

DAILY MARKET REVIEW

12 July, Wednesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 11 July some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed in different directions with changes in the range of 0.1%. The rise in shares of the technological and energy sectors was offset by a decline in securities of the healthcare sector. This week, the reporting season for the second quarter starts and, according to Thomson Reuters, technology companies expect the greatest profit growth. In turn, the securities of the healthcare sector are pressured by delays in the adoption of the promised industry reform by Donald Trump, including the abolition of Obamacare. On Tuesday the main country indices of the Asia-Pacific region showed a predominantly positive trend following the shares of technology companies. September Brent futures traded near the mark of \$47.2 per barrel, \$0.2 higher than the closing level on 10 July. Quotations are supported by expectations of oil production constraints in Libya and Nigeria, which have recently increased production to multi-year highs, which negates the efforts of other OPEC+ countries to rebalance the market.

The MICEX Index held most of the trading session in a small plus on average, within half a percentage point – the drop in Brent oil prices in the middle of the day to \$46.3 and moderately negative sentiment on European exchanges was offset by a weakening of the ruble amid the OFZ depreciation to a three-month low. State bonds of the Russian Federation were under pressure of continuing sales in the world debt market on expectations of tightening monetary policy by the world Central Banks. In particular, analysts estimate the chances for the first time in seven years that the Bank of Canada will raise the interest rate at the meeting today at 90%, the head of the Federal Reserve Bank of San Francisco said that he expects another rate hike this year, and also the start of reducing the Fed's volume balance the coming months. At the same time, the rise of the MICEX Index was restrained by growing geopolitical risks. Firstly, according to media reports, the administration of Donald Trump supported new sanctions against the Russian Federation, which the Senate had previously approved, objecting only to limiting the powers of the president in this matter. Secondly, Russian mass media report, Moscow plans to exile about 30 American diplomats and seize several US properties in Russia as mirror measures against the actions of former US President Barack Obama. At the end of the day, the Russian market was supported by the return of Brent quotes above \$47 per barrel – the MICEX Index closed trading with a growth of 0.6%, despite the strengthening of negative changes in Europe and the beginning of trading in the US with a decline in major indices in the range of 0.5%.

As a result of the trading session the MicexPWR Sector Index underperformed, mainly due to decrease in shares of Rosseti, adjusting after the 8% growth on Monday, and shares of Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

Electric power generation in the UES of Centre for 1H 2017 grew by 5.5% with a significant increase in production at HPPs and NPPs, consumption – increased by 2.4%

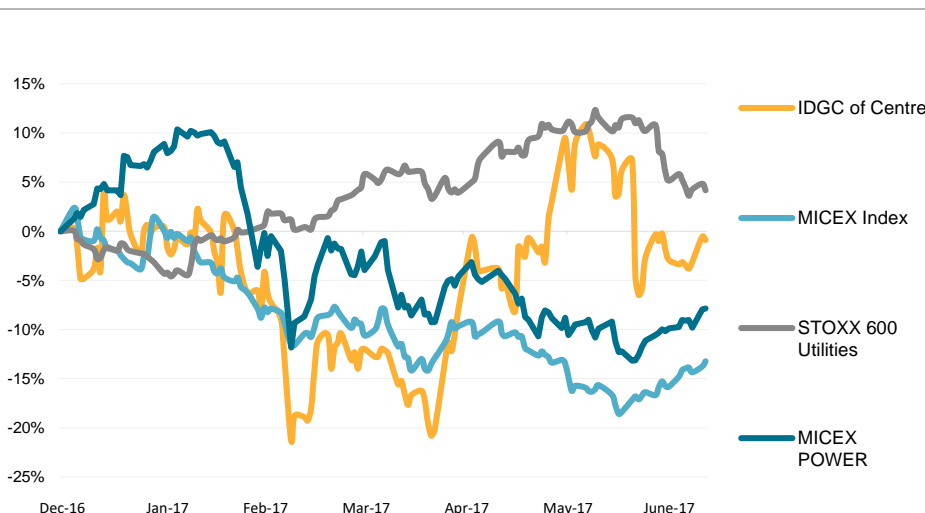
Read full text: <http://www.bigpowernews.ru/markets/document78210.phtml>

COMPANY NEWS

Specialists of IDGC of Centre and IDGC of Centre and Volga Region discussed the organization of work in the field of information technologies

Read full text: <http://www.znamyuzl.ru/practica/61617-specialisty-mrsk-centra-i-mrsk-centra-i-privolzhya-obsudili-organizaciyu-rabot-v-sfere-informacionnyh-tehnologiy.html>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 937,64	0,62%	-13,22%
S&P 500	2 425,53	-0,08%	8,34%
FTSE 100	7 329,76	-0,55%	2,62%
DAX	12 437,02	-0,07%	8,33%
DJStoxx 600	379,15	-0,65%	4,91%
STOXX Utilities	288,29	-0,64%	4,16%
Nikkei	20 195,48	0,57%	5,66%
Sensex	31 747,09	0,10%	19,23%
CSI300	3 670,81	0,47%	10,90%
Bovespa	63 832,15	1,28%	5,99%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,14	0,38%	8,77%
USD/RUB	60,30	-0,13%	-0,59%
Euro/RUB	68,77	-0,25%	7,78%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 217,72	0,28%	6,12%
Brent*, USD/bbl	47,52	1,37%	-19,24%

* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4430
Capitalisation**, billion RUB	18,70
Capitalisation**, million USD	310,15

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,12%	-7,84%
Shares of IDGC of Centre**	-0,34%	-0,89%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-2,05%	-25,50%
FGC UES	0,59%	-11,25%
IDGC of Volga	0,78%	26,34%
MOESK	-1,81%	-9,24%
IDGC of Northern Caucasus	-0,60%	-24,94%
IDGC of Centre and Volga Reg	-2,47%	28,31%
IDGC of North-West	-2,27%	-21,82%
IDGC of Urals	1,02%	-9,73%
IDGC of Siberia	0,15%	-18,64%
IDGC of South	-2,04%	-26,53%
Lenenergo, ordinary shares	0,31%	-12,72%
TRK, ordinary shares	0,00%	-24,37%
Kubanenergo	-3,07%	-12,76%

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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