

# DAILY MARKET REVIEW

3 August, Thursday

2017



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 02 August some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed with a rise of 0.2-0.3%, the DJIA updated the historical maximum for the 31st time since the beginning of 2017 and is just a step away from the psychological mark of 22,000 points. The financial sector became the driver of growth of the American market – the index of financial companies included in the calculation of the S&P500, having updated the post-crisis maximum, rose to the levels of December 2007. According to the Financial Times, investors continue to rely on softening regulation of the banking industry and are shifting from shares of high-tech companies to the financial sector. According to the FT, the regulator on Tuesday started the process of amending the so-called "Volcker rule", which severely differentiates the investment operations of banks and consumer lending, and in the near future plans to publish amendments for discussion with experts. On Wednesday the main country indices of the Asia-Pacific region showed mixed trends: raw materials companies' shares fell, shares of technology companies grew after strong reporting by Apple. October Brent futures traded near the mark of \$51.5 per barrel, \$0.5 higher than the closing level on 01 August. Oil prices stabilized after a 2% drop on Tuesday, provoked by Reuters information on the increase in OPEC production in July to the maximum level since the beginning of the year.

Buyers continue to dominate the Russian market. In the second half of the trading session the growth rates of the MICEX Index exceeded a percent due to the rise in Brent quotes to around \$52 per barrel and the weakening of the ruble. At the same time, buyers' activity was limited by uncertain changes of western markets. The European indices were pressured by mixed corporate reporting and the strengthening of the euro and the pound sterling, which are at the multi-month highs paired with the US dollar. In turn, the reason for the growth of corrective sentiment in the US market was the worse-than-expected ADP data on employment in the US manufacturing sector in July. At the end of the day, support for the MICEX Index, which closed the trading session near daily highs, was given by a rise in oil prices above \$52 per barrel after the publication of statistics from the US Department of Energy, which recorded a reduction in oil and gasoline reserves. The media's information about the signing by the US president of the law on sanctions against the Russian Federation did not make any special impression on Russian investors. At the same time, the Bloomberg agency drew attention to a number of statements by Donald Trump, in which he expressed fears that sanctions could cause unintentional harm to US companies and foreign partners of the US and deprive the US administration of flexibility in negotiations with Russia.

During the trading session the MicexPWR Sector Index looked worse than the broad market, mainly due to a decrease in shares of Unipro and Gazprom's generation companies.

## ELECTRIC POWER INDUSTRY NEWS

### "Market Council" forecasts in 2H 2017 the growth of wholesale energy prices by 4% due to tariff decisions in the Far East Federal District

Association NP Market Council predicts an increase in the cost of electricity and capacity on the wholesale energy market by about 4% in the second half of 2017 or 2% on an annual basis, according to the regulator's materials.

Read full text: <http://www.bigpowernews.ru/markets/document78739.phtml>

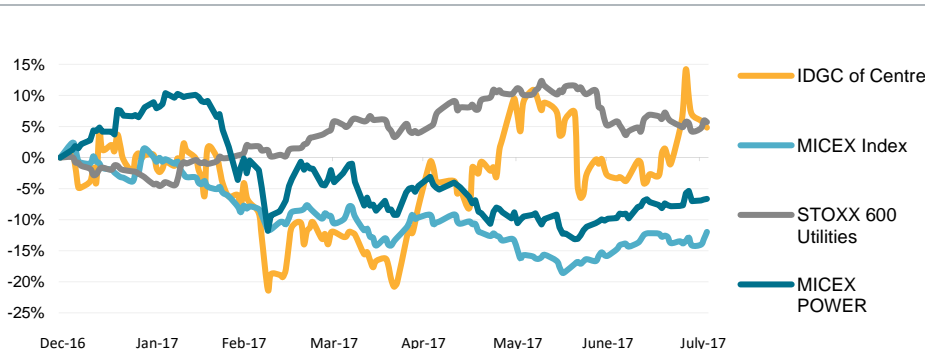
## COMPANY NEWS

### IDGC of Centre assists in the implementation of the state program of the Voronezh region on the development of telecommunications infrastructure

Specialists of IDGC of Centre – Voronezhenergo division have begun to connect base stations of cellular communication to electric grids, which are being built by telecommunication companies to expand the wireless communication network in the region.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/60938/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 965,48	1,31%	-11,97%
S&P 500	2 477,57	0,05%	10,66%
FTSE 100	7 411,43	-0,16%	3,76%
DAX	12 181,48	-0,57%	6,10%
DJStoxx 600	378,63	-0,43%	4,76%
STOXX Utilities	292,56	-0,23%	5,71%
Nikkei	20 080,04	0,47%	5,05%
Sensex	32 476,74	-0,30%	21,97%
CSI300	3 760,85	-0,25%	13,62%
Bovespa	67 135,99	0,93%	11,47%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,19	0,53%	12,85%
USD/RUB	59,85	-0,36%	-1,34%
Euro/RUB	70,73	0,38%	10,84%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 266,65	-0,17%	10,38%
Brent*, USD/bbl	52,36	1,12%	-10,97%

\* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4685
Capitalisation**, billion RUB	19,78
Capitalisation**, million USD	330,50

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,11%	-6,65%
Shares of IDGC of Centre**	-0,53%	4,81%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-0,46%	-23,86%
FGC UES	0,12%	-17,22%
IDGC of Volga	-4,77%	69,46%
MOESK	-0,23%	-4,45%
IDGC of Northern Caucasus	1,07%	-14,06%
IDGC of Centre and Volga Reg	-1,41%	79,05%
IDGC of North-West	-0,77%	-6,18%
IDGC of Urals	0,00%	-3,95%
IDGC of Siberia	2,22%	9,92%
IDGC of South	-3,91%	-15,65%
Lenenergo, ordinary shares	2,00%	-11,90%
TRK, ordinary shares	1,77%	-15,34%
Kubanenergo	0,00%	-14,02%

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