

# DAILY MARKET REVIEW

25 October, Thursday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 24 October some moderately negative external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 fell 0.5-0.6%. The driver of the decline was shares of commodity companies following the fall in oil prices and securities of manufacturing companies on weak statements from Caterpillar and 3M. According to analysts, correctional sentiment persists in the markets due to the tightening of the Fed's policy, trade wars and European problems in the form of difficult Brexit negotiations and disputes over the Italian budget. On Wednesday futures for US indices declined by 0.6%, the composite stock index of the Asia-Pacific region, MSCI Asia Pacific, lost 0.2% with multidirectional changes of the main country indices. December Brent futures traded around \$76.3 a barrel, \$0.7 below our 23 October close. The quotations were pressured by a message from the American Petroleum Institute about the maximum since February 2017 growth of oil reserves in the country by 9.88 million barrels.

On Wednesday the Russian and European markets were dominated by buyers within the correction after five days of decline in a row. In the middle of the day, the MOEX Russia Index and the European Stoxx Europe 600 Index added more than one percent. In the second half of the trading session, the growth of the MOEX Russia Index accelerated to 1.8% on a statement by the US president's national security adviser that the US currently does not plan to impose additional sanctions against Russia. According to him, the last sanctions against the Russian Federation were imposed by the US four months ago in connection with the Skripal case. Against this background, Sberbank's shares, the proxy securities of the Russian market for Western investors, became the driver of the rise in the MOEX Russia Index, adding 3.9%, as well as LUKOIL's shares (+4.7%), continuing to regain the company's weight in the MSCI Russia Index. At the end of the day, the domestic market somewhat boosted following a percentage drop in major US indices at the start of trading on the controversial reporting of a number of large companies and weak statistics – sales of new buildings in the US in September fell to a minimum of 2 years.

At the end of the trading session the MicexPWR Sector Index underperformed, mainly due to active sales in shares of RusHydro.

## ELECTRIC POWER INDUSTRY NEWS

### Representatives of the Russian Ministry of Energy and ROSSETI discussed with the country's entrepreneurs future changes in the electric grid complex

In the framework of the annual business forum of the All-Russian Public Organization of Small and Medium-Sized Business "OPORA RUSSIA" "Small business is a national project!", a session was held "The impact of legislative initiatives on the availability of the electric grid infrastructure".

Read full text: [http://www.rosseti.ru/press/news/index.php?ELEMENT\\_ID=34178](http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=34178)

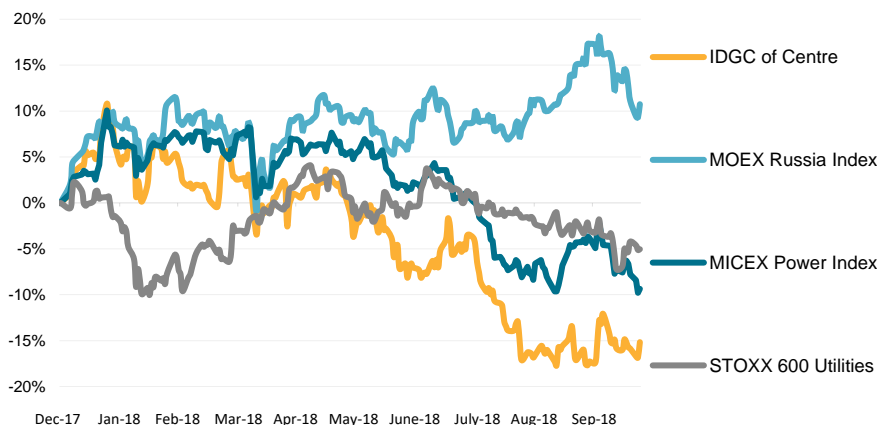
## COMPANY NEWS

### IDGC of Centre provided capacity to new large-scale livestock farms in the Kursk region

Specialists of IDGC of Centre - Kurskenergo division provided the electric grid infrastructure for two new pig breeding facilities "Orlyansky" and "Yandovischensky", built by the group of companies (GC) "AgroPromkomplektatsiya" in Konyshesky district of the Kursk region. As part of connection to the power grid of the branch of three sites (a sow farm, nursery, fattening), the power engineers constructed about 20 km of cable-overhead lines of 10 kV and installed eight 10 kV line disconnectors.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66252/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 336,49	1,34%	10,75%
S&P 500	2 656,10	-3,09%	-0,65%
FTSE 100	6 962,98	0,11%	-9,43%
DAX	11 191,63	-0,73%	-13,36%
DJStoxx 600	353,27	-0,22%	-9,23%
Nikkei	22 091,18	0,37%	-2,96%
Sensex	34 033,96	0,55%	-0,07%
CSI300	3 188,20	0,15%	-20,91%
Bovespa	83 063,56	-2,62%	8,72%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	65,31	0,01%	13,33%
EURO/RUB	74,86	-0,68%	8,83%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 233,79	0,28%	-5,30%
Brent*, USD/bbl	76,17	-0,35%	13,91%

\* - December futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3020	12,75	195,22
IDGC of Centre & Volga Reg	0,2825	31,84	487,48

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,09%	-5,05%
MICEX POWER Index	0,47%	-9,37%
IDGC of Centre**	2,03%	-15,17%
IDGC of Centre and Volga Region**	0,53%	-6,36%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	1,29%	-12,71%
FGC UES	3,00%	-4,66%
IDGC of Volga	1,95%	-0,63%
MOESK	-0,87%	-23,92%
IDGC of Northern Caucasus	1,77%	-25,00%
IDGC of North-West	-4,93%	22,50%
IDGC of Urals	-0,29%	-18,85%
IDGC of Siberia	0,60%	-26,64%
IDGC of South	-7,75%	19,40%
Lenenergo, ordinary shares	-1,80%	19,17%
TRK, ordinary shares	0,00%	-15,36%
Kubanenergo	0,39%	-34,69%

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**