

DAILY MARKET REVIEW

15 August, Tuesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 14 August some moderately positive external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed with a slight increase in the range of 0.1%. The market was supported by weak inflation statistics in the US in July, which for five months in a row is below forecasts. As analysts say, these data may prompt the regulator to refuse to continue tightening monetary policy in the near future. On Monday the main country indices of the Asia-Pacific region showed a predominantly positive trend in easing geopolitical tensions around the DPRK after softening the rhetoric of the US side. On Sunday the US Secretary of Defense and US Secretary of State said that the administration of the US president expects to find diplomatic ways to make North Korea a zone free of nuclear weapons. At the same time, the growth of Asian markets was constrained by weak statistics from China, where the growth rates of industrial production and retail sales in July were worse than forecasts. A percentage decrease in the Japanese Nikkei225 was different from the general trend in the Asian session, despite information on the maximum GDP growth since the beginning of 2015 in the second quarter – the Japanese market, resting on Friday, was playing out the fall of world exchanges at the end of the week. October Brent futures traded near \$52 per barrel, \$0.3 above the closing level on Friday, 11 August. The upswing of the quotations was promoted by the information of sources of Bloomberg about the reduction of production in Libya and the restriction of exports from the country due to the security threat for workers of the oil industry and the strike of port workers. These pieces of news largely neutralized the negative background of Friday's data from Baker Hughes about the increase in the number of drilling rigs in the US last week.

The MICEX index spent most of the trading session in a half-percentage plus, given the return of investors' interest in risky assets on expectations of a diplomatic settlement of the situation on the Korean peninsula. The European Stoxx Europe 600 Index added more than a percent, despite the decline in industrial production in the Eurozone in June slightly more than forecasts, futures for US indices traded in a half-percentage plus. The activity of buyers on the domestic market was limited to uncertain oil price changes near the mark of \$52 per barrel.

As a result of the trading session the MicexPWR Sector Index looked better than the broad market. The main contribution to the sector indicator was made by RusHydro's shares, which added more than 2% on Bloomberg's information about the company's board of directors' decision to abandon the construction of the Leningrad PSPP, and shares of a number of grid companies – IDGC of Centre, IDGC of Centre and Volga Region and IDGC of Urals.

ELECTRIC POWER INDUSTRY NEWS

Association "NP Market Council" holds the Fourth All-Russian Conference "Priorities of the market electric power industry in Russia: development of generation after CSC. Choice of way".

The system of capacity supply contracts (CSC) was developed as a response to the threat of a shortage of energy capacities in the economy. Perhaps, only the lazy one did not hear about the "Chubais's cross": a chart that showed a crisis with the availability of generating capacities already in the second half of the 2000s.

Read full text: http://www.advis.ru/php/view_news.php?id=15532A2C-57CC-7E45-B42E-D14A89B465CB

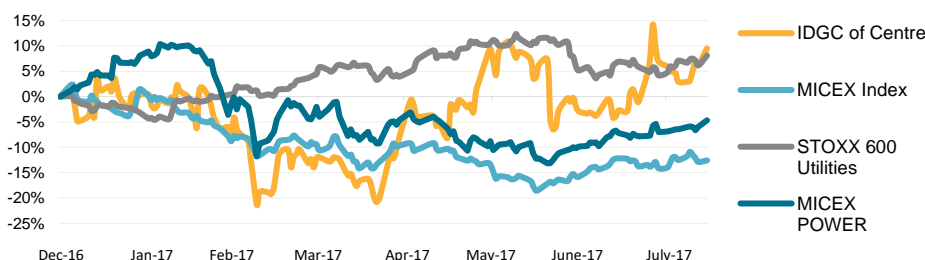
COMPANY NEWS

Belgorodenergo in the first half of 2009 spent about 1 billion rubles on the development and modernization of the power grid complex

IDGC of Centre – Belgorodenergo division summed up the results of the investment program for the first half of 2017. In total, in the specified period the enterprise spent 997.013 million rubles (including VAT) on the development and modernization of the power grid complex. 16.8 MVA of new transformer capacity and 356.8 km of new and reconstructed power lines of 0.4-110 kV were put into operation.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/61058/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 951,75	0,36%	-12,58%
S&P 500	2 465,84	1,00%	10,14%
FTSE 100	7 353,89	0,60%	2,95%
DAX	12 165,12	1,26%	5,96%
DJStoxx 600	376,16	1,08%	4,08%
STOXX Utilities	299,20	1,84%	8,10%
Nikkei	19 537,10	-0,98%	2,21%
Sensex	31 449,03	0,75%	18,11%
CSI300	3 694,68	1,30%	11,62%
Bovespa	68 284,66	1,37%	13,38%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,18	-0,24%	12,13%
USD/RUB	60,19	0,43%	-0,77%
Euro/RUB	70,75	0,69%	10,87%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 282,15	-0,56%	11,73%
Brent*, USD/bbl	50,73	-2,63%	-13,74%

* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4895
Capitalisation**, billion RUB	20,67
Capitalisation**, million USD	343,36

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	1,32%	-4,68%
Shares of IDGC of Centre**	3,05%	9,51%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	1,52%	-21,02%
FGC UES	-0,24%	-16,63%
IDGC of Volga	1,55%	69,46%
MOESK	1,65%	-4,12%
IDGC of Northern Caucasus	1,70%	-18,82%
IDGC of Centre and Volga Reg	5,31%	99,80%
IDGC of North-West	2,72%	-3,82%
IDGC of Urals	5,54%	-1,52%
IDGC of Siberia	16,61%	22,46%
IDGC of South	2,11%	-16,98%
Lenenergo, ordinary shares	2,49%	-10,45%
TRK, ordinary shares	0,00%	-15,97%
Kubanenergo	1,78%	-14,48%

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
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