

DAILY MARKET REVIEW

1 June, Thursday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 31 May some neutral external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed with a decrease of 0.1-0.2% following the decline in shares of energy companies, comparable changes were demonstrated on Wednesday by the main country stock indices of the Asia-Pacific region. A positive exception in the Asian session was the Chinese market, which returned after two days of holidays, the CSI300 index grew by 0.4% on good statistics. According to official data, business activity in the manufacturing and services sector of China continued to expand in May and exceeded analysts' expectations by both indicators. July Brent futures traded near the mark of \$51.4 per barrel, at the closing level on 30 May.

The neutral start of trading on the Russian market in the second half of the day was transformed into active sales following the 4% drop in Brent quotes below \$50 per barrel. According to MarketWatch, the continuing fall in prices is caused by investors' doubts that a reduction in production by OPEC+ countries will allow to reduce oil reserves in the global market to the planned levels amid continued production growth in the US. The US president's statement on the "Russian threat" made on Tuesday at the last NATO summit did not add to the attractiveness of the Russian market either. Against this backdrop, the daily losses of the MICEX Index reached 2%, the MICEX Index closed at the lows of July 2016, the volume of trading at this fall was the highest this year.

As a result of the trading session the MicexPWR Sector Index underperformed. The main contribution to the leading trend of the sector indicator in comparison with the MICEX Index was made by shares of RusHydro and FGC UES. RusHydro's shares fell 5.5% in the absence of relevant news, FGC UES's shares could be pressured, which lost 5%, by Interfax's information that the government approved the procedure for calculating the dividend base of Rosseti – at least 50% of IFRS net profit, adjusted with revaluation of shares of subsidiaries and dependent companies, financial support of subsidiaries to ensure financial stability and development, investment within the framework of approved investment programs, profits from grid connections.

ELECTRIC POWER INDUSTRY NEWS

The Government approved a long-term position on dividends of Rosseti and its "daughters" - 50% of IFRS profit

The Government of the Russian Federation, by Order No. 1094-r dated 29 May, determined the long-term principles for the formation of the shareholder's position - the Russian Federation in Rosseti and its subsidiaries on the issue of dividend payment.

Read full text: <http://www.bigpowernews.ru/news/document77455.phtml>

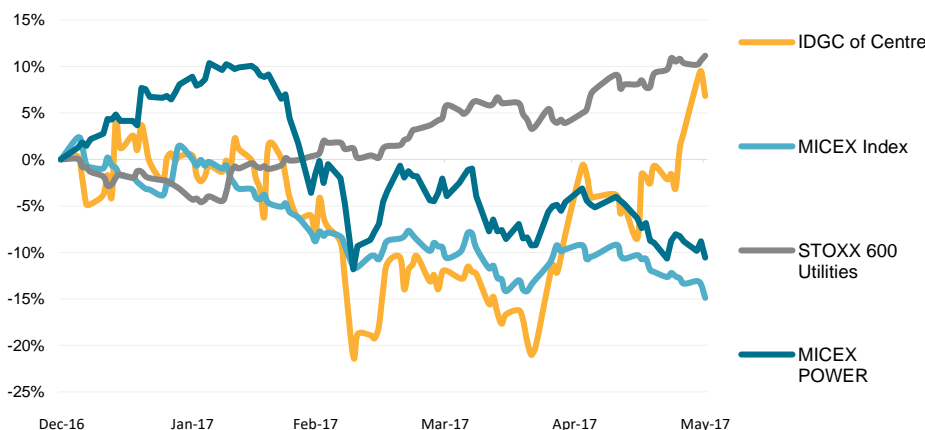
COMPANY NEWS

Heads of AtomEnergobyt JSC and IDGC of Centre - Tverenergo division discussed issues of energy security of the region

Within a working visit of Petr Konushenko, General Director of AtomEnergobyt JSC, to the Tver region, on 30 May 2017, there was a meeting with IDGC of Centre - Tverenergo division director Vadim Yurchenko. The key topic of the discussion was issues of effective cooperation aimed at further work to strengthen the energy security of the Upper Volga Region.

Read full text: <http://www.karavan.tver.ru/news/21691>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 900,38	-1,68%	-14,88%
S&P 500	2 411,80	-0,05%	7,73%
FTSE 100	7 519,95	-0,09%	5,28%
DAX	12 615,06	0,13%	9,88%
DJStoxx 600	389,99	-0,13%	7,90%
STOXX Utilities	307,65	0,47%	11,16%
Nikkei	19 650,57	-0,14%	2,81%
Sensex	31 145,80	-0,04%	16,97%
CSI300	3 492,89	0,36%	5,52%
Bovespa	62 711,47	-1,96%	4,12%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,12	0,55%	6,85%
USD/RUB	56,52	-0,34%	-6,83%
Euro/RUB	62,95	-0,66%	-1,35%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 268,92	0,46%	10,58%
Brent*, USD/bbl	50,76	-2,83%	-13,70%

* - July futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4775
Capitalisation**, billion RUB	20,16
Capitalisation**, million USD	356,69

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-1,91%	-10,55%
Shares of IDGC of Centre**	-2,45%	6,82%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-0,79%	-33,22%
FGC UES	-4,95%	-19,24%
IDGC of Volga	-1,45%	27,77%
MOESK	-1,22%	-0,45%
IDGC of Northern Caucasus	0,00%	-29,02%
IDGC of Centre and Volga Reg	0,61%	11,22%
IDGC of North-West	0,23%	-21,82%
IDGC of Urals	0,00%	-15,50%
IDGC of Siberia	-1,99%	-17,44%
IDGC of South	-1,15%	-34,35%
Lenenergo, ordinary shares	-2,83%	-25,07%
TRK, ordinary shares	-1,81%	-20,17%
Kubanenergo	0,00%	-9,31%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

MRKC
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