

# DAILY MARKET REVIEW

28 February, Thursday

2019



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 27 February 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%. In the absence of new information on the US-PRC trade deal, investors paid attention to weak statistics on the housing market – the number of new buildings in December fell 11.2% to more than a two-year minimum. On Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.1% on statements by the Fed Chair that the Central Bank was ready to “show patience” when making further decisions regarding changes in the base interest rate. At the same time, reports on the deterioration of relations between India and Pakistan became a deterrent for Asian markets – according to media reports, Pakistani air forces shot down two Indian military aircraft that violated the country’s airspace. April Brent futures traded at around \$65.5 per barrel, \$0.2 above our 26 February close. Oil prices were supported by a report from the American Petroleum Institute about a significant reduction in oil and gasoline reserves in the US last week – by 4.2 and 3.8 million barrels, respectively.

During the day, moderately negative trends prevailed in the Russian and world stock markets. The MOEX Russia Index, the European Stoxx Europe 600 Index and the index of emerging markets MSCI EM lost on average within half a percent. Investors’ appetite for risky assets declined amid concerns about a slowdown in the Eurozone’s economy – the composite index of confidence in the Eurozone fell in February to a minimum since 2016, and the increase in geopolitical risks in Asia. According to experts, the threat of an escalation of the conflict between India and Pakistan with nuclear weapons can put serious pressure on financial markets. An additional negative factor for Russian investors was a reminder of sanctions risks – the US Congress published the text of the updated draft law on anti-Russian sanctions. At the same time, the activity of sellers in our market was restrained by an increase in oil prices. Brent quotes rose above \$66 per barrel on expectations that OPEC+ countries will continue to restrict oil production, despite pressure from Donald Trump. In particular, the Minister of Energy of Saudi Arabia said that the agreement on the reduction of production by OPEC+ may be extended until the end of the year.

At the end of the trading session the electric utilities sector index underperformed mainly due to shares of Unipro and RusHydro.

## ELECTRIC POWER INDUSTRY NEWS

### Experts proposed to control organizations influencing the formation of energy tariffs

The Centre for Political Information (CPS) proposes to introduce a system of public control over actions of private non-profit organizations that participate in the formation of electricity tariffs.

Read full text: <https://tass.ru/ekonomika/6165935>

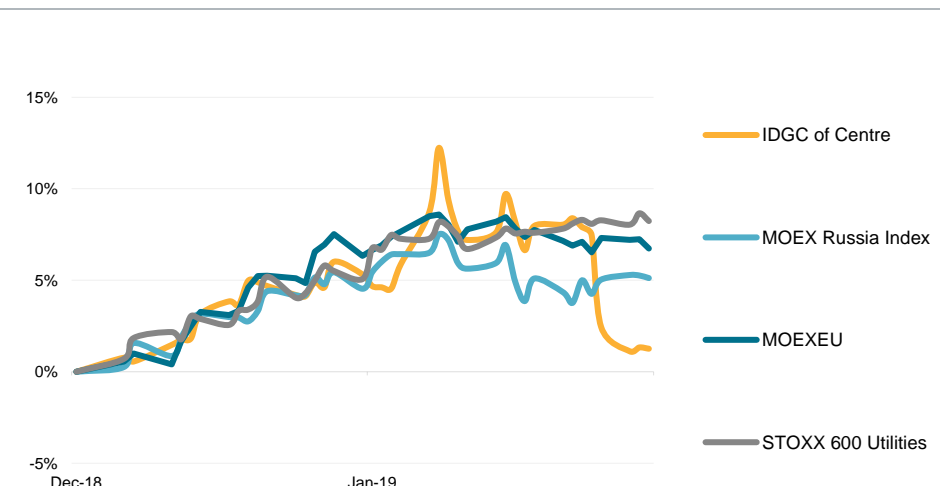
## COMPANY NEWS

### Igor Makovskiy: “Digitalization will become a key priority of the investment program of IDGC of Centre in 2019”

IDGC of Centre is starting the implementation of the 2019 investment program. This year, the company plans to commission about 4.8 thousand km of power lines and about 750 MVA of capacity. The amount of funding for the program will be 15.652 billion rubles.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/67420/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 490,65	-0,14%	5,12%
S&P 500	2 792,38	-0,05%	11,39%
FTSE 100	7 107,20	-0,61%	5,63%
DAX	11 487,33	-0,46%	8,79%
DJStoxx 600	372,58	-0,28%	10,35%
Nikkei	21 556,51	0,50%	7,70%
Sensex	35 905,43	-0,19%	-0,45%
CSI300	3 678,39	-0,17%	22,18%
Bovespa	97 307,31	-0,30%	10,72%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,62	0,55%	-5,55%
EURO/RUB	74,49	0,54%	-6,26%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 319,86	-0,68%	2,91%
Brent*, USD/bbl	66,39	1,81%	23,40%

\* - April futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2896	12,23	186,33
IDGC of Centre & Volga Reg	0,2622	29,55	450,32

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,39%	8,24%
MOEXEU Index	-0,48%	6,73%
IDGC of Centre**	-0,07%	1,26%
IDGC of Centre and Volga Region**	-0,57%	-1,06%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,27%	14,50%
FGC UES	-1,08%	2,40%
IDGC of Volga	-0,87%	3,56%
MOESK	-0,43%	-0,57%
IDGC of Northern Caucasus	-1,20%	-10,99%
IDGC of North-West	-3,16%	2,93%
IDGC of Urals	-0,06%	60,88%
IDGC of Siberia	-1,63%	16,16%
IDGC of South	0,52%	8,88%
Lenenergo, ordinary shares	1,78%	11,69%
TRK, ordinary shares	-2,01%	20,08%
Kubanenergo	0,27%	14,50%

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**