

DAILY MARKET REVIEW

11 August, Friday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 10 August some neutral external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 fell within 0.2%, the composite index of the Asia-Pacific region MSCI Asia Pacific lost about half a percent on Thursday. The main negative factor in the markets is the continuing risk of escalation of tensions between the US and the DPRK, which forces investors to reduce their positions in risky assets and go to gold, American bonds and yen. The North Korean military repeated their threat to attack the areas adjacent to the US military base on Guam and stated that they were developing a plan for launching four medium-range ballistic missiles as a "warning" to the US. In turn, the US media reported that the US Department of Defense had worked out a plan since May of a preemptive strike on two dozen military facilities of the DPRK with the help of bombers B-1B. October Brent futures traded near \$53 per barrel, \$0.7 higher than the closing level on 9 August. The upswing of quotations that reached a maximum in two months was facilitated by data from the US Department of Energy – the reduction in oil reserves in the country last week exceeded the market's expectations by three times, while oil production also declined.

The MICEX Index most of the trading session on Thursday was sidelines near the zero mark – the growth of Brent quotations above \$53.5 per barrel was levelled by negative sentiments on the western exchanges because of geopolitical tensions around the DPRK. In the second half of the day sales in the Russian market increased, the losses of the MICEX Index exceeded 0.5% against the background of the percentage drop in US indices and the European Stoxx Europe 600 Index, and the reduction of Brent quotes to \$52.3 per barrel. Negative background for the oil market was the July review of OPEC, which showed that the cartel in July exceeded the quota of the OPEC+ agreement by 200 thousand barrels per day due to increased production in Libya, Nigeria and Saudi Arabia.

As a result of the trading session the MicexPWR Sector Index looked slightly better than the broad market mainly due to the corrective growth of Unipro's shares.

ELECTRIC POWER INDUSTRY NEWS

Mr. Putin fixed in the decree the growth of the share of the Russian Federation in the capital of Rosseti to 88.04%

Russian President Vladimir Putin by his decree fixed the growth of the share of the Russian Federation in the capital of PJSC "Rosseti" up to 88.04%, the corresponding document was published on the official portal of legal information.

Read full text: <http://www.bigpowernews.ru/news/document78976.phtml>

COMPANY NEWS

IDGC of Centre saved about 15 million kilowatt-hours of electricity in the first half of the year

IDGC of Centre summed up the results of the implementation of the energy saving and energy efficiency improvement program for 6 months of 2017. The overall effect of its implementation was 14.85 million kWh.

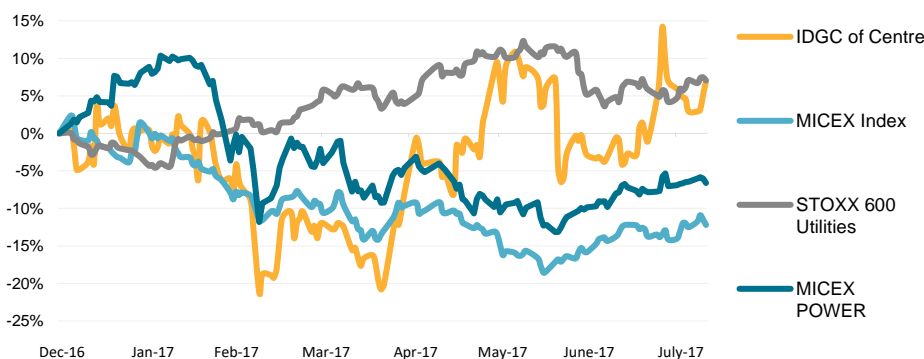
Read full text: <https://www.mrsk-1.ru/press-center/news/company/61030/>

Kurskenergo's specialists in the first half of the year repaired more than 1,600 km of power lines

IDGC of Centre – Kurskenergo division summed up the performance of the repair program for 6 months of 2017. During this period, Kurskenergo's specialists repaired 249.3 km of overhead lines of 35-110 kV and over 1.35 thousand km of lines of 10-0.4 kV. In the framework of this work, about 162.3 km of wire was replaced, 1,995 new poles and 10,190 insulators were installed.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/61040/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 960,23	-0,79%	-12,20%
S&P 500	2 438,21	-1,45%	8,91%
FTSE 100	7 389,94	-1,44%	3,46%
DAX	12 014,30	-1,15%	4,64%
DJStoxx 600	376,05	-1,00%	4,05%
STOXX Utilities	296,27	-0,40%	7,05%
Nikkei	19 729,74	-0,05%	3,22%
Sensex	31 531,33	-0,84%	18,42%
CSI300	3 715,92	-0,41%	12,26%
Bovespa	66 992,09	-1,00%	11,23%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,18	0,10%	11,78%
USD/RUB	59,96	-0,05%	-1,15%
Euro/RUB	70,42	-0,60%	10,35%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 286,53	0,72%	12,12%
Brent*, USD/bbl	51,90	-1,52%	-11,75%

* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4780
Capitalisation**, billion RUB	20,18
Capitalisation**, million USD	336,55

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-0,65%	-6,63%
Shares of IDGC of Centre**	1,70%	6,94%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-2,46%	-23,86%
FGC UES	-2,04%	-17,10%
IDGC of Volga	-0,75%	65,89%
MOESK	-0,23%	-5,12%
IDGC of Northern Caucasus	-1,92%	-19,05%
IDGC of Centre and Volga Reg	0,22%	81,49%
IDGC of North-West	2,72%	-3,82%
IDGC of Urals	0,64%	-4,26%
IDGC of Siberia	0,00%	6,45%
IDGC of South	0,47%	-18,13%
Lenenergo, ordinary shares	-1,94%	-12,62%
TRK, ordinary shares	0,00%	-15,97%
Kubanenergo	0,67%	-13,33%

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