

DAILY MARKET REVIEW

10 July, Tuesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 9 July some positive external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed with an increase of 0.4-0.8%, on Monday the composite index of the Asia-Pacific region MSCI Asia Pacific added 1.2%. The markets were supported by the confidence of investors in the good state of the American economy after the publication of the report on the labour market in June. Firstly, the number of jobs increased more than expected, the May figure was revised upward, and secondly, the smaller than expected hourly wage growth eased fears of accelerating inflation and, accordingly, the Fed's more active actions to tighten monetary and credit policy. At the same time, experts say, fears about world trade are receding to the background – the introduction by the US and China at the end of last week of reciprocal duties on the import of goods worth \$34 billion per year from each side has already been taken into account in prices. September Brent futures traded near \$77.6 per barrel, \$0.7 higher than our closing level on Friday, 6 July. Positive background for oil prices was statements of the head of Saudi Aramco on the possibility of a supply shortage on the market due to insufficient investment in the industry. At the same time, the media write, problems with the extraction are already being experienced by Libya, Venezuela and Canada, and there are fears that US sanctions can sharply reduce oil supplies from Iran.

On Monday the Russian market was dominated by buyers within the global demand of investors for risky assets. In the middle of the day the MOEX Russia Index and the index of emerging markets MSCI EM added more than a percent, the European Stoxx Europe 600 Index and futures for US indices – about half a percent. An additional positive factor for our market was the rise in Brent oil prices to around \$78 per barrel and expectations of a warming in relations between Russia and the US after the two countries' summit on 16 July. As analysts note, the idea of a possible revision of the Russian risk attracts non-residents' money into the undervalued assets of the Russian Federation. At the end of the day, buyers were supported by steady growth of the US market – the MOEX Russia Index closed trading at several points from the historical record.

As a result of the trading session changes of the MicexPWR Sector Index corresponded to the market, the main contribution to the rise of which was made by shares of Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

Federation Council suggested removing from tenants of houses the obligation to install meters themselves

A group of members of the Federation Council sent to the government of the Russian Federation a text of the draft law that proposes to fix the obligation to install and maintain water, gas and electricity meters in homes with resource-supplying organizations, freeing tenants from it, the chairman of the committee of the upper chamber for social policy Valery Ryazansky told journalists on Thursday.

Read full text: http://www.bigpowernews.ru/markets/document83679_phtml

COMPANY NEWS

IDGC of Centre from the beginning of the year repaired about 1,700 substations and about 5,000 kilometres of power lines, the work is done ahead of schedule

IDGC of Centre summed up the results of the implementation of the repair program for five months. The company is performing a number of key events of the document ahead of schedule. Major repairs of power transformers were carried out at 13 substations of 35-110 kV. 1,697 transformer substations of 0.4/6-10 kV and 4,790 kilometres of 0.4-110 kV overhead and cable power lines were repaired, which is 104% and 110% of the plan on an accrual basis, respectively. A total of 4,707 hectares of ROWs of overhead lines were cleared (113% of the planned figures on an accrual basis). To implement these activities, 807 million rubles were allocated.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/64709/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 373,17	1,18%	12,49%
S&P 500	2 784,17	0,88%	4,14%
FTSE 100	7 687,99	0,92%	0,00%
DAX	12 543,89	0,38%	-2,89%
DJStoxx 600	384,59	0,58%	-1,18%
Nikkei	22 052,18	1,21%	-3,13%
Sensex	35 934,72	0,78%	5,51%
CSI300	3 459,18	2,80%	-14,18%
Bovespa	75 010,39	0,00%	-1,82%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	63,12	-0,22%	9,53%
EURO/RUB	73,90	-0,08%	7,44%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 257,68	0,18%	-3,46%
Brent*, USD/bbl	78,07	1,24%	20,55%

* - September futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre	0,3335	14,08	223,06
IDGC of Centre & Volga Reg	0,3040	34,26	542,76

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,96%	2,77%
MICEX POWER Index	1,01%	4,01%
IDGC of Centre**	1,52%	-6,32%
IDGC of Centre and Volga Region**	1,00%	0,76%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,74%	-3,71%
FGC UES	0,61%	17,86%
IDGC of Volga	1,58%	15,73%
MOESK	-0,58%	-23,25%
IDGC of Northern Caucasus	-0,63%	-17,45%
IDGC of North-West	4,17%	20,19%
IDGC of Urals	0,81%	-10,98%
IDGC of Siberia	-0,47%	-7,42%
IDGC of South	0,48%	4,85%
Lenenergo, ordinary shares	-0,86%	19,48%
TRK, ordinary shares	0,00%	-13,75%
Kubanenergo	0,00%	-23,34%

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