

# DAILY MARKET REVIEW

26 September, Tuesday

2017



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 25 September some neutral external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed in different directions with changes within 0.1%, the main country indices of the Asia-Pacific region showed multidirectional changes. The markets are still pressured by geopolitical risks associated with North Korea, and increased expectations for the third rate hike this year. November Brent futures traded near \$56.8 per barrel, \$0.2 higher than the closing level on Friday, 22 September. Oil quotes were supported by data from the company Baker Hughes about the weekly reduction of operating drilling rigs in the US. As analysts say, the trend for the decline continues, the fall has already lasted six weeks, which may be due to a reduction in investment in production by shale companies.

The Russian market closed the trading session on Monday with a confident growth – the MICEX Index added 0.9%, despite pessimism of the western exchanges. Our market was supported by an increase in oil prices – Brent prices in the afternoon rose to the maximum since July 2015, \$58.5 per barrel on information about the growing tension around Iraqi Kurdistan. Traders worry that the results of the referendum on independence, which is held in Iraqi Kurdistan on Monday, can cause local unrest that could lead to disruptions in the oil infrastructure of the region. So, the Iraqi parliament voted to close the border with the Kurdistan Region, return oil fields in the north of Kirkuk (it has oil reserves of 45 billion barrels, which is comparable to the reserves of all Nigeria) and other disputed territories, and requests to send military troops to Kurdish areas and restrict oil exports only through the federal government. In turn, the President of Turkey stated his readiness, if necessary, to block the export of oil from Iraqi Kurdistan to foreign markets and threatened with the use of military force in Iraqi territory.

As a result of the trading session the MicexPWR Sector Index underperformed mainly due to a decrease in shares of Inter RAO and Unipro.

## ELECTRIC POWER INDUSTRY NEWS

### The government can soon consider the energy strategy until 2035, says the Ministry of Energy

The final decision on Russia's energy strategy until 2035 has not been taken, its consideration in the government may take place in the near future, Russian Deputy Energy Minister Kirill Molodtsov said at a roundtable on legislative support for energy development in Eastern Siberia and the Far East, says the TASS.

Read full text: <http://www.bigpowernews.ru/markets/document79802.phtml>

## COMPANY NEWS

### Belgorodenergo invested almost 3 billion rubles in the development of the power grid complex in 2017

IDGC of Centre – Belgorodenergo division in 2017 spent 2.97 billion rubles of investment funds for development and increase of reliability of the power grid complex, reports the press-service of the company.

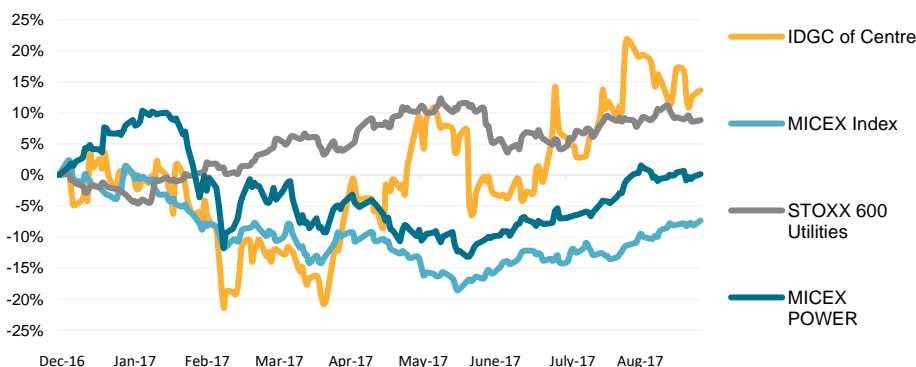
Read full text: <http://www.interfax-russia.ru/Center/news.asp?id=872064&sec=1679>

### Kurskenergo actively struggles with unscrupulous consumers

IDGC of Centre – Kurskenergo division conducts systematic work to reduce losses in electric grids. One of the effective areas of this work are raids to curb non-metered and non-contractual consumption. For 8 months of 2017 the power company conducted 320 raids, revealed and presented for payment about 5.2 million kWh of stolen electricity.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/62011/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 069,11	0,85%	-7,33%
S&P 500	2 491,96	-0,41%	11,31%
FTSE 100	7 301,29	-0,13%	2,22%
DAX	12 594,81	0,02%	9,70%
DJStoxx 600	383,90	0,18%	6,22%
STOXX Utilities	301,24	0,22%	8,84%
Nikkei	20 397,58	0,50%	6,71%
Sensex	31 626,63	-0,93%	18,78%
CSI300	3 817,79	-0,52%	15,34%
Bovespa	74 609,31	-1,04%	23,88%

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

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,20	0,00%	13,64%
USD/RUB	57,65	-0,98%	-4,35%
Euro/RUB	69,07	-0,27%	9,60%

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

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 297,30	0,00%	12,59%
Brent*, USD/bbl	56,86	0,00%	0,07%

\* - November futures

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

Shares of IDGC of Centre	Value
Last transaction, RUB	0,508
Capitalisation**, billion RUB	21,45
Capitalisation**, million USD	372,00

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,44%	0,18%
Shares of IDGC of Centre**	0,69%	13,65%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	0,69%	-10,21%
FGC UES	0,03%	-14,12%
IDGC of Volga	2,30%	110,09%
MOESK	0,00%	-1,00%
IDGC of Northern Caucasus	7,16%	1,81%
IDGC of Centre and Volga Reg	-0,40%	119,93%
IDGC of North-West	1,64%	12,36%
IDGC of Urals	0,80%	14,59%
IDGC of Siberia	-1,44%	55,20%
IDGC of South	0,45%	-14,31%
Lenenergo, ordinary shares	1,43%	2,82%
TRK, ordinary shares	0,00%	-14,92%
Kubanenergo	1,35%	-13,79%

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