

# DAILY MARKET REVIEW

14 March, Tuesday

2017



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 13 March some neutral external background formed on the Russian market. On Friday the US indices DJIA and S&P500 rose by 0.2-0.3% on good statistics from the US labour market, which confirmed that the US economy is ready to the Fed's interest rate hike – the unemployment rate fell to 4.7% in February, the growth of jobs on the results of two months was a record since July last year. At the same time, the growth rate of hourly wages turned out to be slightly worse than expected, which, according to experts, limits the Fed's ability to accelerate the pace of the rate hike. Currently, the market estimates the likelihood of an increase in the Fed rate this Wednesday at 100%, the second increase in June – above 50%, three increases this year – more than 60%. On Monday the composite stock index of the Asia-Pacific region MSCI Asia Pacific added more than 0.5%. The leader of the growth was the Chinese market – the CSI300 index showed almost a percent rise on recommendations of Goldman Sachs to buy shares of mainland China in anticipation of an increase in profits of Chinese companies amid inflation recovery. May Brent futures traded near the mark of \$51.3 per barrel, \$0.4 below the closing level on Friday, March 10. Oil prices, which lost over 8% over the past week, have continued to decline for the sixth consecutive day on the back of a surplus of fuel in the world market. Industry analysts draw attention to the fact that the reduction in production by OPEC+ countries has not been sufficient to reduce world reserves, and the growth of quotations above \$50 only increases the activity of American shale producers. In particular, the oil service company Baker Hughes reported on the eighth consecutive week of increasing the number of operating oil drilling rigs in the US.

On Monday the Russian market corrected after active sales in recent weeks – on the daily highs the MICEX Index growth was 1.4%. The recovery of our market was thanks to the stabilization of the price of Brent oil above \$51 per barrel and the restrained growth of European indices following the quotations of mining companies after the analysts of JPMorgan raised the industry's rating from "neutral" to "overweight". In general, notes Bloomberg, investors prefer to take a wait-and-see attitude before meetings of central banks around the world: this week the monetary policy is revised by the Fed, the Bank of Japan, the Bank of England, the Swiss National Bank.

During the trading session the MicexPWR Sector Index looked somewhat worse than the market. The main contribution to the overall lagging of MicexPWR in comparison with the MICEX Index was made by the drop in shares of companies of Gazprom generation – TGK-1 (-6.5%) and OGK-2 (-3.6%).

## ELECTRIC POWER INDUSTRY NEWS

### Additional load on consumers of the wholesale energy market due to investment support is estimated at 118-208 billion rubles, says Market Council

The additional non-market financial burden on consumers of the wholesale electricity and capacity market is estimated at between 118 and 208 billion rubles, follows from the presentation of Oleg Barkin, Deputy Chairman of the Board of NP Market Council (an energy market regulator).

Read full text: <http://www.bigpowernews.ru/markets/document75854.phtml>

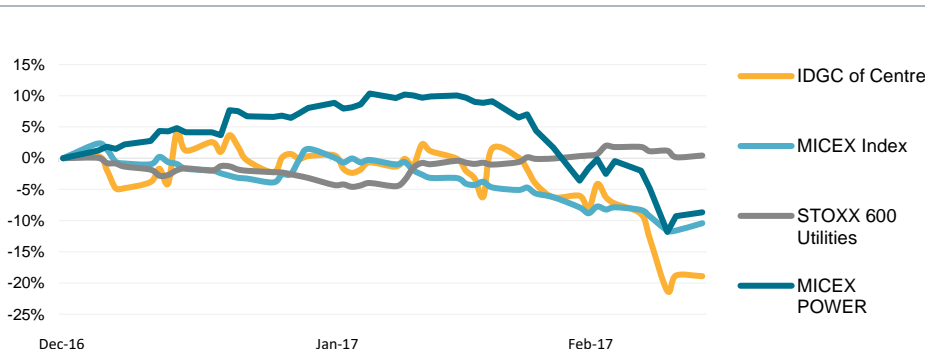
## COMPANY NEWS

### Smolenskenergo summed up its environmental activities for 2016

IDGC of Centre – Smolenskenergo division summed up the implementation of the Program for Environmental Safety and Rational Use of Natural Resources in 2016. The Smolensk branch spent about 3.5 million rubles to implement the environmental policy measures of IDGC of Centre. Of these, 1.057 million rubles were allocated for receiving and treatment of sewage waters, 827 thousand rubles for solid utility waste, 349 thousand rubles for the development of draft waste generation standards and limits for their disposal, and 61.7 thousand rubles for the development of projects of maximum permissible emissions.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/59150/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 000,14	1,33%	-10,42%
S&P 500	2 373,47	0,04%	6,01%
FTSE 100	7 367,08	0,33%	3,14%
DAX	11 990,03	0,22%	4,43%
DJStoxx 600	374,64	0,38%	3,66%
STOXX Utilities	277,96	0,27%	0,43%
Nikkei	19 633,75	0,15%	2,72%
Sensex	28 946,23	0,00%	8,71%
CSI300	3 458,10	0,88%	4,47%
Bovespa	65 534,30	1,33%	8,81%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,07	-0,13%	1,35%
USD/RUB	59,22	0,66%	-2,37%
Euro/RUB	62,74	1,21%	-1,68%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 204,30	-0,03%	4,95%
Brent*, USD/bbl	51,35	-0,04%	-11,53%

\* - May futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3625
Capitalisation**, billion RUB	15,30
Capitalisation**, million USD	258,44

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,72%	-8,66%
Shares of IDGC of Centre**	-0,14%	-18,90%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	2,72%	-20,71%
FGC UES	1,00%	-13,14%
IDGC of Volga	0,71%	-10,89%
MOESK	5,61%	15,26%
IDGC of Northern Caucasus	4,17%	-14,97%
IDGC of Centre and Volga Reg	4,51%	3,38%
IDGC of North-West	6,02%	-20,00%
IDGC of Urals	4,84%	-7,90%
IDGC of Siberia	1,41%	-22,70%
IDGC of South	2,32%	-24,24%
Lenenergo, ordinary shares	1,25%	-11,81%
TRK, ordinary shares	-2,41%	-14,92%
Kubanenergo	-1,10%	3,45%

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](mailto:ir@mrsk-1.ru)

### Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

MRKC  
MRKC RX  
MRKC.MM