

# DAILY MARKET REVIEW

1 August, Tuesday

2017



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 31 July 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%. The DJIA index once again updated the historical maximum on good reporting, while the S&P500 continues to be pressured by sales in shares of technology companies. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific added about 0.5% following shares of commodity companies supported by strong statistics from China. Despite a slight decline in July, the index of business activity in the industrial sector still remains well above the 50-point mark. At the same time, the indicator of the Chinese construction industry within the PMI jumped in July to the highest level since December 2013. It is this indicator, noted in the agency Bloomberg, is traced by commodity traders, since the construction industry – one of the main consumers of steel, copper and other metals. September Brent futures traded near \$52.8 per barrel, \$0.4 higher than the closing level on Friday, 28 July. Oil prices continue to rise steadily. Last week, Brent quotes, having added 9.3%, for the first time since May rose above the 200-day moving average on Saudi Arabia's statements about readiness to reduce oil exports in August by 13% y/y and the message of the US Department of Energy on the reduction of oil and gasoline stocks to the lows this year. On Monday, an additional driver for price increases was media reports about a possible tightening of US sanctions against the Venezuelan oil industry, which, according to experts, could lead to a significant unloading of American oil storage facilities.

The MICEX Index spent the first half of the trading session on Monday in a small minus, within half a percent – the negative sentiment in the Russian market was still due to the escalation of the sanctions confrontation between Russia and the United States. After approval of the bill on new sanctions against the Russian Federation by the US Senate, Russia did not wait for the signature of this document by Donald Trump, as the press secretary of the Russian president stated, after the Senate decision the issue was practically solved – and announced retaliatory measures. In particular, the Russian Foreign Ministry demanded until 1 September to reduce to 455 people (by more than 700 people) the size of the American diplomatic mission. In this situation, in particular, analysts of Raiffeisen Capital noted, international investors will refrain from investing in Russian stocks – they are concerned not so much with the expansion of sanctions from the US, but Russia's response, and as a result, a new round of political tension. In the second half of the day the MICEX Index could move into positive area, including thanks to Brent quotations, which got above \$52 per barrel, and the rise of shares of exporters on the ruble weakening.

During the day, the changes of the MicexPWR Sector Index on the whole corresponded to the MICEX Index. The main contribution to the final growth of MicexPWR was made by shares of IDGC of Centre and Volga Region, which added 8.6% - the company's RAS net profit in January-June increased 6.1-fold, to 5.9 billion rubles. At the same time, the rise of the sector indicator was restrained by the fall of Rushydro's shares after the publication of weak RAS financial statements for the first half of the year and sales in shares of FGC UES.

## ELECTRIC POWER INDUSTRY NEWS

**A criminal case on ex-leaders of SPbES initiated because of embezzlement of more than 2 billion rubles**

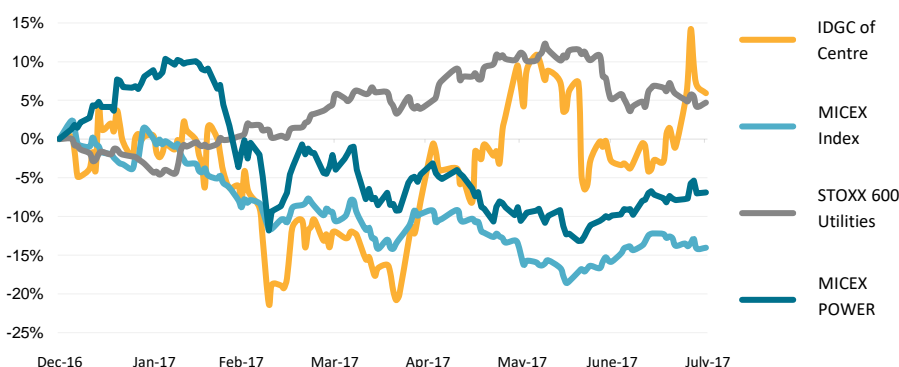
Read full text: <http://www.bigpowernews.ru/news/document78620.phtml>

## COMPANY NEWS

**Specialists of IDGC of Centre and IDGC of Centre and Volga Region restored stable operation of power grid facilities of the regions of the Central Federal District and Volga Federal District after heavy rains and thunderstorms**

Read full text: <https://www.mrsk-1.ru/press-center/news/company/60924/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 919,53	0,15%	-14,03%
S&P 500	2 470,30	-0,07%	10,34%
FTSE 100	7 372,00	0,05%	3,21%
DAX	12 118,25	-0,37%	5,55%
DJStoxx 600	377,85	-0,13%	4,55%
STOXX Utilities	289,81	0,52%	4,71%
Nikkei	19 925,18	-0,17%	4,24%
Sensex	32 514,94	0,63%	22,12%
CSI300	3 737,87	0,43%	12,92%
Bovespa	65 920,36	0,65%	9,45%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,18	0,51%	12,30%
USD/RUB	59,54	0,22%	-1,84%
Euro/RUB	69,68	0,05%	9,19%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 269,44	-0,02%	10,63%
Brent*, USD/bbl	52,72	0,96%	-10,36%

\* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4735
Capitalisation**, billion RUB	19,99
Capitalisation**, million USD	335,72

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,13%	-6,90%
Shares of IDGC of Centre**	-0,94%	5,93%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	2,30%	-24,43%
FGC UES	-1,76%	-17,81%
IDGC of Volga	2,90%	80,80%
MOESK	-0,70%	-4,79%
IDGC of Northern Caucasus	-1,33%	-16,10%
IDGC of Centre and Volga Reg	8,63%	82,03%
IDGC of North-West	0,95%	-3,27%
IDGC of Urals	4,93%	-3,04%
IDGC of Siberia	-0,56%	5,26%
IDGC of South	3,82%	-11,83%
Lenenergo, ordinary shares	-0,42%	-13,35%
TRK, ordinary shares	0,00%	-19,75%
Kubanenergo	-2,13%	-15,63%

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**