

DAILY MARKET REVIEW

22 September, Friday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 21 September some neutral external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500, having updated their historical records, added 0.1-0.2% due to an increase in shares of the oil and gas sector, following the rise in oil prices and financial companies helped by results of the Fed meeting. The US Central Bank expectedly retained the key rate in the range of 1-1.25% and announced a reduction in assets on its balance sheet by \$10 billion a month, beginning in October. As predicted, the amount will grow quarterly, until it reaches \$50 billion per month. Unexpected for traders was the confirmation by the Federal Reserve of plans for another increase in rates this year and three in the next. Against this background, the probability of a rate increase in December, according to Bloomberg, jumped to 64%, which led to a strengthening of the dollar and an increase in the yields of US government bonds. On Thursday the main country stock indices of the Asia-Pacific region showed multidirectional changes. The Japanese Nikkei225 added 0.2%, including through the yen weakening after the Central Bank of the country expectedly kept the current aggressive stimulating monetary policy. The Australian S&P/ASX200, which lost almost a percent, was pressured by a decline in metal prices. November Brent futures traded near the mark of \$56.1 per barrel, slightly below the closing level on 20 September. Quotations on Wednesday updated the maximum since April on data from the US Department of Energy, which recorded an increase in oil reserves and a decrease in gasoline stocks in the country as part of forecasts, as well as increased tensions in US-Iran relations around the Iranian nuclear program. The rise in oil prices was limited by the recovery in US production to above 9.5 million barrels per day and the strengthening of the dollar in the foreign exchange market.

Most of the trading session the MICEX Index was flat near zero – the positive mood on European markets was offset by a moderate weakness of oil, falling below \$56 per barrel. The European Stoxx Europe 600 Index added about 0.3% thanks to shares of banks, the weakening of the euro against the dollar on Wednesday and favourable statistics. According to preliminary data of the European Commission, consumer confidence in the eurozone in September unexpectedly rose to a maximum since 2001. At the end of the day, the rebound in Brent quotations from the session lows helped the Russian market close in the positive territory.

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

ELECTRIC POWER INDUSTRY NEWS

STC of "Rosseti" determined the priorities of innovative development of the company, decided to plan its work for at least three years

Starting in 2018, the planning of the Presidium and sections of the Presidium of the Scientific and Technical Council (STC) of PJSC Rosseti will be built for a long period (three years or more), while the work plan should be formed taking into account the main directions of the innovative development of the power grid holding, says the message of "Rosseti" following the results of the STC meeting in August.

Read full text: <http://www.bigpowernews.ru/news/document79726.phtml>

COMPANY NEWS

Kurskenergo summed up the results of the repair program for 8 months

IDGC of Centre – Kurskenergo division summed up the preliminary results of readiness of subdivisions for the autumn-winter operation period. For eight months of this year, specialists of Kurskenergo fulfilled the basic measures for the repair of electrical equipment, provided for by the 2017 repair program.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/61452/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 060,24	0,13%	-7,73%
S&P 500	2 500,60	-0,30%	11,69%
FTSE 100	7 263,90	-0,11%	1,69%
DAX	12 600,03	0,25%	9,75%
DJStoxx 600	382,88	0,24%	5,94%
STOXX Utilities	300,95	-0,77%	8,74%
Nikkei	20 347,48	0,18%	6,45%
Sensex	32 370,04	-0,09%	21,57%
CSI300	3 837,82	-0,12%	15,94%
Bovespa	75 604,34	-0,53%	25,53%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,19	-0,59%	13,46%
USD/RUB	58,13	0,05%	-4,17%
Euro/RUB	69,77	0,13%	9,33%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 291,20	-0,76%	12,52%
Brent*, USD/bbl	56,43	0,25%	-3,98%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,5010
Capitalisation**, billion RUB	21,15
Capitalisation**, million USD	363,87

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-0,39%	-0,68%
Shares of IDGC of Centre**	1,11%	12,08%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-1,08%	-7,52%
FGC UES	-0,64%	-16,51%
IDGC of Volga	0,53%	102,59%
MOESK	-0,11%	-0,89%
IDGC of Northern Caucasus	4,80%	-5,90%
IDGC of Centre and Volga Reg	0,31%	121,49%
IDGC of North-West	1,16%	10,73%
IDGC of Urals	-1,84%	13,68%
IDGC of Siberia	3,87%	63,44%
IDGC of South	-0,44%	-13,74%
Lenenergo, ordinary shares	0,74%	-0,73%
TRK, ordinary shares	0,00%	-14,92%
Kubanenergo	0,96%	-15,06%

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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