

DAILY MARKET REVIEW

15 June, Thursday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 14 June some neutral external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 grew by 0.4-0.5%, the market was supported by the stabilization of shares of high-tech companies that were under pressure of active sales in the previous two trading sessions. On Wednesday the composite stock index of the Asia-Pacific region, MSCI Asia Pacific, was trading near the zero mark with mixed changes of the main country indices. The Australian S&P/ASX200 continues its steady growth following the banking sector shares, while the Chinese CSI300 lost more than a percent, despite growth at the level of expectations of industrial production and retail sales in May. In general, experts note a decrease in volatility in the financial markets before the publication of the outcome of the Fed meeting, which ended on the eve. The vast majority of traders expect that the key interest rate will be increased by 0.25 percentage points, to 1-1.25%. At the same time, the regulator's comments on plans for further raising the rate and reducing the volume of assets on the Fed's balance sheet are of the greatest interest to investors. August Brent futures traded near the mark of \$48.4 per barrel, \$0.2 lower than the closing level on 13 June. Quotations were pressured by data from the American Petroleum Institute (API), which recorded an increase in oil reserves in the country by 2.7 million barrels. If the API statistics are confirmed by the Department of Energy, Bloomberg reports, the second consecutive weekly increase could become an unpleasant surprise for the markets – in the summer months fuel reserves in the US traditionally decline.

In the Russian market sellers continue to dominate, in the second half of the trading session the loss of the MICEX Index, which dropped to levels at the end of March 2016, was approaching 1.5%. During the day our market was pressured by a number of factors. Firstly, information about the preparation in the US Congress of a bill on new sanctions against the Russian Federation. Secondly, the drop in Brent quotes below \$47 per barrel after the release of data from the US Department of Energy, which indicated the resumption of growth in oil production in the country, the less than predicted decline in oil reserves and unexpected growth of gasoline stocks for analysts. Thirdly, the worsening of sentiment on the western markets after the publication of weak US statistics – in May inflation data were worse than expected, retail sales decreased at the fastest pace since early 2016.

During the trading session the MicexPWR Sector Index looked worse than the broad market. The main contribution to the final underperformance of the sector indicator in comparison with the MICEX Index was made by shares of Inter RAO, which lost about 7% in the absence of significant news background.

ELECTRIC POWER INDUSTRY NEWS

"Rosseti" in 2017 expects to keep profit at the level of 2016

The forecast net profit of the Rosseti Group in 2017 will remain at the level of 2016, TASS reports with reference to the draft report of the company for 2016.

Read full text: <http://www.bigpowernews.ru/news/document77665.phtml>

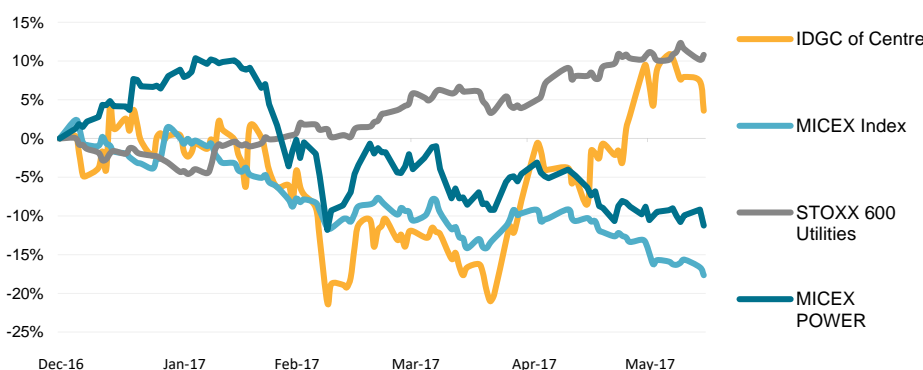
COMPANY NEWS

IDGC of Centre in 2017 modernizes a number of significant power facilities in the regions of the Central Federal District

IDGC of Centre continues to implement the activities of the investment program. This year the company plans to put into operation more than 500 MVA of capacities and about 3,000 kilometres of power lines. To implement the investment program-2017 it is planned to spend 15.271 billion rubles. About 60% of the investments planned by the document will go for technical re-equipment and reconstruction, 40% - for new construction and expansion of power grid infrastructure.

Read full text: <http://energo-news.ru/archives/141530>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 838,32	-1,23%	-17,66%
S&P 500	2 437,92	-0,10%	8,89%
FTSE 100	7 474,40	-0,35%	4,64%
DAX	12 805,95	0,32%	11,54%
DJStoxx 600	387,58	-0,30%	7,24%
STOXX Utilities	306,65	0,57%	10,80%
Nikkei	19 883,52	-0,08%	4,02%
Sensex	31 155,91	0,17%	17,01%
CSI300	3 535,30	-1,31%	6,80%
Bovespa	61 922,93	0,15%	2,82%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,13	0,63%	7,19%
USD/RUB	56,91	-0,16%	-6,18%
Euro/RUB	63,77	-0,02%	-0,06%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 260,86	-0,45%	9,88%
Brent*, USD/bbl	47,00	-3,53%	-20,10%

* - August futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4630
Capitalisation**, billion RUB	19,55
Capitalisation**, million USD	343,47

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-2,27%	-11,24%
Shares of IDGC of Centre**	-3,54%	3,58%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-2,50%	-35,35%
FGC UES	-1,96%	-21,26%
IDGC of Volga	-0,15%	21,43%
MOESK	-0,80%	-3,79%
IDGC of Northern Caucasus	0,33%	-31,52%
IDGC of Centre and Volga Reg	-0,11%	21,89%
IDGC of North-West	-4,02%	-26,18%
IDGC of Urals	2,78%	-10,03%
IDGC of Siberia	-1,56%	-24,85%
IDGC of South	0,00%	-31,49%
Lenenergo, ordinary shares	-0,33%	-18,17%
TRK, ordinary shares	0,00%	-21,85%
Kubanenergo	-3,72%	-13,79%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, PJSC
127018, Moscow, 2nd Yamskaya, 4
+7 (495) 747 92 92
<http://mrsk-1.com/en/investors/>

IR Division
+7 (495) 747 92 92, ext. 33-34
ir@mrsk-1.ru

Tickers
Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC:RM
MRKC:MM