

# DAILY MARKET REVIEW

23 August, Wednesday

2017



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 22 August some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed with a slight increase of 0.1%, on Tuesday the main country indices of the Asia-Pacific region showed a predominantly positive trend. In the absence of important statistics and speeches of high-ranking officials, the markets are mainly driven by corporate news and company reporting, while the volume of trades remains below average due to the summer holiday season. Investors in general have ignored the bellicose statements of North Korea, which threatened the US with "merciless revenge" for joint exercises with South Korea, which the DPRK regards as preparations for invading the country. October Brent futures traded near \$52 per barrel, \$0.4 above the closing level on 21 August. Quotations are supported by signs of a gradual equalization of the demand and supply of fuel in the world. As the latest data show, oil reserves in OECD countries and the US are gradually decreasing, the technical committee of the OPEC+ countries, according to Bloomberg, estimated the level of implementation of the agreement on limiting production in July at 94%. At the same time, the production of the cartel itself is projected to decline by 400,000 barrels per day in August compared to July.

Most of the trading session the MICEX Index and the European Stoxx Europe 600 Index were in a small plus within half a percent. Shares of the oil and gas and mining sectors looked better than others due to the stability of oil quotations and the continuing rise in prices for metals. Published during the day data from the ZEW Institute on the decline in August of the index of confidence in the economy of the Eurozone and the index of confidence in the German economy did not have a significant impact on the trend of trading. In the second half of the day sentiment on the western markets improved after a confident rise in US indices by more than 0.7% at the beginning of trading – traders used last week's correction to buy depreciated stocks. Against this backdrop the MICEX Index added 0.5% and closed at the high of the day.

During the trading session the changes of the MiceXPWR Sector Index in general corresponded to the dynamics of the MICEX Index. The main contribution to the rise of the sector indicator was made by securities of Rosseti, RusHydro and OGC-2. Most of shares of IDGCs closed better than the market due to expectations of strong financial results under IFRS for the first half of the year - on Tuesday good statements were provided by IDGC of North-West, IDGC of Siberia and IDGC of Volga.

## ELECTRIC POWER INDUSTRY NEWS

### The management system of the electrical complex of the Russian Federation needs improvement, according to Mr. Budargin

The management system of the country's electrical complex needs to be improved in order to avoid rolling blackouts in the future. This opinion was expressed on Monday to TASS by Director General of PJSC "Rosseti" Oleg Budargin, during a working trip to the Novgorod region.

Read full text: <http://www.bigpowernews.ru/news/document79184.phtml>

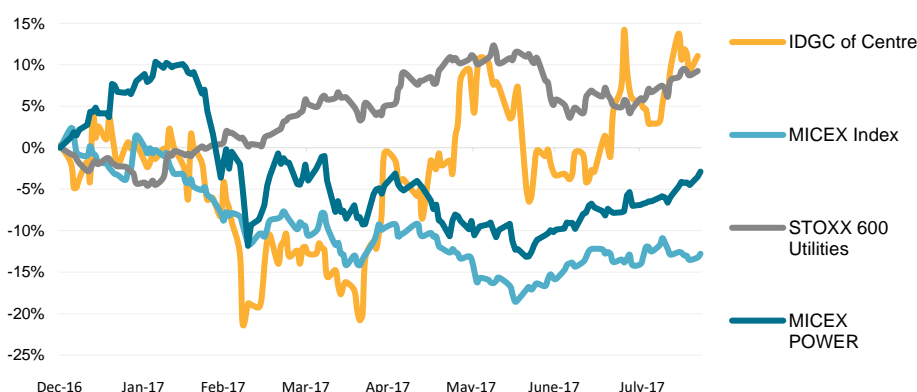
## COMPANY NEWS

### The Supreme Court of Russia adopted an important precedent decision, having satisfied the claim of IDGC of Centre on demolition of an illegally erected building in the security zone of overhead lines

The Judicial Board for Civil Cases of the Supreme Court of the Russian Federation on 8 August considered the cassation appeal of IDGC of Centre to appeal the decision of the Kursk Regional Court on the materials claimed by the case at the suit of the company to a resident of the village of Rybinsk Buda in Oboynsky district of the Kursk region of the demolition of an illegally constructed building, located in the buffer zone of the 35 kV overhead line "Rybinsk Ponds - Gakhovo with a tap to Dolzhenkovo".

Read full text: <https://www.mrsk-1.ru/press-center/news/company/61148/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 947,40	0,50%	-12,78%
S&P 500	2 447,54	0,79%	9,32%
FTSE 100	7 381,74	0,86%	3,34%
DAX	12 229,34	1,35%	6,52%
DJStoxx 600	375,80	0,83%	3,98%
STOXX Utilities	302,36	0,49%	9,25%
Nikkei	19 383,84	-0,05%	1,41%
Sensex	31 291,85	0,11%	17,52%
CSI300	3 752,30	0,30%	13,36%
Bovespa	70 071,69	2,09%	16,35%

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

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,18	0,00%	12,34%
USD/RUB	59,14	-0,37%	-1,88%
Euro/RUB	69,43	-0,41%	10,17%

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

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 291,88	0,00%	12,12%
Brent*, USD/bbl	51,66	0,00%	-9,08%

\* - October futures

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

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4965
Capitalisation**, billion RUB	20,96
Capitalisation**, million USD	354,43

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,64%	-2,89%
Shares of IDGC of Centre**	1,53%	11,07%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	2,29%	-14,34%
FGC UES	-0,23%	-16,24%
IDGC of Volga	4,10%	74,55%
MOESK	0,68%	-0,56%
IDGC of Northern Caucasus	1,84%	-12,02%
IDGC of Centre and Volga Reg	2,81%	105,47%
IDGC of North-West	1,96%	4,18%
IDGC of Urals	0,58%	5,17%
IDGC of Siberia	8,43%	49,10%
IDGC of South	2,21%	-11,83%
Lenenergo, ordinary shares	0,20%	-8,81%
TRK, ordinary shares	0,00%	-15,97%
Kubanenergo	-0,42%	-18,97%

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