

DAILY MARKET REVIEW

10 April, Monday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 07 April some negative external background formed on the Russian market, caused by a sharp increase in geopolitical risks after the US missile strike on the Syrian airbase. Financial markets reacted to this news by rising prices for defensive assets – the yen and gold – and increased volatility in stock exchanges. June Brent futures traded near the mark of \$55.5 per barrel, \$0.8 higher than the closing level on 06 April. Oil prices rose on news from Syria – although Syria is not a major oil producer, the situation increases the risk of escalation of the conflict in the region as a whole and the associated possible destruction of the oil infrastructure. However, according to analysts, if it becomes clear that from the US it was a one-off action, then the geopolitical premium will be withdrawn from oil prices.

On Friday the Russian market was dominated by sellers because of fears of aggravation of relations between Russia and America – at daily lows the loss of the MICEX Index exceeded 2%. In response to the attack on the Syrian base, the press secretary of the Russian president said that V. Putin regards the US strikes as aggression against a sovereign state, which causes a significant loss to Russian-American relations. Later, the Russian Foreign Ministry announced the suspension of the memorandum on the prevention of air incidents during the operation in Syria, concluded with the United States. These events, Bloomberg writes, can finally dispel the hopes that emerged last year that the new US president would take a course toward rapprochement with Russia. Moreover, investors believe that the chances of imposing new sanctions against the Russian Federation are growing. The growth of geopolitical risks put some pressure on the western markets – the European Stoxx Europe 600 Index and futures for US indices for most of the day were held in a small minus within 0.5%. The European and American statistics published during the day were ambiguous and had no significant effect on the changes of the stock markets. Unemployment in the US fell to a minimum in 10 years in March, while the number of jobs in the economy increased at a minimal pace since May last year, in February the industrial production growth in Germany was significantly better than forecast, while in France and Spain this figure decreased despite forecasts.

During the trading session the MicexPWR Sector Index looked significantly worse than the market. The main contribution to the final MicexPWR fall was made by shares of FGC UES, RusHydro and Rosseti.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Energy considers the elimination of cross subsidization one of the key tasks

The Ministry of Energy of Russia considers the elimination of cross subsidization in the electric power industry one of the key tasks for 2017, said the head of the department Alexander Novak at the final board of the ministry.

Read full text: <http://www.bigpowernews.ru/markets/document76309.phtml>

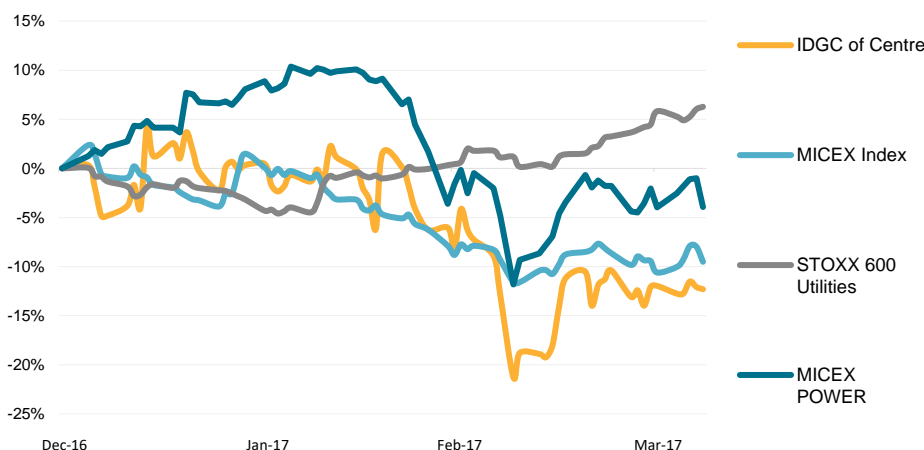
COMPANY NEWS

Overdue debts of Lipetsk energy sales company to IDGC of Centre - Lipetskenergo division exceeded 1.5 billion rubles

At the level of PJSC "Rosseti" there is serious concern expressed about the situation in the relationship between IDGC of Centre - Lipetskenergo division and OJSC "LESK". Over the years, the debt of the energy sales company to the energy sector of the Lipetsk region is accumulating.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/59624/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 020,23	-1,68%	-9,52%
S&P 500	2 355,54	-0,08%	5,21%
FTSE 100	7 349,37	0,63%	2,89%
DAX	12 225,06	-0,05%	6,48%
DJStoxx 600	381,26	0,13%	5,49%
STOXX Utilities	294,13	0,23%	6,27%
Nikkei	18 664,63	0,36%	-2,35%
Sensex	29 706,61	-0,74%	11,57%
CSI300	3 517,72	0,10%	6,27%
Bovespa	64 593,11	0,58%	7,25%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,06	-0,55%	0,70%
USD/RUB	56,44	0,97%	-6,96%
Euro/RUB	60,08	0,65%	-5,84%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 254,53	0,23%	9,33%
Brent*, USD/bbl	55,24	0,64%	-5,48%

* - June futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3920
Capitalisation**, billion RUB	16,55
Capitalisation**, million USD	293,24

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-2,98%	-3,94%
Shares of IDGC of Centre**	-0,25%	-12,30%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-4,53%	-17,04%
FGC UES	-4,02%	-12,43%
IDGC of Volga	-0,90%	8,04%
MOESK	-2,81%	8,02%
IDGC of Northern Caucasus	-2,39%	-16,55%
IDGC of Centre and Volga Reg	-0,25%	8,58%
IDGC of North-West	-4,26%	-18,18%
IDGC of Urals	-2,65%	-10,64%
IDGC of Siberia	-3,55%	-21,98%
IDGC of South	-0,25%	-24,81%
Lenenergo, ordinary shares	-0,98%	-8,08%
TRK, ordinary shares	0,00%	-5,04%
Kubanenergo	-1,64%	3,45%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers
Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC RX
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