

DAILY MARKET REVIEW

7 June, Wednesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 06 June some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed with a decline of about 0.1% on weaker than expected statistics – the activity in the US service sector slowed in May amid a reduction in the number of new orders. Along with the fall in the volume of factory orders in April, Reuters notes, these data indicate very limited opportunities for accelerating economic growth. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific traded in a small minus, following the percentage decrease in the Japanese Nikkei225 due to the yen strengthening. August Brent futures traded near the mark of \$49.4 per barrel, \$0.2 higher than the closing level on 05 June. Stabilization of quotations after five days of sales is also facilitated by the continuing tensions in the Middle East, while the rise in oil prices is limited by fears that the break of relations with Qatar by a number of Arab states could undermine OPEC efforts aimed at restoring balance in the market.

The MICEX Index and the European Stoxx Europe 600 Index held the trading session on Tuesday in a small minus on average about half of a percent. Investors took profits in risky assets and went into protective ones – gold, yen and US bonds rose on the eve of important events scheduled for this Thursday. Firstly, as the Financial Times notes, traders fear that the US administration will be under attack if the statements of the former FBI director James Comey, who is to speak in the Congress, will indicate the presence of signals of Russia's interference in the presidential elections in the US. Secondly, in the UK there will be extraordinary parliamentary elections, initiated by the Prime Minister to strengthen the position of the ruling Conservative Party. However, according to recent polls, after the terrorist attack in London, the chances of conservatives to receive an absolute majority of seats in parliament continue to decline. Thirdly, on Thursday the ECB meeting will take place, at which the discussion of curtailing the stimulating program against the background of strong growth of the Eurozone's economy in the first quarter may begin.

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 Enel Russia, Rushydro and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

Electricity consumption in Russia for 5 months 2017 increased by 1.7%; in May - by 4.8% (version 1)

According to the operative data of SO UES, electricity consumption in the Unified Energy System of Russia in May 2017 amounted to 80 billion kWh, which is 4.8% more than a year earlier. In Russia as a whole, the indicator showed an increase of 3.9% - up to 81.6 billion kWh.

Read full text: <http://www.bigpowernews.ru/markets/document77549.phtml>

COMPANY NEWS

Belgorod branch of IDGC of Centre starts reconstruction of the 110 kV substation "Sheino"

IDGC of Centre – Belgorodenergo division starts reconstruction of the high-voltage substation 110/10 kV "Sheino", located in Korochansky district of the Belgorod region. The volume of investments will be about 263 million rubles, including VAT.

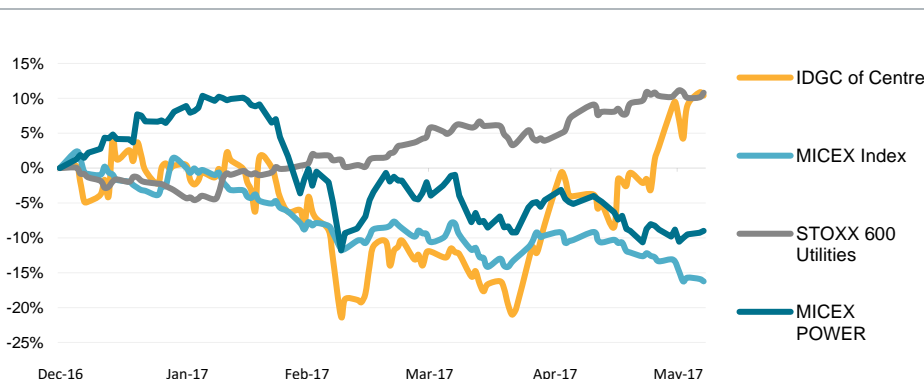
Read full text: <https://www.mrsk-1.ru/press-center/news/company/60318/>

65 million rubles were the amount of Tambovenergo's claim for collection of accounts receivable in the first quarter

IDGC of Centre – Tambovenergo division continues the claim-related work aimed at collecting receivables for consumed electricity.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/60307/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 870,04	-0,41%	-16,24%
S&P 500	2 429,33	-0,28%	8,51%
FTSE 100	7 524,95	-0,01%	5,35%
DAX	12 690,12	-1,04%	10,53%
DJStoxx 600	389,40	-0,67%	7,74%
STOXX Utilities	306,67	0,60%	10,80%
Nikkei	19 979,90	-0,95%	4,53%
Sensex	31 190,56	-0,38%	17,14%
CSI300	3 492,88	0,70%	5,52%
Bovespa	62 954,69	0,81%	4,53%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,13	0,15%	7,16%
USD/RUB	56,62	-0,13%	-6,66%
Euro/RUB	63,81	0,32%	0,00%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 294,39	1,14%	12,80%
Brent*, USD/bbl	50,12	1,31%	-14,79%

* - August futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4935
Capitalisation**, billion RUB	20,83
Capitalisation**, million USD	368,00

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,29%	-9,00%
Shares of IDGC of Centre**	-0,40%	10,40%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-2,71%	-33,25%
FGC UES	0,52%	-19,00%
IDGC of Volga	0,49%	28,21%
MOESK	0,00%	-2,56%
IDGC of Northern Caucasus	-5,05%	-31,75%
IDGC of Centre and Volga Reg	0,00%	20,68%
IDGC of North-West	0,93%	-21,09%
IDGC of Urals	2,83%	-11,55%
IDGC of Siberia	1,60%	-16,37%
IDGC of South	-1,90%	-30,92%
Lenenergo, ordinary shares	-1,81%	-26,25%
TRK, ordinary shares	0,00%	-21,85%
Kubanenergo	2,77%	-10,46%

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