

# DAILY MARKET REVIEW

6 June, Tuesday

2017



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 05 June some moderately positive external background formed on the Russian market. On Friday the US indices DJIA and S&P500, once again updating the historical highs, added 0.3-0.4% on labour market statistics – in May the unemployment rate in the US fell to a minimum of 16 years 4.3%. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific traded in a small minus, correcting after a confident growth to the highs of two years ago last week. At the same time, the activity of sellers in the Asian session was constrained by good data on the service sector in China, where business activity, according to Markit/Caixin, grew at the fastest pace in four months due to the growth of new orders. August Brent futures traded near the mark of \$50.5 per barrel, \$0.6 higher than the closing level on Friday, 2 June. The rise in oil prices was fueled by the escalation of the situation in the Middle East, according to world media reports, four Arab states led by Saudi Arabia broke off diplomatic relations with Qatar on the backdrop of accusing the Qatari authorities of supporting terrorist groups, including al Qaeda and ISIS, banned in Russia. According to experts, the conflict creates the risk of interruptions in the export of raw materials from the region. According to the US Department of Energy, the Strait of Hormuz, through which oil supplies from the Middle East are carried out, account for about 30% of the total volume of oil supplied by sea.

The key driver for changes of the Russian market on Monday was the trends of oil prices. In the first half of the trading session the MICEX Index added more than 0.5%, playing up the growth of oil quotations above \$50.5 per barrel. In the second half of the day the MICEX Index moved to a half-percent drop after Brent fell below \$49.5 a barrel because of fears of traders that political disagreements among OPEC members could theoretically jeopardize the fulfillment of the May agreement on limiting oil production. Published during the day European and American statistics as a whole was ambiguous and had no significant effect on the changes of stock markets. In the Eurozone in May the composite business activity index, as expected, remained at its peak for six years, in the US the index of business activity in the service sector in May was worse than the forecast.

During the trading session the MicexPWR Sector Index looked better than the broad market. The main contribution to the final rise of the sector indicator in antiphase with the MICEX Index was made by shares of Rosseti and Mosenergo.

## ELECTRIC POWER INDUSTRY NEWS

### Board of Directors of "Rosseti" instructed to audit investment projects of all "daughters"

The Board of Directors of "Rosseti" on the results of the meeting on 31 May instructed to conduct technological and price audit of investment programs of subsidiaries, starting this year, the company said.

Read full text: <http://www.bigpowernews.ru/news/document77536.phtml>

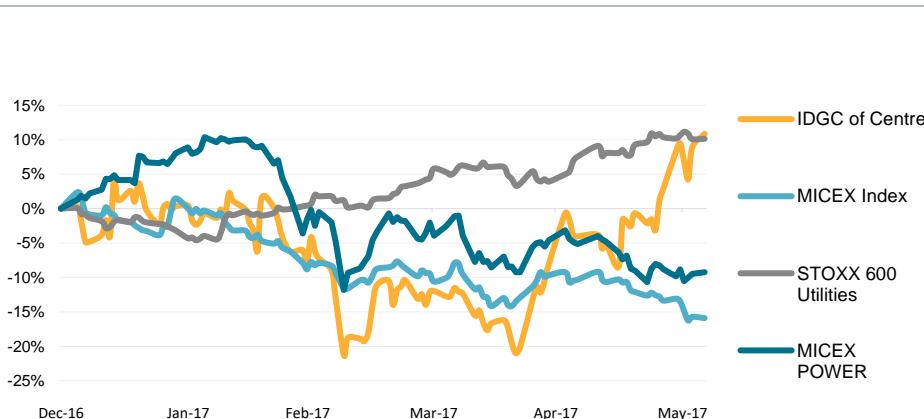
## COMPANY NEWS

### IDGC of Centre has published its unaudited interim condensed consolidated financial statements for 3 months of 2017 in accordance with International Financial Reporting Standards (IFRS)

According to the published consolidated financial statements for 3 months of 2017, the Company's revenue for the period was 24,3 bln RUB, including from electricity transmission — 23,6 bln RUB, from grid connections — 0,3 bln RUB, from resale of electric energy and power – 0,2 bln RUB and other revenue — 0,2 bln RUB. Earnings before Interest, Taxation, Depreciation & Amortisation (EBITDA) amounted to 6,7 bln RUB. Profit for the period increased by 8,7% and amounted to 2,5 bln RUB.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/60304/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 877,69	-0,22%	-15,90%
S&P 500	2 436,10	-0,12%	8,81%
FTSE 100	7 525,76	-0,29%	5,36%
DAX	12 822,94	0,00%	11,69%
DJStoxx 600	392,04	-0,13%	8,47%
STOXX Utilities	304,84	0,05%	10,14%
Nikkei	20 170,82	-0,03%	5,53%
Sensex	31 309,49	0,12%	17,59%
CSI300	3 468,75	-0,51%	4,79%
Bovespa	62 450,45	-0,10%	3,69%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,13	-0,23%	7,00%
USD/RUB	56,69	0,27%	-6,54%
Euro/RUB	63,61	0,12%	-0,32%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 279,80	0,05%	11,53%
Brent*, USD/bbl	49,47	-0,96%	-15,90%

\* - August futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4955
Capitalisation**, billion RUB	20,92
Capitalisation**, million USD	369,02

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,25%	-9,26%
Shares of IDGC of Centre**	1,75%	10,85%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	3,05%	-31,38%
FGC UES	-0,73%	-19,41%
IDGC of Volga	1,64%	27,59%
MOESK	0,23%	-2,56%
IDGC of Northern Caucasus	2,26%	-28,12%
IDGC of Centre and Volga Reg	-0,06%	20,68%
IDGC of North-West	2,63%	-21,82%
IDGC of Urals	1,07%	-13,98%
IDGC of Siberia	1,92%	-17,68%
IDGC of South	5,43%	-29,58%
Lenenergo, ordinary shares	0,61%	-24,89%
TRK, ordinary shares	0,00%	-21,85%
Kubanenergo	0,80%	-12,87%

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