

DAILY MARKET REVIEW

8 August, Tuesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 07 August some moderately positive external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed rising by 0.2-0.3%, while the DJIA index updated its historic high for the eighth consecutive session. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific added about half a percent. Buyers were supported by strong data on the US labour market – in July the unemployment rate decreased from 4.4% to 4.3%, updating the minimum of 16 years, the number of new jobs was better than expected, the number of new jobs in May was revised upwards. On the one hand, these statistics testify to the good condition of the world's largest economy, on the other hand, the Fed's determination to implement the exit strategy, according to experts, will mainly be determined by changes of inflation, which is quite far from the 2% target. October Brent futures traded near \$52.2 per barrel, \$0.2 lower than the closing level on Friday, 4 August. Quotations continue to consolidate around \$52 in anticipation of further drivers, which, according to industry analysts, can be the outcome of a two-day meeting of the technical committee of the OPEC+ countries, which will be held 7-8 August in Abu Dhabi. Investors expect that, thanks to Saudi Arabia, the cartel will improve the performance of the agreement on limiting production.

The MICEX Index spent the trading session on Monday in more than half a percent plus. The driver of the Russian market growth was shares of metallurgical companies, supported by a rise in prices for iron ore and steel, and Sberbank's shares on strong RAS financials for July. At the same time, the growth of Russian indices was limited to the resumed decline in oil prices and uncertain sentiment on European exchanges. Brent quotes dropped to \$51.5 per barrel due to investors' concerns about the excess supply in the world market. In addition, market participants are waiting for the end of the active driving season in the US, which contributed to higher demand for gasoline and reduced fuel supplies. In turn, the worsening of sentiment in Europe was caused, among other things, by the first half-year decline in the volume of industrial production in Germany in June. An additional limiting factor for Russian investors was Moody's statement that extended US sanctions are negative for Russia's creditworthiness, as they will continue to restrain investment in the Russian economy, and will also lead to an intensification of the crisis in Russia's relations with Western countries. At the end of the day the MICEX Index was supported by a small growth of the US market in early trading and the rebound of Brent quotes from the session lows.

As a result of the trading session the MicexPWR Sector Index underperformed mainly due to a decrease in the value of shares of IDGC of Centre and Volga Region, Enel Russia and Rosseti.

ELECTRIC POWER INDUSTRY NEWS

Mandatory requirements for reliability and safety of operation of power facilities to be approved in the near future, says the Ministry of Energy

The Ministry of Energy of Russia expects in the near future to adopt a number of documents designed to establish mandatory requirements for reliability and safety of operation of power facilities, the press service of the Ministry of Energy said, citing the words of Deputy Director of the Department for Operational Control and Management in the Electric Power Industry of the Ministry of Energy of the Russian Federation Igor Baikov.

Read full text: <http://www.bigpowernews.ru/markets/document78884.phtml>

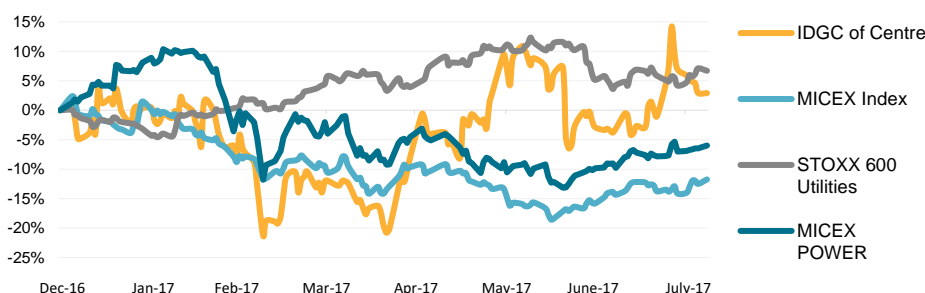
COMPANY NEWS

IDGC of Centre in the first half-year performed more than 18 thousand grid connection contracts

IDGC of Centre summarized the work on connection to electric grids in the first half of 2017. During the reporting period, the company received 26,000 applications for grid connection, and 18,200 contracts were executed. The total connected capacity under the executed contracts was 396 MW.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/60988/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 970,37	0,86%	-11,75%
S&P 500	2 480,91	0,16%	10,81%
FTSE 100	7 531,94	0,27%	5,45%
DAX	12 257,17	-0,33%	6,76%
DJStoxx 600	382,01	-0,14%	5,70%
STOXX Utilities	295,29	-0,39%	6,69%
Nikkei	20 055,89	0,52%	4,93%
Sensex	32 273,67	-0,16%	21,21%
CSI300	3 726,80	0,52%	12,59%
Bovespa	67 939,66	1,56%	12,81%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,18	0,14%	12,09%
USD/RUB	60,33	-0,69%	-0,54%
Euro/RUB	71,69	-0,37%	12,34%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 257,85	-0,08%	9,62%
Brent*, USD/bbl	52,37	-0,10%	-10,95%

* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4600
Capitalisation**, billion RUB	19,42
Capitalisation**, million USD	321,91

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,48%	-6,01%
Shares of IDGC of Centre**	0,00%	2,91%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-0,14%	-23,15%
FGC UES	0,06%	-16,29%
IDGC of Volga	0,00%	69,55%
MOESK	0,23%	-4,79%
IDGC of Northern Caucasus	-4,21%	-17,46%
IDGC of Centre and Volga Reg	-2,12%	78,04%
IDGC of North-West	0,96%	-4,55%
IDGC of Urals	-0,94%	-4,26%
IDGC of Siberia	-1,88%	5,73%
IDGC of South	-0,70%	-19,08%
Lenenergo, ordinary shares	0,31%	-10,81%
TRK, ordinary shares	0,00%	-15,76%
Kubanenergo	1,07%	-13,33%

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