

DAILY MARKET REVIEW

29 May, Monday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 26 May some moderately negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed with an increase of 0.3-0.4%, while the S&P500 updated the historical record. Support for investors, including, was provided by good quarterly reports of a number of retailers, indicating strong consumer demand, as well as better-than-expected statistics on applications for unemployment benefits. At the same time, the reduction in the energy sector following the fall in oil prices, which put pressure on Asian markets on Friday – the main country stock indices of the Asia-Pacific region showed a predominantly negative trend, was a limiting factor for the US market. July Brent futures traded near the mark of \$51.6 per barrel, \$0.7 lower than the closing level on 25 May. On Thursday oil quotations collapsed by almost 5% after the news that the OPEC+ countries agreed to extend the agreement on limiting the offer until the end of the first quarter of 2018, while maintaining a total reduction in production of 1.8 million barrels per day. The market was disappointed by the lack of positive surprises following the meeting, and prices returned to levels that were before rumours of greater restrictions or a longer contractual period. According to some analysts, the announced efforts of OPEC+ may not be enough to restore balance in the oil market, given the stagnation of demand and the activity of producers outside the agreement. Given these circumstances, JPMorgan lowered the price forecast for Brent crude in the third quarter of this year by \$4, to \$56 per barrel, and the forecast of the average price in 2018 – at once by \$10, to \$45 per barrel.

The MICEX Index spent most of the trading session on average in half a percent minus under the pressure of continued decline in oil prices – Brent quotes fell below \$51 per barrel. The MICEX Index closed trading near daily lows, despite the improvement in sentiment on the western markets after the publication of good US statistics. The US GDP growth estimate in the first quarter was improved to 1.2% from the initial 0.7%, while analysts expected a revision to 0.8-0.9%, consumer spending that accounts for more than 70% of the US GDP, in the I quarter grew by 0.6%, and not by 0.3%, as previously reported.

As a result of the trading session the changes of the MicexPWR Sector Index corresponded to the MICEX Index. The main contribution to the final decline in the sector indicator was made by shares of Rosseti, which are still under pressure on the low dividends for 2016. The head of the Ministry of Energy informed that the previously agreed amount of dividends of Rosseti for 2016 is 2 billion rubles. As explained by Deputy Minister A.Tekslar, the government's order is expected that will determine the "normalization" of the base for payments, which includes not only non-monetary items, but also expenses for grid connection and implementation of approved investment programs by IDGCs.

ELECTRIC POWER INDUSTRY NEWS

"Rosseti" discussed with the parties concerned the development of the electric grid complex of the Yaroslavl region

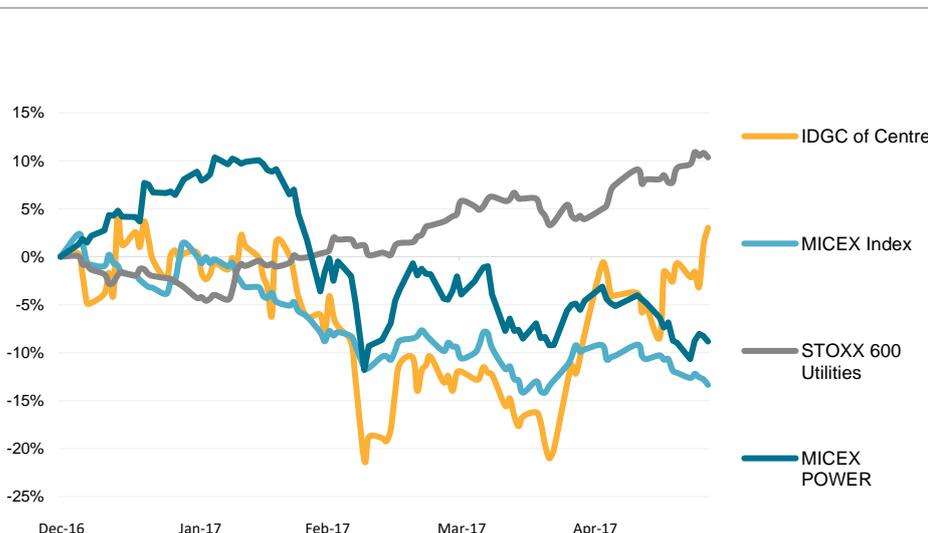
Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=29933

COMPANY NEWS

Kurskenergo summed up the work with customers

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/60192/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 934,25	-0,67%	-13,37%
S&P 500	2 415,82	0,03%	7,91%
FTSE 100	7 547,63	0,40%	5,67%
DAX	12 602,18	-0,15%	9,76%
DJStoxx 600	391,35	-0,20%	8,28%
STOXX Utilities	305,44	-0,43%	10,36%
Nikkei	19 686,84	-0,64%	2,99%
Sensex	31 028,21	0,90%	16,53%
CSI300	3 480,43	-0,15%	5,15%
Bovespa	64 085,41	1,36%	6,41%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,12	-0,31%	6,33%
USD/RUB	56,07	-0,36%	-7,56%
Euro/RUB	63,01	0,15%	-1,25%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 266,76	0,88%	10,39%
Brent*, USD/bbl	52,15	1,34%	-11,16%

* - July futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4605
Capitalisation**, billion RUB	19,44
Capitalisation**, million USD	346,73

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-0,62%	-8,83%
Shares of IDGC of Centre**	1,77%	3,02%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-4,62%	-30,50%
FGC UES	-0,48%	-13,85%
IDGC of Volga	-0,21%	26,16%
MOESK	-1,02%	-3,12%
IDGC of Northern Caucasus	-0,96%	-29,71%
IDGC of Centre and Volga Reg	2,86%	7,03%
IDGC of North-West	0,50%	-26,91%
IDGC of Urals	0,00%	-15,50%
IDGC of Siberia	-2,34%	-20,07%
IDGC of South	-1,45%	-35,31%
Lenenergo, ordinary shares	-0,68%	-20,35%
TRK, ordinary shares	0,00%	-14,92%
Kubanenergo	-0,51%	-10,23%

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