

DAILY MARKET REVIEW

14 April, Friday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 13 April some moderately negative external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed lower by 0.3-0.4%, on Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific showed comparable trends. Geopolitical tension in the world remains, writes Reuters, which makes investors avoid investments in risky assets. In addition, the surprise for the markets was the interview of Donald Trump for WSJ, in which he radically changed rhetoric in comparison with the pre-election declarations. In particular, analysts drew attention to the following statements by the president: The Fed is desirable to maintain low interest rates, the dollar becomes "too strong" and undermines the competitiveness of US producers, the US will not accuse China of currency manipulation. Strong statistics from China held the markets in the Asian session from a greater decline, where the growth of exports and imports in March exceeded forecasts, the trade balance returned to a surplus after an unexpected shortage in February. June Brent futures traded near the mark of \$55.9 per barrel, \$0.2 lower than the closing level on 12 April. A limiting factor for the oil market was the information of the US Department of Energy on the growth of production in the country to a maximum since January 2016 and the IEA statement that the main objective of the OPEC+ agreement on cutting oil production – reducing world reserves – is not reached, in March they again grew up.

The changes of trading on the Russian market on Thursday were distinguished by high volatility – the growth of the MICEX Index within 0.5% at the beginning of trading was quickly replaced by a drop of 1.7% on the missing news background for such a movement. Moreover, investors expected the market to rise on the news of constructive talks between the Russian president and the head of the Russian Foreign Ministry with the US Secretary of State, which resulted in the parties including agreed to create a working group to resolve problem issues, and the statement of First Deputy Prime Minister Igor Shuvalov that the authorities want "to take maximum" of 50% of profits from state-owned companies, and for exceptions to work out a complex procedure. In the second half of the day the MICEX Index was able to play practically all losses back against the backdrop of a moderately positive start of trading in the US, where investors were supported by better-than-expected statistics on applications for unemployment benefits and the consumer confidence index in April, and good reporting by JPMorgan and Citigroup.

During the trading session the changes of the MicexPWR Sector Index in general corresponded to the the broad market. The main contribution to the small final MicexPWR growth was made by shares of RusHydro, Rosseti and FGC UES. RusHydro's shares recovered after a 12% drop in the previous four trading sessions, shares of electric grid companies grew on the "dividend" statements of First Deputy Prime Minister Igor Shuvalov.

ELECTRIC POWER INDUSTRY NEWS

Exercise for division

The White House has not yet decided on the general policy of collecting dividends from state companies, but they are targeting the companies "to pay dividends as much as possible", First Deputy Prime Minister Igor Shuvalov said yesterday. In the meantime, Association of Institutional Investors appealed to him with the idea to keep the minimum share of profits of state companies allocated for dividends at the level of 50%, increasing it to 75% for individual companies. This will make Russia the leader in yield among emerging markets, the association is sure, but seriously the White House has not yet discussed the idea.

Read full text: <http://www.kommersant.ru/doc/3269371>

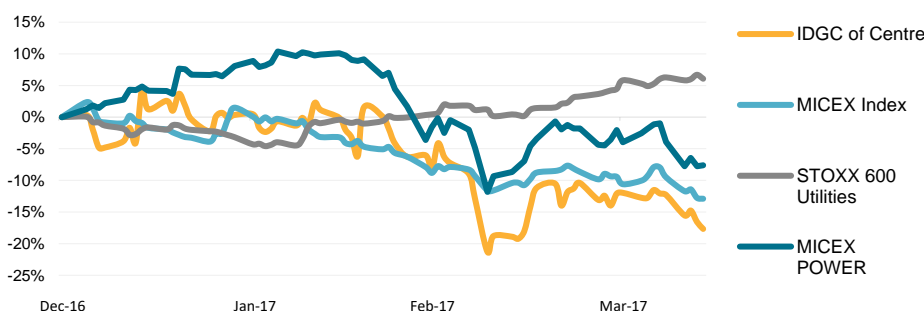
COMPANY NEWS

Bryanskenergo continues work on recovery of accounts receivable

IDGC of Centre – Bryanskenergo division conducts regular work aimed at reducing accounts receivable for electricity transmission services. One of its most important components is claims and lawsuits.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/59673/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 944,70	-0,16%	-12,90%
S&P 500	2 328,95	-0,68%	4,03%
FTSE 100	7 327,59	-0,29%	2,59%
DAX	12 109,00	-0,38%	5,47%
DJStoxx 600	380,58	-0,35%	5,30%
STOXX Utilities	293,55	-0,59%	6,06%
Nikkei	18 426,84	-0,68%	-3,60%
Sensex	29 461,45	-0,61%	10,65%
CSI300	3 514,76	0,15%	6,18%
Bovespa	62 826,28	-1,67%	4,32%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,06	0,19%	1,00%
USD/RUB	56,76	-0,35%	-6,43%
Euro/RUB	60,26	-0,07%	-5,56%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 287,92	0,09%	12,24%
Brent*, USD/bbl	55,89	0,05%	-4,36%

* - June futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3680
Capitalisation**, billion RUB	15,54
Capitalisation**, million USD	273,74

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,16%	-7,60%
Shares of IDGC of Centre**	-1,34%	-17,67%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	2,58%	-20,19%
FGC UES	0,72%	-13,93%
IDGC of Volga	-1,47%	7,77%
MOESK	0,74%	5,68%
IDGC of Northern Caucasus	-1,77%	-24,49%
IDGC of Centre and Volga Reg	-1,29%	3,38%
IDGC of North-West	-2,24%	-20,73%
IDGC of Urals	-0,37%	-18,24%
IDGC of Siberia	-0,97%	-27,00%
IDGC of South	-5,23%	-34,35%
Lenenergo, ordinary shares	3,86%	-4,63%
TRK, ordinary shares	-4,21%	-13,87%
Kubanenergo	0,46%	0,23%

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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