

# DAILY MARKET REVIEW

18 December, Tuesday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 17 December some neutral external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed with a 1.9-2.0% fall on fears of a slowdown in the global economy. Firstly, in November retail sales in China grew at the lowest rates since 2003, the rise in industrial production was the weakest in almost three years. Secondly, the composite index of the Eurozone's business activity in December reached a minimum since November 2014, car sales in the EU in November fell for the third month in a row. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific and futures for US indices added 0.3%. The markets were supported by expectations of new incentives from the Chinese authorities during the Central Working Economic Conference in China, which starts this week. Investors hope that in light of the deterioration of statistical data and against the background of continuing tension in trade relations with the US, the authorities of the second largest world economy may announce new measures to support it in the framework of this event. February Brent futures traded around \$60.3 per barrel, \$0.3 below our closing level on Friday, 14 December. Industry experts attribute a slight reduction in the price of oil to the strengthening of the dollar in the global foreign exchange market.

The MOEX Russia Index spent most of Monday in a small plus within half a percent due to the rise in Brent oil prices to \$61 per barrel. The quotes were supported by the report of the oilfield services company Baker Hughes on the reduction of the number of operating oil rigs in the US last week. At the end of the day the MOEX Russia Index was entrenched in negative territory, both as a result of media information that the US Senate this week will publish a report on Russia's intervention in the US presidential election of 2016, and because of a deterioration in sentiment on western exchanges. The European Stoxx Europe 600 Index lost more than 1%, the US indices started the trading session with a decline of 0.8%. Negative background for investors was growing fears of a British exit from the EU without a deal, risks of spreading protests from France to the rest of Europe and weak US statistics – the New York's manufacturing activity index in December fell to a minimum since May 2017, significantly worse than the forecast.

During the trading session the MicexPWR Sector Index underperformed. The main contribution to the MicexPWR underperformance in comparison with the MOEX Russia Index was made by shares of Unipro, which lost 5.5% after the ex-dividend date.

## ELECTRIC POWER INDUSTRY NEWS

### St. Petersburg authorities expect to receive a controlling stake in Lenenergo

Read full text: <http://www.bigpowernews.ru/news/document85977.phtml>

### Defense Ministry expects completion of the transfer of "Oboronenergo" Holding to ROSSETI in 1Q 2019

Read full text: <http://www.bigpowernews.ru/news/document85976.phtml>

### SUEK proposed to the Government of the Russian Federation to hand over to it the management of IDGC of Siberia

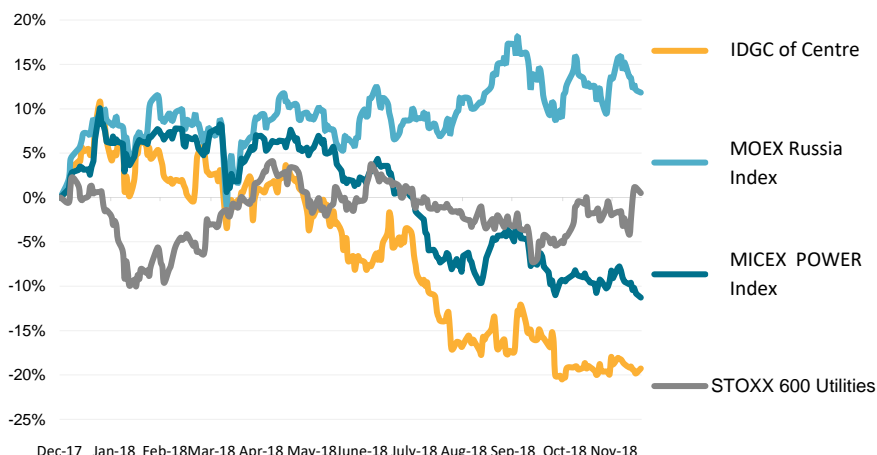
Read full text: <http://www.bigpowernews.ru/news/document85983.phtml>

## COMPANY NEWS

### General Director of IDGC of Centre Igor Makovskiy familiarized himself with operation of the electric grid complex of the Bryansk region

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66820/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 359,13	-0,28%	11,82%
S&P 500	2 545,94	-2,08%	-4,78%
FTSE 100	6 773,24	-1,05%	-11,90%
DAX	10 772,20	-0,86%	-16,61%
DJStoxx 600	343,26	-1,14%	-11,80%
Nikkei	21 506,88	0,62%	-5,53%
Sensex	36 270,07	0,85%	6,50%
CSI300	3 161,20	-0,15%	-21,58%
Bovespa	86 399,68	-1,20%	13,09%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	66,43	0,27%	15,28%
EURO/RUB	75,39	0,00%	9,60%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 245,85	0,55%	-4,37%
Brent*, USD/bbl	59,61	-1,11%	-10,86%

\* - February futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln	
			per day	fr 31.12.17
IDGC of Centre	0,2874	12,13	182,64	
IDGC of Centre & Volga Reg	0,2736	30,83	464,13	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,62%	0,50%
MICEX POWER Index	-0,49%	-11,28%
IDGC of Centre**	0,70%	-19,27%
IDGC of Centre and Volga Region**	-0,15%	-9,31%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,20%	-8,52%
FGC UES	0,73%	-5,78%
IDGC of Volga	0,20%	-2,83%
MOESK	0,22%	-25,58%
IDGC of Northern Caucasus	-0,84%	-26,56%
IDGC of North-West	-2,23%	1,15%
IDGC of Urals	0,98%	-11,12%
IDGC of Siberia	-1,55%	-16,68%
IDGC of South	0,88%	-4,01%
Lenenergo, ordinary shares	0,00%	15,83%
TRK, ordinary shares	0,00%	-11,05%
Kubanenergo	3,17%	-33,67%

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**