

DAILY MARKET REVIEW

27 September, Wednesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 26 September some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 fell 0.2% after shares of high-tech companies, on Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific showed similar changes. A deterrent for buyers is the continuing tension between the US and North Korea. The Foreign Minister of the Democratic People's Republic of Korea noted two days ago that the latest US statements regarding his country are in fact a declaration of war, and that Pyongyang reserves the right to shoot down American bombers, even if they are not in the airspace of the country. Shares of energy companies after almost a 4% increase in oil prices on Monday outperformed. November Brent futures traded near \$59.1 per barrel, \$0.8 above the closing level on 25 September. Quotations have reached a record level since July 2015 due to the holding of a referendum on independence in Iraqi Kurdistan and threats of Turkey to freeze oil purchases and cut off the pipeline connecting Iraqi Kurdistan with the outside world. According to analysts, this can remove from the market about 600,000 barrels of oil per day, which will affect the world balance of supply and demand, shifting it towards a supply deficit.

The MICEX Index spent most of the trading session in more than half a percentage plus, playing out the two-year highs of oil against the backdrop of the stability of the western exchanges. Citi's Experts warned that the oil market, in the face of a decline in investment in exploration and development of oil fields, as early as 2018, may face a fuel shortage instead of a surge in production due to the fact that the five OPEC countries, including Libya, Nigeria, Venezuela, Iran and Iraq, can pump oil at the capacity limit already this year. Citi noted that if OPEC+ countries prolong the agreement on production reduction, this would only approximate the prospect of a deficit in the market. The European Stoxx Europe 600 Index and US indices traded near zero in anticipation of the Fed Chair's speech on Tuesday evening, having ignored weak US statistics – sales of new buildings in the US fell to a minimum in eight months in August, the consumer confidence index in the US fell more than forecasts in September. Investors expect to receive additional signals regarding the prospects for further tightening of the monetary policy of the US Central Bank in conditions of insufficiently high inflation. At the end of the day, the MICEX Index reduced the rise to 0.1% following the correction of Brent below \$58 per barrel and general worsening of moods on emerging markets before the speech of the head of the Federal Reserve.

As a result of the trading session the MicexPWR Sector Index underperformed mainly due to a decrease in shares of FGC UES and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

"Rosseti" to attract a credit line in VTB for 10 billion rubles

"Rosseti" will attract a revolving credit line in VTB Bank for up to 10 billion rubles for a period of three years. This is reported by RNS with reference to the materials of the energy company.

Read full text: <https://www.kommersant.ru/doc/3421261>

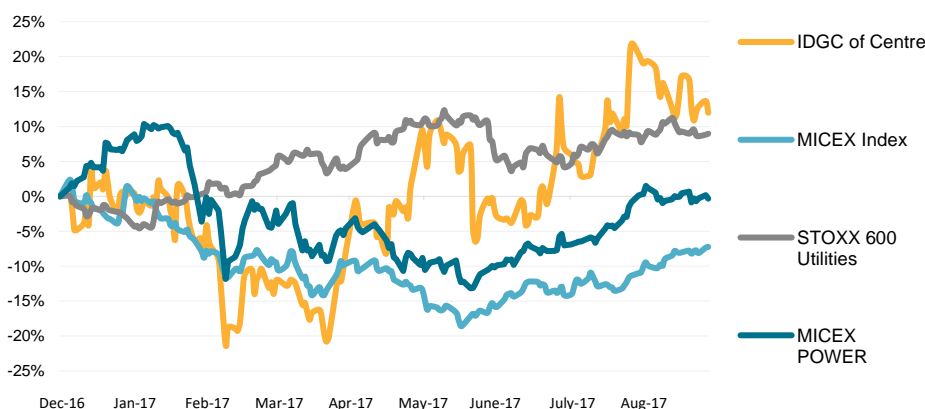
COMPANY NEWS

Personnel training is a priority of the Kostroma branch of IDGC of Centre

IDGC of Centre – Kostromaenergo division summed up the results of the training of personnel for 9 months of 2017. During the reporting period, 718 employees of the enterprise were trained. Over 4,087.6 thousand rubles were allocated for these purposes.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/62014/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 071,13	0,10%	-7,24%
S&P 500	2 496,84	0,01%	11,52%
FTSE 100	7 285,74	-0,21%	2,00%
DAX	12 605,20	0,08%	9,79%
DJStoxx 600	384,03	0,03%	6,26%
STOXX Utilities	301,60	0,12%	8,97%
Nikkei	20 330,19	-0,33%	6,36%
Sensex	31 599,76	-0,08%	18,68%
CSI300	3 820,78	0,08%	15,43%
Bovespa	74 318,72	-0,17%	23,40%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,18	-0,53%	12,03%
USD/RUB	57,57	-0,15%	-5,10%
Euro/RUB	68,56	-0,75%	7,43%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 293,98	-1,28%	12,77%
Brent*, USD/bbl	58,44	-0,98%	-0,56%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,5005
Capitalisation**, billion RUB	21,13
Capitalisation**, million USD	367,06

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-0,51%	-0,33%
Shares of IDGC of Centre**	-1,48%	11,97%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	0,21%	-10,02%
FGC UES	-0,86%	-14,86%
IDGC of Volga	-0,68%	108,66%
MOESK	-0,67%	-1,67%
IDGC of Northern Caucasus	-2,67%	-0,91%
IDGC of Centre and Volga Reg	-0,28%	119,32%
IDGC of North-West	0,16%	12,55%
IDGC of Urals	0,00%	14,59%
IDGC of Siberia	0,31%	55,68%
IDGC of South	-0,67%	-14,89%
Lenenergo, ordinary shares	0,53%	3,36%
TRK, ordinary shares	3,70%	-11,76%
Kubanenergo	0,13%	-13,68%

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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