

DAILY MARKET REVIEW

21 August, Monday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 18 August some moderately negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed with a fall of 1.2-1.5%, on Friday the main country indices of the Asia-Pacific region showed mostly negative changes. The reason for the sale of risky assets was the growing political uncertainty in Washington and the terrorist attacks in Barcelona. Following the dissolution of the two advisory councils working under the administration of the US president, the US media reported (which was later refuted) that the head of the US National Economic Council and the possible future head of the Federal Reserve, Gary Cohn, who actively promoted the tax reform, intends to leave his post because of disagreement with the position of Donald Trump about the disorders in Virginia. As noted by analysts, the actions of Donald Trump increasingly distance him from the Congress, depriving the necessary support in the implementation of the promised reforms to stimulate the economy. Already after the closure of the US stock exchanges, it became known that the US president refused to create a business council, which was to advise him on the investment in infrastructure, on which was planned to spend \$1 trillion. October Brent futures traded near \$51.1 per barrel, \$0.4 above the closing level on 17 August. Quotes, declining almost all the week, on Thursday adjusted upward, moving away from the round mark of \$50 per barrel.

On Friday Russian and European markets were dominated by sellers. Throughout the trading session the MICEX Index and the Stoxx Europe 600 Index were in more than half a percent minus within the global trend of reducing the positions in risky assets due to political and economic uncertainty in the US and the increased terrorist threat in Europe. At the end of the day insignificant support for the markets was provided by statistics from the US, where the consumer confidence index rose to a maximum in August since January, a slight increase in the US indices as part of the correction after a strong drop on Thursday and a rise in Brent to \$52 per barrel.

During the trading session the changes of the MicexPWR Sector Index in general corresponded to the MICEX Index. The main contribution to the final MicexPWR decline was made by shares of FGC UES and RusHydro. Ambiguous IFRS statements of FGC UES for 1H2017 could not support the company's shares: revenue fell 8.1% y/y, to 101.6 billion rubles, adjusted EBITDA increased by 11.4%, to 68.6 billion rubles, Net profit fell almost twice, to 25 billion rubles. Adjusted net profit increased by 9.6%, to 37.6 billion rubles.

ELECTRIC POWER INDUSTRY NEWS

Within the Days of Rosseti, the Company's Director General Oleg Budargin had a working visit to the Yaroslavl region

Director General of the Company "Rosseti" Oleg Budargin had a working visit to the Yaroslavl region. During the trip, organized within the framework of the Days of Rosseti, the head of the company met with leaders of the region, held a meeting with the largest manufacturers of electrotechnical equipment in the Yaroslavl region and visited a number of specialized enterprises.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=31185

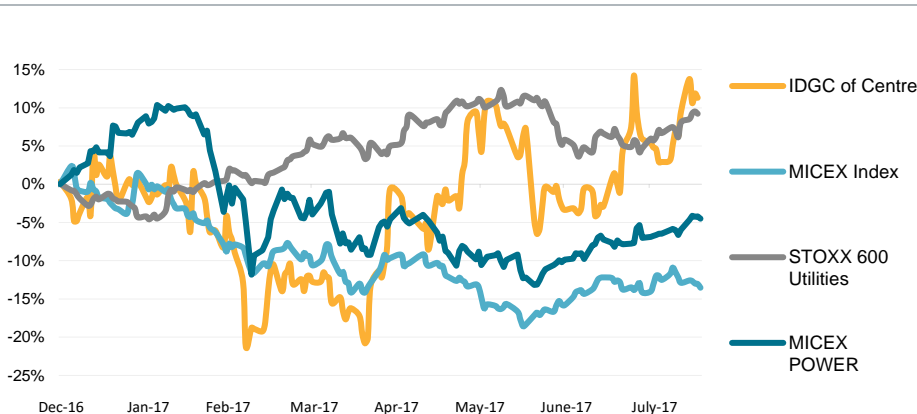
COMPANY NEWS

For half a year Belgorodenergo reconstructed in the region 155 kilometres of rural power lines

Specialists of IDGC of Centre - Belgorodenergo division in the first half of the year carried out a comprehensive reconstruction of 155 kilometres of 0.4-10 kV power lines in 22 settlements of the Belgorod region. The power supply circuits were optimized, modern package transformer substations were installed, more powerful and with reduced power consumption.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/61114/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 930,71	-0,56%	-13,53%
S&P 500	2 430,55	0,02%	8,56%
FTSE 100	7 323,98	-0,86%	2,54%
DAX	12 165,19	-0,31%	5,96%
DJStoxx 600	374,20	-0,71%	3,54%
STOXX Utilities	302,30	-0,27%	9,22%
Nikkei	19 470,41	-1,18%	1,86%
Sensex	31 524,68	-0,85%	18,40%
CSI300	3 724,67	0,09%	12,53%
Bovespa	68 569,63	0,87%	13,85%

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

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,17	0,00%	11,47%
USD/RUB	59,25	-0,68%	-1,70%
Euro/RUB	69,65	-0,49%	10,52%

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

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 286,18	0,00%	11,62%
Brent*, USD/bbl	51,03	0,00%	-10,19%

* - October futures

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

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4975
Capitalisation**, billion RUB	21,00
Capitalisation**, million USD	354,49

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-0,34%	-4,52%
Shares of IDGC of Centre**	-0,50%	11,30%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	0,67%	-18,75%
FGC UES	-1,40%	-16,81%
IDGC of Volga	-0,27%	67,32%
MOESK	-1,12%	-2,00%
IDGC of Northern Caucasus	-4,39%	-16,10%
IDGC of Centre and Volga Reg	-0,34%	99,73%
IDGC of North-West	-1,75%	1,82%
IDGC of Urals	-1,48%	0,91%
IDGC of Siberia	0,53%	36,68%
IDGC of South	-0,45%	-14,69%
Lenenergo, ordinary shares	0,00%	-8,63%
TRK, ordinary shares	-5,44%	-15,97%
Kubanenergo	0,00%	-14,94%

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