

DAILY MARKET REVIEW

5 October, Thursday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 04 October some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 increased by 0.2-0.4%, having updated their historical highs for the third consecutive session. As MarketWatch writes, the market is supported by signals to improve the situation in the US economy and hopes for reform of tax legislation. Nevertheless, investors have fears that the stock market's rise is excessive, especially given the expected tightening of the monetary policy of the Fed. On Wednesday the main country indices of the Asia-Pacific region showed multidirectional changes, the exchanges of mainland China and South Korea are still closed due to the holidays. December Brent futures traded near the mark of \$55.7 per barrel, \$0.3 below the closing level on 3 October. Oil has been getting cheaper since the beginning of the current week on information on increasing production by OPEC countries and reducing the level of compliance of oil production with the conditions of the current OPEC+ agreement. Statistics of the American Petroleum Institute (API) were controversial and had no significant effect on the changes of quotations – according to the API, for the past week, US oil inventories fell by 4.1 million barrels, while gasoline stocks increased by 4.9 million barrels.

Most of the trading session the MICEX Index was in a small minus, within 0.5%, under the pressure of falling oil prices and worsening sentiment on European exchanges. In turn, weak statistics became a negative factor for investors in Europe – the rate of decline in retail sales in the Eurozone in August was the maximum for 17 months, and the growth of geopolitical risks associated with Catalonia. The head of the Catalan government said that in the coming days the region will declare its independence, and the possible intervention of the Spanish government will become a mistake "that can change the whole situation." Against this background, the fall of the Spanish stock index IBEX 35, the driver of which was the banking sector, exceeded 3%. At the end of the day, the MICEX Index was able to gain a foothold in the positive area after the publication of good statistics from the US, where the index of business activity in the service sector in September jumped to a maximum in 12 years, and the rise in Brent quotations to around \$56 per barrel on the US Department of Energy's report on reduction of oil reserves last week by 6 million barrels.

During the trading session the MicexPWR Sector Index underperformed. The main contribution to the final MicexPWR growth was made by RusHydro's shares.

ELECTRIC POWER INDUSTRY NEWS

The Ministry of Energy intends to submit to the government by the end of the year the concept of a new program for renewing the capacity instead of the Capacity Delivery Agreement

The Ministry of Energy of the Russian Federation expects to finalize the concept of a new program for the modernization and construction of new power capacities by the end of 2017, which will replace the current Capacity Delivery Agreement program (power supply agreement). In the same year, the concept is to be submitted for approval to the government, told reporters on the sidelines of the Russian Energy Week Deputy Minister of Energy Vyacheslav Kravchenko.

Read full text: <http://www.bigpowernews.ru/markets/document79939.phtml>

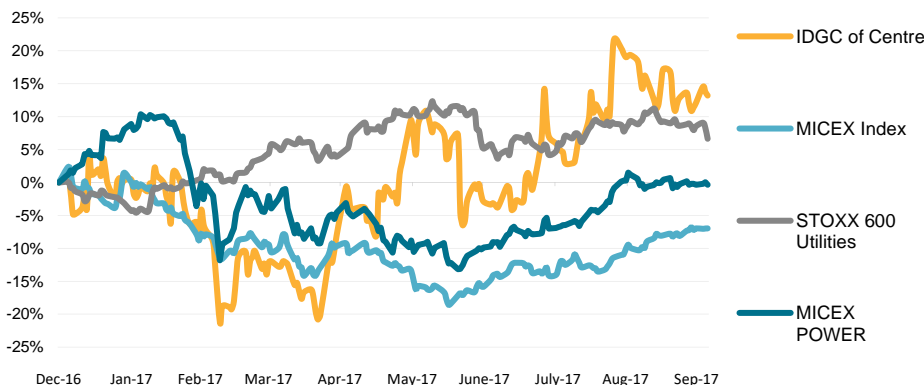
COMPANY NEWS

Compliance with payment discipline is under Smolenskenergo's control

Specialists of IDGC of Centre - Smolenskenergo division continue the work to increase the payment discipline of consumers for transmitted electricity and collect overdue accounts receivable.

Read full text: <http://energycluster.ru/PressReleaseenergycluster/PressReleaseShow.asp?ID=652582>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 077,09	0,01%	-6,97%
S&P 500	2 537,74	0,12%	13,35%
FTSE 100	7 467,58	-0,01%	4,55%
DAX	12 970,52	0,53%	12,97%
DJStoxx 600	390,40	-0,08%	8,02%
STOXX Utilities	295,14	-1,53%	6,64%
Nikkei	20 626,66	0,06%	7,91%
Sensex	31 671,71	0,55%	18,95%
CSI300	3 836,50	0,00%	15,90%
Bovespa	76 591,44	-0,22%	27,17%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,18	0,09%	11,85%
USD/RUB	57,94	0,21%	-4,48%
Euro/RUB	67,98	0,11%	6,54%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 274,85	0,25%	11,10%
Brent*, USD/bbl	55,80	-0,36%	-4,99%

* - December futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,5060
Capitalisation**, billion RUB	21,36
Capitalisation**, million USD	368,71

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-0,35%	-0,32%
Shares of IDGC of Centre**	-0,49%	13,20%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-1,07%	-12,05%
FGC UES	0,03%	-15,58%
IDGC of Volga	-0,43%	107,14%
MOESK	0,68%	-1,22%
IDGC of Northern Caucasus	0,24%	-4,76%
IDGC of Centre and Volga Reg	0,03%	114,86%
IDGC of North-West	0,95%	15,64%
IDGC of Urals	-1,77%	18,24%
IDGC of Siberia	4,69%	62,60%
IDGC of South	0,90%	-14,31%
Lenenergo, ordinary shares	-0,18%	0,09%
TRK, ordinary shares	0,00%	-11,55%
Kubanenergo	-1,20%	-14,94%

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