

# DAILY MARKET REVIEW

23 January, Wednesday

2019



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 22 January some moderately negative external background formed on the Russian market. On Monday the US stock exchanges were closed due to a national holiday. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific and futures for US indices lost 0.7%. The markets were pressured by concerns about a slowdown of the global economy. Firstly, the IMF in its January's macro forecast worsened estimates of the global GDP growth by 0.2 percentage points, to 3.5% in 2019 and by 0.1 percentage points to 3.6% in 2020. According to the IMF experts, the main risks for the global economy remain the escalation of the trade war between the USA and China, the implementation of the tough Brexit scenario and the slowdown in the growth of the PRC economy. Secondly, on Monday China reported an increase in GDP last year by only 6.6%, which was the worst result in the last 28 years. One of the reasons was a trade conflict with Washington and the introduction of reciprocal import duties worth more than \$350 billion, which contributed to a slowdown in the growth of capital expenditures and consumer spending. In addition, the GDP changes reflected the slowdown in investments due to the struggle of regulators with an increase in debt and financial risks. March Brent futures traded around \$62.2 per barrel, \$0.7 below our 21 January close. Industry experts attribute the drop in oil prices to the return of pessimism about the prospects for the world economy and, accordingly, the demand for fuel.

On Tuesday, sellers dominated the Russian market, as well as on global markets, as a whole, due to a decline in investors' interest in risky assets on expectations of a worsening global economic growth and corporate profits. The caution of traders was also due to growing risks of a British exit from the European Union without an agreement. According to media reports, on 21 January, the Prime Minister provided little information about how she can change the Brexit deal so that parliament can approve it. In the middle of the day, the MOEX Russia Index, the index of emerging markets MSCI EM and the European Stoxx Europe 600 Index lost about half a percent. The MOEX Russia Index was able to close the trading session in positive territory, despite the increase in negative trends in Europe, a more than half-percent average decline in major US indices and a fall in Brent oil quotes to \$60.5 per barrel. The export-oriented Russian market was supported by the weakening of the ruble against the dollar.

At the end of the trading session the electric utilities index underperformed. The main contribution to the MOEXEU decline in antiphase with the MOEX Russia Index was made by shares of RusHydro and Inter RAO. From the general changes of the "heavy" index papers of the electric utilities sector, almost a 6% rise of ordinary shares of ROSSETI stands out in the absence of significant news. All the growth occurred at the last hour of trading, the daily turnover was the highest since the beginning of October last year.

## ELECTRIC POWER INDUSTRY NEWS

### Mr. Kozak was presented new norms of consumption and payment of electricity

At a meeting with Deputy Prime Minister Dmitry Kozak, on 23 January, the Ministry of Economy's draft law on the introduction of a social standard for electricity consumption will be considered. The base rate will remain at consumption until 300 kWh per month, benefits are provided.

Read full text: <https://www.rbc.ru/society/23/01/2019/5c477c409a794737fe894514?from=main>

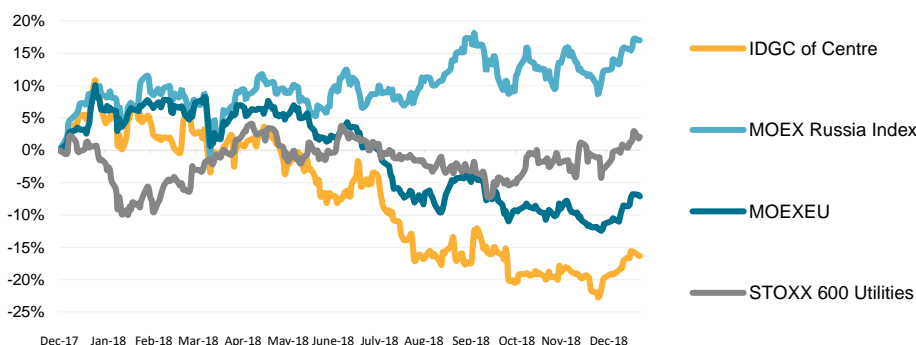
## COMPANY NEWS

### General Director of IDGC of Centre - the managing organization of IDGC of Centre and Volga Region Igor Makovskiy and the head of Yantarengo Kirill Yutkin familiarized themselves with the management system and advanced technologies implemented in the electric grid complex of the Republic of Tatarstan

General Director of IDGC of Centre - the managing organization of IDGC of Centre and Volga Region Igor Makovskiy and General Director of Yantarengo Kirill Yutkin, during their working visit to the Republic of Tatarstan visited OJSC "Grid Company" that manages the regional grid complex.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/67083/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 468,73	0,02%	4,20%
S&P 500	2 632,90	-1,42%	5,03%
FTSE 100	6 901,39	-0,99%	2,58%
DAX	11 090,11	-0,41%	5,03%
DJStoxx 600	355,09	-0,36%	5,17%
Nikkei	20 622,91	-0,47%	3,04%
Sensex	36 444,64	-0,37%	1,04%
CSI300	3 143,32	-1,33%	4,41%
Bovespa	95 103,38	-0,94%	8,21%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	66,36	0,05%	-4,47%
EURO/RUB	75,55	-0,05%	-4,92%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 285,22	0,37%	0,21%
Brent*, USD/bbl	61,5	-1,98%	14,31%

\* - March futures

Source: Bloomberg, Company calculations

Shares	Price**, P	MCap**, P bln	MCap**, \$ mln
IDGC of Centre	0,2978	12,57	189,45
IDGC of Centre & Volga Reg	0,2698	30,41	458,17

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,24%	4,29%
MOEXEU Index	-0,25%	4,85%
IDGC of Centre**	-0,07%	4,13%
IDGC of Centre and Volga Region**	-0,07%	1,81%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	5,56%	21,21%
FGC UES	0,18%	5,85%
IDGC of Volga	-0,68%	4,03%
MOESK	-1,00%	5,00%
IDGC of Northern Caucasus	-0,56%	1,00%
IDGC of North-West	-4,31%	8,11%
IDGC of Urals	-1,43%	4,55%
IDGC of Siberia	-4,14%	24,10%
IDGC of South	0,72%	15,89%
Lenenergo, ordinary shares	-2,04%	8,70%
TRK, ordinary shares	-7,80%	22,73%
Kubanenergo	-1,08%	13,11%

Source: MOEX, Company calculations

\*\* - at the price of last transaction at MOEX

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**Tickers**  
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