

DAILY MARKET REVIEW

26 May, Friday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 25 May some moderately positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed with rising by 0.2-0.4%, with the S&P500 closing at its historic high, on Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific added more than half a percent. The optimism of investors was facilitated by the Minutes of the May meeting of the Fed, which showed that the US economy is in good shape. This is evidenced by the willingness of the regulator, as it follows from the Minutes, to continue raising the base interest rate and begin to reduce the volume of assets on the balance. After the publication of the Federal Reserve's Minutes, the market raised the probability of an interest rate hike in June to 83%. July Brent futures traded near \$54.4 per barrel, \$0.4 higher than the closing level on 24 May. Oil quotations grew both on the recommendation of the monitoring committee of OPEC+ countries to extend the production limitation agreement for another nine months, as well as on data from the US Department of Energy, indicating more than expected reduction in oil reserves in the country.

Most of the trading session the MICEX Index and the European Stoxx Europe 600 Index were flat near the zero mark. The central event in the world markets on Thursday was the decision of the OPEC+ countries to extend the global pact to limit supplies until the end of the first quarter of 2018, while maintaining a general level of oil production decline of 1.8 million barrels per day. According to the Saudi Energy Minister, the oil-producing countries discussed a deeper decline in production, but this idea was rejected – according to the minister, the planned level of cuts will be "more than enough" at the moment. This information was the reason for increasing volatility in the oil market – Brent quotes fell below \$52.5 per barrel. At the end of the day the MICEX Index gained a foothold in the negative area, despite the growth by 0.5% of the major indices in the US, where investors were supported, including, by better-than-expected statistics on claims for unemployment benefits.

During the trading session the changes of the MicexPWR Sector Index in general corresponded to the MICEX Index. The main contribution to the final decline in the sector indicator was made by shares of FGC UES and Rosseti, which were pressured by mass media information with reference to the statement of Deputy Minister of Economic Development N. Podguzov that the ministry believes that the dividends of Rosseti for 2016 may amount to about 3 billion rubles – this is 50% of profit under IFRS, cleared of "paper" profit.

ELECTRIC POWER INDUSTRY NEWS

Dividends of "Rosseti" for 2016 may amount to about 3 billion rubles, says MED

The Ministry of Economic Development of the Russian Federation believes that the dividends of Rosseti for 2016 may amount to about 3 billion rubles, which is 50% of the adjusted profit under IFRS, told reporters the deputy head of the department Nikolai Podguzov.

Read full text: <http://www.bigpowernews.ru/news/document77331.phtml>

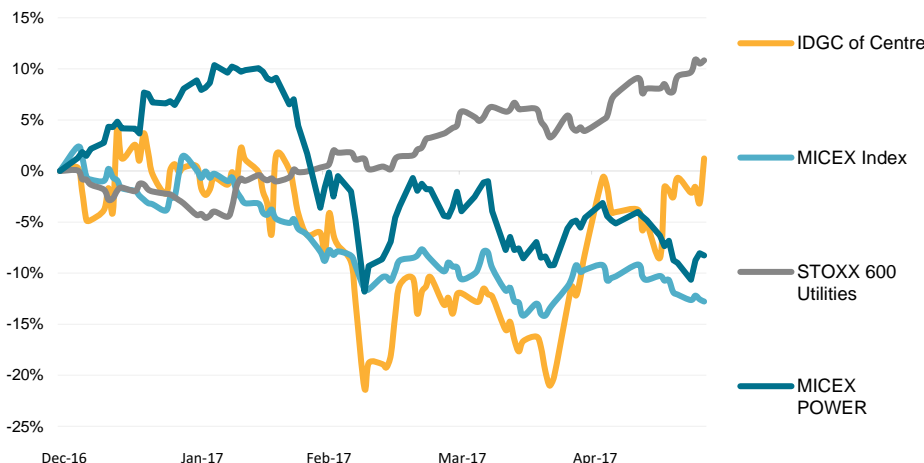
COMPANY NEWS

Belgorod power engineers connected "Paris"

IDGC of Centre – Belgorodenergo division provided the grid connection of the "Paris" residential complex, built on the embankment of the Vezelka River in Belgorod.

Read full text: http://www.advis.ru/php/view_news.php?id=8B8956C4-446B-BC49-974E-115004575310

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 947,26	-0,24%	-12,79%
S&P 500	2 415,07	0,44%	7,87%
FTSE 100	7 517,71	0,04%	5,25%
DAX	12 621,72	-0,17%	9,94%
DJStoxx 600	392,14	-0,06%	8,50%
STOXX Utilities	306,75	0,28%	10,83%
Nikkei	19 813,13	0,36%	3,66%
Sensex	30 750,03	1,48%	15,49%
CSI300	3 485,66	1,80%	5,30%
Bovespa	63 226,79	-0,05%	4,98%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,12	0,36%	6,67%
USD/RUB	56,27	-0,50%	-7,23%
Euro/RUB	62,92	-1,10%	-1,40%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 255,67	-0,24%	9,43%
Brent*, USD/bbl	51,46	-4,63%	-12,33%

* - July futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4525
Capitalisation**, billion RUB	19,10
Capitalisation**, million USD	339,47

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-0,23%	-8,26%
Shares of IDGC of Centre**	4,50%	1,23%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-3,17%	-27,14%
FGC UES	-3,88%	-13,44%
IDGC of Volga	2,83%	26,43%
MOESK	-0,34%	-2,12%
IDGC of Northern Caucasus	0,64%	-29,02%
IDGC of Centre and Volga Reg	0,46%	4,05%
IDGC of North-West	-1,96%	-27,27%
IDGC of Urals	0,00%	-15,50%
IDGC of Siberia	6,20%	-18,16%
IDGC of South	4,88%	-34,35%
Lenenergo, ordinary shares	-6,86%	-19,80%
TRK, ordinary shares	0,00%	-14,92%
Kubanenergo	-1,26%	-9,77%

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