

DAILY MARKET REVIEW

11 January, Friday

2019



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 10 January some neutral external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 rose by 0.4% thanks to an increase in stocks of commodity companies following the rally in oil prices and signals from the Fed of a more cautious approach to further raising the rate. As Minutes of December's meeting of the Federal Reserve showed, the scope and timing of monetary tightening "became less clear" due to the volatility of markets and growing political and economic uncertainty. In addition, the governors of four of the 12 regional Feds said on Wednesday that they wanted to get a clearer picture of the state of the economy before continuing to tighten the monetary policy. On Thursday futures for US indices lost 0.6%, the composite index of the Asia-Pacific region MSCI Asia Pacific - 0.1%. The markets were pressured by weak Chinese statistics, indicating a further slowdown in the second world economy. So, the consumer price growth in the PRC in December was the lowest in six months, producer prices - since 2016. In addition, the lack of specific agreements to resolve trade disputes between Washington and Beijing remains a deterrent for buyers. March Brent futures traded around \$60.8 per barrel, \$0.9 above our 9 January close. On Wednesday quotes jumped by 4.6%, from December's lows the prices added more than 20%, returning to the "bullish" trend. Positive background for the oil market was the weakening of the dollar and statements of Saudi Arabia that the reduction of OPEC+ production by 1.2 million barrels per day from January is more than enough to balance the market.

The MOEX Russia Index began trading with a half-percentage decline as part of the global correction after the rally in recent weeks. In the middle of the day, the European Stoxx Europe 600 Index and futures for US indices lost more than 0.5%. The reasons for sales were the Chinese statistics, the continuing suspension of the US government agencies ("shutdown") and uncertainty with the US-China trade agreements. Another attempt by Donald Trump to reach an agreement with the Democratic leaders in the Congress on the allocation of budget funds for the construction of a wall on the border with Mexico ended in failure. At the same time, on the eve the agency Fitch announced that the US is at risk of losing the highest credit rating of "AAA" if the "shutdown" delayed. As for the US-China trade negotiations, the US Secretary of Commerce said that Washington and Beijing will probably reach a good deal on trade issues that require urgent solutions, but it will be more difficult to reach agreement on structural issues. In the second half of the trading session, the MOEX Russia Index moved to positive territory due to the rise in oil prices above \$61 per barrel and the weakening of the ruble. At the end of the day, the growth of the Russian market accelerated after a not so negative start of trading in the US, as evidenced by the daily changes of futures.

At the end of the trading session changes of the MicexPWR Sector Index corresponded to the MOEX Russia Index. The main contribution to the MicexPWR growth was made by shares of Gazprom's generation companies.

ELECTRIC POWER INDUSTRY NEWS

Alexander Novak: "All our energy industries have reached record production figures"

The Minister of Energy of the Russian Federation Alexander Novak reported to the President of the Russian Federation Vladimir Putin on the results of the work of the fuel and energy complex of Russia in 2018.

Read full text: <https://minenergo.gov.ru/node/13662>

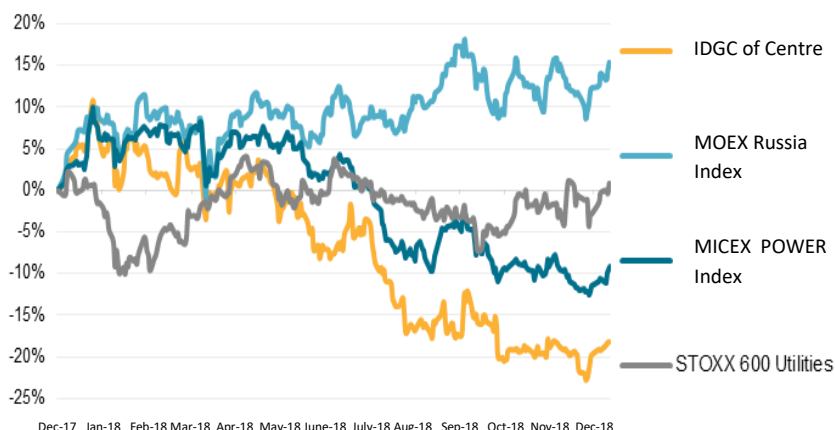
COMPANY NEWS

Kurskenergo's specialists awarded for professionalism

For professional achievements in 2018, 170 employees of IDGC of Centre - Kurskenergo division were awarded departmental, corporate and regional awards.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/66997/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 434,15	0,83%	2,74%
S&P 500	2 596,64	0,45%	3,58%
FTSE 100	6 942,87	0,52%	3,19%
DAX	10 921,59	0,26%	3,43%
DJStoxx 600	348,88	0,34%	3,33%
Nikkei	20 163,80	-1,29%	0,74%
Sensex	36 106,50	-0,29%	0,11%
CSI300	3 072,69	-0,19%	2,06%
Bovespa	93 805,93	0,21%	6,73%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	67,08	-3,44%	-3,44%
EURO/RUB	76,91	-3,21%	-3,21%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 286,65	-0,53%	0,32%
Brent*, USD/bbl	61,68	0,39%	14,65%

* - February futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.18
IDGC of Centre	0,2912	12,29	183,27	
IDGC of Centre & Volga Reg	0,2681	30,21	450,43	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	1,23%	3,03%
MICEX POWER Index	0,79%	2,49%
IDGC of Centre**	0,07%	1,82%
IDGC of Centre and Volga Region**	0,07%	1,17%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,98%	3,16%
FGC UES	0,64%	3,24%
IDGC of Volga	-0,15%	2,24%
MOESK	1,20%	1,97%
IDGC of Northern Caucasus	0,72%	0,57%
IDGC of North-West	-1,41%	0,90%
IDGC of Urals	0,43%	0,65%
IDGC of Siberia	1,18%	0,20%
IDGC of South	0,00%	3,67%
Lenenergo, ordinary shares	-0,36%	5,10%
TRK, ordinary shares	0,00%	10,39%
Kubanenergo	1,23%	1,23%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, PJSC
127018, Moscow, 2nd Yamskaya, 4
+7 (495) 747 92 92
<http://mrsk-1.com/en/investors/>

IR Division
+7 (495) 747 92 92, ext. 33-34
ir@mrsk-1.ru

Tickers
Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC:RM
MRKC.MM