

# DAILY MARKET REVIEW

31 October, Wednesday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 29 October some ambiguous external background formed on the Russian market. On Monday the US indices DJIA and S&P500, which added more than 1.5% during the day, closed with a decline of 0.7-1.0%. The markets were pressured by the message of sources of Bloomberg about the US plans to announce in early December duties on all the remaining imports from China in the amount of \$257 billion, if the talks between the presidents of the two countries next month do not lead to easing trade contradictions. In addition, the US government imposed restrictions on a large Chinese microchip manufacturer Fujian Jinhua, which is accused in the US of stealing intellectual property. Meanwhile, the Central Bank of China lowered the yuan to a minimum value for 10 years. After the closure of the American stock exchanges, Donald Trump announced that he was counting on a "great bargain" with the PRC, which somewhat allayed the fears of the markets. However, the US president added that, in his opinion, at this stage China is not yet ready for such a deal. Against this background, on Tuesday the composite stock index of the Asia-Pacific region, MSCI Asia Pacific, and futures for US indices added 0.6%. December Brent futures traded near \$77.3 per barrel, \$0.3 below our closing level on 29 October. Oil prices are adjusting on fears of a slowdown in demand for fuel in the event of a full-scale trade war unleashing between the two largest economies in the world.

On Tuesday sellers dominated the Russian market, while losses of the MOEX Russia Index reached 1.5% at daily lows. The market was pressured by falling oil prices and moderately negative sentiment on global markets. Brent quotes fell to \$75.1 per barrel, including due to the strengthening of the dollar – the DXY index approached the annual maximum. In the middle of the day, the index of emerging markets MSCI EM and the European Stoxx Europe 600 Index lost about half a percent. In addition to fears of a slowdown in the global economy due to protectionism, weak European statistics contributed to a decline in investors' appetite for risky assets. The Eurozone's GDP in the third quarter grew by 0.2%, the lowest rate in 4 years, while the GDP of Italy, from which Brussels requires the revision of the draft budget for 2019, slowed to zero. In addition, the composite index of business and consumer confidence in the Eurozone's economy fell in October following the tenth consecutive month, which has not been observed since 2011. At the end of the day, the MOEX Russia Index reduced losses to 0.7% due to the reversal of oil prices from the daily lows and the percentage growth of major US indices on strong US consumer confidence data, which in October reached a maximum of 18 years.

At the end of the trading session the MicexPWR Sector Index outperformed. The main contribution to the small final MicexPWR rise in antiphase with the MOEX Russia Index was made by shares of Inter RAO and FGC UES.

## ELECTRIC POWER INDUSTRY NEWS

**The Ministry of Energy of the Russian Federation proposes to fine energy sales companies for not installing smart meters starting from 2023**

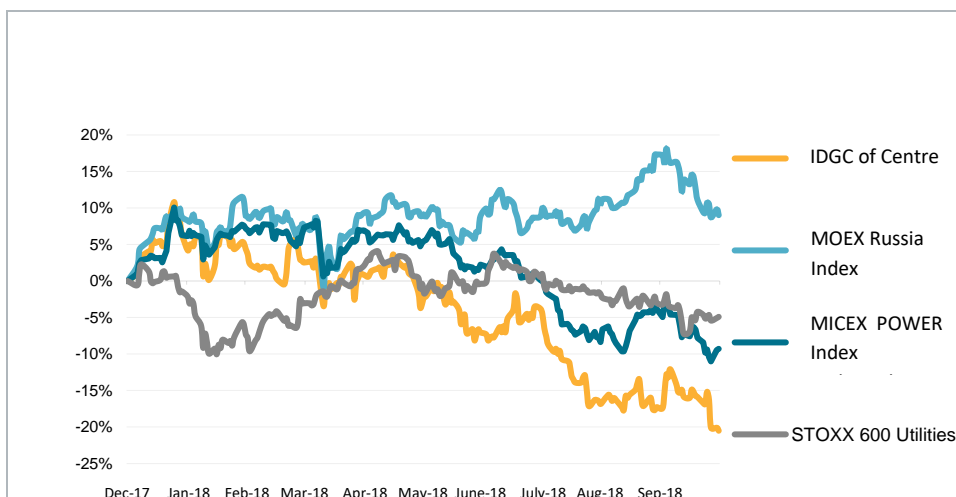
Read full text: <http://www.bigpowernews.ru/markets/document85122.phtml>

## COMPANY NEWS

**General Director of IDGC of Centre Igor Makovskiy discussed with Vice-President and Executive Director of the Skolkovo Foundation's energy-efficient technologies cluster Oleg Dubnov prospects for cooperation in the field of digitalization of the electric grid complex**

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66313/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 299,98	-0,74%	9,02%
S&P 500	2 682,63	1,57%	0,34%
FTSE 100	7 035,85	0,14%	-8,48%
DAX	11 287,39	-0,42%	-12,62%
DJStoxx 600	355,53	0,01%	-8,65%
Nikkei	21 457,29	1,45%	-5,74%
Sensex	33 891,13	-0,52%	-0,49%
CSI300	3 110,26	1,08%	-22,84%
Bovespa	86 885,71	3,69%	13,72%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	65,81	0,27%	14,20%
EURO/RUB	75,04	0,50%	9,09%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 222,93	-0,53%	-6,13%
Brent*, USD/bbl	75,91	-1,85%	13,52%

\* - November futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2855	32,18	488,89

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,17%	-4,90%
MICEX POWER Index	0,17%	-9,30%
IDGC of Centre**	-0,53%	-20,51%
IDGC of Centre and Volga Region**	0,18%	-5,37%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,06%	-17,27%
FGC UES	0,66%	-5,58%
IDGC of Volga	0,00%	-2,14%
MOESK	0,73%	-22,80%
IDGC of Northern Caucasus	-0,69%	-25,52%
IDGC of North-West	-0,64%	20,19%
IDGC of Urals	-0,87%	-18,62%
IDGC of Siberia	0,00%	-27,95%
IDGC of South	-0,92%	8,03%
Lenenergo, ordinary shares	1,28%	15,83%
TRK, ordinary shares	0,00%	-15,36%
Kubanenergo	0,80%	-35,97%

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**