

# DAILY MARKET REVIEW

19 July, Wednesday

2017



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 18 July some moderately negative external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed with a small decrease of 0.1% – the rise of securities of the utilities and consumer sectors was offset by the drop in shares in the health sector due to the postponement of voting by the US Senate on the reform of the industry. On Tuesday most of the major indices of the Asia-Pacific region fell. Already after the closure of the US markets it became known that due to the lack of votes, Republicans in Congress rejected the idea of implementing a bill on the health care reform, which was one of the main points of Donald Trump's program. Now, analysts say, there are growing doubts in the market about the president's ability to implement other reforms to stimulate the economy. Strengthening of the yen – the dollar DXY index fell to a ten-month low on skepticism regarding the implementation of economic reforms by Donald Trump – provoked a decrease in the Nikkei225 below the psychological mark of 20,000 points. Additional pressure on the Australian S&P/ASX200 index, which lost 1.2%, was provided by optimistic forecasts of the Central Bank on the economy of the country, which traders regarded as a signal to tighten monetary policy. September Brent futures traded near \$48.4 per barrel, \$0.3 lower than the closing level of 17 July. Negative background for quotations was information on increased production in the US and Libya. So, the US Department of Energy predicts that in August the production of shale oil will rise to a record of 5.585 million b/s. In turn, sources of Bloomberg reported that Libya increased production to 1.1 million b/s.

The MICEX Index most of the trading session on Tuesday was in a small minus, mostly within half a percent – the rise of Brent quotations above \$49 per barrel was levelled by negative sentiments on European markets. The European Stoxx Europe 600 Index lost more than a percent in the middle of the day under the pressure of strengthening of the euro, which updated the annual maximum against the dollar after the failure of the US health system reform, and weaker than expected data on confidence in the German economy in July. At the end of the trading session the decline in the Russian and European markets accelerated after the start of trading in the US in negative territory due to problems with the implementation of presidential economic initiatives and mixed quarterly statements of a number of major companies.

During the day the changes of the MicexPWR Sector Index on the whole corresponded to the MICEX Index. The main contribution to the decline in the sector indicator was made by shares of FGC UES and preference shares of Rosseti, which lost 4.6% and 16.5%, respectively, after the ex-dividend date.

## ELECTRIC POWER INDUSTRY NEWS

### Head of the Ministry of Energy of the Russian Federation Mr. Novak re-elected Chairman of the Board of Directors of Rosseti

Russian Energy Minister Alexander Novak, who has been the head of the Board since 2015, was re-elected as Chairman of the Board of Directors of Rosseti, the company said.

Read full text: <http://www.bigpowernews.ru/news/document78385.phtml>

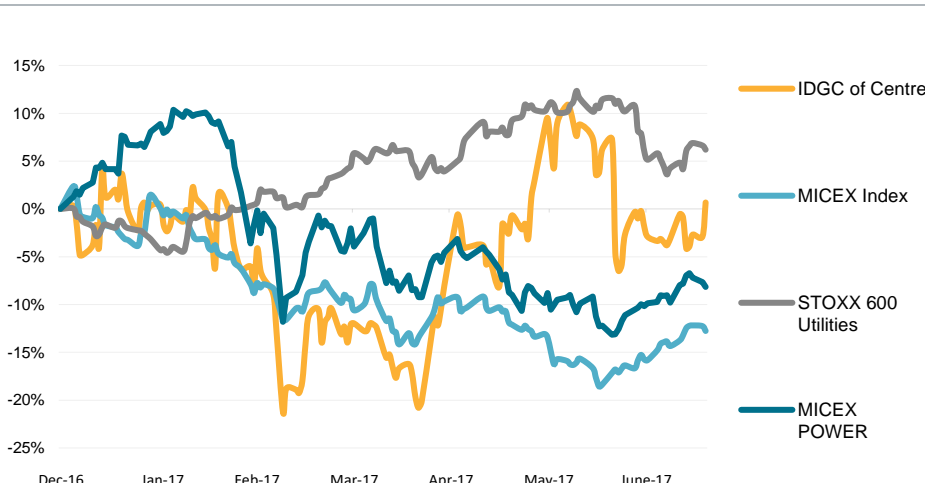
## COMPANY NEWS

### Smolenskenergo held an open meeting with consumers of Yartsevsky district

An open meeting was held on the issues of energy supply at the initiative of IDGC of Centre - Smolenskenergo division in the village of Kapyrevschina in Yartsevsky district, at which everyone could ask their questions. The event in this format was held for the first time.

Read full text: <http://www.elektroportal.ru/news/news-83765.html>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 947,71	-0,58%	-12,77%
S&P 500	2 460,61	0,06%	9,91%
FTSE 100	7 390,22	-0,19%	3,46%
DAX	12 430,39	-1,25%	8,27%
DJStoxx 600	382,58	-1,11%	5,85%
STOXX Utilities	293,91	-0,41%	6,19%
Nikkei	19 999,91	-0,59%	4,63%
Sensex	31 710,99	-1,13%	19,10%
CSI300	3 667,18	0,10%	10,79%
Bovespa	65 337,67	0,19%	8,49%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,16	0,79%	9,95%
USD/RUB	59,07	-1,36%	-2,62%
Euro/RUB	67,62	-1,08%	5,97%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 242,47	0,68%	8,28%
Brent*, USD/bbl	48,84	0,87%	-17,00%

\* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4500
Capitalisation**, billion RUB	19,00
Capitalisation**, million USD	321,64

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-0,57%	-8,17%
Shares of IDGC of Centre**	3,69%	0,67%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	1,01%	-25,36%
FGC UES	-4,58%	-16,95%
IDGC of Volga	3,59%	41,79%
MOESK	-1,31%	-7,68%
IDGC of Northern Caucasus	4,38%	-24,26%
IDGC of Centre and Volga Reg	1,32%	30,00%
IDGC of North-West	8,76%	-12,00%
IDGC of Urals	0,00%	-10,03%
IDGC of Siberia	12,1%	-10,39%
IDGC of South	1,52%	-23,66%
Lenenergo, ordinary shares	1,99%	-11,72%
TRK, ordinary shares	-2,63%	-22,27%
Kubanenergo	-1,19%	-13,91%

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