

# DAILY MARKET REVIEW

19 December, Tuesday

2017



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 18 December some moderately positive external background formed on the Russian market. On Friday the US indices DJIA and S&P500, updating their historical highs, added 0.6-0.9%, on Monday the composite index of the Asia-Pacific region MSCI Asia Pacific showed similar changes. The markets were supported by increased optimism of investors regarding the speedy adoption of the bill on tax reform in the US. According to media reports, Republican leaders in the Senate and House of Representatives of the US Congress agreed on the final version of the bill on tax reform. The final vote on the bill should be held earlier this week, before Christmas the document can be submitted for signature to Donald Trump. As analysts say, this is favourable not only for the US, but for other economies as it will increase expectations of an increase in corporate profits. An additional positive factor for the Japanese Nikkei225, which added 1.5%, was data on export growth in November for the 12th consecutive month, while the growth rate was the highest since August and surpassed the experts' forecasts. February Brent futures traded near \$63.6 per barrel, \$0.3 higher than the closing level on Friday, 15 December. Quotes rose on a message of the oilfield service company Baker Hughes about the first in four weeks reduction in the number of operating oil production facilities in the US.

On Monday the MOEX Russia Index spent the first half of the trading session in a small plus within half a percent within the global optimism in the stock markets on expectations of an early approval of the US tax reform, which should heat up the growth of the world's largest economy. The European Stoxx Europe 600 Index in the middle of the day added about a percent, the index of emerging markets MSCI EM grew by 0.7%. In the second half of the day, the mood on the Russian market significantly deteriorated – the loss of the MOEX Russia Index reached a percent. The domestic market was pressured, according to analysts, by a number of factors. Firstly, according to information of the American media, the new US national security strategy attributes the Russian Federation and China to "revisionist forces", against which Washington intends to build up military strength and strengthen alliances to contain threats from these states. Experts note that this increases the likelihood of an expansion of US sanctions against Moscow. Secondly, negative background for foreign investors could be the decision of the Court of Appeal to keep the penalty of 136 billion rubles under the suit of Rosneft to AFK Sistema, which provoked a sell-off in shares of Sistema and its subsidiaries. Thirdly, the strengthening of the ruble against the dollar following the sharp weakening of the US currency on the world market became a deterrent for the export-oriented domestic market. At the end of the day, the MOEX Russia Index reduced the losses to 0.4% due to a half-percentage increase in the US market at the beginning of trading.

As a result of the trading session the MicexPWR Sector Index underperformed mainly due to RusHydro's shares, which lost 3.4%, on information about Zagorskaya PSPP-2 conservation and weak IFRS statements for 9 months – net profit decreased by 17.6% y/y, to 30.8 billion rubles.

## ELECTRIC POWER INDUSTRY NEWS

**"Rosseti" entered the leaders among state-owned companies in the National transparency rating of purchases 2017**

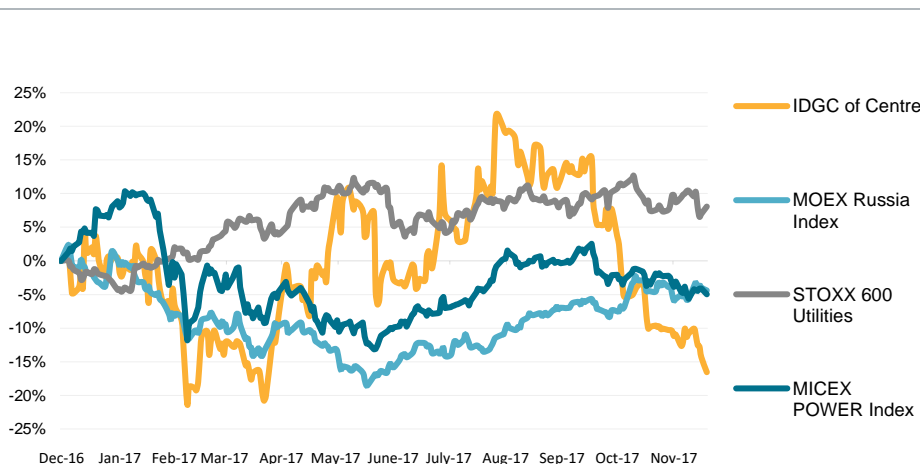
Read full text: [http://www.rosseti.ru/press/news/index.php?ELEMENT\\_ID=32272](http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=32272)

## COMPANY NEWS

**For eleven months Bryanskenergo recovered more than 46 million rubles from debtors for electricity supplied**

Read full text: <http://www.bryansktoday.ru/2017121863203/incidents/Bryanskenergo-za-odinnadsat-mesyatsev-vzyskalo-bolee-46-milliona-rublej-s-dolzhnikov-za-postavlennuyu-elektroenergiyu.html>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MOEX Russia	2 134,58	-0,44%	-4,40%
S&P 500	2 690,16	0,54%	20,16%
FTSE 100	7 537,01	0,62%	5,52%
DAX	13 312,30	1,59%	15,95%
DJStoxx 600	392,66	1,15%	8,64%
Nikkei	22 901,77	1,55%	19,81%
Sensex	33 601,68	0,41%	26,20%
CSI300	3 985,29	0,11%	20,40%
Bovespa	73 115,45	0,70%	21,40%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
USD/RUB	58,90	0,32%	-2,90%
EURO/RUB	69,43	0,04%	8,81%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 262,26	0,46%	10,00%
Brent*, USD/bbl	63,41	0,28%	8,19%

\* - February futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.16
IDGC of Centre	0,3730	15,75		267,36
IDGC of Centre & Volga Reg	0,3089	34,81		591,05

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.16
STOXX 600 Utilities	1,02%	8,07%
MICEX POWER Index	-0,88%	-4,97%
IDGC of Centre**	-2,61%	-16,55%
IDGC of Centre and Volga Region**	0,59%	107,23%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-1,07%	-23,55%
FGC UES	-0,46%	-20,77%
IDGC of Volga	-0,57%	85,98%
MOESK	-2,00%	-7,46%
IDGC of Northern Caucasus	0,82%	-16,10%
IDGC of North-West	0,37%	-1,82%
IDGC of Urals	-0,71%	27,66%
IDGC of Siberia	-0,43%	38,59%
IDGC of South	3,53%	12,02%
Lenenergo, ordinary shares	-0,77%	-5,81%
TRK, ordinary shares	-2,63%	-22,27%
Kubanenergo	1,22%	-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  
MRKC:MM