

# DAILY MARKET REVIEW

31 May, Wednesday

2017



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 30 May some moderately negative external background formed on the Russian market. The US stock exchanges were closed on Monday because of the holiday, on Tuesday futures for US indices and major stock indices in the Asia-Pacific region showed mixed changes near the zero mark. July Brent futures traded near the mark of \$52.1 per barrel, \$0.5 below the closing level on 29 May. Quotes are still pressured by a continuing surplus of global supply of raw materials. As noted by Reuters, until now, the agreement to reduce production has not had a significant effect on the level of oil reserves, mainly due to the continued increase in the production of shale oil in the US and increasing supplies from producers who have not signed the agreement to reduce production, for example, Libya and Nigeria.

The MICEX Index spent the trading session on Tuesday in a small minus within half a percent. Negative background for the domestic market was the drop in Brent quotations below \$51.5 per barrel, worsening sentiment on the western exchanges, as well as a decrease in the forecast of Citi analysts on the index MSCI Russia at the end of the year. "Dividends of state-owned companies are mostly disappointing, the prosecution of AFK Sistema has revived long-standing investors' fears, the geopolitical background remains tense, and the strengthening of the ruble threatens the cash flows of exporters," Citi said in the review. In turn, the weak negative changes of the western stock indicators was due to ambiguous statistics - on the one hand, in May the data on the consolidated index of business and consumer confidence in the Eurozone, inflation in Germany, the consumer confidence index in the US were worse than expected, on the other hand, the growth in consumer spending in the US in April, which matched forecasts, was the highest since December 2016.

During the trading session the MicexPWR Sector Index looked better than the broad market. The main contribution to the final growth of the sector indicator was made by shares of Rosseti and FGC UES. Oversold in the last days securities of Rosseti grew in anticipation of the final decision on dividends for 2016, shares of FGC UES were supported by information on the amount of dividends recommended by the Board of Directors of the company for 2016 and the first quarter - the total current (by the end of the day) dividend yield was 8.9%.

## ELECTRIC POWER INDUSTRY NEWS

### Board of Directors of Rosseti recommended dividends for 2016 in the amount of 3.8 billion rubles

The Board of Directors of "Rosseti" recommended that shareholders should pay dividends at the end of 2016 in the amount of 3.785 billion rubles, the company said.

Read full text: <http://www.bigpowernews.ru/news/document77435.phtml>

## COMPANY NEWS

### Kostromaenergo effectively combats losses of electricity

IDGC of Centre - Kostromaenergo division summed up the results of measures to identify and suppress non-metered and non-contractual electricity consumption for the 1st quarter of 2017.

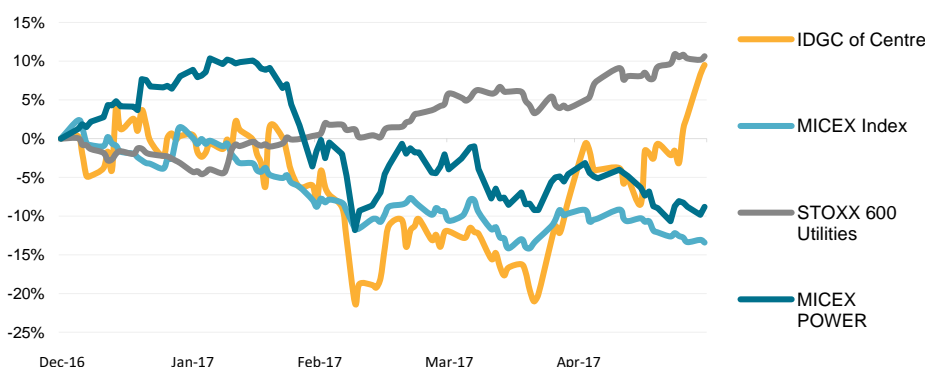
Read full text: <https://www.mrsk-1.ru/press-center/news/branches/60231/>

### "Lipetskenergo" increases the qualification of employees

IDGC of Centre - Lipetskenergo division held a group training workshop on development of leadership and management skills for chief engineers of Distribution Zones. The training specialists practiced with the employees of "Lipetskenergo" a number of methods that allow increasing their effectiveness as managers.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/60232/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 932,91	-0,40%	-13,43%
S&P 500	2 412,91	-0,12%	7,78%
FTSE 100	7 526,51	-0,28%	5,37%
DAX	12 598,68	-0,24%	9,73%
DJStoxx 600	390,50	-0,19%	8,05%
STOXX Utilities	306,22	0,42%	10,64%
Nikkei	19 677,85	-0,02%	2,95%
Sensex	31 159,40	0,16%	17,02%
CSI300	3 480,43	0,00%	5,15%
Bovespa	63 962,27	0,32%	6,20%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,12	0,01%	6,26%
USD/RUB	56,71	-0,08%	-6,51%
Euro/RUB	63,37	-0,47%	-0,69%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 263,09	-0,40%	10,07%
Brent*, USD/bbl	51,84	-0,86%	-11,69%

\* - July futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4895
Capitalisation**, billion RUB	20,67
Capitalisation**, million USD	364,41

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	1,13%	-8,81%
Shares of IDGC of Centre**	1,14%	9,51%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	2,28%	-32,69%
FGC UES	1,56%	-15,03%
IDGC of Volga	0,14%	29,64%
MOESK	3,90%	0,78%
IDGC of Northern Caucasus	2,96%	-29,02%
IDGC of Centre and Volga Reg	0,99%	10,54%
IDGC of North-West	3,62%	-22,00%
IDGC of Urals	-2,80%	-15,50%
IDGC of Siberia	-0,70%	-15,77%
IDGC of South	0,87%	-33,59%
Lenenergo, ordinary shares	1,92%	-22,89%
TRK, ordinary shares	0,00%	-18,70%
Kubanenergo	0,13%	-9,31%

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