

DAILY MARKET REVIEW

25 August, Friday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 24 August some neutral external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed with a decline of 0.3-0.4%, on Thursday the main country indices of the Asia-Pacific region showed similar changes. The markets were pressured by investors' doubts that an increase in the US public debt ceiling and tax reform would encounter obstacles in Congress after the threats of President Donald Trump. According to The Wall Street Journal, Donald Trump can and will veto any Congress decision on the issue of financing the government unless it provides for the allocation of funds for the construction of a wall on the border with Mexico. The agency Fitch added a negative factor, which warned that if US lawmakers do not have time to agree on new measures to finance the work of the government before the end of the current fiscal year, ending 30 September, and raise the ceiling of the national debt, it will lead to a revision of the country's ratings "with potentially negative consequences." October Brent futures traded near \$52.6 per barrel, slightly above the closing level on 23 August. Quotations on Wednesday exceeded the level of \$52.5 per barrel on the information of the US Department of Energy on the reduction of oil and gasoline reserves in the country last week, but further rise in oil prices is constrained by increased production in the US to a two-year high.

On Thursday the Russian and European markets were dominated by buyers. In the first half of the trading session the MICEX Index and the European Stoxx Europe 600 Index added about half a percent. The driver of the growth of the Russian market for the second consecutive day is shares of Sberbank, whose support is provided by strong IFRS financial statements for the first half of the year and the decision of the Court of Appeal to repeal the claim of Transneft to Sberbank on derivatives for 67 billion rubles. The MICEX Index was able to close trading at the high of the day, adding 0.76%, despite the deterioration of the external background: the Brent quotes fell below \$52 per barrel, the US indices showed a slight decline in early trading, including due to weak statistics from the real estate market – the resale of homes in the US in July unexpectedly fell to a minimum for the year.

During the trading session the MicexPWR Sector Index looked significantly better than the broad market. The main contribution to the growth of the sector indicator was made by shares of IDGC of Centre, FGC UES and IDGC of Volga.

ELECTRIC POWER INDUSTRY NEWS

Russia to develop uniform requirements for charging electric vehicles

Unified requirements for electricity charging stations in Russia will be developed by the end of September. Charging points for electric vehicles will be located in parking lots and at traditional filling stations.

Read full text: <https://ura.news/news/1052301833>

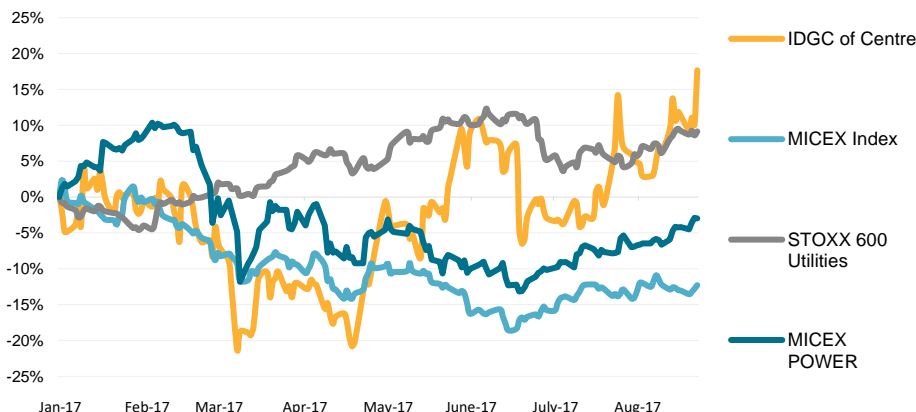
COMPANY NEWS

Smolenskenergo spent in the first half of the year almost 200 million rubles on the construction of new energy facilities

IDGC of Centre – Smolenskenergo division in 2017 plans to invest in the power grid complex of the Smolensk region about 1.462 billion rubles. In the first half of the year, Smolenskenergo fulfilled the plan for the investment program in full, having developed capital investments in the amount of 320.194 million rubles.

Read full text: http://energy2020.ru/innovations/company_news/news10287.php

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 973,50	0,76%	-11,61%
S&P 500	2 439,36	-0,19%	8,96%
FTSE 100	7 407,06	0,33%	3,70%
DAX	12 180,83	0,05%	6,09%
DJStoxx 600	374,51	0,16%	3,62%
STOXX Utilities	302,09	0,52%	9,15%
Nikkei	19 353,77	-0,42%	1,25%
Sensex	31 596,06	0,09%	18,66%
CSI300	3 734,65	-0,57%	12,83%
Bovespa	70 814,44	0,48%	17,58%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,18	0,00%	12,27%
USD/RUB	59,13	0,16%	-1,89%
Euro/RUB	69,56	-0,04%	10,38%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 290,81	0,00%	12,02%
Brent*, USD/bbl	52,57	0,00%	-7,48%

* - October futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares of IDGC of Centre	Value
Last transaction, RUB	0,526
Capitalisation**, billion RUB	22,21
Capitalisation**, million USD	375,55

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	1,54%	-1,47%
Shares of IDGC of Centre**	6,91%	17,67%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	1,74%	-14,68%
FGC UES	1,29%	-15,16%
IDGC of Volga	10,38%	108,93%
MOESK	3,89%	4,12%
IDGC of Northern Caucasus	4,00%	-11,56%
IDGC of Centre and Volga Reg	4,00%	124,86%
IDGC of North-West	7,93%	16,36%
IDGC of Urals	10,19%	21,58%
IDGC of Siberia	3,81%	75,75%
IDGC of South	5,12%	-9,92%
Lenenergo, ordinary shares	4,31%	-5,54%
TRK, ordinary shares	2,50%	-13,87%
Kubanenergo	2,20%	-19,77%

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

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