

# DAILY MARKET REVIEW

1 February, Thursday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 31 January some moderately negative external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 fell 1.1-1.4% on the second day of profit taking from record levels. The main factor of investors' anxiety is the continuing increase in the yields of government bonds of developed countries, which increase the cost of lending. The health sector looked worse than the market on the announcement of Amazon, Berkshire and JPMorgan about creating an independent company to provide "better and affordable" medical services to employees in the US and their families. On Wednesday, the composite index of the Asia-Pacific region MSCI Asia Pacific lost about a third of a percent with multidirectional changes of the main country indices. The markets were pressured mainly by the fall of the American market, in addition, investors were disappointed by the official statistics on business activity in China that came out worse than expected in January. March Brent futures traded near \$68.7 per barrel, slightly above the closing level on 30 January. The restraining factor for a more confident recovery in oil quotations after two days of decline was the report of the American Petroleum Institute about a significant – by 3.2 million barrels – growth in oil reserves in the country last week.

For the most part of the trading session, the MOEX Russia Index, the emerging markets index MSCI EM and the European Stoxx Europe 600 Index were in a small plus. Investors were supported by a corrective half-percentage growth in futures for US indices, positive corporate reporting of a number of large companies and good statistics. In the US the number of jobs in January, according to the ADP, increased by 234 thousand (25% higher than expected), in the Eurozone inflation in January slowed to 1.3%, but was higher than forecast, unemployment in December remained at a minimum since January 2009 – 8.7%.

During 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 RusHydro's shares, which lost more than 3% on media reports about plans for construction of a CHP plant in Khabarovsk for 49 billion rubles.

## ELECTRIC POWER INDUSTRY NEWS

### "Overpassing Western analogues". Own developments to save Russia's energy from the financial deficit

In March 2018, the government of the country as instructed by President of the Russian Federation Vladimir Putin is to finalize and present the program of energy modernization, proposed two months ago by the Ministry of Energy. According to experts, this industry is experiencing frankly difficult times today. Sudden blackouts in different regions of Russia today are no surprise for anyone. After all, for today only in some regions of Russia the deterioration of the infrastructure of power grid facilities does not exceed 20-30%.

Read full text: <http://fedpress.ru/article/1949242>

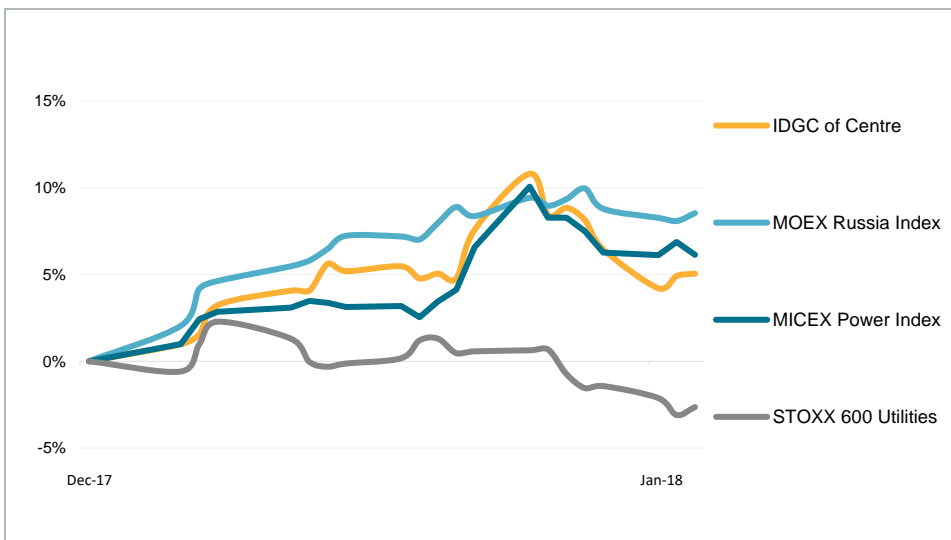
## COMPANY NEWS

### IDGC of Centre in the Bryansk region completed the modernization of a large feeding centre

Specialists of IDGC of Centre - Bryanskenergo division have completed the reconstruction of the 110/6 kV substation "Bezhtskaya", one of the largest feeding centres in the Bryansk region. Based on the results of the work, the capacity of the power facility was increased from 65 MVA to 80 MVA, new high-tech equipment was installed there, a modern system of continuous diagnostics, protection and complex monitoring of the state of power transformers was installed.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/62988/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 289,99	0,42%	8,54%
S&P 500	2 823,81	0,05%	5,62%
FTSE 100	7 533,55	-0,72%	-2,01%
DAX	13 189,48	-0,06%	2,10%
DJStoxx 600	395,46	-0,17%	1,61%
Nikkei	23 098,29	-0,83%	1,46%
Sensex	35 965,02	-0,19%	5,60%
CSI300	4 275,90	0,47%	6,08%
Bovespa	84 912,70	0,51%	11,14%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	56,29	0,00%	-2,32%
EURO/RUB	69,54	-0,44%	1,10%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 345,14	0,49%	3,25%
Brent*, USD/bbl	68,89	0,54%	3,69%

\* - March futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3740	15,79	280,50
IDGC of Centre & Volga Reg	0,3069	34,59	614,43

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,47%	-2,64%
MICEX POWER Index	-0,70%	6,13%
IDGC of Centre**	0,13%	5,06%
IDGC of Centre and Volga Region**	0,29%	1,72%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,36%	11,35%
FGC UES	-1,60%	7,99%
IDGC of Volga	1,12%	5,89%
MOESK	-1,05%	-5,56%
IDGC of Northern Caucasus	-1,10%	-6,77%
IDGC of North-West	-1,32%	0,58%
IDGC of Urals	-0,42%	12,89%
IDGC of Siberia	-0,77%	13,10%
IDGC of South	-2,83%	3,34%
Lenenergo, ordinary shares	-0,19%	8,02%
TRK, ordinary shares	0,00%	3,50%
Kubanenergo	1,35%	-4,34%

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**