

DAILY MARKET REVIEW

4 August, Friday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 03 August some neutral external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 rose within 0.3%, while the DJIA index for the first time in history closed trading above the mark of 22,000 points. The US market was supported by good corporate reporting of a number of large companies, in particular Apple, and ADP data on employment in the manufacturing sector, which, according to experts, is indicative of a stable recovery of the US labour market. On Thursday, the composite index of the Asia-Pacific region MSCI Asia Pacific lost about 0.5% on media reports on possible growth of taxes in South Korea and statistics that recorded a deterioration in business activity in July in the services of the largest emerging economies – China and India. And, if in China it was somehow insignificant, in India the corresponding PMI fell significantly below the threshold of 50 points. October Brent futures traded near \$52.1 per barrel, slightly below the closing level on 02 August. As Bloomberg noted, oil is slightly cheaper on the data of the US Department of Energy, published on Wednesday – investors are concerned about the insufficiently rapid decline in inventories and the continued increase in production in the US. At the same time, information about unexpected increase in the refinery's load and growth in demand for gasoline to a historic high kept from a more serious drop in quotes.

Most of the trading session the MICEX Index and the European Stoxx Europe 600 Index had low volatility changes near zero. Corporate reports and statistics published during the day were ambiguous, without having a significant impact on the course of trading. In the Eurozone the data on the composite index of business activity was worse than expected in July, while the growth of retail sales in June surpassed expectations. In the US, on the one hand, the business activity index in the service sector in July fell to a minimum for 11 months mainly due to the seasonal factor, on the other hand, data on orders for durable goods in June and applications for unemployment benefits were better than forecasts. As for the Russian market, the information about the signing by Donald Trump of the law on the extension of sanctions against the Russian Federation is still not an independent driver for the changes of our indices. At the same time, the S&P agency noted that the new US sanctions against Russia have not directly affected the sovereign ratings of the Russian Federation, which are supported by strong foreign trade balance and budget indicators of the country. "It is unclear whether the new US sanctions will have a negative impact on Russia's economic prospects, since much will depend on how they will be applied," the agency's experts note.

As a result of the trading session the MicexPWR Sector Index outperformed. The main contribution to the small final growth of MicexPWR in antiphase with the MICEX Index was made by shares of FGC UES and IDGC of Centre and Volga Region.

ELECTRIC POWER INDUSTRY NEWS

Consumption of electricity in Russia for 7 months 2017 increased by 1.5%, generation - by 1.2%

According to operational data, electricity consumption in the Unified Energy System of Russia in July 2017 was 76.9 billion kWh, which is 1.7% more than the volume of consumption in July 2016. The total electricity consumption in Russia in July 2017 amounted to 78.2 billion kWh, which is 0.9% more than in July 2016, according to the message of SO UES.

Read full text: <http://www.bigpowernews.ru/markets/document78798.phtml>

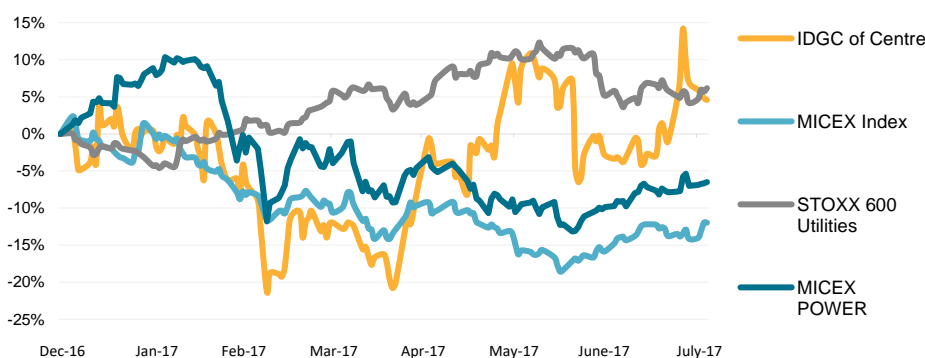
COMPANY NEWS

Belgorodenergo provided power supply to 40 large agro-industrial enterprises

In the first half of the year IDGC of Centre – Belgorodenergo division performed about 3.8 thousand contracts for connection to grids with a total capacity of over 75 MW.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/60939/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 965,29	-0,01%	-11,98%
S&P 500	2 472,16	-0,22%	10,42%
FTSE 100	7 474,77	0,85%	4,65%
DAX	12 154,72	-0,22%	5,87%
DJStoxx 600	378,93	0,08%	4,84%
STOXX Utilities	293,84	0,44%	6,17%
Nikkei	20 029,26	-0,25%	4,79%
Sensex	32 237,88	-0,74%	21,07%
CSI300	3 727,83	-0,88%	12,62%
Bovespa	66 777,13	-0,53%	10,88%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,19	0,01%	12,86%
USD/RUB	60,58	1,23%	-0,12%
Euro/RUB	71,69	1,35%	12,34%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 268,60	0,15%	10,55%
Brent*, USD/bbl	52,01	-0,67%	-11,56%

* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4675
Capitalisation**, billion RUB	19,74
Capitalisation**, million USD	325,79

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,18%	-6,48%
Shares of IDGC of Centre**	-0,21%	4,59%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	0,34%	-23,59%
FGC UES	0,45%	-16,86%
IDGC of Volga	-0,47%	68,66%
MOESK	-0,12%	-4,57%
IDGC of Northern Caucasus	0,53%	-13,61%
IDGC of Centre and Volga Reg	1,89%	82,43%
IDGC of North-West	2,52%	-3,82%
IDGC of Urals	1,27%	-2,74%
IDGC of Siberia	0,00%	9,92%
IDGC of South	1,81%	-14,12%
Lenenergo, ordinary shares	0,21%	-11,72%
TRK, ordinary shares	0,00%	-15,34%
Kubanenergo	-0,40%	-14,37%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

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Bloomberg

Reuters

MRKC
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