

DAILY MARKET REVIEW

26 April, Wednesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 25 April some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed trading with a rise of 1.1%, the composite index of the Asia-Pacific region MSCI Asia Pacific added about 0.5%. The wave of optimism continues in the markets, Reuters reports, after the announcement of the results of the first round of the presidential elections in France – proceeding to the second round of centrist E. Macron reduced the probability of the collapse of the Eurozone and increased demand for risky assets. Additional support for traders was provided by media reports that Donald Trump this week will propose to reduce the corporate profit tax from the current 35% to 15% within the promised tax reform to stimulate economic growth. June Brent futures traded near the mark of \$51.8 per barrel, slightly above the closing level on 24 April. According to Bloomberg, the market is waiting for signals from the OPEC+ states about the readiness to extend the expiring production agreement in June. According to experts, OPEC countries and their partners have not succeeded in reducing global fuel reserves to an average level over the past five years, and if the agreement is not extended, oil prices could return to \$40 per barrel.

A half-percent decline in the Russian market at the beginning of trading was replaced by a percentage growth in the middle of the day due to a moderate positive factor on the western exchanges and expectations of an increase in dividend payments of state-owned companies. The driver of the MICEX Index's rise for the second consecutive day is Gazprom's shares – according to BCS analysts' estimates, dividend payments of 50% of net profit according to IFRS correspond to 18% of the current dividend yield of the company's shares. At the end of the day the Russian market was supported by more than half a percentage increase in the main US indices on strong corporate reporting of a number of large companies and statistics that recorded an increase in sales of new buildings in March to a maximum of eight months.

During the trading session the changes of the MicexPWR Sector Index in general corresponded to the MICEX Index.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Economic Development plans to get rid of "cross subsidies" in the electric power industry gradually, says Mr. Podguzov

The Ministry of Economic Development plans to gradually exclude cross-subsidization in electricity tariffs, the amount of which has already reached 250 billion rubles, Deputy Economic Development Minister Nikolai Podguzov said to Tass.

Read full text: <http://www.bigpowernews.ru/markets/document76692.phtml>

COMPANY NEWS

IDGC of Centre summed up environmental activities for the 1st quarter of 2017

IDGC of Centre summarized the implementation of the Program for Environmental Safety and Rational Use of Natural Resources for the 1st quarter of 2017. During the reporting period, 1 draft MPE was developed to standardize the maximum permissible emissions (MPE) of pollutants into the atmosphere. Instrumental control of observance of MPE standards on 7 sources of emissions of production departments was carried out, exceeding of established standards was not revealed.

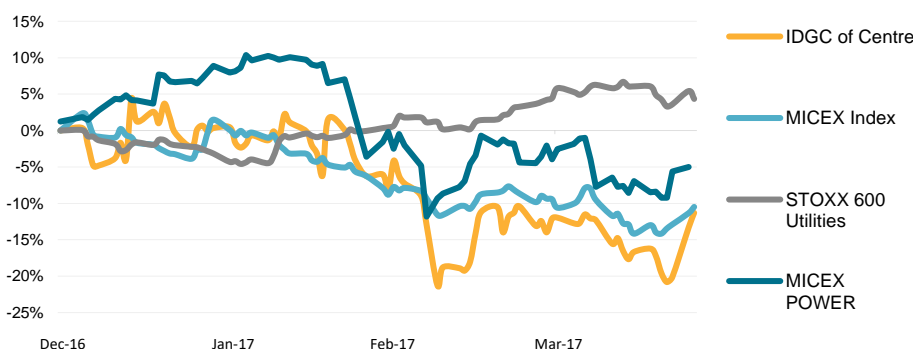
Read full text: <https://www.mrsk-1.ru/press-center/news/company/59770/>

Investment program of "Belgorodenergo" in 2017 to be almost 3 billion rubles

In 2017 IDGC of Centre – Belgorodenergo division plans to implement the investment program in the amount of 2.97 billion rubles, most of the funds will be used to increase the reliability of grids, Director of the branch Sergey Demidov told reporters.

Read full text: https://abireg.ru/n_60242.html

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 998,41	0,95%	-10,49%
S&P 500	2 387,53	0,56%	6,64%
FTSE 100	7 275,64	0,15%	1,86%
DAX	12 467,04	0,10%	8,59%
DJStoxx 600	386,91	0,21%	7,05%
STOXX Utilities	288,78	-1,03%	4,34%
Nikkei	19 079,33	1,08%	-0,18%
Sensex	29 943,24	0,97%	12,46%
CSI300	3 441,43	0,29%	3,97%
Bovespa	64 472,35	0,13%	7,05%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,09	0,00%	3,34%
USD/RUB	56,08	-0,27%	-6,96%
Euro/RUB	60,85	0,87%	-3,45%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 276,31	0,00%	10,76%
Brent*, USD/bbl	51,60	0,00%	-9,19%

* - June futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3965
Capitalisation**, billion RUB	16,74
Capitalisation**, million USD	298,49

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,64%	-5,03%
Shares of IDGC of Centre**	2,32%	-11,30%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	0,32%	-18,09%
FGC UES	1,24%	-5,27%
IDGC of Volga	5,00%	16,25%
MOESK	1,02%	10,36%
IDGC of Northern Caucasus	-1,17%	-23,13%
IDGC of Centre and Volga Reg	-0,19%	4,66%
IDGC of North-West	2,77%	-19,09%
IDGC of Urals	0,00%	-10,33%
IDGC of Siberia	3,00%	-21,98%
IDGC of South	-1,90%	-30,92%
Lenenergo, ordinary shares	-1,51%	-5,45%
TRK, ordinary shares	0,24%	-12,82%
Kubanenergo	0,00%	-5,75%

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