

DAILY MARKET REVIEW

14 July, Friday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 13 July some moderately positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed with a rise of 0.6-0.7%, DJIA updated the historical maximum. On Thursday similar changes were demonstrated by the main country indices of the Asia-Pacific region. The markets were supported by the speech of the head of the Federal Reserve in the Congress, at which Janet Yellen made it clear that the Fed would adhere to a cautious approach to further tightening of monetary policy, since inflation is currently below the Central Bank's target of 2%. The tone of the Federal Reserve Chair's comments, MarketWatch writes, was positively received by participants of the stock market, the continued growth of which is largely due to the availability of cheap money. An additional positive factor for investors in the Asian session was the statistics from China, where the rise in exports and imports in June exceeded the forecasts of economists. September Brent futures traded near the mark of \$47.7 per barrel, at the closing level on 12 July. The rise in quotations, which grew for three consecutive days, stopped after the publication of mixed statistics from the US Department of Energy, which, on the one hand, recorded a significant reduction in oil reserves in the country last week, and on the other hand, the growth of oil production to record levels in two years.

The MICEX Index spent most of the Thursday's trading session sideways near zero – the weak inertial growth of European exchanges after the Wednesday's rally was offset by a decrease in Brent quotations to \$47.3 per barrel, triggered by the June report of the IEA. IEA analysts in their review pointed to a record increase in production by OPEC countries since the beginning of this year, due to which the level of implementation of the agreement on limiting the production of the cartel fell to 78%. Published during the day statistics on inflation in Germany and France in June, changes of producer prices in the US in June, applications for unemployment benefits in the US as a whole met expectations and had no significant impact on the course of trading. At the end of the day the MICEX Index was able to gain a foothold in positive territory due to the growth of Brent quotations to around \$48.5 per barrel – after all investors drew attention to another provision of the June report of the IEA, according to which the excess oil reserves in OECD countries over the average for five years decreased to 266 million barrels from 300 million barrels in April. The main contribution to the final rise of the MICEX Index was a 16% rise in shares of Yandex on information about merging with Uber businesses on an online taxi order in the CIS.

During the trading session the changes of the MicexPWR Sector Index in general corresponded to the MICEX Index. The main contribution to the small final rise in the sector indicator was made by shares of Rosseti and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

"Rosseti" fully placed exchange bonds for 5 billion rubles

PJSC Rosseti completed the placement of exchange-traded bonds series BO-001R-01 in volume of 5 billion rubles, the company said in a statement.

Read full text: <http://www.rusbonds.ru/nwsinf.asp?id=4567803>

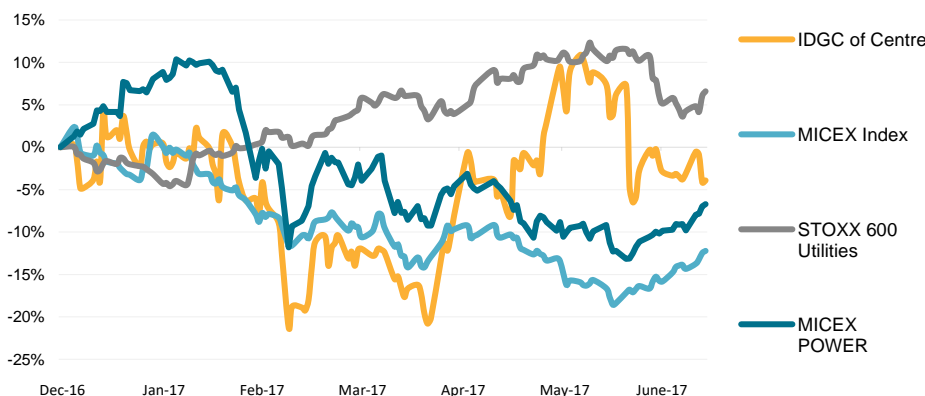
COMPANY NEWS

IDGC of Centre provided electricity for 13 new small and medium-sized businesses in the Smolensk region

In the first half of 2017, the Smolensk branch of IDGC of Centre provided electricity to 13 new small and medium-sized businesses in the Smolensk region. The maximum power of grid connection was about 1.15 MW.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/60624/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 959,91	0,28%	-12,22%
S&P 500	2 447,83	0,19%	9,34%
FTSE 100	7 413,44	-0,05%	3,79%
DAX	12 641,33	0,12%	10,11%
DJStoxx 600	386,14	0,32%	6,84%
STOXX Utilities	295,02	0,50%	6,59%
Nikkei	20 099,81	0,01%	5,16%
Sensex	32 037,38	0,73%	20,32%
CSI300	3 686,92	0,77%	11,38%
Bovespa	65 178,35	0,53%	8,22%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,14	-0,26%	8,31%
USD/RUB	60,62	-0,19%	-0,06%
Euro/RUB	69,45	0,36%	8,84%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 217,58	-0,24%	6,11%
Brent*, USD/bbl	48,42	1,42%	-17,71%

* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4295
Capitalisation**, billion RUB	18,13
Capitalisation**, million USD	299,11

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,25%	-6,73%
Shares of IDGC of Centre**	0,23%	-3,91%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	2,64%	-21,86%
FGC UES	0,53%	-10,95%
IDGC of Volga	1,69%	28,57%
MOESK	0,85%	-7,02%
IDGC of Northern Caucasus	-1,23%	-27,44%
IDGC of Centre and Volga Reg	-0,32%	28,04%
IDGC of North-West	0,00%	-19,64%
IDGC of Urals	-1,33%	-10,03%
IDGC of Siberia	1,34%	-18,64%
IDGC of South	4,18%	-23,85%
Lenenergo, ordinary shares	1,21%	-8,90%
TRK, ordinary shares	0,00%	-24,37%
Kubanenergo	0,27%	-13,10%

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