

DAILY MARKET REVIEW

28 June, Thursday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 27 June some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed with an increase of 0.1-0.2% due to a growth in shares of commodity companies following a rise in oil prices. At the same time, the activity of buyers was restrained by the continuing tension in the US-PRC trade relations. On Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.4%, having fallen to a minimum in eight months. In this case, the Chinese CSI300 fell 2% and after the Shanghai Composite moved into the "bearish" trend, having lost 20% of the annual maximum. The markets in the Asian session were pressured by media reports that the head of the PRC called on all provinces and ministries to prepare for a full-scale trade war with the US. According to analysts, in this confrontation, China can use the gradual devaluation of the renminbi – on Wednesday the Chinese currency rate dropped to a 6-month low, and the rejection of purchases of the US government debt. August Brent futures traded near \$76.9 per barrel, \$0.9 above the closing level on 26 June. The rally of oil prices was due to the media information that the US State Department asked the allies to stop importing oil from Iran until 4 November and the data of the American Petroleum Institute, which recorded a drop of oil stocks in the country by impressive 9.2 million barrels.

On Wednesday the Russian market was dominated by buyers – on the daily highs the MOEX Russia Index rose above 1.5%. Our market was supported by rising oil prices and positive sentiment on the western exchanges. The European Stoxx Europe 600 Index added more than a percent on media reports that restrictions on foreign investment in the US high-tech companies will be introduced not directly on a wide front, but selectively after consultations and expert reviews. Brent quotes tested the level of \$78 a barrel on the US Department of Energy statistics – oil reserves in the country decreased by 10 million barrels against the forecast of reduction by 3 million. An additional positive factor for the Russian market was the expectation of improving the Russian-US relations. According to media reports, the Russian president and adviser to the US president on national security agreed on the time and place of the Russia-US summit.

During the trading session the MicexPWR Sector Index underperformed – mainly the first-tier papers had increased demand from buyers.

ELECTRIC POWER INDUSTRY NEWS

A new program of modernization of energy capacities to prepare the system for the growth of the Russian economy, the MED considers

The implementation of a new program of modernization of energy capacities in Russia will prepare the country's energy system for economic growth. This was reported to journalists by the Minister of Economic Development of the Russian Federation Maxim Oreshkin.

Read full text: <http://www.bigpowernews.ru/markets/document83534.phtml>

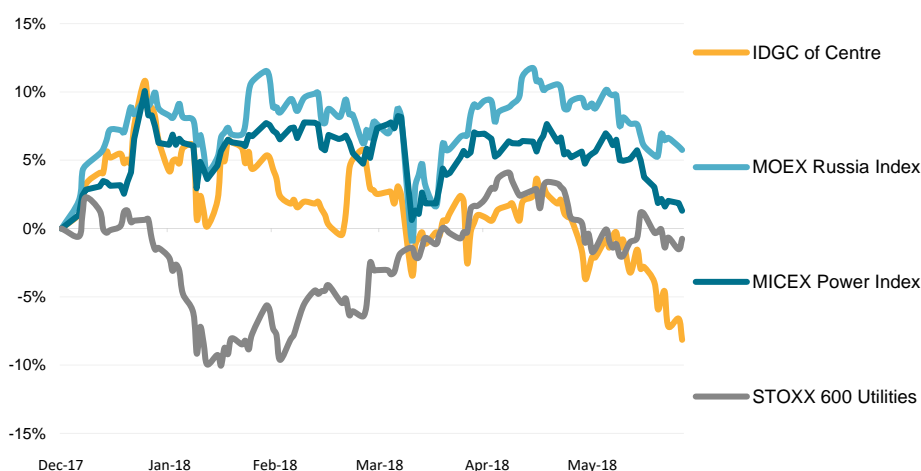
COMPANY NEWS

Belgorodenergo revealed the theft of more than 2.5 million kWh of electricity in 2018

IDGC of Centre - Belgorodenergo division from January to April during raids stopped 196 facts of illegal electricity consumption totalling about 2.5 million kWh, recovering losses from violators, said the press-service of the branch.

Read full text: https://abireg.ru/n_68774.html

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 253,60	1,01%	6,82%
S&P 500	2 699,63	-0,86%	0,97%
FTSE 100	7 621,69	1,11%	-0,86%
DAX	12 348,61	0,93%	-4,41%
DJStoxx 600	379,97	0,72%	-2,37%
Nikkei	22 271,77	-0,31%	-2,17%
Sensex	35 217,11	-0,77%	3,41%
CSI300	3 459,26	-2,03%	-14,18%
Bovespa	70 609,00	-1,11%	-7,58%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	62,79	-0,25%	8,96%
EURO/RUB	73,41	0,13%	6,72%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 252,35	-0,53%	-3,87%
Brent*, USD/bbl	77,62	1,72%	19,20%

* - August futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3300	13,93	221,88
IDGC of Centre & Volga Reg	0,2800	31,56	502,55

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,68%	-0,08%
MICEX POWER Index	0,31%	1,61%
IDGC of Centre**	0,92%	-7,30%
IDGC of Centre and Volga Region**	-1,75%	-7,19%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	1,30%	-1,34%
FGC UES	1,01%	14,38%
IDGC of Volga	-0,82%	6,48%
MOESK	0,00%	-24,36%
IDGC of Northern Caucasus	0,62%	-14,84%
IDGC of North-West	-2,24%	17,31%
IDGC of Urals	-1,76%	-20,29%
IDGC of Siberia	0,96%	-8,30%
IDGC of South	0,17%	-3,18%
Lenenergo, ordinary shares	-0,62%	16,67%
TRK, ordinary shares	0,00%	-14,02%
Kubanenergo	0,17%	-26,15%

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