

DAILY MARKET REVIEW

5 July, Wednesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 04 July some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed with an increase of 0.2-0.6% due to higher oil prices and favourable statistics – the index of business activity in the US manufacturing sector surpassed the forecast and rose to a maximum in three years. On Tuesday the main country indices of the Asia-Pacific region showed mostly negative changes due to news about the next launch of the ballistic missile by North Korea and the sale in the Hong Kong market. A positive exception in the Asian session was the Australian S&P/ASX200, which added 1.7% on the weakening of the local dollar after the Central Bank of the country had maintained a soft monetary policy. September Brent futures traded near the mark of \$49.5 per barrel, slightly above the closing level on 03 July. Quotes have been rising for the ninth consecutive session, which, according to MarketWatch, is the longest period of the market's rise in more than seven years. At the same time, the results of the industry poll, conducted by Bloomberg, which testify to the increase in oil production by the OPEC countries in June to the maximum level this year, was a limiting factor for the further rally. The increase in production is mainly due to the increase in oil production in countries exempt from participation in the agreement on the limitation of production – Libya and Nigeria.

On Tuesday the MICEX index spent the trading session with more than half a percentage point plus, mainly due to purchases of "heavy" index securities of Gazprom and Sberbank. Support for the shares of the gas giant was provided by the strong operating results of the first half of the year, the approach of the ex-dividend date and the expectation of a possible increase in the dividend payout ratio following Rosneft, which, according to media reports, is ready to pay 50% of profit already for the first half of 2017. In turn, the shares of Sberbank for the third day are actively in demand by investors after Friday's publication of Vedomosti that the budget of 2018-2020 has allocated more than twofold increase in dividend payments of the state bank in comparison with payments for the results of 2016. At the end of the day, the support to the Russian market was provided by the return of Brent oil quotations to around \$50 per barrel.

During the trading session, the changes of the MiceXPWR Sector Index generally corresponded to the broad market. The main contribution to the final rise in the sector indicator was made by shares of FGC UES and Rosseti.

ELECTRIC POWER INDUSTRY NEWS

Mr. Putin signed a law on the reduction of energy tariffs in the Far Eastern Federal District to the level of average Russian

Russian President Vladimir Putin signed a law providing for the reduction of the price for electricity in the Far East to the average Russian level, the relevant document was published on 30 June on the official portal of legal information.

Read full text: <http://www.bigpowernews.ru/markets/document78035.phtml>

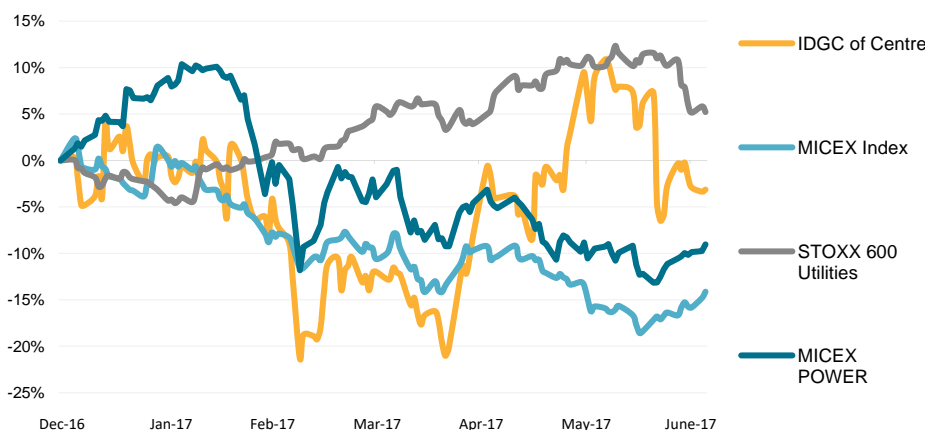
COMPANY NEWS

Smolenskenergo summed up the summer measurement of electrical loads and voltage levels in grids

At certain time intervals, power engineers of IDGC of Centre - Smolenskenergo division carried out control measurements of loads of all windings of transformers, 110, 35, 10 and 6 kV outgoing lines, bus voltages.

Read full text: <http://www.energyland.info/analytic-show-160404>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 917,40	0,78%	-14,12%
S&P 500	2 429,01	0,00%	8,49%
FTSE 100	7 357,23	-0,27%	3,00%
DAX	12 437,13	-0,31%	8,33%
DJStoxx 600	382,30	-0,29%	5,78%
STOXX Utilities	291,18	-0,58%	5,21%
Nikkei	20 032,35	-0,12%	4,80%
Sensex	31 209,79	-0,04%	17,21%
CSI300	3 619,98	-0,85%	9,36%
Bovespa	63 231,59	-0,08%	4,99%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,14	-0,05%	7,93%
USD/RUB	58,97	-0,70%	-2,78%
Euro/RUB	67,20	-0,89%	5,31%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 223,42	0,26%	6,62%
Brent*, USD/bbl	49,61	-0,14%	-15,69%

* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4330
Capitalisation**, billion RUB	18,28
Capitalisation**, million USD	310,00

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,79%	-9,03%
Shares of IDGC of Centre**	0,23%	-3,13%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	2,40%	-29,10%
FGC UES	1,90%	-12,89%
IDGC of Volga	1,76%	24,11%
MOESK	0,63%	-10,80%
IDGC of Northern Caucasus	-2,37%	-25,17%
IDGC of Centre and Volga Reg	-0,85%	25,74%
IDGC of North-West	5,90%	-24,91%
IDGC of Urals	-1,33%	-10,03%
IDGC of Siberia	-0,90%	-20,67%
IDGC of South	1,08%	-28,63%
Lenenergo, ordinary shares	0,11%	-17,44%
TRK, ordinary shares	0,83%	-23,74%
Kubanenergo	0,54%	-14,48%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

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Bloomberg

Reuters

MRKC

MRKC:RM

MRKC.MM