

DAILY MARKET REVIEW

17 August, Friday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 16 August some moderately negative external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed with a decline of 0.5-0.8%, on Thursday the composite index of the Asia-Pacific region, MSCI Asia Pacific, lost 0.5%. The driver of the decline in markets was shares of commodity companies, following the fall in prices for oil and metals on fears of expanding trade wars and slowing the global economy. However, on Thursday futures for US indices added 0.3% on easing investors' concerns about the Turkish problems and signals about the readiness of the US and China to resume trading negotiations. The Turkish lira continued to recover after the recent collapse – on Thursday the lira strengthened against the dollar by 5% on news that Qatar promised to invest \$15 billion in Turkey's economy. As for the disputes between Washington and Beijing, the media reported that a delegation of the Ministry of Commerce of the People's Republic of China will visit the US in late August to discuss disagreements. As Bloomberg notes, this will be the first official meeting after the US and PRC interrupted the trade negotiations two months ago. October Brent futures traded near \$71.1 per barrel, \$0.5 higher than our closing on 15 August. Oil prices were adjusting up after a 2.5% drop on Wednesday, triggered, among other things, by data from the US Department of Energy about the unexpected increase in oil reserves at the maximum rate since March 2017.

The MOEX Russia Index spent most of the trading session in a small minus within half a percent, playing out the uncertain changes of oil prices – Brent quotations during the day fell to around \$70.6 per barrel. In addition, additional pressure on shares of Russian exporters was put by a sharp strengthening of the ruble against the dollar. The activity of sellers on the domestic market was limited by moderately positive sentiments on western markets, where US futures and the European Stoxx Europe 600 Index added more than a third of a percent on reducing geopolitical risks and good reporting by a number of large US and European companies. At the end of the day, the MOEX Russia Index was able to slightly reduce losses due to a percentage growth of US indices at the beginning of trading.

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

ELECTRIC POWER INDUSTRY NEWS

Two-stage indexation of utility tariffs in 2019 to be one-time, says the Ministry of Construction

The decision on the possibility of a two-stage increase in tariffs for utilities from 1 January and 1 July 2019 due to the increase in VAT will be one-time, told reporters on Thursday the head of the Ministry of Construction of the Russian Federation Vladimir Yakushev.

Read full text: <http://www.bigpowernews.ru/markets/document84210.phtml?1&q=>

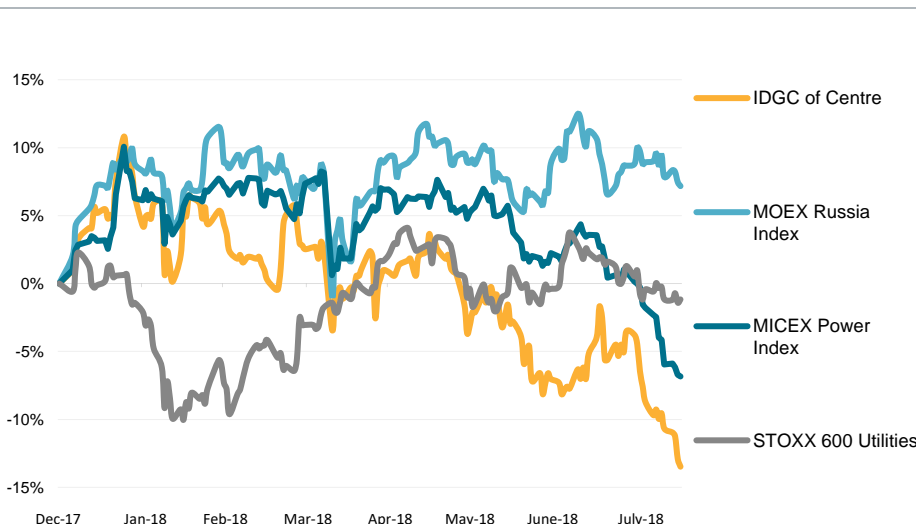
COMPANY NEWS

The corporate governance rating of IDGC of Centre, PJSC NCGR 7+ "Developed practice of corporate governance" was affirmed

The Russian Institute of Directors once again confirmed IDGC of Centre's corporate governance rating at the level of NCGR 7+ "Developed practice of corporate governance". In the process of monitoring, experts conducted an analysis of corporate events that occurred in the Company during the period from February to August 2018 and noted the following positive points.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/65380/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2261.09	-0.27%	7.17%
S&P 500	2844.42	0.92%	6.39%
FTSE 100	7556.38	0.78%	-1.71%
DAX	12237.17	0.61%	-5.27%
DJStoxx 600	381.43	0.46%	-1.99%
Nikkei	22192.04	-0.05%	-2.52%
Sensex	37663.56	-0.50%	10.59%
CSI300	3276.73	-0.46%	-18.71%
Bovespa	76965.09	-0.15%	0.74%

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

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	66,3772	-0.56%	15.18%
EURO/RUB	75,2253	-1.32%	9.36%

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

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1178.66	0.32%	-9.55%
Brent*, USD/bbl	71,18	0.59%	6.45%

* - October futures

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

Shares	Price**, ₽	MCap**, \$ mln	
		₽ bln	\$ mln
IDGC of Centre	0,308	13,00	195,90
IDGC of Centre & Volga Reg	0,2775	31,27	471,15

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0.25%	-1.17%
MICEX POWER Index	-0.14%	-6.84%
IDGC of Centre**	-0.65%	-13.48%
IDGC of Centre and Volga Region**	-0.89%	-8.02%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0.57%	-14.68%
FGC UES	-0.68%	-5.62%
IDGC of Volga	-2.26%	-9.30%
MOESK	0.14%	-22.36%
IDGC of Northern Caucasus	0.00%	-19.53%
IDGC of North-West	-0.87%	30.77%
IDGC of Urals	-1.35%	-12.89%
IDGC of Siberia	5.43%	-15.28%
IDGC of South	-0.41%	22.24%
Lenenergo, ordinary shares	0.00%	20.83%
TRK, ordinary shares	0.00%	-13.75%
Kubanenergo	0.68%	-25.00%

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