

DAILY MARKET REVIEW

14 August, Monday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 11 August some negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed with a record fall since May, losing 0.9-1.4%. At the same time, the CBOE Volatility Index, the index of fear, the indicator of the expected short-term volatility of the US stock market, showed the maximum growth in almost 12 weeks and closed at the highest level since 8 November, when Donald Trump was elected president of the United States. On Friday the composite index of the Asia-Pacific region MSCI Asia Pacific lost about 1.5% (Japanese stock exchanges were closed due to the holiday of the Mountain Day). The markets are still pressured by fears of escalating tensions on the Korean peninsula – analysts already draw parallels with the Caribbean crisis. On Friday the Chinese state newspaper said that if North Korea starts an attack that threatens the US, China will maintain a neutral position, but if the US attacks first and tries to overthrow the North Korean government, China will "stop them". October Brent futures traded near the mark of \$51.6 per barrel, a dollar below the closing level on 10 August. Oil prices are down on information about the growth in OPEC production in July to 32.869 million barrels per day – higher than the quota for the cartel set in November 2016 at 32.5 million barrels per day.

On Friday the Russian market was dominated by sellers in the global trend of reducing the positions in risky assets before the weekend due to uncertainty in the confrontation between the US and the DPRK – in the morning the MICEX Index and the European Stoxx Europe 600 Index lost more than a percent. An additional negative factor for the domestic market was the decline in oil prices, which accelerated after the publication of the monthly IEA report. According to the estimations of analysts of the agency, OPEC oil production in July rose to the maximum this year 32.84 million barrels per day, which exceeds the established quota of the cartel by 340,000 b/d. As a result, the level of implementation of the agreement to limit the OPEC production fell in July to an annual low of 75%. In the second half of the day the Russian market was able to halve the losses together with the western indices after the publication of weak US inflation statistics – consumer prices in July grew less than economists' expectations. The rate of inflation in the US for five months in a row does not hold up to the forecasts – this is the weakest result since 2010. As analysts say, this data casts doubt on the Fed's hypothesis of temporary easing of inflation and may prompt the regulator to refuse to continue tightening monetary policy in the near future.

During the trading session the MicexPWR Sector Index looked significantly 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 RusHydro, Rosseti and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

Russians to be forced to replace meters

And new devices can be obliged to be installed for their own money.

Read full text: <http://svpressa.ru/realty/article/178855/?rss=1>

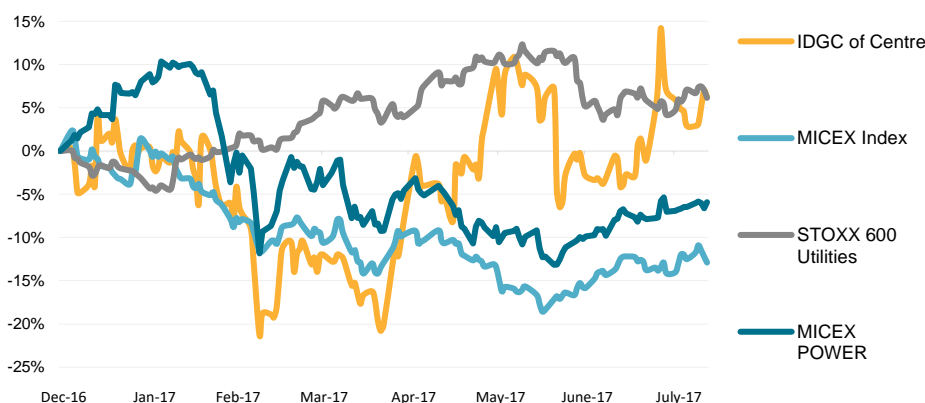
COMPANY NEWS

Specialists of IDGC of Centre in the first half of the year stopped about 6 thousand cases of energy theft

IDGC of Centre summed up the results of measures to identify and suppress non-metered and non-contractual electricity consumption for six months of 2017.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/61042/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 944,83	-0,79%	-12,89%
S&P 500	2 441,32	0,13%	9,04%
FTSE 100	7 309,96	-1,08%	2,34%
DAX	12 014,06	0,00%	4,64%
DJStoxx 600	372,14	-1,04%	2,97%
STOXX Utilities	293,80	-0,83%	6,15%
Nikkei	19 729,74	0,00%	3,22%
Sensex	31 213,59	-1,01%	17,23%
CSI300	3 647,35	-1,85%	10,19%
Bovespa	67 358,59	0,55%	11,84%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,18	0,55%	12,40%
USD/RUB	59,93	-0,05%	-1,20%
Euro/RUB	70,27	-0,21%	10,12%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 289,31	0,22%	12,36%
Brent*, USD/bbl	52,10	0,39%	-11,41%

* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4750
Capitalisation**, billion RUB	20,05
Capitalisation**, million USD	334,62

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,76%	-5,92%
Shares of IDGC of Centre**	-0,63%	6,26%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	2,18%	-22,20%
FGC UES	0,80%	-16,44%
IDGC of Volga	0,59%	66,88%
MOESK	-0,59%	-5,68%
IDGC of Northern Caucasus	-1,40%	-20,18%
IDGC of Centre and Volga Reg	4,54%	89,73%
IDGC of North-West	-2,65%	-6,36%
IDGC of Urals	-2,54%	-6,69%
IDGC of Siberia	-1,35%	5,02%
IDGC of South	-0,70%	-18,70%
Lenenergo, ordinary shares	0,00%	-12,62%
TRK, ordinary shares	0,00%	-15,97%
Kubanenergo	-3,05%	-15,98%

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
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