

DAILY MARKET REVIEW

24 July, Tuesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 23 July some neutral external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed with a small decrease in the range of 0.1%. The rise in shares of financial companies, following the resumption of growth in yields on US government bonds, was offset by a fall in shares of the industrial goods sector led by General Electric on weak quarterly statements. Nervousness to investors was added by the threat of Donald Trump to impose duties on all imports from China worth \$500 billion and charges by the US president of China and the EU in manipulating their currencies and keeping low interest rates. On Monday the composite index of the Asia-Pacific region, MSCI Asia Pacific, was near zero with mixed changes of the main country indices. The Japanese Nikkei225, which lost 1.3%, was pressured by a sharp strengthening of the yen on media reports that the Central Bank of Japan could discuss changes in its ultra-soft monetary policy at a meeting next week. September Brent futures traded near \$73 per barrel, slightly above our closing level on Friday, 20 July. Oil quotations were supported by data from the oil service company Baker Hughes about a record decline since March in the number of operating oil production facilities in the US.

On Monday the Russian market was dominated by buyers, on the daily highs the growth of the MOEX Russia Index reached 1.1%. A positive factor for investors in assets of the Russian Federation were hopes for a decrease in the US sanctions pressure and the rise in oil prices. The US Secretary of the Treasury in an interview with Reuters said that the US is open to lifting sanctions from RusAl. According to Steven Mnuchin, Washington "intends to find an acceptable solution" and the US "has no plans to squeeze the company out of business." Against this backdrop, RusAl's securities went up by 17% in the middle of the day, and the main contribution to the rise of the MOEX Russia Index was made by Sberbank's shares – the proxy securities of the Russian market for Western investors. Brent quotes exceeded \$74.1 per barrel on tightening the US rhetoric against Iran. The US Secretary of State said that Washington intends to continue pressure on Tehran and to ensure that the export of oil from Iran is reduced to zero. At the end of the day the MOEX Russia Index reduced its growth to 0.6% due to a drop in oil prices from the daily highs and moderately negative sentiment on European exchanges.

During the trading session the MicexPWR Sector Index underperformed – the main purchases were concentrated in the first-tier securities.

ELECTRIC POWER INDUSTRY NEWS

Rosseti discusses with the Ministry of Energy of the Russian Federation the perspective of long-term tariffs in 5-10 years

"Rosseti" discusses with the Ministry of Energy of the Russian Federation the perspective of long-term tariffs in 5-10 years, the head of the company Pavel Livinskiy told journalists on 20 July.

Read full text: <http://www.bigpowernews.ru/markets/document83868.phtml>

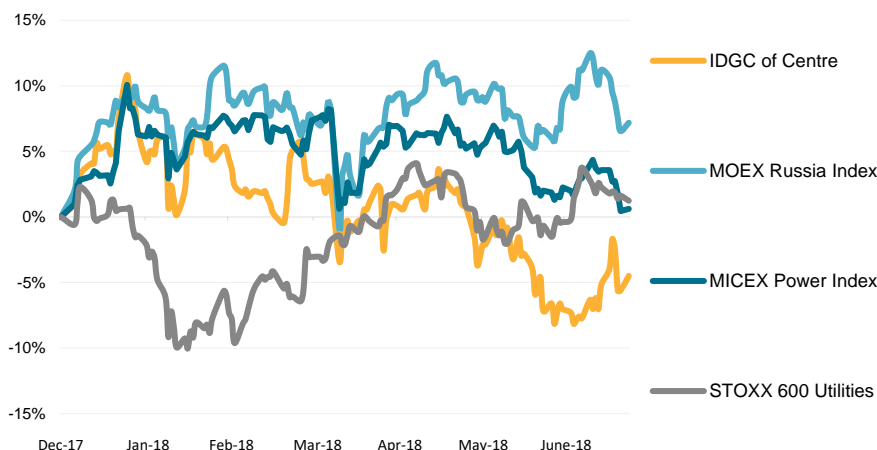
COMPANY NEWS

Since the beginning of the year more than 14,000 customers contacted Kurskenergo for services

IDGC of Centre - Kurskenergo division summed up the work with customers for six months of this year. During the reporting period, 14,389 requests were registered in customer service offices. 2,203 of them concerned issues of grid connection, about 5,000 requests were submitted by residents of the Kursk region for provision of value-added services, the rest of the requests were related to reliable and high-quality power supply to customers.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/64814/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 261,25	0,60%	7,18%
S&P 500	2 806,98	0,18%	4,99%
FTSE 100	7 655,79	-0,30%	-0,42%
DAX	12 548,57	-0,10%	-2,86%
DJStoxx 600	384,88	-0,19%	-1,10%
Nikkei	22 396,99	-1,33%	-1,62%
Sensex	36 718,60	0,61%	7,82%
CSI300	3 525,75	0,94%	-12,53%
Bovespa	77 996,12	-0,73%	2,09%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	63,49	0,34%	10,17%
EURO/RUB	73,93	0,61%	7,48%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 224,50	-0,41%	-6,01%
Brent*, USD/bbl	73,06	-0,01%	12,82%

* - September futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.17
IDGC of Centre	0,3400	14,35		226,09
IDGC of Centre & Volga Reg	0,2975	33,53		528,09

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,37%	1,24%
MICEX POWER Index	0,17%	0,61%
IDGC of Centre**	1,19%	-4,49%
IDGC of Centre and Volga Region**	0,17%	-1,39%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	1,03%	-3,57%
FGC UES	0,80%	4,88%
IDGC of Volga	-4,75%	4,58%
MOESK	1,69%	-19,69%
IDGC of Northern Caucasus	-0,93%	-17,19%
IDGC of North-West	5,61%	23,08%
IDGC of Urals	1,62%	-10,26%
IDGC of Siberia	1,44%	-7,86%
IDGC of South	2,21%	8,19%
Lenenergo, ordinary shares	-0,09%	21,46%
TRK, ordinary shares	0,00%	-13,75%
Kubanenergo	1,90%	-24,62%

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