

DAILY MARKET REVIEW

14 March, Wednesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 13 March some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 fell 0.1-0.6% following shares of industrial companies after the introduction by the US last week of import duties on steel and aluminum. As noted by Reuters, shares of companies such as Boeing and Caterpillar were under pressure due to concerns that the protection measures of Donald Trump regarding the supply of steel and aluminum in the US will cause higher prices for products and lower competitiveness. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific traded near zero with mixed changes of major indices. In general, writes MarketWatch, investors are focused on the publication on Tuesday of inflation data in the US in February, which may give additional insight into the Fed's further moves. May Brent futures traded near \$64.9 per barrel, \$0.6 higher than the closing level on 12 March. Experts attribute the rise of oil quotations to the weakening of the dollar in the world foreign exchange market. At the same time, the fear is that the growth of oil production in the US can slow the oil market rebalancing. On Monday the US Department of Energy released a forecast according to which the production of shale oil in the country in April will grow for the sixteenth consecutive month – up to 6.95 million barrels per day – another historic high.

The MOEX Russia Index spent the trading session of Tuesday sideways near zero, despite the surge in volatility in the global financial markets after the publication of US inflation statistics and information on the dismissal of the US Secretary of State. The rate of increase in consumer prices (CPI) in the US in February accelerated to 2.2% in annual terms after January's 2.1%. However, prices in February increased by only 0.2% compared with the previous month, while in January there was an increase of 0.5%. According to experts, the statistics indicate a gradual increase in inflationary pressure in the US, without a sharp acceleration in the growth of consumer prices, which is in line with the Fed's forecasts and is consistent with the plans of the US Federal Reserve to raise the base interest rate three times this year. As for the unexpected dismissal of Rex Tillerson – this is the second loud resignation in the White House – a week earlier, Economic Adviser to Donald Trump left his post because of disagreement with the introduction of duties on metals. According to analysts, this may indicate a deep disagreement in the administration of Donald Trump, which can seriously complicate the implementation of economic initiatives of the US president.

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

ELECTRIC POWER INDUSTRY NEWS

Breakthrough methods of regulation are applied in the electric power and utilities sectors

This conclusion was reached by participants in the seminar on tariff regulation, which was held 5-6 March in the Moscow region. The event was opened by the head of the Electricity Regulatory Authority of the Federal Antimonopoly Service of Russia Dmitry Vasiliev. He noted that among all sectors of the economy the electric power industry is "the locomotive of transformations and reforms".

Read full text: <https://www.eprussia.ru/news/base/2018/855876.htm>

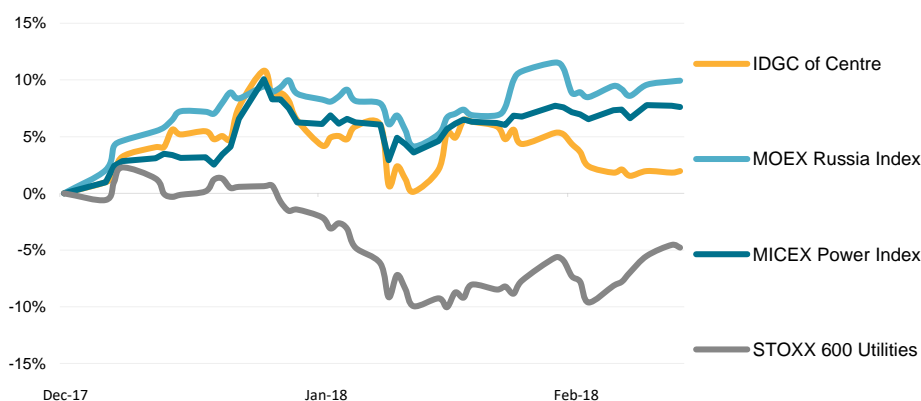
COMPANY NEWS

In 2017 Tamboverenergo connected more than 1,300 facilities to the grid

IDGC of Centre - Tamboverenergo division summed up the results of work on grid connection for 2017. During the reporting period, the power company connected 1,307 facilities to the grid with a total capacity of 42.7 MW.

Read full text: <http://www.energostrana.ru/news/powerindustry/26645.html>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 319,38	0,06%	9,94%
S&P 500	2 765,31	-0,64%	3,43%
FTSE 100	7 138,78	-1,05%	-7,14%
DAX	12 221,03	-1,59%	-5,39%
DJStoxx 600	375,49	-0,98%	-3,52%
Nikkei	21 968,10	0,66%	-3,50%
Sensex	33 856,78	-0,18%	-0,59%
CSI300	4 091,25	-0,88%	1,50%
Bovespa	86 383,84	-0,59%	13,06%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	56,61	-0,33%	-1,76%
EURO/RUB	69,80	-1,04%	1,47%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 326,51	0,26%	1,82%
Brent*, USD/bbl	64,64	-0,48%	-2,19%

* - May futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.17
IDGC of Centre	0,3630	15,33		270,70
IDGC of Centre & Volga Reg	0,3279	36,95		652,75

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,25%	-4,79%
MICEX POWER Index	-0,10%	7,63%
IDGC of Centre**	0,14%	1,97%
IDGC of Centre and Volga Region**	-1,32%	8,68%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	1,43%	3,17%
FGC UES	-0,17%	9,56%
IDGC of Volga	0,34%	15,34%
MOESK	0,37%	-10,23%
IDGC of Northern Caucasus	-0,56%	-8,33%
IDGC of North-West	0,82%	-5,77%
IDGC of Urals	-0,43%	9,31%
IDGC of Siberia	0,00%	2,62%
IDGC of South	0,17%	-1,67%
Lenenergo, ordinary shares	1,45%	16,46%
TRK, ordinary shares	-0,28%	-3,23%
Kubanenergo	0,00%	-5,87%

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