

# DAILY MARKET REVIEW

7 March, Wednesday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 6 March some positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 added 1.1-1.4%, on Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific showed comparable changes. Investors were supported by eased fears of a global trade war after some of the Republican leaders in the US Congress, including Speaker of the House of Representatives Paul Ryan, opposed the introduction of high import duties on steel and aluminum. According to some analysts, this indicates that the administration of the US president is still considering possible options for action. In addition, notes Reuters, traders began to consider the statements of Donald Trump on duties as a negotiating tool after the US president said that Canada and Mexico can avoid new duties if they make concessions in the negotiations on the North American Free Trade Agreement (NAFTA). May Brent futures traded near \$65.7 per barrel, \$0.5 higher than the closing level on 5 March. Positive background for the quotations was information of the media that stocks of raw materials in Cushing, which stores oil traded on NYMEX, fell last week to the minimum volume since 2014.

The MOEX Russia Index spent most of the trading session in plus within half a percent due to high oil prices and optimistic sentiment in global stock markets. Following the US and Asian markets, the European Stoxx Europe 600 Index added about 0.8% on reduced risks of introducing new duties by the US against the backdrop of increasing political pressure on Donald Trump. Firstly, according to media reports, the European Union plans to impose the same duties on a wide range of American goods supplied to the EU, if the US enters a 25% import duty on steel. Secondly, the Bloomberg agency reported that the adviser to the US president – the head of the National Economic Council Gary Cohn, whose opinion is important for Donald Trump, is ready to resign if duties are introduced. An additional positive factor for investors in risky assets were media reports referring to South Korean diplomats that the leader of the DPRK expressed a desire to conduct serious negotiations with the US in order to determine ways of denuclearization of the Korean peninsula and normalization of relations between the DPRK and the US. Nevertheless, at the end of the day, the MOEX Russia Index moved into minus, despite the stability of oil prices and the persistence of optimistic sentiment on the western markets - according to experts, profit taking was also due to the reduction in the positions of traders before the long weekend.

As a result of the trading session the MicexPWR Sector Index outperformed. The main contribution to the small MicexPWR growth in antiphase with the MOEX Russia Index was made by shares of FGC UES and Inter RAO.

## ELECTRIC POWER INDUSTRY NEWS

### The Upper Volga Region to receive 5 billion rubles for development of electric grid facilities

The Tver region will receive 5 billion rubles by the decision of the Ministry of Energy of the Russian Federation and PJSC Rosseti in 2018 to develop electric grid facilities, Governor of the region Igor Rudenya told RIA Novosti.

Read full text: <https://ria.ru/economy/20180306/1515843857.html>

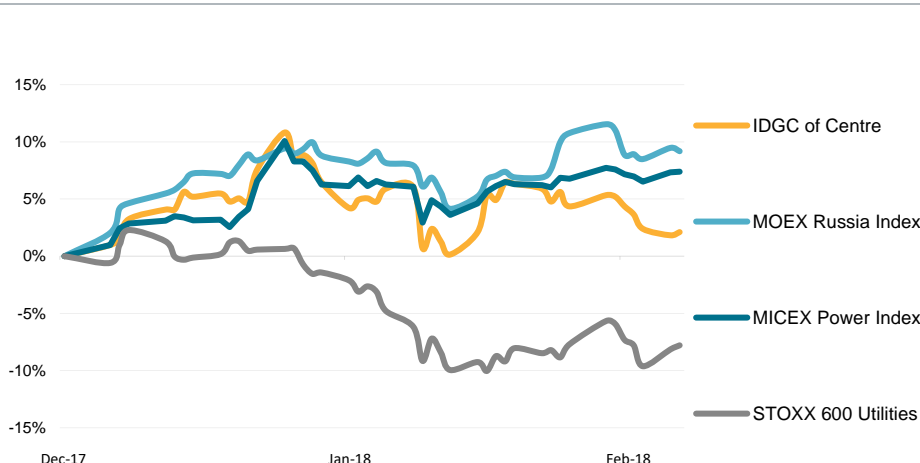
## COMPANY NEWS

### Kurskenergo reduces accounts receivable

IDGC of Centre - Kurskenergo division conducts systematic work to recover accounts receivable for electric power transmission services.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/63318/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 303,32	-0,27%	9,18%
S&P 500	2 728,12	0,26%	2,04%
FTSE 100	7 146,75	0,43%	-7,04%
DAX	12 113,87	0,19%	-6,22%
DJStoxx 600	371,37	0,13%	-4,58%
Nikkei	21 417,76	1,79%	-5,92%
Sensex	33 317,20	-1,27%	-2,17%
CSI300	4 066,56	1,21%	0,89%
Bovespa	85 653,02	-0,43%	12,11%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	57,10	0,77%	-0,92%
EURO/RUB	70,17	1,01%	2,01%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 334,56	1,09%	2,44%
Brent*, USD/bbl	65,79	0,38%	-0,45%

\* - May futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre	0,3635	15,35	268,76
IDGC of Centre & Volga Reg	0,3269	36,84	645,20

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,38%	-7,80%
MICEX POWER Index	0,04%	7,39%
IDGC of Centre**	0,28%	2,11%
IDGC of Centre and Volga Region**	1,24%	8,35%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,28%	0,56%
FGC UES	0,91%	9,78%
IDGC of Volga	2,03%	12,57%
MOESK	-1,25%	-12,12%
IDGC of Northern Caucasus	-1,10%	-6,77%
IDGC of North-West	-0,21%	-6,73%
IDGC of Urals	-0,89%	6,68%
IDGC of Siberia	-1,20%	7,42%
IDGC of South	-0,52%	-4,18%
Lenenergo, ordinary shares	-0,61%	18,65%
TRK, ordinary shares	0,00%	-2,16%
Kubanenergo	1,37%	-5,61%

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