

# DAILY MARKET REVIEW

18 July, Tuesday

2017



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 17 July some moderately positive external background formed on the Russian market. On Friday the US indices DJIA and S&P500, having updated their historical highs, closed with an increase of 0.4-0.5%. The markets were supported by growing expectations of a more cautious approach by the Fed to tighten monetary policy after the release of weak statistics. In the US, in June, the pace of annual inflation (Core CPI) slowed to a minimum since February 2015, retail sales, contrary to forecasts, declined for the second consecutive month, the consumer confidence index in July fell to a minimum since October 2016. On Monday the main country stock indices of the Asia-Pacific region showed mixed trends, Japan's stock exchanges were closed in connection with the celebration of the Marine Day. The uncertainty of sentiment in the Asian markets was due to news from China. On the one hand, published statistics surpassed analysts' forecasts: GDP in the second quarter increased by 6.9% – the maximum rate since 2015, the growth of industrial production and retail sales in June accelerated to 7.6% and 11% y/y, respectively. On the other hand, the CSI 300 lost 1.1% on fears of tightening regulation of the financial sector of the country – the chairman of the PRC at the weekend said that the Central Bank would play a more significant role in protecting against market risks, and called for the modernization of the regulatory standards relating to China's financial system. September Brent futures traded near \$49 per barrel, slightly above the closing level on Friday, 14 July. The oil market continues to grow on expectations of an increase in global demand and a reduction in world reserves. At the same time, the growth of quotations was restrained by the data of Baker Hughes, which recorded an increase in the number of oil drilling rigs in the US.

A half-percentage increase in the MICEX Index to a maximum in almost two months at the beginning of trading was replaced by a decrease by a similar amount in the middle of the day. After five days of growth in the Russian market, analysts note, investors preferred to take profits, given the inability of Brent quotes to gain a foothold above \$49 per barrel and worsening sentiment on European markets. The European Stoxx Europe 600 Index, which grew up due to mining stocks on strong statistics on the Chinese economy, went down after the publication of data on inflation in the Eurozone – the consumer price growth in June slowed to the lowest since December 2016, 1.3% in annual terms. At the end of the day the MICEX Index was able to rise to zero after the neutral start of trading in the US.

As a result of the trading session the MicexPWR Sector Index underperformed. The main contribution to the underperformance of the sector indicator in comparison with the MICEX Index was made by shares of Rosseti and FGC UES, the volatility of which rose before the ex-dividend date.

## ELECTRIC POWER INDUSTRY NEWS

### The list of problem regions that receive energy subsidies from consumers of the wholesale energy market may expand, says the newspaper

Now the market already pays extra for the Far East, the Crimea and the Kaliningrad region, but since August a special addition to the price may be introduced for the Kurgan region.

Read full text: <http://www.bigpowernews.ru/markets/document78351.phtml>

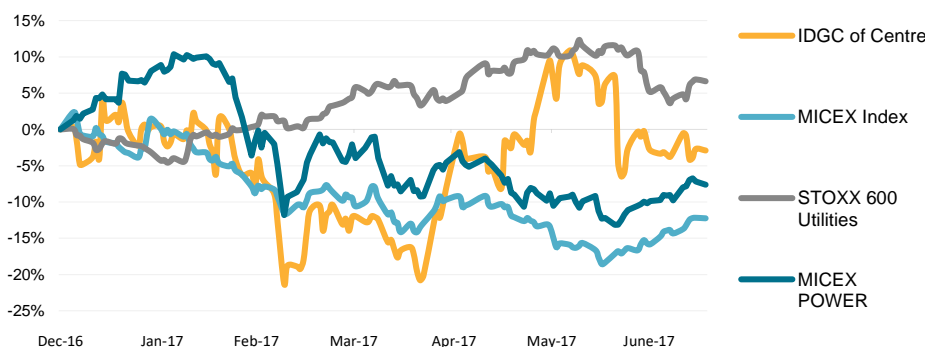
## COMPANY NEWS

### Since the beginning of the year in the Smolensk region almost 1,400 power supply restrictions for consumers implemented

In the first half of 2017, IDGC of Centre - Smolenskenergo division at the request of a branch of "JSC AtomEnergoSbyt" "SmolenskAtomEnergoSbyt", implemented restriction of electric power supply to 1,386 debtors with significant accounts receivable for consumed electric energy.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/60665/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 959,11	-0,08%	-12,25%
S&P 500	2 459,14	-0,01%	9,84%
FTSE 100	7 404,13	0,35%	3,66%
DAX	12 587,16	-0,35%	9,63%
DJStoxx 600	386,86	0,01%	7,04%
STOXX Utilities	295,12	-0,24%	6,63%
Nikkei	20 118,86	0,00%	5,26%
Sensex	32 074,78	0,17%	20,46%
CSI300	3 663,56	-1,07%	10,68%
Bovespa	65 212,31	-0,34%	8,28%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,15	0,02%	9,08%
USD/RUB	59,88	-0,50%	-1,28%
Euro/RUB	68,36	-0,66%	7,13%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 234,11	0,44%	7,55%
Brent*, USD/bbl	48,42	-1,00%	-17,71%

\* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4340
Capitalisation**, billion RUB	18,32
Capitalisation**, million USD	305,99

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-0,48%	-7,64%
Shares of IDGC of Centre**	-0,23%	-2,91%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-2,73%	-26,10%
FGC UES	-1,75%	-12,97%
IDGC of Volga	2,89%	36,88%
MOESK	-0,59%	-6,46%
IDGC of Northern Caucasus	0,95%	-27,44%
IDGC of Centre and Volga Reg	-0,73%	28,31%
IDGC of North-West	-0,67%	-19,09%
IDGC of Urals	-1,33%	-10,03%
IDGC of Siberia	-0,15%	-20,07%
IDGC of South	-1,25%	-24,81%
Lenenergo, ordinary shares	-3,74%	-13,44%
TRK, ordinary shares	0,00%	-20,17%
Kubanenergo	-0,13%	-12,87%

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