

# DAILY MARKET REVIEW

3 March, Friday

2017



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 02 March some positive external background formed on the Russian market. On Wednesday the major US indices – DJIA, S&P500 and Nasdaq Composite – rose by 1.3-1.5% with updating their historic highs. The driver of the market rise was shares of the financial sector – the appropriate S&P500 sector index added almost 3% on increased expectations of the Fed rate increase already at the March meeting. According to Bloomberg, the likelihood of this scenario, after the "hawkish" statements of a number of heads of regional Fed banks rose to 60% compared to 50% on Monday and 36% a week earlier. Additional support to the market was made by Donald Trump's speech to Congress, which, as CNBC noted, although did not contain anything concrete, allowed investors to hope that he would fulfill his campaign promises in terms of reducing taxes and increasing government spending. On Thursday, after the US market, the composite index of the Asia-Pacific region MSCI Asia Pacific added more than 0.5%. For the second day in a row to a faster pace compared to other major indices in the region the Japanese Nikkei225 has been growing with the yen weakening, which supports shares of exporters. May Brent futures traded near the mark of \$56.2 per barrel, or \$0.5 less than the closing level on 01 March. Oil quotes were down on the US Department of Energy data, which reported an increase in crude oil stocks to a record of 520.2 million barrels. At the same time, Citigroup analysts noted that the increase in the oil reserves was less than in the previous week, they suggested that the reserves may soon begin to shrink as the completion of repair work at oil refineries of the country goes.

The trading trend on the Russian market on Thursday was distinguished with high volatility – almost a percent growth in the morning of the MICEX Index in the middle of the day gave way to a fall comparable in magnitude. Our market was pressured by a fall in oil prices – Brent quotations dropped to a mark of \$55.3 per barrel, while the activity of sellers was limited by neutral changes of European markets, and futures for US indices, consolidating after strong growth on Wednesday. Against this background good western statistics did not have significant impact on the mood of investors – in the Eurozone in February the inflation rose to a maximum of four years, 2%, the unemployment rate in January remained at a minimum level of 9.6% since May 2009, in the US the number of applications for unemployment benefits fell to the lowest level since March 1973. At the end of the day the MICEX Index tried to return to zero, but closed trading in the red half-point after the start of trading in the US with a slight decline in major indices within the correction after strong growth of the previous day.

At the end of the trading session the MicexPWR Sector Index underperformed mainly due to the fall of shares of FGC UES (-6.1%) and Inter RAO (-4.8%). The growth of Lenenergo's preferred shares by 11.8% was different from the general trend of shares of the electric grid sector after the publication of strong RAS statements for 2016 – revenue increased by 40% y/y, to 61.26 billion rubles, net profit amounted to 7.56 billion rubles against 5.92 billion rubles of net loss in 2015.

## ELECTRIC POWER INDUSTRY NEWS

### A laboratory of the electric power industry to be created in Sochi

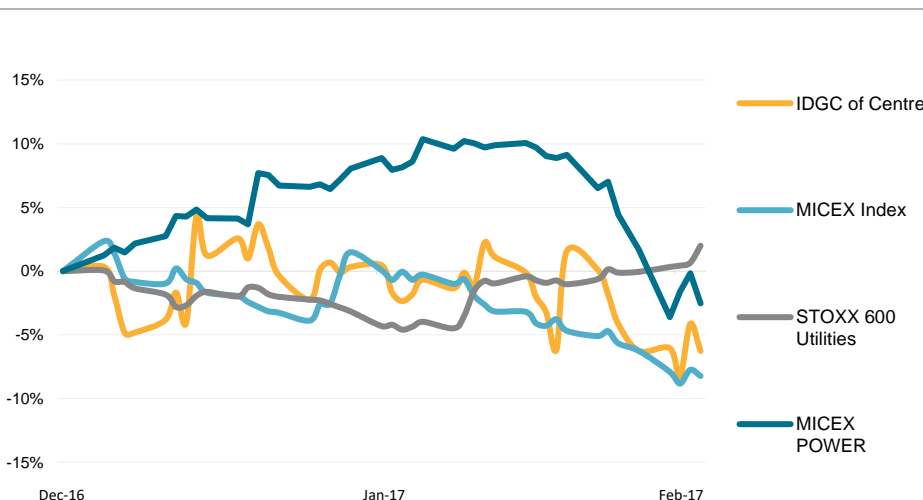
Read full text: <http://peretok.ru/news/strategy/15206/>

## COMPANY NEWS

### Belgorodenergo: the number of "consumers without meters" reduced by one third in the region

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/59045/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 049,00	-0,53%	-8,23%
S&P 500	2 381,92	-0,59%	6,39%
FTSE 100	7 382,35	-0,01%	3,35%
DAX	12 059,57	-0,06%	5,04%
DJStoxx 600	375,61	-0,02%	3,93%
STOXX Utilities	282,31	1,33%	2,00%
Nikkei	19 564,80	0,88%	2,36%
Sensex	28 839,79	-0,50%	8,31%
CSI300	3 435,10	-0,67%	3,78%
Bovespa	65 854,93	-1,69%	9,34%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,05	-0,54%	-0,10%
USD/RUB	58,38	0,72%	-3,76%
Euro/RUB	61,54	0,25%	-3,56%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 234,25	-1,24%	7,56%
Brent*, USD/bbl	55,08	-2,27%	-5,10%

\* - May futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4190
Capitalisation**, billion RUB	17,69
Capitalisation**, million USD	303,02

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-2,36%	-2,52%
Shares of IDGC of Centre**	-2,22%	-6,26%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-2,77%	-9,37%
FGC UES	-6,09%	2,81%
IDGC of Volga	-3,48%	-3,48%
MOESK	0,41%	8,46%
IDGC of Northern Caucasus	2,56%	-9,07%
IDGC of Centre and Volga Reg	-1,65%	0,81%
IDGC of North-West	-3,11%	-14,91%
IDGC of Urals	-0,62%	-2,74%
IDGC of Siberia	0,45%	-19,59%
IDGC of South	-0,45%	-14,89%
Lenenergo, ordinary shares	3,00%	-0,18%

Source: MOEX, Company calculations

\*\* - at the price of last transaction at MOEX

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### Tickers

Moscow Exchange (MOEX)  
Bloomberg  
Reuters

MRKC  
MRKC.RX  
MRKC.MM