

DAILY MARKET REVIEW

24 July, Monday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 21 July some moderately negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed with a small decrease in the range of 0.15%. Good data from the US labour market – the number of Americans, who applied for unemployment benefits for the first time, decreased to a minimum in two months – were offset by concerns about the impending curtailment of the ECB's stimulus after the press conference of Mario Draghi. An unpleasant surprise for the markets was also media reports that the US special prosecutor investigating the alleged Russian influence on the American elections decided to collect information on a number of business operations of President Donald Trump. Against this background, the dollar index DXY has updated the new minimum since August 2016. The subsequent strengthening of Asian currencies, coupled with the desire of traders to take profits led to the first in ten sessions reduction of the composite index of the Asia-Pacific region MSCI Asia Pacific within half a percent. September Brent futures traded near the mark of \$49.4 per barrel, at the level of our closing on 20 July. After testing the resistance level at \$50, quotes moved to consolidation in anticipation of further drivers, which, according to industry analysts, could be published on Friday evening data on the number of drilling rigs from Baker Hughes, as well as the upcoming meeting of the OPEC+ committee. According to media reports, key members of the cartel and Russia are going to maintain, but not expand the current program to limit production.

Most of the trading session, the MICEX Index was on average in a percent minus. The Russian market was pressured by reduction of Brent quotations to around \$48.5 per barrel, continued sales in Europe and growing concerns about the possible rapid expansion of US anti-Russian sanctions. The European Stoxx Europe 600 Index in the second half of the day lost more than a percent due to investors' concerns about inevitable tightening of the ECB's monetary policy and German Der Spiegel's information that the largest car manufacturers in Germany can be implicated in cartel collusion. As for the sanctions, the chairman of the US Senate Foreign Relations Committee said that the failure of the bill to reform the health care system in exchange for Obamacare could free time for the adoption of a bill on new sanctions against Russia in August. In turn, Bloomberg said that members of the House of Representatives have made some progress in agreeing a bill on new sanctions against Russia, and voting on it may take place next week. An additional negative factor for the Russian market at the end of the day was the decline in US indices due to deterioration in the prospects for the implementation of presidential economic initiatives and unfavourable expectations of analysts for quarterly reporting of a number of companies. Against this backdrop, the MICEX Index lost 1.1% and closed near daily lows.

As a result of the trading session, the MicexPWR Sector Index outperformed mainly due to growth of shares of Inter RAO and Enel Russia.

ELECTRIC POWER INDUSTRY NEWS

Siemens temporarily suspends the supply of energy equipment to Russian state-owned companies

Read full text: <http://www.bigpowernews.ru/news/document78435.phtml>

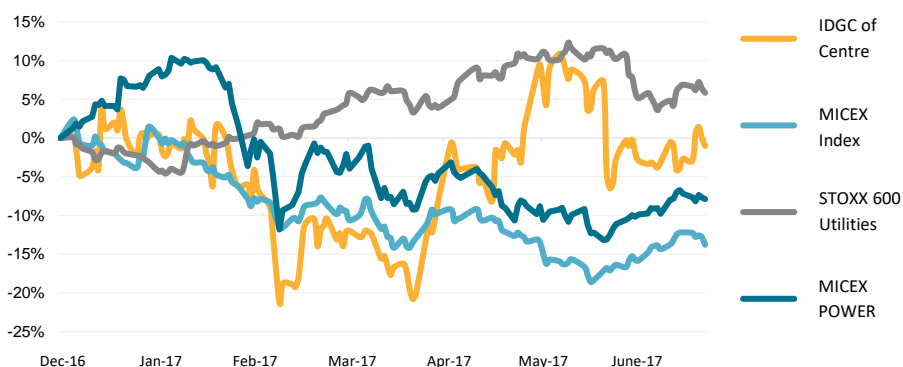
COMPANY NEWS

Annual report of IDGC of Centre won the silver award of the international LACP competition

The annual report of IDGC of Centre for 2016 received the silver award of the international 2016 Vision Awards competition in the sector "Utilities – Electric".

Read full text: <https://www.mrsk-1.ru/press-center/news/company/60714/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 925,13	-1,10%	-13,78%
S&P 500	2 472,54	-0,04%	10,44%
FTSE 100	7 452,91	-0,47%	4,34%
DAX	12 240,06	-1,66%	6,61%
DJStoxx 600	380,16	-1,02%	5,19%
STOXX Utilities	292,95	-0,51%	5,85%
Nikkei	20 099,75	-0,22%	5,16%
Sensex	32 028,89	0,39%	20,29%
CSI300	3 728,60	-0,51%	12,64%
Bovespa	64 684,18	-0,39%	7,40%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,17	0,25%	10,90%
USD/RUB	59,08	-0,27%	-2,60%
Euro/RUB	68,00	-0,40%	6,57%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 254,98	0,84%	9,37%
Brent*, USD/bbl	48,06	-2,52%	-18,32%

* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4425
Capitalisation**, billion RUB	18,68
Capitalisation**, million USD	316,19

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-0,21%	-7,86%
Shares of IDGC of Centre**	-1,01%	-1,01%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-1,58%	-26,80%
FGC UES	-1,49%	-17,10%
IDGC of Volga	-1,49%	42,14%
MOESK	1,20%	-6,24%
IDGC of Northern Caucasus	-2,59%	-23,13%
IDGC of Centre and Volga Reg	-0,25%	33,11%
IDGC of North-West	1,84%	-9,27%
IDGC of Urals	0,33%	-7,60%
IDGC of Siberia	-0,76%	-6,45%
IDGC of South	-1,47%	-23,28%
Lenenergo, ordinary shares	-2,27%	-10,26%
TRK, ordinary shares	0,00%	-18,07%
Kubanenergo	-1,76%	-16,55%

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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