

DAILY MARKET REVIEW

12 September, Tuesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 11 September some moderately positive external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed in different directions with changes within 0.2%. Investors' caution was associated with fears that Hurricane Irma could cause serious damage to the US economy, and with the possible growth of geopolitical risks after the expected test launch of a ballistic missile in North Korea last weekend. On Monday the mood on the world financial markets improved significantly – North Korea refrained from provocations, and the Hurricane Irma significantly weakened and its advance across the state of Florida is expected to be less damaging than previously thought. Against this background, the composite index of the Asia-Pacific region MSCI Asia Pacific and futures for US indices added about half a percent. Additional support for the Japanese Nikkei225, which grew by 1.4%, was given by the yen weakening. November Brent futures traded near \$54.1 per barrel, \$0.2 below the closing level on Friday, 8 September. Quotes retreated from the May's highs due to the strengthening of the dollar and the slower than expected opening of US refineries, suspended due to Hurricane Harvey. As experts of Goldman Sachs note, a drop in demand for refined products due to a storm can lead to a record increase in US oil reserves.

On Monday the Russian and European markets were dominated by buyers in the face of a reduction in geopolitical and natural risks. In the second half of the day the MICEX Index, having updated a maximum since the beginning of April, added more than half a percent, the growth rates of the European Stoxx Europe 600 Index exceeded a percent, including thanks to the weakening of the euro, which fell to the dollar below 1.20. A deterrent for a more confident rise in the domestic market was the reduction of Brent oil quotations to around \$53 per barrel on fears of rising fuel stocks in the US and statements by Iran's representatives about the intention to bring production to 4.5 million barrels per day from the current 3.8 million barrels.

During the trading session the changes of the MicexPWR Sector Index in general corresponded to the MICEX Index. The main contribution to the rise of the sector indicator was made by shares of Rosseti, which are supported, among other things, by continued speculations on payment by the holding of "special" dividends.

ELECTRIC POWER INDUSTRY NEWS

Finam raised the rating of shares of "Rosseti", counting on the continuation of their growth under the new leadership of the holding (version 1)

The Board of Directors of PJSC "Rosseti" at today's meeting decided to appoint the former head of the Moscow Housing and Communal Services Department Pavel Livinsky as the head of the energy company in place of Oleg Budarin, who had held the post from 2013.

Read full text: <http://www.bigpowernews.ru/news/document79537.phtml>

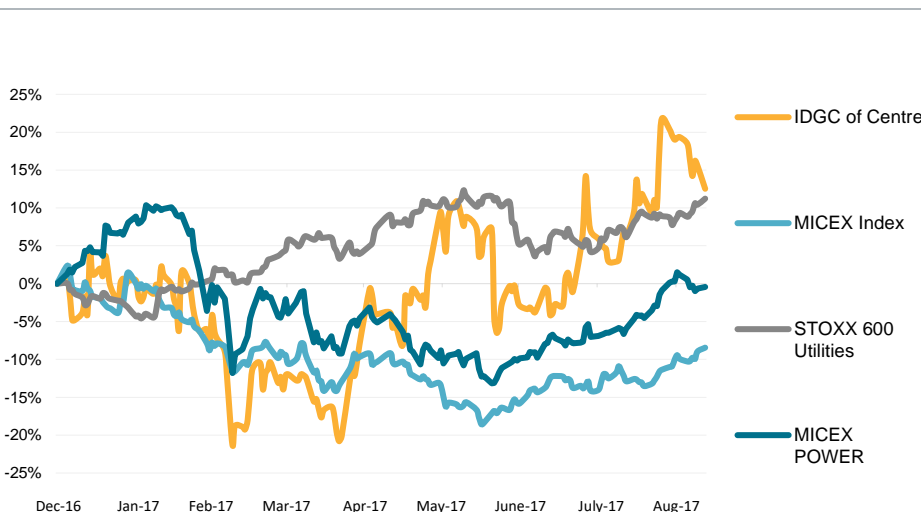
COMPANY NEWS

IDGC of Centre for seven months reduced by 2.2 billion rubles receivables for electricity transmission services

IDGC of Centre continues systematic work to reduce receivables for electricity transmission services. Over the seven months of 2017, the company reduced the total amount of debt by 2.2 billion rubles.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/61346/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 044,13	0,56%	-8,45%
S&P 500	2 488,11	1,08%	11,13%
FTSE 100	7 413,59	0,49%	3,79%
DAX	12 475,24	1,39%	8,66%
DJStoxx 600	379,43	1,04%	4,98%
STOXX Utilities	307,85	0,72%	11,23%
Nikkei	19 545,77	1,41%	2,26%
Sensex	31 882,16	0,61%	19,74%
CSI300	3 825,64	-0,01%	15,58%
Bovespa	74 319,22	1,70%	23,40%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,20	-0,55%	13,82%
USD/RUB	57,00	-0,25%	-6,03%
Euro/RUB	68,69	0,66%	7,65%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 327,54	-1,41%	15,69%
Brent*, USD/bbl	53,84	0,11%	-8,39%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,5030
Capitalisation**, billion RUB	21,24
Capitalisation**, million USD	372,58

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,23%	-0,41%
Shares of IDGC of Centre**	-2,61%	12,53%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	2,11%	-2,70%
FGC UES	0,12%	-14,59%
IDGC of Volga	1,95%	110,18%
MOESK	-0,79%	-1,67%
IDGC of Northern Caucasus	-0,54%	-16,10%
IDGC of Centre and Volga Reg	0,06%	122,84%
IDGC of North-West	2,81%	13,09%
IDGC of Urals	-0,51%	17,63%
IDGC of Siberia	1,29%	58,90%
IDGC of South	-1,32%	-14,31%
Lenenergo, ordinary shares	-2,25%	2,63%
TRK, ordinary shares	0,00%	-14,29%
Kubanenergo	-2,62%	-18,97%

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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