

DAILY MARKET REVIEW

12 March, Tuesday

2019



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 11 March some neutral external background formed on the Russian market. On Friday the US indices DJIA and S&P500 lost 0.1-0.2% on weak statistics – the growth in the number of jobs in February by 20 thousand was the lowest since September 2017. According to experts, these data are another evidence that the US economy is slowing down after the positive effect of tax cuts of \$1.5 trillion has been exhausted. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.5% on statements by the Central Bank of the People's Republic of China about its readiness to support the economy. The head of the People's Bank of China, firstly, said that the Central Bank still has opportunities to reduce reserve requirements, and, secondly, promised to provide credit growth this year at the level of the rising GDP and give additional support to small and medium businesses. May Brent futures traded near the mark of \$66.1 per barrel, at the level of our closing on Thursday, 7 March. Brent quotes, which tested \$64 per barrel on Friday after the publication of weak US data on the labour market and statistics from China, where the export decline in February was the maximum for three years, could rise above \$66 per barrel on statements by the Chinese Central Bank on possible expansion of incentive measures on the economy. An additional positive factor for the oil market was the announcement of the oilfield services company Baker Hughes about the reduction in the number of operating oil rigs in the US.

The MOEX Russia Index spent most of the trading session in a half-percentage minus, playing out the deterioration of sentiment on world markets last Friday, when our market was closed due to holidays. On 8 March, the index of developed countries MSCI World and the index of emerging markets MSCI EM lost 0.5% and 1.3%, respectively – statistics from the US and China provoked increased investors' concerns about the prospects for the global economy. At the same time, the activity of sellers in the Russian market was largely limited by the corrective growth of world stock indices and the rise in Brent quotes to the level of \$66.7 per barrel. The oil market was supported by media information that Saudi Arabia plans to produce less than 10 million barrels of oil per day in April, as it did in March, and intends to keep oil production below the level agreed under the OPEC+ agreement. At the end of the day, the MOEX Russia Index managed to slightly reduce losses after the start of trading in the US by more than a percentage increase in the S&P500 broad market index.

During the trading session the electric utilities sector index outperformed. The main contribution to the small final MOEXEU growth in antiphase with the MOEX Russia Index was made by shares of Unipro and IDGC of South. From the general trends of securities of the sector, 40% growth of IDGC of Siberia's shares stood out in the absence of significant news for such changes.

ELECTRIC POWER INDUSTRY NEWS

Head of the FAS announced overpayment of Russians for utility services

Mr. Artemyev called housing and communal services as "utility monsters" and promised to turn the situation "from head to foot." At present, the head of the antimonopoly service said, water tariffs in different regions may vary by 54 times.

Read full text: https://www.rbc.ru/politics/11/03/2019/5c8642469a79474a80e137ba?from=from_main

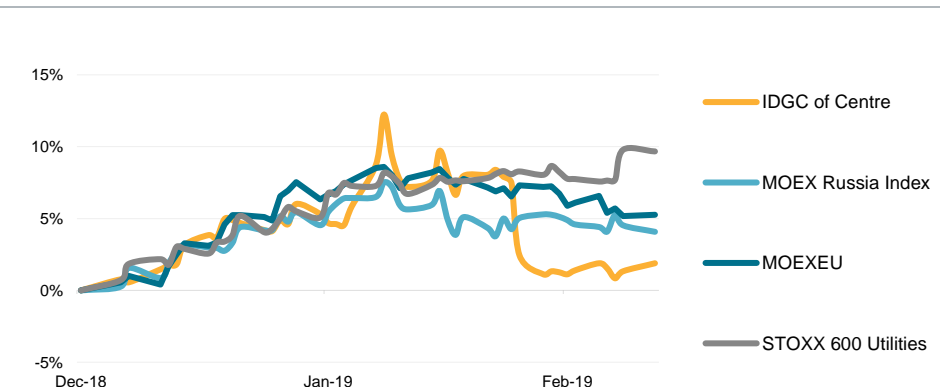
COMPANY NEWS

Igor Makovskiy: "We intend to use the innovation proposals of our employees with the maximum effect to implement the concept of digital transformation"

IDGC of Centre - the managing organization of IDGC of Centre and Volga Region pays great attention to development of innovation activities. Every year, employees of the Company offer technical, organizational or managerial solutions aimed at improving key performance indicators, creating conditions for implementation of the most advanced technologies, including the implementation of the concept of digital transformation.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/67579/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 465,94	-0,43%	4,08%
S&P 500	2 783,30	1,25%	11,03%
FTSE 100	7 130,62	-0,38%	5,98%
DAX	11 543,48	0,22%	9,32%
DJStoxx 600	373,47	-0,11%	10,61%
Nikkei	21 125,09	-1,54%	5,55%
Sensex	37 054,10	0,89%	2,73%
CSI300	3 729,95	-2,07%	23,89%
Bovespa	98 026,62	3,91%	11,54%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,96	0,18%	-5,05%
EURO/RUB	74,57	0,21%	-6,15%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 293,35	0,60%	0,85%
Brent*, USD/bbl	66,58	0,42%	23,75%

* - May futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre	0,2914	12,30	186,50
IDGC of Centre & Volga Reg	0,264	29,75	451,03

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,10%	9,67%
MOEXEU Index	0,08%	5,26%
IDGC of Centre**	0,55%	1,89%
IDGC of Centre and Volga Region**	0,19%	-0,38%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,01%	25,08%
FGC UES	0,02%	11,42%
IDGC of Volga	0,40%	1,73%
MOESK	-0,22%	2,35%
IDGC of Northern Caucasus	10,34%	11,29%
IDGC of North-West	4,51%	-8,11%
IDGC of Urals	1,28%	2,49%
IDGC of Siberia	41,75%	200,10%
IDGC of South	4,64%	28,47%
Lenenergo, ordinary shares	0,70%	8,13%
TRK, ordinary shares	-3,57%	5,19%
Kubanenergo	2,46%	19,67%

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