

DAILY MARKET REVIEW

6 December, Wednesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 5 December some moderately negative external background formed on the Russian market. The DJIA index grew by 0.2%, having updated the historical record, the S&P500 lost 0.1%, Nasdaq fell 1.1%. Such changes were caused by a drop in shares of high-tech companies, provoked by the information that the tax cuts envisaged by the tax reform affect these companies less than expected. On Thursday the main country stock indices of the Asia-Pacific region showed a predominantly negative trend due to the fall in the share price of technology companies, which followed the decline of this sector in the US. A positive exception in the Asian session was the Chinese CSI300, which added 0.5%, on strong statistics – the data, published by Markit/Caixin, pointed to the strengthening of business activity in the sphere of services in China in November. February Brent futures traded near \$62.3 per barrel, \$0.6 below the closing level on 4 December. A decrease in quotations was due to fears of traders that the prolongation of the OPEC+ deal till the end of 2018 and high prices will lead to a significant increase in shale activity in the US, which could undermine the restoration of the balance in the market.

On Monday the MOEX Russia Index spent most of the trading session in the red on average about half a percent. The market was pressured by the drop in oil prices to around \$62 per barrel and worsening sentiment in European markets. The European Stoxx Europe 600 lost more than half a percent on the information that the leaders of the European Union and the UK on Monday could not complete the agreement on Brexit terms and ambiguous statistics. A drop in retail sales in the Eurozone in October was the maximum in four years, while in November the growth of the composite index of business activity accelerated. In the second half of the day, Russian and European indices reduced losses to a third of a percent after a slight increase in US indices at the beginning of trading due to the rebound of shares of technology companies. Additional support to our market was provided by the rise of Brent quotations to the level of \$62.7 per barrel.

As a result of the trading session the MicexPWR Sector Index looked somewhat better than the market mainly due to growth of shares of Gazprom's generation companies.

ELECTRIC POWER INDUSTRY NEWS

Power consumption in Russia for 11 months 2017 increased by almost 1%

According to operational data, electricity consumption in the Unified Energy System of Russia in November 2017 was 92.3 billion kWh, which is 2.4% less than the volume of consumption in November 2016. Electricity consumption in November 2017 in Russia as a whole amounted to 94.2 billion kWh, which is 3.0% less than in November 2016, says the press service of JSC SO UES.

Read full text: <http://www.bigpowernews.ru/markets/document80841.phtml>

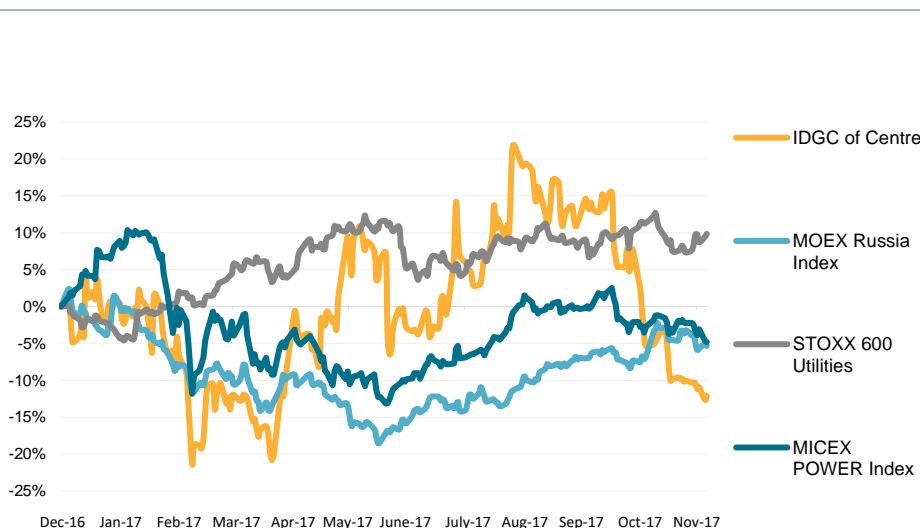
COMPANY NEWS

Tambovergo reduces accounts receivable

IDGC of Centre - Tambovergo division continues the claim-related work aimed at paying off receivables for consumed electricity. From January to October 2017 in the production of courts of various instances there were 176 cases for a total of 1 billion 275 million rubles. In 83 cases decisions have already been made in favour of the company for the amount of 159 million rubles. To date, 91 enforcement orders worth 34 million rubles have been transferred to the bailiff service for collection.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/62541/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MOEX Russia	2 113,69	-0,27%	-5,33%
S&P 500	2 629,57	-0,37%	17,45%
FTSE 100	7 327,50	-0,16%	2,59%
DAX	13 048,54	-0,08%	13,65%
DJStoxx 600	386,74	-0,19%	7,01%
Nikkei	22 622,38	-0,37%	18,35%
Sensex	32 802,44	-0,20%	23,19%
CSI300	4 040,17	0,53%	22,06%
Bovespa	72 546,17	-0,74%	20,45%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
USD/RUB	58,99	0,81%	-2,75%
EURO/RUB	69,91	0,23%	9,56%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 265,77	-0,82%	10,31%
Brent*, USD/bbl	62,86	0,66%	7,25%

* - February futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3930	16,59	281,26
IDGC of Centre & Volga Reg	0,3089	34,81	590,13

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.16
STOXX 600 Utilities	0,37%	9,84%
MICEX POWER Index	-0,14%	-4,80%
IDGC of Centre**	0,64%	-12,08%
IDGC of Centre and Volga Region**	-0,16%	105,61%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-0,02%	-27,45%
FGC UES	-1,53%	-21,01%
IDGC of Volga	1,15%	87,77%
MOESK	-0,72%	-7,80%
IDGC of Northern Caucasus	-2,29%	-22,68%
IDGC of North-West	1,83%	1,27%
IDGC of Urals	-0,23%	30,40%
IDGC of Siberia	-0,86%	37,99%
IDGC of South	-0,55%	2,86%
Lenenergo, ordinary shares	2,59%	-2,91%
TRK, ordinary shares	-0,50%	-15,97%
Kubanenergo	-0,51%	-10,34%

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