

DAILY MARKET REVIEW

6 September, Wednesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 5 September some neutral external background formed on the Russian market. On Monday American exchanges were closed in connection with the celebration of Labour Day. On Tuesday the main country indices of the Asia-Pacific region did not show a single trend, futures for US indices traded in a small minus. The markets are still pressured by a continuing tension on the Korean peninsula – according to media reports, North Korea may conduct another test launch of the intercontinental ballistic missile, timed to the day of the founding of the DPRK on 9 September. In these conditions protective assets were in demand with investors again – gold, which renewed a maximum of 10 months, and the yen, strengthening of which contributed to a decrease in the Japanese Nikkei225 by 0.6%. At the same time, the stock indices of China and Australia, which added 0.1-0.3%, were supported by the report of Markit/Caixin on the growth of business activity in the services sector of China in August to a maximum of three months. November Brent futures traded near the mark of \$52.3 per barrel, at the closing level on 4 September. Oil prices are near the high of recent weeks on expectations of increased demand for raw materials after the resumption of the work of oil refineries in the US, suspended due to Hurricane Harvey.

The MICEX Index and the European Stoxx Europe 600 Index spent the trading session with low volatile changes near zero. Investors' activity was hampered both by the growth of geopolitical risks and by weak statistics. Data for the consolidated PMI of the eurozone in August were worse than expectations, the Eurozone's retail sales in July declined for the first time since the beginning of the year, the volume of orders by US industrial companies in July fell at a record pace since 2014. At the end of the day, the markets were pressured by a more than half-percentage reduction in US indices at the beginning of trading. Nevertheless, the MICEX Index managed to close the trading session in the conditional positive due to the growth of Brent quotations to the mark of \$53.5 per barrel.

During the trading session, the MicexPWR Sector Index looked worse than the MICEX Index. The main contribution to the final MicexPWR decline was made by shares of FGC UES and shares of companies of Gazprom generation (OGK-2 and TGK-1). From the current news of the sector, one can note the announcement by Bloomberg that, amid improving financial indicators, S&P sees the possibility of raising the rating and the transition to the investment category of a number of Russian energy companies, including FGC UES and RusHydro.

ELECTRIC POWER INDUSTRY NEWS

The government abolished the limits of capacity prices in the event of a deficit

The Russian government made changes permitting the excess of the "ceiling" of capacity prices in the event of a deficit, it follows from the published resolution of the Cabinet, PRIME reports.

Read full text: <http://www.bigpowernews.ru/markets/document79403.phtml>

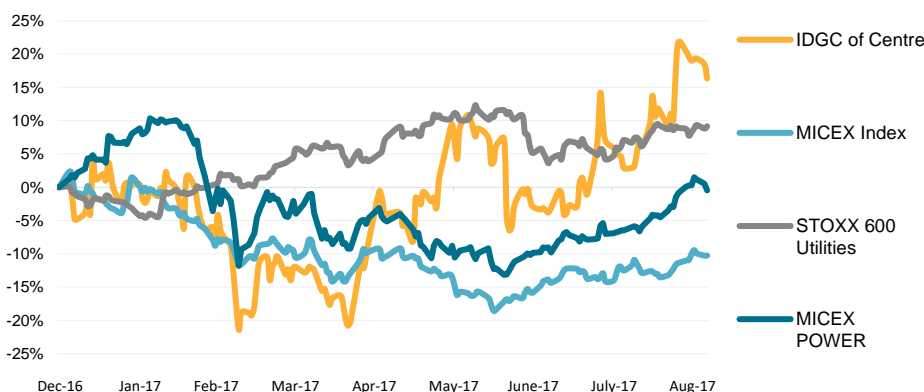
COMPANY NEWS

Belgorodenergo plans to save 7.03 million kWh in 2017

The economic effect of the implementation of organizational and technical measures of the energy saving and energy efficiency program in IDGC of Centre - Belgorodenergo division for seven months of this year exceeded 2.8 million kWh of electricity. Over 170 km of wire of a larger cross-section were installed on overloaded power lines, underloaded and outdated transformers were replaced by energy-efficient analogues that were optimal in terms of capacity. In five thousand residential houses inputs were replaced using self-supporting insulated wire.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/61268/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 004,02	0,03%	-10,24%
S&P 500	2 457,85	-0,76%	9,78%
FTSE 100	7 372,92	-0,52%	3,22%
DAX	12 123,71	0,18%	5,60%
DJStoxx 600	373,71	-0,13%	3,40%
STOXX Utilities	302,14	0,32%	9,17%
Nikkei	19 385,81	-0,63%	1,42%
Sensex	31 809,55	0,34%	19,47%
CSI300	3 857,05	0,30%	16,52%
Bovespa	72 150,88	0,03%	19,80%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,19	0,12%	13,18%
USD/RUB	57,78	-0,47%	-4,74%
Euro/RUB	68,73	-0,40%	7,70%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 339,71	0,44%	16,75%
Brent*, USD/bbl	53,38	1,99%	-9,17%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,5200
Capitalisation**, billion RUB	21,95
Capitalisation**, million USD	379,94

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-1,02%	-0,47%
Shares of IDGC of Centre**	-1,79%	16,33%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-0,69%	-8,43%
FGC UES	-1,82%	-14,89%
IDGC of Volga	0,42%	113,04%
MOESK	-0,23%	-1,67%
IDGC of Northern Caucasus	-2,95%	-17,91%
IDGC of Centre and Volga Reg	0,00%	124,32%
IDGC of North-West	-1,90%	12,36%
IDGC of Urals	-0,25%	20,97%
IDGC of Siberia	1,38%	67,26%
IDGC of South	-0,66%	-13,36%
Lenenergo, ordinary shares	-4,93%	-0,18%
TRK, ordinary shares	0,00%	-14,92%
Kubanenergo	0,00%	-16,21%

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
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