

DAILY MARKET REVIEW

24 August, Thursday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 23 August some neutral external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 added 0.9-1.0% due to the growth of prices for oil and metals, as well as investors' optimism regarding tax reforms. According to sources of the American Politico, the administration of Donald Trump and the congressmen found a common language on the issue of reducing individual and corporate taxes. In addition, the head of the House of Representatives told CNN television that it would be easier to accept the tax reform than the failed bill on health care reform, thanks to the consensus among the Republicans. On Wednesday the main country indices of the Asia-Pacific region did not show a single trend. The activity of buyers was constrained by Donald Trump's statements that the US could withdraw from NAFTA free trade agreement. The US president also threatened to suspend the work of the US government if he could not get money to build a wall along the border with Mexico. October Brent futures traded near \$51.7 per barrel, slightly below the closing level on 22 August. The published data of the American Petroleum Institute (API) proved to be ambiguous and could not serve as a driver for the movement of quotations. The API estimates that commercial gasoline reserves in the US rose by 1.4 million barrels last week, while oil reserves fell 3.6 million barrels.

The MICEX Index spent most of the trading session with low volatile changes near zero. The moderate weakness of the European exchanges was compensated by purchases in shares of Sberbank, whose support was provided by strong IFRS results for the first half of the year and the decision of the appellate court to cancel the claim of Transneft to Sberbank for derivatives of 67 billion rubles. The European Stoxx Europe 600 Index lost within half a percent, as the weak reporting of a number of large companies outweighed the strong statistical data from the Eurozone. Thus, the activity in the currency block economy continued to grow steadily in August, with industrial enterprises achieving the best monthly production growth in six and a half years, thereby compensating for a weak increase in the services sector in seven months. At the end of the day, support for the MICEX Index, which closed the trading session near the daily highs, was provided by a rise in Brent crude prices to \$52.5 per barrel after the publication of statistics from the US Department of Energy, which recorded a reduction in oil and gasoline stocks last week.

As a result of the trading session the MicexPWR Sector Index looked worse than the broad market. The main contribution to the small final decrease in the sector indicator in antiphase with the MICEX Index was made by shares of RushHydro and Rosseti. Securities of IDGC of Volga and IDGC of Centre and Volga Region outperformed, which added more than 8% and 5%, respectively, due to strong IFRS financials for the first half of the year.

ELECTRIC POWER INDUSTRY NEWS

General Electric considers the localization in the Russian Federation of the production of the entire line of power grid equipment with a voltage class up to 750 kV

General Electric is considering the possibility of localizing the production of electric grid equipment in Russia, the company said.

Read full text: <http://www.bigpowernews.ru/news/document79202.phtml>

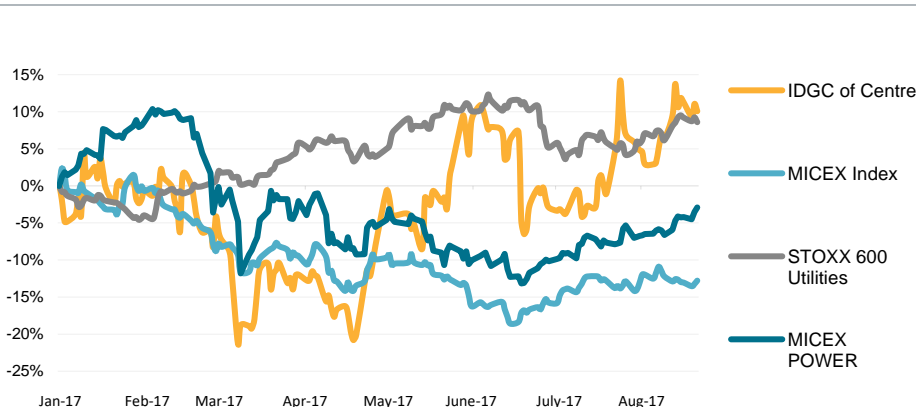
COMPANY NEWS

IDGC of Centre published its IFRS results for 1H 2017, Earnings before Interest, Taxation, Depreciation & Amortisation (EBITDA) increased by 27,9%

IDGC of Centre has published its unaudited interim condensed consolidated financial statements for 1H 2017 in accordance with International Financial Reporting Standards (IFRS).

Read full text: <https://www.mrsk-1.ru/press-center/news/company/61164/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 958,52	0,57%	-12,28%
S&P 500	2 448,79	-0,15%	9,38%
FTSE 100	7 382,65	0,01%	3,36%
DAX	12 174,30	-0,45%	6,04%
DJStoxx 600	373,92	-0,50%	3,46%
STOXX Utilities	300,54	-0,60%	8,59%
Nikkei	19 434,64	0,26%	1,68%
Sensex	31 568,01	0,88%	18,56%
CSI300	3 756,09	0,10%	13,47%
Bovespa	70 274,44	0,38%	16,68%

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

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,18	0,00%	11,84%
USD/RUB	59,04	-0,17%	-2,05%
Euro/RUB	69,59	0,23%	10,42%

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

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 285,08	0,00%	11,53%
Brent*, USD/bbl	51,87	0,00%	-8,71%

* - October futures

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

Shares of IDGC of Centre	Value
Last transaction, RUB	0,492
Capitalisation**, billion RUB	20,77
Capitalisation**, million USD	351,82

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-0,08%	-2,96%
Shares of IDGC of Centre**	-0,91%	10,07%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-2,10%	-16,14%
FGC UES	0,00%	-16,24%
IDGC of Volga	8,44%	89,29%
MOESK	0,78%	0,22%
IDGC of Northern Caucasus	-3,35%	-14,97%
IDGC of Centre and Volga Reg	5,23%	116,22%
IDGC of North-West	3,49%	7,82%
IDGC of Urals	4,91%	10,33%
IDGC of Siberia	13,54%	69,30%
IDGC of South	-2,81%	-14,31%
Lenenergo, ordinary shares	-0,70%	-9,45%
TRK, ordinary shares	0,00%	-15,97%
Kubanenergo	-3,12%	-21,49%

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
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