

# DAILY MARKET REVIEW

7 November, Tuesday



2017

## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 03 November some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 added 0.35% and 0.02%, respectively, the DJIA updated the historical record. The markets were supported by strong statistics from the USA, where the average number of applications for unemployment benefits in the last four weeks and the number of Americans continuing to receive benefits fell to the lows of 1973, labour productivity growth in the third quarter accelerated to a maximum in three years. At the same time, the market recovery was restrained by uncertainty regarding the final version of the tax reform and the timing of its adoption. The US president's nomination for the post of Fed Chairman J. Powell was expected by investors and had no significant impact on the market trends. On Friday the main country indices of the Asia-Pacific region traded in different directions, the Japanese exchanges were closed in connection with the celebration of the Day of Culture. January Brent futures traded near the mark of \$60.8 per barrel, \$0.3 higher than our closing on 02 November. Consolidation of quotations at the maximum for two years was due to the statement of the Russian Energy Minister that Russia and Saudi Arabia support the extension of the OPEC+ agreement after March 2018.

On Friday the Russian market was dominated by buyers, in the middle of the day the growth rate of the MICEX Index exceeded a percent. Support for investors was provided by oil prices – Brent prices rose above \$61 per barrel – and moderately optimistic sentiment on the western markets. An additional positive factor for the export-oriented domestic market was the weakening of the ruble within the overall trend of the dollar strengthening against currencies of developing countries. In the second half of the day, some pressure on the markets was given by expectations of the Fed rate hike in December – according to Bloomberg, the market's probability of this scenario exceeded 97% after the publication of strong US statistics. In October unemployment in the US declined to the lowest since 2000, 4.1%, an increase in the number of jobs by 261 thousand was the highest since June 2016, the index of business activity in the service sector rose to a maximum in 12 years. Against this backdrop, the continued strengthening of the US dollar provoked a decline in Brent quotes to around \$60.6 per barrel and a slowdown in the rate of the MICEX Index growth to 0.4%.

As a result of the trading session the MicexPWR Sector Index looked better than the broad market mainly due to almost 3% growth in shares of RusHydro.

## ELECTRIC POWER INDUSTRY NEWS

### The price of capacity under Capacity Delivery Agreement in the European part of the Russian Federation and in the Urals to grow by 78% by 2021, according to a study

The average price for capacity sold under Capacity Delivery Agreement in the European part of the Russian Federation and in the Urals (the first price zone of the wholesale energy market) will grow by 78% by 2021, and by 63% in Siberia (the second price zone), PRIME informs with reference to a study of Vygon Consulting.

Read full text: <http://www.bigpowernews.ru/markets/document80415.shtml>

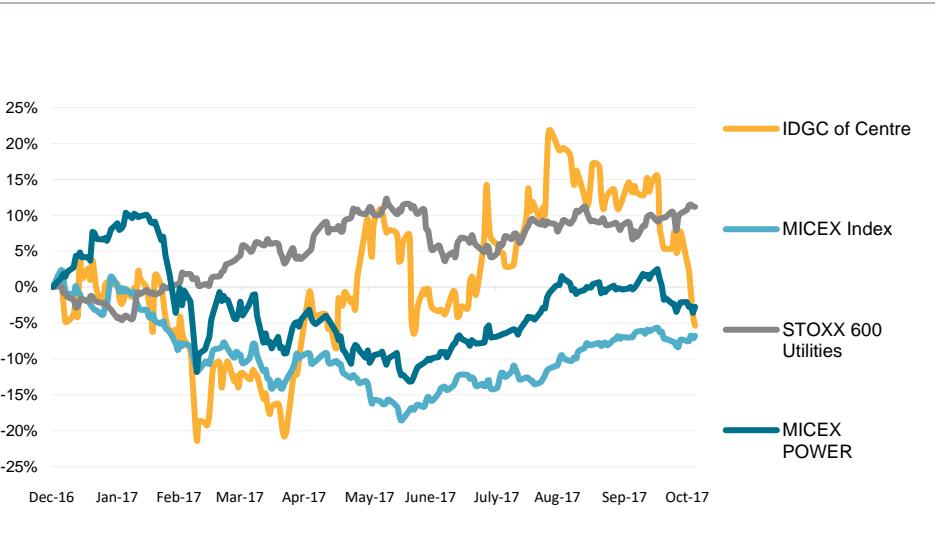
## COMPANY NEWS

### IDGC of Centre presents a virtual reality simulator at an exhibition in "Manege"

At the All-Russia multimedia exhibition "Russia looking to the future", employees of IDGC of Centre (a subsidiary of PJSC "Rosseti") present a unique "Simulator based on virtual reality models of a transformer substation", designed for training personnel in 3D visualization conditions.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/62288/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 081,15	0,39%	-6,79%
S&P 500	2 581,21	0,05%	15,29%
FTSE 100	7 555,53	0,20%	5,78%
DAX	13 466,03	0,34%	17,29%
DJStoxx 600	395,68	0,19%	9,48%
STOXX Utilities	307,70	-0,05%	11,18%
Nikkei	22 539,12	0,00%	17,92%
Sensex	33 685,56	0,33%	26,51%
CSI300	3 992,70	-0,11%	20,62%
Bovespa	73 297,49	-0,71%	21,70%

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

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,17	0,00%	10,85%
USD/RUB	58,09	-0,12%	-3,63%
Euro/RUB	67,68	-0,05%	7,39%

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

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 276,13	0,00%	10,75%
Brent*, USD/bbl	60,62	0,00%	6,69%

\* - December futures

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

Shares of IDGC of Centre	Value	Change	
		per day	fr 31.12.16
Last transaction, RUB	0,423		
Capitalisation**, billion RUB	17,86		
Capitalisation**, million USD	307,44		

Source: Central Bank of Russia, Company calculations

Russian indexes	Value	Change	
		per day	fr 31.12.16
MICEX-Power Index	0,87%	-2,73%	
Shares of IDGC of Centre**	-1,51%	-5,37%	

Source: Bloomberg, Company calculations

Grid companies	Value	Change**	
		per day	fr 31.12.16
Rosseti, ordinary shares	0,39%	-18,48%	
FGC UES	0,22%	-20,08%	
IDGC of Volga	0,05%	89,38%	
MOESK	1,33%	-6,90%	
IDGC of Northern Caucasus	3,62%	-15,65%	
IDGC of Centre and Volga Reg	0,71%	111,69%	
IDGC of North-West	1,23%	4,36%	
IDGC of Urals	-0,52%	16,72%	
IDGC of Siberia	1,16%	56,51%	
IDGC of South	6,13%	2,48%	
Lenenergo, ordinary shares	1,47%	-5,81%	
TRK, ordinary shares	0,00%	-15,13%	
Kubanenergo	1,27%	-8,39%	

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