

# DAILY MARKET REVIEW

28 August, Monday

2017



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 25 August some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed with a small decrease of 0.2% after the publication of mixed statistics and a drop in retailers' shares on corporate news. On the one hand, data on claims for unemployment benefits last week were better than forecasts, on the other hand, the resale of houses in the US in July unexpectedly fell to a minimum for the year. Retail stocks led the drop in the US market after Amazon announced a price cut in the stores of the recently purchased network Whole Foods. On Friday the main country indices of the Asia-Pacific region showed a predominantly positive trend. The Japanese Nikkei225 added 0.5% on the information that the key inflation indicator, monitored by the country's central bank, in July rose to a maximum since March 2015. October Brent futures traded near the mark of \$52.5 per barrel, \$0.7 higher than the closing level on 24 August. Quotations are supported by possible interruptions with the extraction of raw materials on the American coast of the Gulf of Mexico in connection with the approaching hurricane Harvey. A number of oil companies, including Shell and Exxon Mobil, have already taken measures to limit oil and gas production on some platforms, and a number of Texan refineries have also suspended work.

The MICEX Index was most of the trading session in a small plus within half a percent due to the stability of oil quotes near the mark of \$52.5 per barrel and positive sentiment on the western exchanges. The European Stoxx Europe 600 Index added about half a percent, including, on good statistics on the German economy – the country's GDP in the second quarter increased by an expected 0.6%, and the confidence index from the Ifo Institute in August was better than economists' forecasts. In general, the attention of traders was directed to the speech of the heads of the Federal Reserve and the ECB at the annual symposium of economists and representatives of the leading world banks in Jackson-Hole, from which new signals about monetary policy are awaited. In the second half of the day volatility in the Western markets increased after the comments of the Fed Chair, who avoided mentioning monetary policy and defended the rules for tightening regulation of the US banking system after the financial crisis, and noted that any attempts to ease regulation should be moderate. Against this background, the dollar index DXY in the foreign exchange market fell to an annual minimum, security assets, including gold and yen, increased.

During the trading session the MicexPWR Sector Index looked better than the broad market. The main contribution to the rise of the sector indicator was made by shares of Unipro, IDGC of Centre and Rosseti. Shares of electric grid companies are the leaders of growth throughout the week due to good IFRS reporting for the first half of the year. At the same time, Raiffeisen Capital notes that "the cancellation of the "last mile" from 1 July in a number of regions is unlikely to allow IDGCs to maintain the growth rates of revenues in the second half of the year, as the withdrawal of the "last mile" will lead to a decrease in productive supply".

## ELECTRIC POWER INDUSTRY NEWS

### Rosseti's securities to be included in the London index FTSE4Good

Shares of the state-owned company Rosseti will be included in the London Stock Exchange (LSE) index FTSE4Good Emerging Index, according to the LSE website.

Read full text: [http://1prime.ru/Financial\\_market/20170825/827831177.html](http://1prime.ru/Financial_market/20170825/827831177.html)

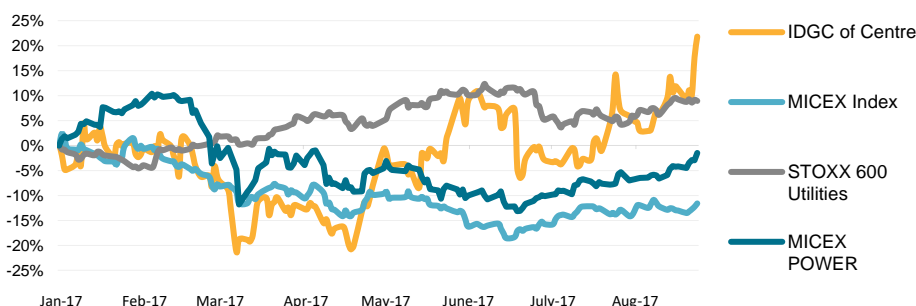
## COMPANY NEWS

### IDGC of Centre in the first half-year fulfilled more than 46 thousand contracts for rendering value-added services to consumers

IDGC of Centre summed up the results of sale of value-added services for the six months of 2017. During the reporting period, the company received 67,855 applications for the provision of value-added services. 49,187 contracts were concluded with consumers, 46,135 contracts were executed.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/61185/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 979,14	0,29%	-11,36%
S&P 500	2 445,39	0,26%	9,23%
FTSE 100	7 401,46	-0,08%	3,62%
DAX	12 167,94	-0,11%	5,98%
DJStoxx 600	374,07	-0,12%	3,50%
STOXX Utilities	301,47	-0,21%	8,92%
Nikkei	19 452,61	0,51%	1,77%
Sensex	31 596,06	0,00%	18,66%
CSI300	3 795,75	1,64%	14,67%
Bovespa	70 855,19	-0,39%	17,65%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,18	0,00%	12,19%
USD/RUB	59,14	0,01%	-1,88%
Euro/RUB	69,74	0,26%	10,67%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 286,40	0,00%	11,64%
Brent*, USD/bbl	52,04	0,00%	-8,41%

\* - October futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares of IDGC of Centre	Value
Last transaction, RUB	0,5445
Capitalisation**, billion RUB	22,99
Capitalisation**, million USD	388,70

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,63%	-0,84%
Shares of IDGC of Centre**	3,52%	21,81%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	1,16%	-13,69%
FGC UES	-0,55%	-15,63%
IDGC of Volga	0,47%	109,91%
MOESK	-0,53%	3,56%
IDGC of Northern Caucasus	-3,33%	-14,51%
IDGC of Centre and Volga Reg	1,68%	128,65%
IDGC of North-West	2,66%	19,45%
IDGC of Urals	1,25%	23,10%
IDGC of Siberia	0,41%	76,46%
IDGC of South	4,87%	-5,53%
Lenenergo, ordinary shares	3,37%	-2,36%
TRK, ordinary shares	0,00%	-13,87%
Kubanenergo	-1,58%	-21,03%

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