

DAILY MARKET REVIEW

4 September, Monday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 1 September some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed with an increase of 0.3-0.6% following the growth of shares of technology and raw materials companies, on Friday the main country indices of the Asia-Pacific region showed similar changes. The markets were supported by statements by the US Treasury that the White House and Congress will publicize the details of the tax reform in the coming weeks, while the US presidential administration plans to implement the tax reform by the end of this year. An additional positive factor in the Asian session was information on increase in activity in China's industry – according to Markit/Caixin data, the PMI in August reached a six-month maximum. November Brent futures traded near \$52.6 per barrel, slightly above the closing level on 31 August. Oil prices are held near the peak for several months due to effects of Hurricane Harvey, which has disabled or reduced the load of nearly a third of US refineries. Experts say that the restoration of some affected oil refineries will take considerable time, that is, the consequences for the demand for oil in the US will be long-term.

Most of the trading session the MICEX Index was in a small minus within half a percent, despite the stability of oil prices above \$52 per barrel and the rise of European exchanges. The European Stoxx Europe 600 added about half a percent due to good statistics – the growth of activity in the industry of the Eurozone in August increased to a maximum level since April 2011. Weak statistics on the US labour market – the number of jobs in August increased less than the forecast, the growth of this indicator in July worsened, the unemployment, contrary to expectations, rose to 4.4% from July 4.3% – did not cause worsening of sentiment on the western markets. Analysts believe that these data may force the Fed to think about the advisability of another increase in the base interest rate in the US before the end of this year. In addition, at the end of the day, buyers were supported by another portion of statistics from the US: in August the index of business activity in the manufacturing sector jumped to its peak since 2011, the consumer confidence index rose to a maximum since May. However, the optimism of Western investors did not impress the Russian market – the MICEX Index at the end of the day lost 0.6%.

During the trading session the changes of the MICEXPWR Sector Index in general corresponded to the MICEX Index. The main contribution to the final decline in the sector indicator was made by shares of Inter RAO and Unipro.

ELECTRIC POWER INDUSTRY NEWS

No decisions on the privatization of certain "daughters" of "Rosseti" this year – says Mr. Dvorkovich

The Russian government and "Rosseti" will analyze the possibility of privatizing some of the holding's subsidiaries before the end of the year, but the decision will be made later, Russian Deputy Prime Minister Arkady Dvorkovich told journalists.

Read full text: <http://www.bigpowernews.ru/news/document79379.phtml>

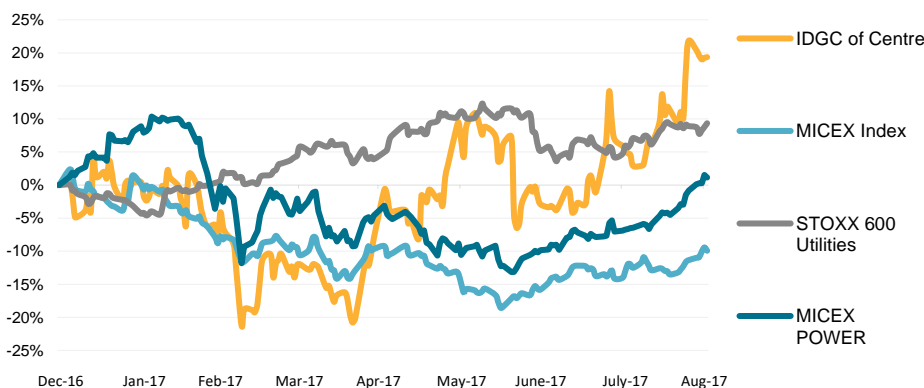
COMPANY NEWS

Energy-saving technologies helped Smolenskenergo save 716 thousand kWh

IDGC of Centre - Smolenskenergo division summed up the results of the first half of 2017 on the energy saving and energy efficiency program. The total effect from the implementation of energy-saving measures for this period amounted to 716 thousand kWh, which exceeded the expected results by 34% (182 thousand kWh).

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/61263/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 008,88	0,99%	-10,03%
S&P 500	2 452,43	0,25%	9,54%
FTSE 100	7 365,26	0,38%	3,11%
DAX	12 002,47	0,47%	4,54%
DJStoxx 600	371,01	0,70%	2,65%
STOXX Utilities	299,68	0,50%	8,28%
Nikkei	19 506,54	0,74%	2,05%
Sensex	31 646,46	0,82%	18,85%
CSI300	3 834,30	-0,01%	15,84%
Bovespa	70 846,25	-0,68%	17,63%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,20	0,00%	13,83%
USD/RUB	58,53	-0,03%	-2,89%
Euro/RUB	70,43	0,84%	11,76%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 309,23	0,00%	13,62%
Brent*, USD/bbl	52,00	0,00%	-8,48%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,532
Capitalisation**, billion RUB	22,46
Capitalisation**, million USD	383,72

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,03%	0,30%
Shares of IDGC of Centre**	-0,47%	19,02%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-2,07%	-12,95%
FGC UES	-0,52%	-14,96%
IDGC of Volga	0,61%	105,27%
MOESK	0,00%	1,34%
IDGC of Northern Caucasus	-1,06%	-15,19%
IDGC of Centre and Volga Reg	-0,67%	119,86%
IDGC of North-West	0,32%	15,27%
IDGC of Urals	-0,78%	16,41%
IDGC of Siberia	2,34%	72,28%
IDGC of South	-2,29%	-10,31%
Lenenergo, ordinary shares	-1,78%	-4,81%
TRK, ordinary shares	0,00%	-14,92%
Kubanenergo	3,81%	-18,62%

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