

DAILY MARKET REVIEW

25 October, Wednesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 24 October some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 fell 0.2-0.4% within the correction after the update of records during the six previous trading sessions. According to MarketWatch, investors paused in anticipation of the emergence of new drivers for market changes, which, for example, could be statistics on GDP in the third quarter and statements by Donald Trump on the candidacy of the next head of the Fed. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific added up to 0.5% following the growth of the Japanese market, which is still supported by the victory of the ruling party in the parliamentary elections and the related hopes for maintaining a stimulating economic policy. December Brent futures traded near \$57.5 per barrel, at the level of our closing on 23 October. The stabilization of quotations near the annual highs was promoted by Reuters information on the reduction of oil exports from Iraq by more than 200 thousand barrels per day and the report of the OPEC+ monitoring committee on the continuation of the oil market rebalancing – from the beginning of the year, oil and oil products stocks decreased by 178 million barrels.

On Tuesday the MICEX Index showed a slightly volatile trend near zero in conditions of stability in the oil market and neutral sentiment on European markets. The European Stoxx Europe 600 Index spent the trading session in a small minus, despite the strong regional statistics – according to preliminary data of IHS Markit, the production PMI of the Eurozone rose to a maximum in six years in October, the indicator of consumer confidence in the Eurozone, calculated by the European Commission, rose to a maximum in September since April 2001. Investors' attention, analysts note, is focused on the upcoming ECB meeting, at which a decision can be made to reduce the volume of the asset buy-back program. The MICEX Index closed trading in a small minus, despite the next records of the US market at the beginning of the day and the growth of Brent quotations above \$58 per barrel. The main contribution to the decline of the MICEX Index for the third consecutive day is made by sales in shares of Magnit.

As a result of the trading session the MicexPWR Sector Index looked somewhat better than the broad market due to recovery of shares of electric grid companies after active sales, provoked by the statement of the head of Rosseti about the intention of the holding to refuse to pay dividends. The main contribution to the MicexPWR outperformance in comparison with the MICEX Index was made by shares of FGC UES, IDGC of Centre and Volga Region, IDGC of Volga and IDGC of Centre.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Economic Development and Ministry of Energy of the Russian Federation develop a new program of investments in the fuel and energy complex

The Ministry of Economic Development and the Ministry of Energy of the Russian Federation are developing a new program for investment in the energy sector, said Maxim Oreshkin, Minister of Economic Development of the Russian Federation.

Read full text: <http://www.bigpowernews.ru/news/document80274.phtml>

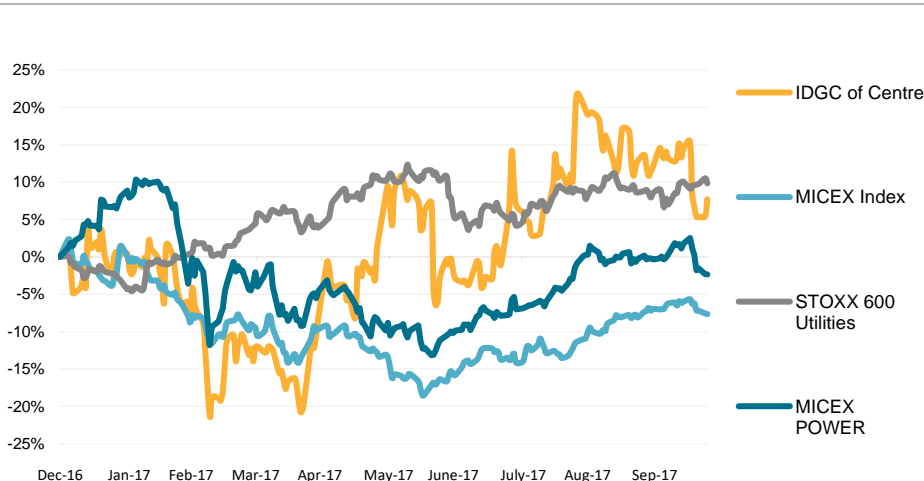
COMPANY NEWS

Belgorodenergo started operating a laboratory for cable fault location

A multifunctional mobile cable laboratory of Russian manufacture, intended for fault locating in cable lines, was delivered to the diagnostics service of IDGC of Centre - Belgorodenergo division.

Read full text: <http://www.pskenergo.ru/news/1448.html>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 061,79	-0,10%	-7,66%
S&P 500	2 569,13	0,16%	14,75%
FTSE 100	7 526,54	0,03%	5,37%
DAX	13 013,19	0,08%	13,34%
DJStoxx 600	389,33	-0,36%	7,72%
STOXX Utilities	303,98	-0,62%	9,83%
Nikkei	21 805,17	0,50%	14,08%
Sensex	32 607,34	0,31%	22,46%
CSI300	3 959,39	0,73%	19,62%
Bovespa	76 350,20	1,24%	26,77%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,18	0,16%	11,86%
USD/RUB	57,47	-0,07%	-5,25%
Euro/RUB	67,56	-0,49%	5,87%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 276,58	-0,44%	11,25%
Brent*, USD/bbl	58,33	1,67%	-0,68%

* - December futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4815
Capitalisation**, billion RUB	20,33
Capitalisation**, million USD	353,71

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-0,05%	-2,34%
Shares of IDGC of Centre**	2,12%	7,72%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-2,26%	-18,00%
FGC UES	1,92%	-19,05%
IDGC of Volga	4,87%	100,00%
MOESK	-0,35%	-5,35%
IDGC of Northern Caucasus	-0,53%	-15,65%
IDGC of Centre and Volga Reg	5,44%	117,57%
IDGC of North-West	1,40%	5,09%
IDGC of Urals	1,39%	10,64%
IDGC of Siberia	3,36%	46,83%
IDGC of South	0,00%	-24,62%
Lenenergo, ordinary shares	-1,26%	-7,72%
TRK, ordinary shares	0,00%	-15,97%
Kubanenergo	-2,32%	-8,05%

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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