

DAILY MARKET REVIEW

28 June, Wednesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 27 June some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed with a slight increase in the range of 0.1%. Investors took profits in overvalued technological stocks, Reuters reports, and moved to the so-called protective sectors, including telecommunications and power supply companies. And weak statistics on orders for durable goods in the US did not contribute to the demand for risky assets – the May decline in the figure was the maximum for six months. On Tuesday the main country indices of the Asia-Pacific region were mostly in a small plus due to moderate recovery in raw material prices and statements by the PRC Prime Minister that the target level of economic growth of 6.5% will be achieved and system risks will remain under control. August Brent futures traded near the mark of \$46.2 per barrel, \$0.4 higher than the closing level on 26 June. Expectations of significant reductions in commodity stocks of hydrocarbons in the US, including due to the tropical storm of Cindy, which caused a partial suspension of oil production in the Gulf of Mexico last week, help stabilize quotes after five weeks of sales, according to MarketWatch.

The first hours of the trading session on Tuesday, the MICEX Index was in the red at half a percent on media reports on the arrest of assets of Sistema (including the package in MTS) on the suit of Rosneft. Additional pressure on our market was made by negative sentiments on European markets – the composite index of the region Stoxx Europe 600 was losing more than half a percent after the comments of the ECB head, indicating that the regulator may begin curtailing incentive programs earlier than the market expects. In the second half of the day, the Russian market was dominated by buyers – the growth of the MICEX Index exceeded a percent thanks to the rise in Brent oil prices to around \$47 per barrel, including a sharp weakening of the US dollar after the statements of the ECB head.

As a result of the trading session, the MicexPWR Sector Index looked worse than the broad market, mainly due to a 7% drop in Irkutskenergo on media reports that minority shareholders of the company received an offer to purchase shares at a price two times lower than the price of the acquisition of Irkutskenergo's shares from Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

The Accession Agreement amended in relation to the procedure for calculating and paying liabilities under competitive capacity auction for new generation facilities

At the meeting of the Supervisory Board of the Association NP Market Council, which took place on 22 June 2017, changes were made in the Agreement on accession to the trading system of the wholesale electricity and capacity market related to the procedure for calculating and paying obligations/claims under contracts concluded on the results of competitive capacity auction of new generation facilities.

Read full text: <http://energo-news.ru/archives/141747>

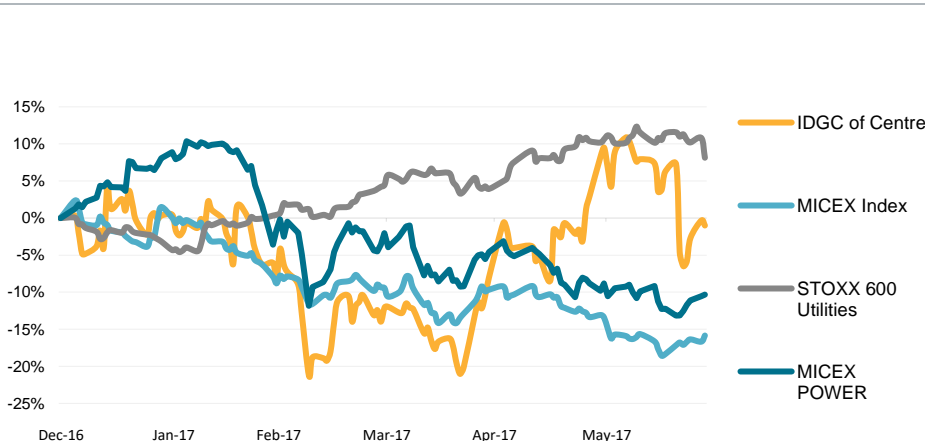
COMPANY NEWS

Specialists of IDGC of Centre for five months suppressed about five thousand facts of electricity theft

IDGC of Centre summed up the results of measures to identify and suppress non-metered and non-contractual electricity consumption for five months of 2017. In the course of large-scale raid work carried out by personnel of Distribution Zones and electricity metering offices of the company's branches, including jointly with the security unit's specialists, 4,902 facts of illegal consumption of electric power were revealed in the service area of IDGC of Centre (11 subjects of the Central Federal District).

Read full text: <https://www.mrsk-1.ru/press-center/news/company/60472/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 878,94	1,00%	-15,85%
S&P 500	2 419,38	-0,81%	8,06%
FTSE 100	7 434,36	-0,17%	4,08%
DAX	12 671,02	-0,78%	10,36%
DJStoxx 600	385,98	-0,79%	6,80%
STOXX Utilities	299,29	-2,42%	8,14%
Nikkei	20 225,09	0,36%	5,81%
Sensex	30 958,25	-0,58%	16,27%
CSI300	3 674,72	0,18%	11,02%
Bovespa	61 675,46	-0,82%	2,40%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,13	1,11%	7,56%
USD/RUB	59,00	-1,10%	-2,73%
Euro/RUB	66,08	-0,89%	3,56%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 247,17	0,20%	8,69%
Brent*, USD/bbl	46,65	1,79%	-20,69%

* - August futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4425
Capitalisation**, billion RUB	18,68
Capitalisation**, million USD	316,63

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,24%	-10,33%
Shares of IDGC of Centre**	-0,67%	-1,01%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	2,77%	-28,86%
FGC UES	1,96%	-18,06%
IDGC of Volga	-0,66%	21,34%
MOESK	0,25%	-9,58%
IDGC of Northern Caucasus	6,83%	-22,00%
IDGC of Centre and Volga Reg	0,51%	18,99%
IDGC of North-West	-2,28%	-30,00%
IDGC of Urals	-0,33%	-8,81%
IDGC of Siberia	2,44%	-19,59%
IDGC of South	-0,28%	-31,87%
Lenenergo, ordinary shares	-1,65%	-18,62%
TRK, ordinary shares	0,00%	-25,21%
Kubanenergo	-1,06%	-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
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