

DAILY MARKET REVIEW

13 December, Wednesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 12 December some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500, once again updating their historical records, increased by 0.2-0.3% mainly due to the rally in shares of the commodity sector after the jump in oil prices. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific was in a small minus. As experts say, investors prefer to take a wait-and-see approach ahead of the decision on monetary policy by the world's leading Central Banks this week, including the Fed and the ECB, from which markets are waiting for clarification about plans to tighten the monetary policy in the coming year. February Brent futures traded near \$65.5 per barrel, \$1.3 higher than the closing level on 11 December. Oil quotes grew on the information that the work of the largest pipeline in the North Sea Forties, which carries about 450 thousand barrels per day, was suspended due to the discovery of a crack. According to analysts, the closure of the pipeline, through which about 40% of the North Sea oil produced on the British shelf is transported, will significantly reduce the level of supply in the market, which is already starting to recover due to a reduction in production by OPEC+ countries.

Most of the trading session on Tuesday the MOEX Russia Index and the European Stoxx Europe 600 Index had low volatile flat changes near zero. The focus of the markets is on the forthcoming meetings of leading central banks this week. Investors, in particular, predict an increase in the Fed's rate to 1.25-1.5% and preservation of the monetary policy of the ECB. The statistics published during the day were ambiguous, and had no significant effect on the trading trends. In the US in November producer prices rose by 3.1% in annual terms, the maximum rate in almost six years, since January 2012, which indicates an increase in inflationary pressure in the country. In Europe the ZEW Institute data recorded a decline in December the confidence indices for the economies of the Eurozone and Germany. At the end of the trading session, the activity of buyers on the Russian market intensified after the start of trading in the US with a slight increase in major indices.

As a result of the trading session the MicexPWR Sector Index underperformed. The main contribution to the final MicexPWR decline in antiphase with the MOEX Russia Index was made by shares of Inter RAO and RusHydro.

ELECTRIC POWER INDUSTRY NEWS

The export of electricity from Russia for 10 months decreased by 2%

The export of electricity from Russia for January-October of 2017 decreased by 1.94% compared to the same period in 2016 - to 14.518 billion kW/h, the Federal Customs Service said. Revenues from electricity exports amounted to \$546.6 million, which is almost 1% less than a year ago.

Read full text: <http://peretok.ru/news/tek/17175/>

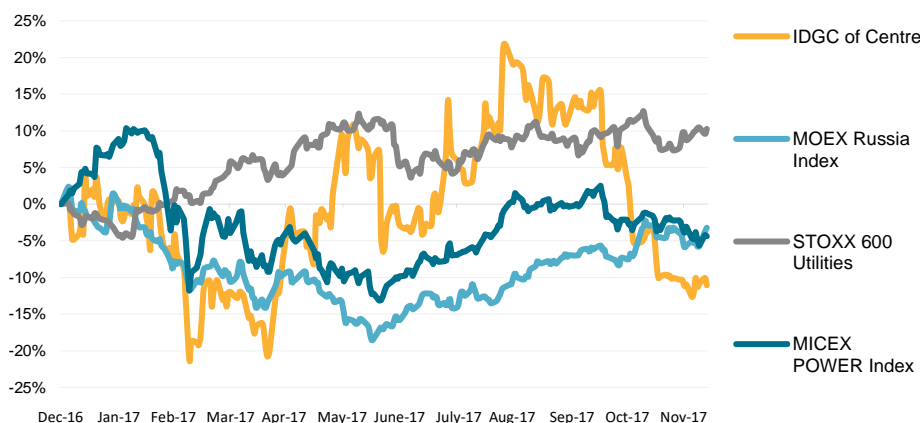
COMPANY NEWS

Smolenskenergo spent 45 million rubles on safety measures for 10 months

The issues of preventing and reducing the level of occupational injuries, occupational safety, health and life of personnel are priority tasks for IDGC of Centre - Smolenskenergo division.

Read full text: https://report.ru/pressreleases/smolenskynergo_za_10_mesjacev_napravilo_45 mln_rublei_na_meroprijatija_po_ohrane_truda/

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MOEX Russia	2 160,75	0,57%	-3,22%
S&P 500	2 664,11	0,15%	19,00%
FTSE 100	7 500,41	0,63%	5,01%
DAX	13 183,53	0,46%	14,83%
DJStoxx 600	391,63	0,66%	8,36%
Nikkei	22 866,17	-0,32%	19,63%
Sensex	33 227,99	-0,68%	24,79%
CSI300	4 016,02	-1,31%	21,33%
Bovespa	73 813,53	1,39%	22,56%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
USD/RUB	59,23	-0,08%	-2,34%
EURO/RUB	69,80	0,23%	9,39%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 244,49	0,20%	8,45%
Brent*, USD/bbl	63,34	-2,09%	8,07%

* - February futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre	0,3975	16,78	283,31
IDGC of Centre & Volga Reg	0,3089	34,81	587,70

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.16
STOXX 600 Utilities	0,62%	10,26%
MICEX POWER Index	-0,18%	-4,40%
IDGC of Centre**	-1,12%	-11,07%
IDGC of Centre and Volga Region**	0,33%	107,36%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	0,99%	-25,40%
FGC UES	-0,03%	-20,52%
IDGC of Volga	0,14%	89,55%
MOESK	1,34%	-7,57%
IDGC of Northern Caucasus	10,82%	-14,06%
IDGC of North-West	-0,54%	-0,18%
IDGC of Urals	2,38%	30,70%
IDGC of Siberia	4,93%	39,78%
IDGC of South	-1,20%	10,31%
Lenenergo, ordinary shares	-1,22%	-4,72%
TRK, ordinary shares	0,00%	-13,03%
Kubanenergo	0,54%	-13,91%

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