ru/news/document75562.phtml>

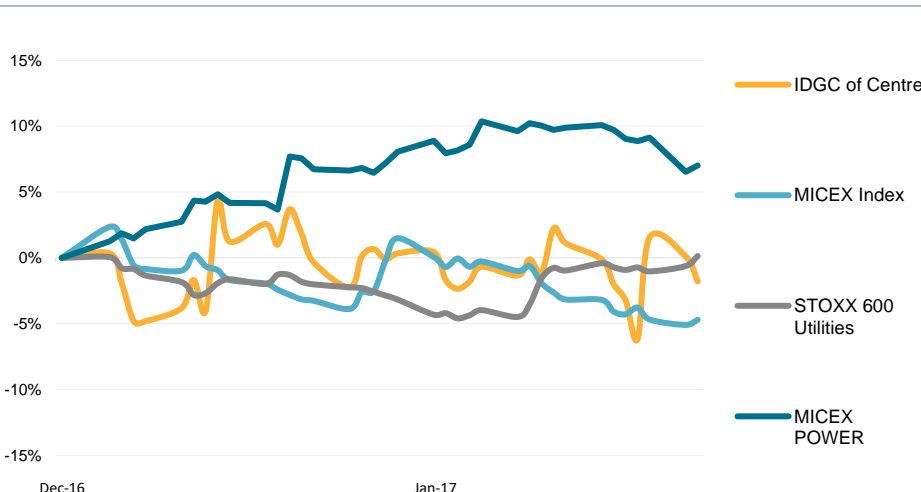
COMPANY NEWS

In 2016 IDGC of Centre improved efficiency and quality of the procedure to connect customers to electric grids

IDGC of Centre summed up the work on connection of customers to electric grids for 2016. During the reporting period the company performed more than 46 thousand grid connection contracts, total connected capacity under the performed contracts amounted to 1,077 MW.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/58963/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 127,72	0,41%	-4,70%
S&P 500	2 365,38	0,60%	5,65%
FTSE 100	7 274,83	-0,34%	1,85%
DAX	11 967,49	1,18%	4,24%
DJStoxx 600	373,40	0,64%	3,31%
STOXX Utilities	277,17	0,77%	0,14%
Nikkei	19 381,44	0,68%	1,40%
Sensex	28 761,59	0,35%	8,02%
CSI300	3 482,82	0,33%	5,22%
Bovespa	69 052,02	0,76%	14,65%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,05	-0,62%	0,26%
USD/RUB	58,10	0,80%	-4,22%
Euro/RUB	61,70	0,41%	-3,31%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 235,74	-0,22%	7,69%
Brent*, USD/bbl	56,66	0,85%	-1,44%

* - April futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4390
Capitalisation**, billion RUB	18,53
Capitalisation**, million USD	319,01

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,46%	7,02%
Shares of IDGC of Centre**	-1,90%	-1,79%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	0,27%	2,28%
FGC UES	3,79%	22,54%
IDGC of Volga	-0,33%	6,43%
MOESK	0,78%	15,03%
IDGC of Northern Caucasus	-1,78%	0,23%
IDGC of Centre and Volga Reg	-1,78%	4,46%
IDGC of North-West	-1,34%	-6,36%
IDGC of Urals	0,00%	0,91%
IDGC of Siberia	-1,75%	-12,90%
IDGC of South	-0,80%	-5,73%
Lenenergo, ordinary shares	1,53%	2,63%

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