

DAILY MARKET REVIEW

5 September, Tuesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 4 September some moderately negative external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed with a slight increase of 0.2% on ambiguous statistics. On the one hand, in August the index of business activity in the manufacturing sector jumped to its peak since 2011, the consumer confidence index rose to a maximum since May. On the other hand, the number of jobs in August increased less than the forecast, the growth of this indicator in July worsened, the unemployment, contrary to expectations, rose to 4.4% from July's 4.3%. Nevertheless, analysts believe that weak data from the labour market will convince the Fed not to hurry up with the tightening of monetary policy, which is favourable for stock markets. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific and futures for US indices lost about half a percent due to another exacerbation on the Korean peninsula. On Sunday the DPRK announced the successful testing of the "unprecedented power" hydrogen bomb (according to experts, the explosive munition capacity is about 100 kilotons). In response, the US president promised to tighten economic sanctions against the DPRK and stop trade with countries that are dealing with North Korea, and the head of the Pentagon said that the US has "a lot of military options" for responding to the actions of the DPRK. November Brent futures traded near the mark of \$52.4 per barrel, \$0.3 below the closing level on Friday, 1 September. Quotations continue to consolidate near the maximum for three months with the support of Hurricane Harvey, which has reduced part of the US oil production and refining. At the same time, the activity of shale mining in the US has stabilized and has not been growing for two months – last week the number of oil drilling rigs in operation did not change, according to the data of the oilfield services company Baker Hughes.

The MICEX Index and the European Stoxx Europe 600 Index spent most of the trading session in a small minus within half a percent within the global trend of avoiding risk due to the return of geopolitical tensions around the DPRK. On Monday investors had demand for defensive assets – gold renewed a maximum of 10 months, the yen, Swiss franc and government bonds of developed countries grew up.

During the trading session the changes of the MicexPWR Sector Index in general corresponded to the MICEX Index. At the same time, ordinary shares of Rosseti looked noticeably better than the market – the securities could be supported by the statement of Deputy Prime Minister A. Dvorkovich that the government and Rosseti will analyze the possibility of privatization of certain subsidiaries of the holding by the end of the year.

ELECTRIC POWER INDUSTRY NEWS

Companies of the Far East to save up to 30 billion rubles on equalization of energy tariffs

Companies operating in Chukotka, Kolyma, Kamchatka, Sakhalin and Yakutia will be able to save up to 30 billion rubles annually on electricity bills due to the mechanism of equalization of energy tariffs. Its action will allow investors to invest in the development of their projects on the territory of the Russian Far East, the authorities are confident in it.

Read full text: <http://tass.ru/ekonomika/4530642>

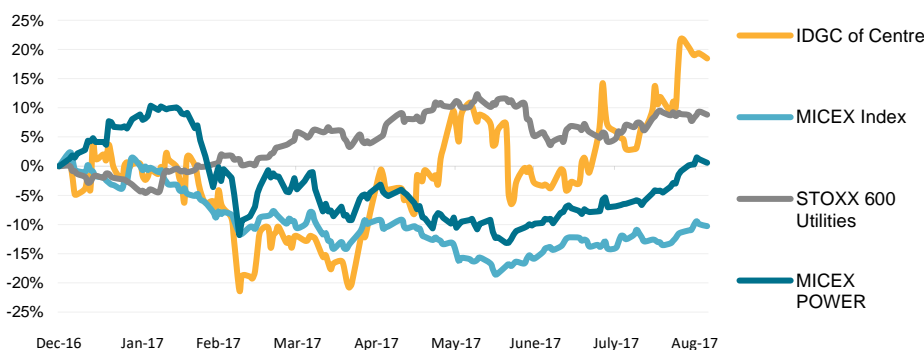
COMPANY NEWS

IDGC of Centre developed a case on energy for participants of the V All-Russian Forum "Future Intellectual Leaders of Russia"

The delegation of IDGC of Centre headed by General Director of the company Oleg Isaev visited the V All-Russian Forum "Future Intellectual Leaders of Russia", which has been held annually in Yaroslavl by the order of the President of the Russian Federation since 2013. This year the forum was held from 1 to 4 September in the building of the ice arena "Arena - 2000. Lokomotiv".

Read full text: <https://www.mrsk-1.ru/press-center/news/company/61272/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 003,32	-0,38%	-10,27%
S&P 500	2 476,55	0,00%	10,62%
FTSE 100	7 411,47	-0,36%	3,76%
DAX	12 102,21	-0,33%	5,41%
DJStoxx 600	374,18	-0,52%	3,53%
STOXX Utilities	301,19	-0,48%	8,82%
Nikkei	19 508,25	-0,93%	2,06%
Sensex	31 702,25	-0,60%	19,06%
CSI300	3 845,62	0,39%	16,18%
Bovespa	72 128,83	0,29%	19,76%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,19	0,24%	13,05%
USD/RUB	58,06	-0,84%	-4,29%
Euro/RUB	69,00	-0,89%	8,13%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 333,87	0,65%	16,24%
Brent*, USD/bbl	52,34	-0,78%	-10,94%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,5295
Capitalisation**, billion RUB	22,35
Capitalisation**, million USD	385,05

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-0,60%	0,56%
Shares of IDGC of Centre**	-0,75%	18,46%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	2,17%	-7,79%
FGC UES	-0,68%	-13,31%
IDGC of Volga	0,51%	112,14%
MOESK	-0,78%	-1,45%
IDGC of Northern Caucasus	-0,53%	-15,42%
IDGC of Centre and Volga Reg	1,22%	124,32%
IDGC of North-West	1,61%	14,55%
IDGC of Urals	-0,25%	21,28%
IDGC of Siberia	-1,43%	64,99%
IDGC of South	0,22%	-12,79%
Lenenergo, ordinary shares	-3,51%	5,00%
TRK, ordinary shares	0,00%	-14,92%
Kubanenergo	1,82%	-16,21%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

MRKC
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