

# DAILY MARKET REVIEW

3 July, Monday

2017



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 30 June some moderately negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 fell 0.8-0.9%, the composite stock index of the Asia-Pacific region MSCI Asia Pacific lost on Friday about half a percent. As analysts note, the shift in the rhetoric of the world's central banks in favour of tightening monetary policy contributed to a drop in quotations in major world stock markets. The leaders of the decline were the overvalued technology sector, Bloomberg reports, reflecting the rotation of growth of shares in favour of equity shares in investors' portfolios. At the same time, the financial sector securities were able to withstand the overall market decline, continuing to grow on approval of plans for more generous payments to shareholders. Good statistics supported the Chinese CSI300, which completed the trades near zero, as well as raw materials markets – according to official data, business activity in the manufacturing sector and services sector of the PRC continued to expand in June and exceeded analysts' expectations on both indicators. August Brent futures traded near the mark of \$47.7 per barrel, \$0.2 higher than the closing level on 29 June. Quotations have been rising in price for the seventh consecutive session, including on the dollar weakening, recovering after the annual minimum renewal. At the same time, large investment banks, including Goldman Sachs, Bank of America and Societe Generale, are skeptical enough about the medium-term prospects of the market and continue to reduce forecasts for oil prices for the coming years in the face of rising supply in the US, Libya and Nigeria.

Most of the trading session, the MICEX Index was in a small plus within half a percent – our market was supported by the stability of Brent quotations, which fixed above \$47.5 per barrel. At the end of the day, the MICEX Index moved to the negative area after the resumption of sales on European exchanges after a small corrective growth at the beginning of the session. Negative sentiment in Europe is still conditioned by the expectations of the inevitable, according to analysts, reduction of incentive programs by the world central banks. And in this respect, the statistics published on Friday only increased the likelihood of such a scenario: inflation in the Eurozone in June was slightly higher than forecast; in May data on US household incomes and retail sales in Germany were better than expectations, June indices of consumer confidence in the US and manufacturing activity in Chicago exceeded forecasts.

During the trading session, the MicexPWR Sector Index looked better than the broad market. The main contribution to the final growth of MicexPWR in antiphase with the MICEX Index was made by shares of RusHydro and FGC UES.

## ELECTRIC POWER INDUSTRY NEWS

### "We live in tough enough vice"

On the eve of the annual shareholders' meeting of "Rosseti", the government did not include Oleg Budargin, Director General of the holding, into the list of candidates for the board of directors. This gave rise to rumours about personnel changes in the holding, but Mr. Budargin assured Kommersant that he was going to work further and told about the plans of Rosseti, including the purchase of the Defense Ministry's grids and the creation of a joint venture in the Crimea.

Read full text: <https://www.kommersant.ru/doc/3337274>

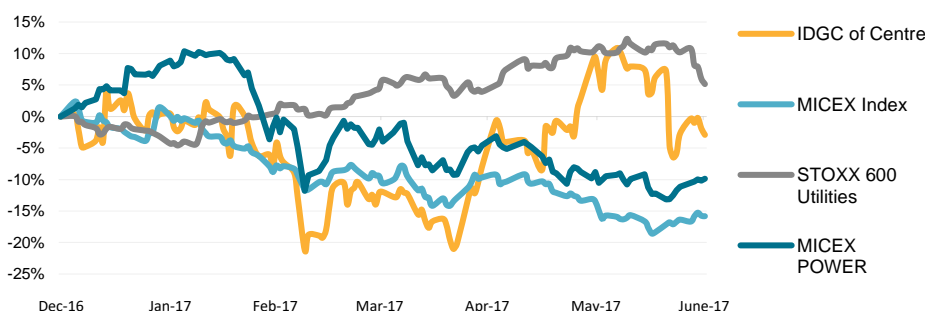
## COMPANY NEWS

### Power engineers of IDGC of Centre and IDGC of Centre and Volga Region interact with consumers on a 24-hour basis

In the conditions of the anomalous atmospheric front, under the influence of which the central part of Russia has been for the third day, employees of IDGC of Centre and IDGC of Centre and Volga Region, around the clock, receive messages from consumers about the power supply interruption and transmit information to first responding crews.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/60511/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 879,50	-0,08%	-15,82%
S&P 500	2 423,41	0,15%	8,24%
FTSE 100	7 312,72	-0,51%	2,38%
DAX	12 325,12	-0,73%	7,35%
DJStox 600	379,37	-0,34%	4,97%
STOXX Utilities	291,01	-0,79%	5,15%
Nikkei	20 033,43	-0,92%	4,81%
Sensex	30 921,61	0,21%	16,13%
CSI300	3 666,80	-0,06%	10,78%
Bovespa	62 899,97	1,06%	4,44%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,14	-0,03%	8,64%
USD/RUB	59,09	-0,77%	-2,59%
Euro/RUB	67,50	-0,28%	5,78%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 241,61	-0,31%	8,20%
Brent*, USD/bbl	48,77	2,39%	-17,11%

\* - August futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4340
Capitalisation**, billion RUB	18,32
Capitalisation**, million USD	310,10

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,35%	-9,86%
Shares of IDGC of Centre**	-1,03%	-2,91%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-0,90%	-30,33%
FGC UES	1,00%	-15,65%
IDGC of Volga	0,22%	22,50%
MOESK	-1,00%	-11,92%
IDGC of Northern Caucasus	-3,60%	-21,09%
IDGC of Centre and Volga Reg	0,61%	21,62%
IDGC of North-West	0,25%	-28,36%
IDGC of Urals	2,04%	-8,81%
IDGC of Siberia	0,15%	-20,31%
IDGC of South	1,60%	-27,48%
Lenenergo, ordinary shares	-0,88%	-18,07%
TRK, ordinary shares	0,00%	-25,21%
Kubanenergo	-3,43%	-15,98%

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**