

DAILY MARKET REVIEW

7 July, Friday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 06 July some neutral external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed in different directions with changes in the range of 0.15%, on Thursday the main country indices of the Asia-Pacific region showed similar changes. The rise in shares of the technology sector was offset by a decline in shares of energy companies following the sharp drop in oil two days ago. The minutes of the June meeting of the Fed, published Wednesday evening, did not add clarity to traders. In particular, they showed that the regulator's management had not yet formed a consensus on inflation forecasts and its possible impact on the pace of interest rate increase, as well as when it was necessary to start cutting the \$4.5 trillion balance of the Federal Reserve. September Brent futures traded near \$48.3 per barrel, \$0.3 above the closing level on 05 July. Data of the American Petroleum Institute, which recorded more than expected reduction in oil and gasoline reserves in the country, helped stabilize quotes after a nearly 4% collapse on Wednesday. In general, as industry analysts note, the market remains weak in conditions of a continuing surplus of supply and reserves in the world.

Most of the trading session on Thursday the MICEX Index was flat near the zero mark – a moderate rise in Brent quotations to around \$48.5 per barrel was levelled by the ex-dividend gaps in shares of Tatneft and Rostelecom and negative sentiment on the western markets. The European Stoxx Europe 600 Index lost more than a percent in the afternoon, futures for US indices were down about half a percent due to investors' concern about the inevitable, in their view, tightening of monetary policy around the world, primarily in the US and the Eurozone. In particular, Bloomberg reports, the minutes of the meetings of the Fed and the ECB demonstrated the growing tendency of the heads of the two central banks to abandon the stimulus measures. The statistics published during the day were ambiguous and had no significant effect on the trends of trading. In the US, ADP data on employment in the private sector in June were released worse than the forecast, in addition, the estimate for May was worsened, the number of applications for unemployment benefits moderately increased last week, coinciding with the forecast, at the same time, data on business activity in the service sector were significantly better than expectations. The MICEX Index could close in positive territory with the growth of Brent quotations to around \$49 per barrel after the report of the US Department of Energy on significant reduction in oil and gasoline stocks last week.

During the trading session the changes of the MICEXPWR Sector Index generally corresponded to the broad market. The main contribution to the final small rise in the sector indicator was made by RusHydro's shares.

ELECTRIC POWER INDUSTRY NEWS

Colds raised electricity generation

Electricity consumption in Russia in the first half of the year increased by 1.6%, according to the "System Operator". The growth of consumption was caused by cold weather, especially abnormally cold June.

Read full text: <https://www.kommersant.ru/doc/3343902>

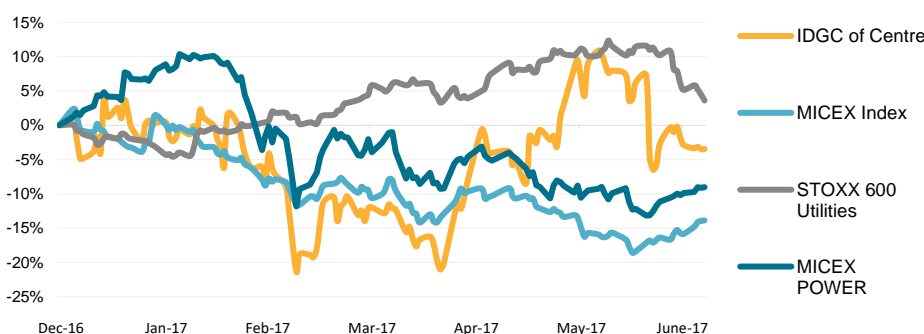
COMPANY NEWS

Tambovenergo for five months repaired about 130 kilometres of overhead power lines

IDGC of Centre - Tambovenergo division summed up the results of the implementation of the repair program for five months of 2017. All the events scheduled from January to May were fully implemented. 71 transformers of 10/0.4 kV and 128.2 km of overhead lines (Conductors) of 0.4-35 kV were repaired. More than 181.2 hectares of ROWs along overhead lines were cleared from tree and shrub vegetation. To ensure the reliability of power supply to consumers, 77 transformer substations of 6-10 kV were repaired.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/60572/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 923,22	0,10%	-13,86%
S&P 500	2 409,75	-0,94%	7,63%
FTSE 100	7 337,28	-0,41%	2,72%
DAX	12 381,25	-0,58%	7,84%
DJStoxx 600	380,43	-0,67%	5,26%
STOXX Utilities	286,74	-0,82%	3,60%
Nikkei	19 994,06	-0,44%	4,60%
Sensex	31 369,34	0,40%	17,81%
CSI300	3 660,10	0,01%	10,57%
Bovespa	62 470,33	-1,08%	3,72%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,14	0,72%	8,59%
USD/RUB	59,58	0,59%	-1,78%
Euro/RUB	67,68	0,56%	6,06%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 225,22	-0,15%	6,77%
Brent*, USD/bbl	48,11	0,67%	-18,24%

* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4300
Capitalisation**, billion RUB	18,15
Capitalisation**, million USD	304,70

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,07%	-9,04%
Shares of IDGC of Centre**	-0,35%	-3,80%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-1,11%	-29,89%
FGC UES	-0,91%	-14,17%
IDGC of Volga	0,36%	23,39%
MOESK	0,88%	-11,14%
IDGC of Northern Caucasus	0,60%	-23,58%
IDGC of Centre and Volga Reg	2,43%	30,81%
IDGC of North-West	1,91%	-22,55%
IDGC of Urals	-1,35%	-10,94%
IDGC of Siberia	0,45%	-19,24%
IDGC of South	0,26%	-26,53%
Lenenergo, ordinary shares	3,82%	-13,62%
TRK, ordinary shares	-0,55%	-24,16%
Kubanenergo	2,40%	-11,84%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

MRKC
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