

DAILY MARKET REVIEW

11 September, Monday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 8 September some neutral external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed with a small decrease in the range of 0.1%. According to analysts, one of the main factors of pressure on the US stock market in recent days are the expectations of negative consequences of the hurricane season for the country's economy – the damage from the last hurricane Harvey, according to some estimates, may amount to \$200 billion. In addition, the Irma hurricane is approaching the coast of Florida – one of the most powerful in the history of observations. According to forecasts of Saxo Bank, the amount of damage from this hurricane can also be \$200 billion due to expensive real estate. On Friday the main country indices of the Asian-Pacific region lost on average half a percent under the pressure of weak statistics from Japan and China and geopolitical risks associated with the DPRK – 9 September North Korea celebrates the anniversary of the state formation, and experts are waiting for the next launch of the ballistic missile. In Japan the estimate of the GDP growth in the second quarter was worsened from 4% to 2.5%, in China export data in August turned out to be worse than expected due to increased contradictions in trade with the US and a decline in global demand for Chinese goods. November Brent futures traded near \$54.6 per barrel, \$0.2 higher than the closing level on 7 September. Quotations continue to update the May's highs due to the weakening of the dollar, the restoration of the Texan refineries and the data of the US Department of Energy, which recorded a record drop in production since 2012 due to Harvey Hurricane by 8% – from 9.5 to 8.8 million barrels per day.

On Friday the main driver for changes of the Russian market was oil prices. In the second half of the day the growth of the MICEX Index exceeded 1.3% after the rise in Brent oil quotations to around \$54.8 per barrel, at the end of the day the growth rate of the MICEX Index fell by almost a quarter after the oil price retreated from local highs. In addition, the buyers' activity on the Russian market was limited by uncertain moods of Western investors – the European Stoxx Europe 600 Index and futures for US indices most of our trading session were in a small minus against the background of increased demand for protective assets – the Japanese yen, Swiss franc and gold rose in price.

During the trading session the MicexPWR Sector Index underperformed mainly due to a decrease in shares of Gazprom's generation companies – Mosenergo and TGK-1. The main contribution to the small final growth of the sector indicator was made by shares of RusHydro – the recovery of the oversold securities was promoted by the company's rating upgrade by Moody's to the sovereign level "Ba1".

ELECTRIC POWER INDUSTRY NEWS

The reserve of capacities in the power industry of the Russian Federation to end by 2023-2024, says Mr. Chubais

The decommissioning of obsolete power plants is necessary, in spite of the fact that the reserve of power capacities will end by 2023-2024, considers the head of Rosnano Anatoly Chubais, who headed the reform of the electric power industry in Russia in the 2000s.

Read full text: <http://www.bigpowernews.ru/markets/document79488.phtml>

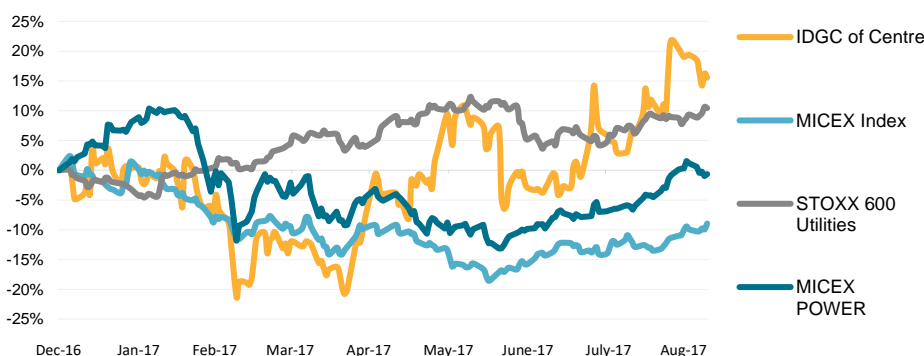
COMPANY NEWS

IDGC of Centre held a conference call and a webcast dedicated to the consolidated results of the company's activities for the first half of 2017 (IFRS)

Based on the results of the publication of the unaudited interim condensed consolidated financial statements for the first half of 2017 under IFRS, IDGC of Centre's management held a conference call with representatives of the investment community to broadcast the presentation on the Internet dedicated to the activity results for 6 months of 2017 and forecasts for 2017.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/61337/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 032,75	1,12%	-8,96%
S&P 500	2 461,43	-0,15%	9,94%
FTSE 100	7 377,60	-0,26%	3,29%
DAX	12 303,98	0,06%	7,17%
DJStoxx 600	375,51	0,15%	3,90%
STOXX Utilities	305,65	-0,17%	10,43%
Nikkei	19 274,82	-0,63%	0,84%
Sensex	31 687,52	0,08%	19,01%
CSI300	3 825,99	-0,10%	15,59%
Bovespa	73 078,85	-0,45%	21,34%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,20	0,39%	14,44%
USD/RUB	57,14	-0,34%	-5,80%
Euro/RUB	68,24	-0,25%	6,95%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 346,59	-0,19%	17,35%
Brent*, USD/bbl	53,78	-1,30%	-8,49%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,5165
Capitalisation**, billion RUB	21,81
Capitalisation**, million USD	381,61

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,32%	-0,64%
Shares of IDGC of Centre**	-0,58%	15,55%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	1,40%	-4,71%
FGC UES	1,37%	-14,69%
IDGC of Volga	-2,08%	106,16%
MOESK	-0,67%	-0,89%
IDGC of Northern Caucasus	0,27%	-15,65%
IDGC of Centre and Volga Reg	-0,06%	122,70%
IDGC of North-West	-1,47%	10,00%
IDGC of Urals	-1,77%	18,24%
IDGC of Siberia	-0,38%	56,87%
IDGC of South	-0,44%	-13,17%
Lenenergo, ordinary shares	0,43%	5,00%
TRK, ordinary shares	0,00%	-14,29%
Kubanenergo	-0,41%	-16,78%

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
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