

# DAILY MARKET REVIEW

24 October, Tuesday

2017



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 23 October some moderately positive external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed with a rise of 0.5-0.7%, once again updating their historical records. The market was supported by good quarterly reports of a number of large companies and the adoption of a budget resolution in the US Senate, which, according to analysts, will allow the implementation of the tax reform of President Donald Trump. On Monday the main country stock indices in the Asia-Pacific region showed a predominantly positive trend, led by the Japanese Nikkei225, which added more than a percent. The Japanese market grew on the news of the success of the ruling coalition in the early elections to the lower house of the country's parliament. As experts note, the victory of Shinzo Abe speaks in favour of the fact that the policy of stimulating the economy, including soft monetary policy, will continue. Against this background, the yen has fallen to a minimum since July, which supported export-oriented Japanese companies. December Brent futures traded near the mark of \$57.9 per barrel, \$0.4 higher than our closing on Friday, 20 October. Positive background for the quotations was the information of the ministerial committee of the OPEC+ countries on the implementation of the agreement on limiting production in September at a record 120% level, as well as the message of the oilfield service company Baker Hughes about the continuing drop in the number of operating drilling rigs in the US.

The MICEX Index spent most of the trading session on Monday in a small minus within half a percent after the decrease in the price of Brent crude to \$57.4 per barrel and continued sales in "heavy" shares of Magnit after the Friday's publication of weak quarterly statements. Moderately positive sentiment on European markets, despite the Catalan crisis, could not provide significant support to the domestic market. On Saturday the government of Spain decided to remove the leadership of Catalonia from power and appoint its representative before the new elections, now this measure should be approved by the Senate, whose session is scheduled for 27 October.

As a result of the trading session the the MicexPWR Sector Index underperformed. The main contribution to the MicexPWR underperformance in comparison with the MICEX Index was made by shares of FGC UES and Rosseti, which are still pressured by the statements of the head of Rosseti about the intention of the holding to refuse to pay dividends.

## ELECTRIC POWER INDUSTRY NEWS

### "System Operator" does not want to merge "Rosseti"

"Rosseti" wants to vest stocks of "System Operator UES" (SO UES) in its authorized capital, told RIA Novosti a source in the company. "System Operator" itself is against this idea.

Read full text: <http://www.bigpowernews.ru/markets/document80242.phtml>

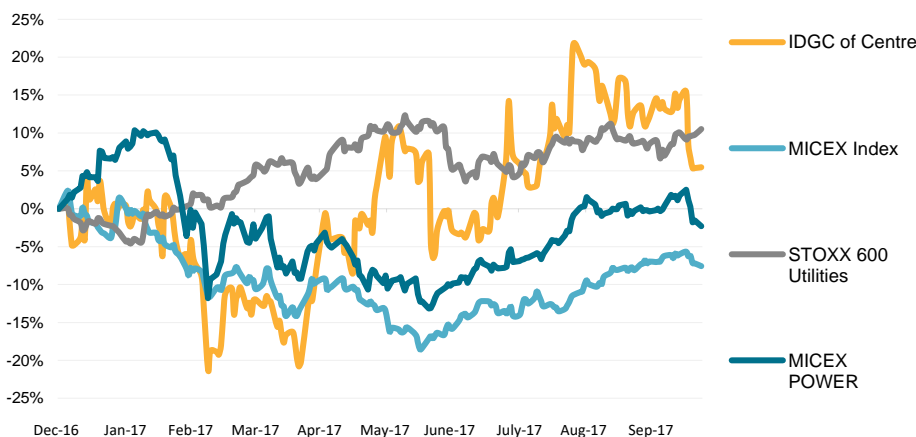
## COMPANY NEWS

### Kurskenergo for 9 months achieved a decrease in receivables by more than 41 million rubles

IDGC of Centre - Kurskenergo division summed up the work to reduce receivables for electricity transmission services for 9 months of 2017. During this period, the company managed to reduce the total amount of debt by 41.398 million rubles as part of ongoing claims and lawsuits. The sum of the main debt was reduced by 33.528 million rubles, penalties (fines) were collected in the amount of 7.870 million rubles.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/62186/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 063,81	-0,39%	-7,57%
S&P 500	2 573,31	-0,07%	14,94%
FTSE 100	7 524,45	0,02%	5,34%
DAX	13 003,14	0,09%	13,26%
DJStoxx 600	390,74	0,16%	8,11%
STOXX Utilities	305,88	0,69%	10,52%
Nikkei	21 696,65	1,11%	13,51%
Sensex	32 506,72	0,36%	22,08%
CSI300	3 930,80	0,10%	18,75%
Bovespa	75 599,88	-1,03%	25,52%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,18	0,00%	12,05%
USD/RUB	57,51	-0,10%	-4,58%
Euro/RUB	67,89	-0,06%	7,73%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 280,47	0,00%	11,13%
Brent*, USD/bbl	57,75	0,00%	1,64%

\* - December futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4715
Capitalisation**, billion RUB	19,91
Capitalisation**, million USD	346,12

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-0,78%	-2,29%
Shares of IDGC of Centre**	0,11%	5,48%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-2,06%	-16,10%
FGC UES	-2,77%	-20,57%
IDGC of Volga	-0,47%	90,71%
MOESK	0,00%	-5,01%
IDGC of Northern Caucasus	-0,80%	-15,19%
IDGC of Centre and Volga Reg	0,63%	106,35%
IDGC of North-West	-1,55%	3,64%
IDGC of Urals	-0,83%	9,12%
IDGC of Siberia	-0,17%	42,05%
IDGC of South	-3,19%	-24,62%
Lenenergo, ordinary shares	-1,25%	-6,54%
TRK, ordinary shares	0,00%	-15,97%
Kubanenergo	2,25%	-5,86%

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