

DAILY MARKET REVIEW

7 September, Thursday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 6 September some moderately negative external background formed on the Russian market. On Tuesday the US indices DJIA and S & P500 fell 0.8-1.1%, reacting to the growth of geopolitical risks associated with the DPRK, during their long weekend – on Monday the US markets were closed in connection with the celebration of Labour Day. On Wednesday the main country stock indices of the Asia-Pacific region traded in a small minus, within 0.5%. The markets are still pressured by tensions on the Korean Peninsula, triggered both by the Sunday's holding by the North Korea of an underground nuclear explosion, and by the expectations of ballistic missile test launches that may be timed to coincide with the founding of the DPRK on 9 September. November Brent futures traded near \$53.3 per barrel, \$0.2 lower than the closing of 5 September. Oil prices have been consolidating at their highs since May, in anticipation of a gradual increase in demand for oil in the US as US refineries closed due to the effects of Hurricane Harvey will increase capacity. According to forecasts of Goldman Sachs experts, half of the oil refineries affected by the disaster will resume work by Thursday.

In the first half of the trading session sellers dominated the Russian market – the MICEX Index lost on average 0.5% after a comparable decline in European markets. In Europe the negative changes of stock indices were also due to the strengthening of the euro against the dollar after the "pigeon" statements of a number of representatives of the Fed. In particular, a member of the Board of Governors of the Federal Reserve, Leonid Breinard, whose views, in the opinion of analysts, reflect the position of the chairman of the Federal Reserve, said that she considers it necessary to be cautious about further tightening of monetary policy in the US, given the low inflation figures. In turn, the head of the Federal Reserve Bank of Minneapolis noted that four interest rate hikes from the end of 2015 could cause "real harm" to the US economy. In the second half of the day the MICEX Index was able to gain a foothold in the positive area – the Russian market was supported by the growth of Brent quotations to around \$54 per barrel and the improvement of sentiment on the western exchanges, despite the worse-than-expected statistics on business activity in services in the US in August.

During the trading session the changes of the MICEXPWR Sector Index in general corresponded to the MICEX Index.

ELECTRIC POWER INDUSTRY NEWS

Electricity generation in Russia for 8 months 2017 grew up by 1.2% with an increase in electricity consumption by 1.5%

According to the operating data of SO UES, the electricity consumption in the Unified Energy System of Russia in August 2017 amounted to 79.0 billion kWh, which is 2.0% more than in August 2016. Electricity consumption in August 2017 as a whole in Russia amounted to 80.3 billion kWh, which is 1.1% more than in August 2016, according to SO UES.

Read full text: <http://www.bigpowernews.ru/markets/document79430.phtml>

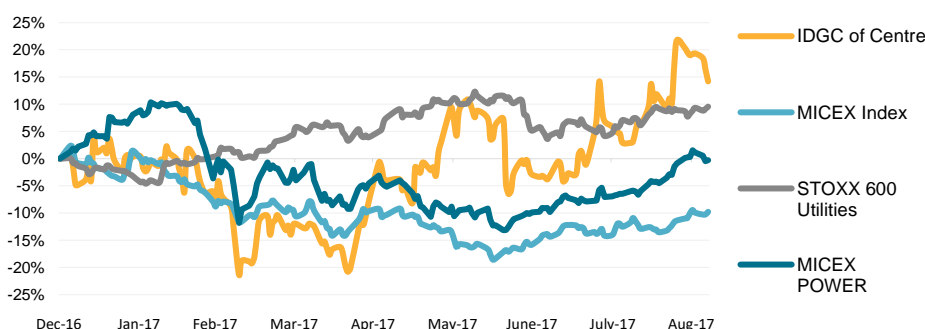
COMPANY NEWS

IDGC of Centre for seven months recovered from debtors more than 2 billion rubles under court decisions

IDGC of Centre continues systematic work to reduce accounts receivable for electricity transmission services. One of the most effective of its directions is claims and lawsuits. In January-July 2017, the company secured a debt collection of 2.167 billion rubles within court decisions under 160 lawsuits, including about 2 billion rubles - from electricity suppliers of last resort in regions. 1.5 billion rubles were collected from the supplier of last resort in the Yaroslavl region PJSC "TNS Energy Yaroslavl".

Read full text: <https://www.mrsk-1.ru/press-center/news/company/61297/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 014,60	0,53%	-9,77%
S&P 500	2 465,54	0,31%	10,13%
FTSE 100	7 354,13	-0,25%	2,96%
DAX	12 214,54	0,75%	6,39%
DJStoxx 600	373,95	0,06%	3,47%
STOXX Utilities	303,25	0,37%	9,57%
Nikkei	19 357,97	-0,14%	1,27%
Sensex	31 661,97	-0,46%	18,91%
CSI300	3 849,45	-0,20%	16,29%
Bovespa	73 412,41	1,75%	21,89%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,19	0,20%	13,41%
USD/RUB	57,85	0,12%	-4,63%
Euro/RUB	68,78	0,08%	7,78%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 334,22	-0,41%	16,27%
Brent*, USD/bbl	54,20	1,54%	-7,78%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,5105
Capitalisation**, billion RUB	21,55
Capitalisation**, million USD	372,55

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,22%	-0,25%
Shares of IDGC of Centre**	-1,83%	14,21%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	0,53%	-7,95%
FGC UES	-0,20%	-15,06%
IDGC of Volga	-0,50%	111,96%
MOESK	1,47%	-0,22%
IDGC of Northern Caucasus	3,31%	-15,19%
IDGC of Centre and Volga Reg	0,03%	124,39%
IDGC of North-West	0,32%	12,73%
IDGC of Urals	0,00%	20,97%
IDGC of Siberia	-1,79%	64,28%
IDGC of South	1,32%	-12,21%
Lenenergo, ordinary shares	4,46%	4,27%
TRK, ordinary shares	0,74%	-14,29%
Kubanenergo	-0,14%	-16,32%

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