

DAILY MARKET REVIEW

31 August, Thursday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 30 August some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 added 0.1-0.3%, on Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific showed similar changes. As analysts say, the negative reaction of markets to the next launch of the North Korean missile was short-lived, and investors took advantage of the opportunity to enter risk assets at more favourable prices. In the Asian session the Japanese market looked better than the others – the Nikkei225 increased by 0.7% due to the weakening of the yen and good statistics: the growth of retail sales in Japan in July significantly exceeded the forecast. October Brent futures traded near \$52 per barrel, \$0.3 above the closing level on 29 August. Quotations were supported by the American Petroleum Institute data, which recorded a drop in oil reserves in the country last week by 5.8 million barrels - three times more than expected.

The MICEX Index and the European Stoxx Europe 600 Index held the first half of the trading session in a small plus on average at half a percent on the back of investors' return to risk. In addition, buyers were supported by good European statistics – the consolidated Eurozone confidence index in August updated a maximum of 10 years, inflation in Germany accelerated to 1.8% in August, being above forecasts. In the second half of the day the rise of Russian and European indices accelerated after the publication of strong macroeconomic data from the US. The estimate of the growth of the US economy in the second quarter was revised from 2.6% to 3%, the high since early 2015. The estimate of consumer spending growth, which accounts for more than 70% of the US GDP, was also revised with a more pronounced increase than the market expected: from 2.8% to 3.3% with a consensus forecast of 3%. The number of jobs in the US, according to the industry organization ADP, increased in August by 237 thousand with the expected increase of 185 thousand. At the end of the day the MICEX Index, which closed the trading session above 2,000 points for the first time since 15 May, was supported by a rise in prices for Brent crude to \$52 per barrel after the report of the US Department of Energy on the reduction of oil reserves last week by 5.4 million barrels.

As a result of the trading session the MicexPWR Sector Index looked worse than the MICEX Index mainly due to active profit-taking in shares of Rosseti after a steady growth in the last two weeks.

ELECTRIC POWER INDUSTRY NEWS

"Rosseti" expects in 2017 net profit and EBITDA under IFRS slightly above the level of 2016

"Rosseti" expects net profit and EBITDA under IFRS by the end of 2017 just above the level of 2016, reported on Monday, 29 August, during a conference call Director of the Department of Economic Planning and Budgeting of "Rosseti" Yulia Lisitsyna.

Read full text: <http://www.bigpowernews.ru/news/document79315.phtml>

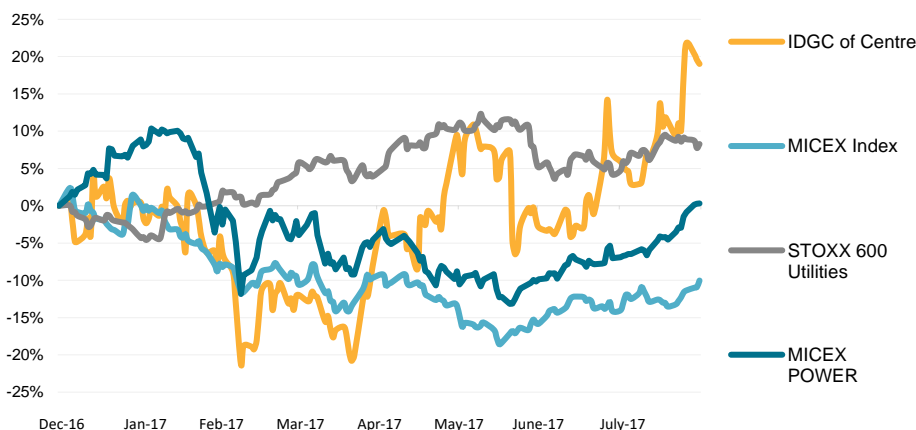
COMPANY NEWS

In the Mogilev region, a joint emergency response training was launched by the state company "Belenergo" and the company "Rosseti"

29 August 2017, in the Mogilev region of the Republic of Belarus a joint emergency response training of the state company "Belenergo" and the company "Rosseti" was launched. This is the third similar training of power engineers of Russia and Belarus, in which personnel of IDGC of Centre take part.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/61238/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 008,88	0,99%	-10,03%
S&P 500	2 452,43	0,25%	9,54%
FTSE 100	7 365,26	0,38%	3,11%
DAX	12 002,47	0,47%	4,54%
DJStoxx 600	371,01	0,70%	2,65%
STOXX Utilities	299,68	0,50%	8,28%
Nikkei	19 506,54	0,74%	2,05%
Sensex	31 646,46	0,82%	18,85%
CSI300	3 834,30	-0,01%	15,84%
Bovespa	70 846,25	-0,68%	17,63%

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

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,20	0,00%	13,83%
USD/RUB	58,53	-0,03%	-2,89%
Euro/RUB	70,43	0,84%	11,76%

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

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 309,23	0,00%	13,62%
Brent*, USD/bbl	52,00	0,00%	-8,48%

* - October futures

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

Shares of IDGC of Centre	Value
Last transaction, RUB	0,532
Capitalisation**, billion RUB	22,46
Capitalisation**, million USD	383,72

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,03%	0,30%
Shares of IDGC of Centre**	-0,47%	19,02%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-2,07%	-12,95%
FGC UES	-0,52%	-14,96%
IDGC of Volga	0,61%	105,27%
MOESK	0,00%	1,34%
IDGC of Northern Caucasus	-1,06%	-15,19%
IDGC of Centre and Volga Reg	-0,67%	119,86%
IDGC of North-West	0,32%	15,27%
IDGC of Urals	-0,78%	16,41%
IDGC of Siberia	2,34%	72,28%
IDGC of South	-2,29%	-10,31%
Lenenergo, ordinary shares	-1,78%	-4,81%
TRK, ordinary shares	0,00%	-14,92%
Kubanenergo	3,81%	-18,62%

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