

DAILY MARKET REVIEW

16 August, Wednesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 15 August some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 added 0.6-1.0%, while the S&P500 increased by 1% for the first time in three months, on Tuesday the main country indices of the Asia-Pacific region showed similar changes. The weakening of the threat of war between the US and the DPRK and the growing hopes for a diplomatic solution to the conflict prompted investors to withdraw from the defensive assets in favour of shares. Additional support for Asian indices was given by the decline in local currencies against the dollar, provoked by comments from the head of the Federal Reserve Bank of New York, who spoke in favour of continuing a slow rise in interest rates, even with inflation below the target level of the US Central Bank at 2%. October Brent futures traded near \$50.8 per barrel, \$0.8 lower than the closing level on 14 August. Pressure on quotations in addition to the dollar strengthening was provided by the forecast of the US Department of Energy, according to which in September the production of oil at the largest shale deposits of the country will grow for the ninth month in a row and reach a historical record of 6.149 million barrels per day.

Most of the trading session the MICEX Index was in a small minus on average about half a percent after the fall of Brent to around \$50.1 per barrel. The activity of sellers in the Russian market was limited to moderately positive sentiments on western markets, where, firstly, investors continued to play back the decline in geopolitical risks associated with the DPRK, and secondly, good statistics provided support to markets. In the US retail sales in July rose at the highest rate since the beginning of the year, while the indicators for June were improved, in Germany the GDP growth in the second quarter exceeded expectations in annual terms, the growth rate of the economy in the first quarter was revised upward. At the end of the day the MICEX Index was able to reduce losses to 0.1% after the turn of Brent quotes from the daily lows.

During the trading session the MicexPWR Sector Index looked better than the broad market. The main contribution to the final rise of the sector indicator in antiphase with the MICEX Index was made by shares of Rosseti, FGC UES and IDGC of Centre. The second day in a row, the shares of electric grid companies are better than the market. At the same time, a strong growth in a number of securities is mainly due to their low liquidity. In particular, the two-day ruble turnover in the shares of IDGC of Siberia, the value of which has risen by almost 60% since the beginning of the week, amounted to 11.5 million rubles.

ELECTRIC POWER INDUSTRY NEWS

Debts in the retail electricity market of Russia for 6 months decreased by 0.3%

Consumer debt in the retail electricity market in Russia, according to the data at the end of June 2017, amounted to 223.6 billion rubles, 0.3% down since the beginning of the year, follows from the presentation of First Deputy Chairman of the Board of the Centre for Financial Settlements (CFR) Dmitry Chernov.

Read full text: <http://1prime.ru/INDUSTRY/20170814/827793780.html>

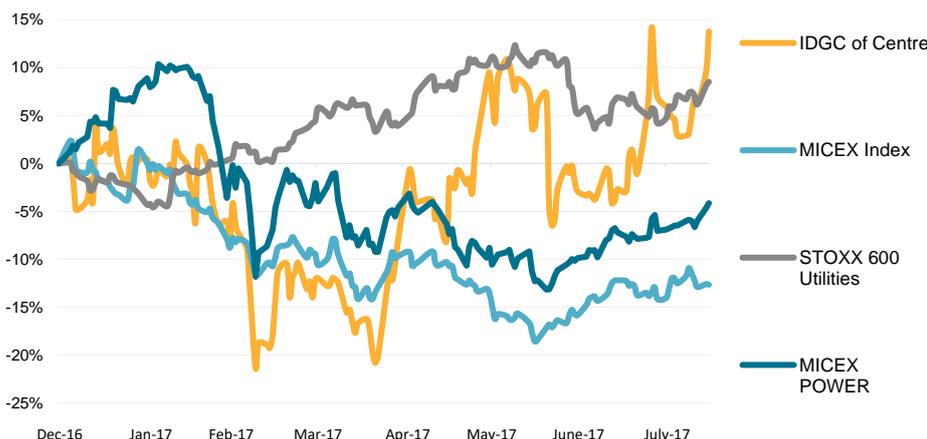
COMPANY NEWS

Kurskenergo in the first half of the year achieved a decrease in receivables for electricity transmission services by 148 million rubles

Specialists of IDGC of Centre – Kurskenergo division carry out systematic work aimed at paying off receivables for electric power transmission services. For 6 months of 2017 the power engineers managed to achieve its reduction by 148 million rubles.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/61059/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 950,28	-0,08%	-12,65%
S&P 500	2 464,61	-0,05%	10,08%
FTSE 100	7 383,85	0,41%	3,37%
DAX	12 177,04	0,10%	6,06%
DJStoxx 600	376,50	0,09%	4,17%
STOXX Utilities	300,35	0,38%	8,52%
Nikkei	19 753,31	1,11%	3,34%
Sensex	31 449,03	0,00%	18,11%
CSI300	3 706,06	0,31%	11,96%
Bovespa	68 355,13	0,10%	13,50%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,17	-0,47%	11,60%
USD/RUB	59,80	-0,65%	-1,41%
Euro/RUB	70,66	-0,12%	10,74%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 271,53	-0,83%	10,81%
Brent*, USD/bbl	50,80	0,14%	-13,62%

* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,5085
Capitalisation**, billion RUB	21,47
Capitalisation**, million USD	359,00

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,58%	-4,12%
Shares of IDGC of Centre**	3,88%	13,76%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	2,78%	-18,82%
FGC UES	1,30%	-15,55%
IDGC of Volga	-0,11%	69,29%
MOESK	1,86%	-2,34%
IDGC of Northern Caucasus	6,15%	-13,83%
IDGC of Centre and Volga Reg	-0,27%	99,26%
IDGC of North-West	6,81%	2,73%
IDGC of Urals	4,63%	3,04%
IDGC of Siberia	17,07%	43,37%
IDGC of South	5,29%	-12,60%
Lenenergo, ordinary shares	0,71%	-9,81%
TRK, ordinary shares	0,00%	-15,97%
Kubanenergo	-2,55%	-16,67%

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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