

DAILY MARKET REVIEW

9 August, Wednesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 8 August some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500, updating historical records, added 0.1-0.2% after the increase in stock prices of high-tech companies and consumer goods manufacturers. Positive background for the markets was soft comments of two representatives of the Fed, who recognized that low inflation in the US is a problem and called for the preservation of rates at current levels. The subsequent weakening of the dollar and the strengthening of Asian currencies, coupled with weak statistics from China, had a restraining influence on buyers' activity on Tuesday – the composite index of the Asia-Pacific region MSCI Asia Pacific was trading near the zero mark. The Chinese CSI300 could close in positive territory despite the fact that the pace of increase in exports and imports of China in July slowed and both indicators were below expectations of economists. October Brent futures traded near \$52.3 per barrel, \$0.7 higher than our 7 August close. The rise in quotations was promoted by media reports that Saudi Arabia will reduce the export of raw materials to the majority of customers in Asia up to 10% in September as part of the agreements to limit production by OPEC+ countries.

On Tuesday the Russian market was dominated by buyers. In the first half of the trading session the MICEX Index was trading in more than half a percent plus. Shares of oil and gas and metallurgy companies rose in price after the increase in prices for oil and metals, the banking sector is still supported by Sberbank's good RAS financial statements for July. However, the rise of the domestic market was limited by the weakness of European markets, including, because of the first this year's reduction in the volume of Germany's exports in June, futures for US indices were trading in the red. In the second half of the day sentiment on the western markets improved, the US markets updated new records at the beginning of trading. Against this background the MICEX Index added a percent and closed at the high of the day.

As a result of the trading session the MicexPWR Sector Index looked worse than the broad market, mainly due to a 4.7% decline in Unipr's shares after the publication of IFRS financial statements for the first half of the year and management's statements about the increase in capex for the Berezovskaya GRES restoration.

ELECTRIC POWER INDUSTRY NEWS

The Security Council of the Russian Federation to take special measures to improve the reliability of the electric power industry of the Far Eastern Federal District, says Mr. Patrushev

The Security Council of the Russian Federation will keep under special control the measures necessary to improve the reliability of the electric power industry in the Russian Far East after the recent large-scale outage, as stated by the Security Council Secretary Nikolai Patrushev.

Read full text: <http://www.bigpowernews.ru/markets/document78839.phtml>

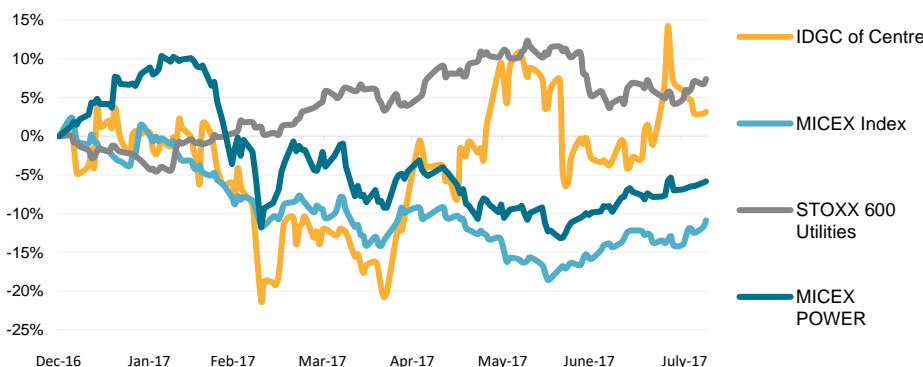
COMPANY NEWS

IDGC of Centre in the first half of the year achieved a reduction of more than 2.5 billion rubles of accounts receivable for electricity transmission services

IDGC of Centre summed up the work to reduce the accounts receivable for services for electricity transmission for the first half of 2017. In this period, the company managed to achieve a reduction in the total amount of debt by 2.6 billion rubles. The amount of debt of electricity suppliers of last resort was reduced by 2.3 billion rubles, and energy retail companies by 76 million rubles. The debt of territorial grid organizations decreased by 94 million rubles, and receivables from consumers with "direct" contracts by 101 million rubles.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/61014/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 989,61	0,98%	-10,89%
S&P 500	2 474,92	-0,24%	10,55%
FTSE 100	7 542,73	0,14%	5,60%
DAX	12 292,05	0,28%	7,06%
DJStoxx 600	382,65	0,17%	5,87%
STOXX Utilities	297,15	0,63%	7,36%
Nikkei	19 996,01	-0,30%	4,61%
Sensex	32 014,19	-0,80%	20,23%
CSI300	3 732,21	0,15%	12,75%
Bovespa	67 898,94	-0,06%	12,74%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,18	-0,31%	11,75%
USD/RUB	60,06	-0,44%	-0,98%
Euro/RUB	70,84	-1,18%	11,02%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 260,96	0,25%	9,89%
Brent*, USD/bbl	52,14	-0,44%	-11,34%

* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4610
Capitalisation**, billion RUB	19,46
Capitalisation**, million USD	324,05

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,17%	-5,85%
Shares of IDGC of Centre**	0,22%	3,13%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	3,55%	-20,42%
FGC UES	2,29%	-14,37%
IDGC of Volga	-1,11%	67,68%
MOESK	0,47%	-4,34%
IDGC of Northern Caucasus	0,82%	-16,78%
IDGC of Centre and Volga Reg	1,10%	80,00%
IDGC of North-West	0,19%	-4,36%
IDGC of Urals	0,32%	-3,95%
IDGC of Siberia	0,56%	6,33%
IDGC of South	2,12%	-17,37%
Lenenergo, ordinary shares	0,51%	-10,35%
TRK, ordinary shares	-0,25%	-15,97%
Kubanenergo	-0,66%	-13,91%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

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Bloomberg

Reuters

MRKC
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