

DAILY MARKET REVIEW

22 February, Thursday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 21 February some moderately negative external background formed on the Russian market. On Tuesday the US indices DJIA and S & P500 fell 0.6-1.0% – according to MarketWatch, the renewed growth in yields of US Treasuries and the strengthening of the dollar are creating nervousness in the market. The increase in yields of government bonds can increase the cost of borrowing for companies, which is an unfavourable factor for the stock market. In addition, thanks to an increase in interest rates, bonds may prove to be a more attractive tool for investors than stocks at current levels. In turn, the strengthening of the dollar is unfavourable for shares of exporters and companies with large international operations. On Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific added about a third of a percent following shares of exporters, supported by the weakening of national currencies against the dollar. April Brent futures traded near \$64.8 per barrel, \$0.3 lower than the closing level on 20 February. Oil quotes declined both on the strengthening of the dollar, and on expectations of rising fuel stocks in the US. Analysts polled by Bloomberg expect an increase in oil reserves by 3 million barrels. If the forecast is justified, this may be another indication that the rise in oil production in the US risks to undermine OPEC+ efforts to limit production.

On Wednesday the Russian market was dominated by buyers against the background of a general improvement in the attitude of investors to assets of emerging markets – in the second half of the trading session the MOEX Russia Index and the MSCI EM Index added more than a percent. Restrained negative changes of the stock markets in Europe, where the Stoxx Europe 600 Index spent most of the day in a half-percentage minus, did not have a significant impact on the mood of Russian investors. The European markets, in addition to the negative closing of trading in the US, were pressured by statistics: preliminary data on business activity in the Eurozone in February were worse than expected, the combined PMI of the Eurozone, Germany and France fell to the levels of October-November last year. At the end of the trading session the growth of the MOEX Russia Index accelerated to 2.2%, the index updated the historical high (for day closing) after the start of trading in the US with a half-percentage increase in the main indices and consolidation of Brent quotations above \$65 per barrel.

During the trading session the MicexPWR Sector Index underperformed – the activity of buyers was mainly concentrated in the first-tier shares.

ELECTRIC POWER INDUSTRY NEWS

Research: Russia until 2040 to remain the largest exporter of energy resources in the world

Russia will remain the largest exporter of energy resources in the world, Russian exports will provide more than 5% of the world demand for primary energy by 2040, follows from the forecast of the development of world energy, prepared by BP.

Read full text: <http://tass.ru/ekonomika/4975680>

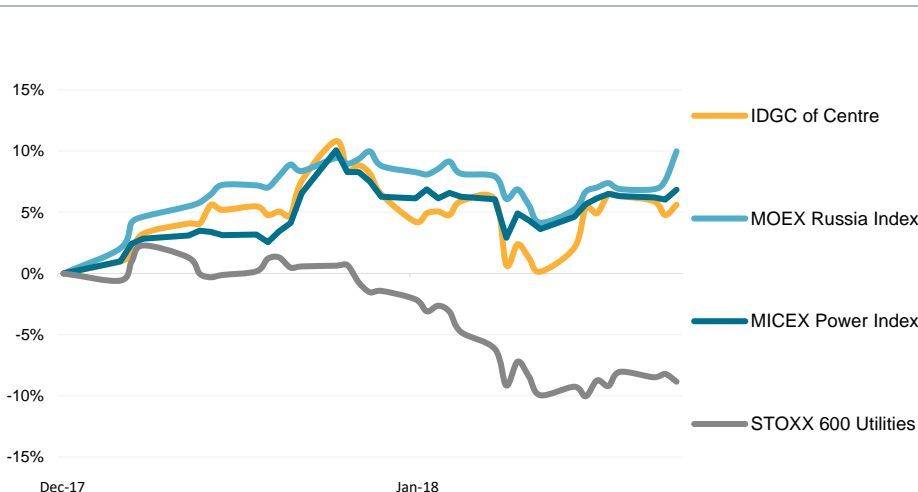
COMPANY NEWS

IDGC of Centre improves the quality of work with customers: about a million requests received in 2017

IDGC of Centre summed up the results of work with customers in 2017. In the specified period, specialists of the unit for interaction with customers of the company accepted 963,803 customer requests. 319,484 requests were submitted personally, when visiting customer service offices, the rest were directed through the Internet and the contact-centre of the company.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/63206/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 320,32	2,21%	9,98%
S&P 500	2 701,33	-0,55%	1,04%
FTSE 100	7 281,57	0,48%	-5,28%
DAX	12 470,49	-0,14%	-3,46%
DJStoxx 600	381,10	0,16%	-2,08%
Nikkei	21 970,81	0,21%	-3,49%
Sensex	33 844,86	0,42%	-0,62%
CSI300	3 966,96	0,00%	-1,59%
Bovespa	86 051,82	0,29%	12,63%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	56,52	0,31%	-1,92%
EURO/RUB	69,89	-0,01%	1,61%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 324,63	-0,34%	1,68%
Brent*, USD/bbl	65,42	0,26%	-1,54%

* - April futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3760	15,87	280,85
IDGC of Centre & Volga Reg	0,3414	38,48	680,73

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,69%	-8,85%
MICEX POWER Index	0,78%	6,85%
IDGC of Centre**	0,80%	5,62%
IDGC of Centre and Volga Region**	-1,81%	13,16%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,55%	3,25%
FGC UES	0,56%	9,84%
IDGC of Volga	0,22%	9,16%
MOESK	0,12%	-10,90%
IDGC of Northern Caucasus	0,27%	-4,95%
IDGC of North-West	1,15%	1,73%
IDGC of Urals	0,86%	11,93%
IDGC of Siberia	-1,45%	18,78%
IDGC of South	0,86%	-2,17%
Lenenergo, ordinary shares	1,04%	11,67%
TRK, ordinary shares	2,49%	-0,27%
Kubanenergo	-1,35%	-6,89%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers
Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC:RU
MRKC:MM