

DAILY MARKET REVIEW

12 February, Tuesday

2019



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 11 February some neutral external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed in different directions with changes within 0.3%, on Monday the composite index of the Asia-Pacific region MSCI Asia Pacific showed zero changes. On the one hand, the markets were supported by hopes of progress during the new round of US-PRC trade negotiations. As expected, a trade delegation from Washington, led by the US Treasury Secretary, will arrive in Beijing on 14-15 February, and negotiations at the deputy minister level will start on Monday. At the same time, fears of a resumption of the shutdown in the USA from 15 February became a deterrent to buyers. According to media reports, Democrats and Republicans in the Congress acknowledged that negotiations on the financing of the construction of a wall on the border with Mexico have reached an impasse and neither party is yet ready to compromise. The Chinese CSI300 looked better than others in the Asian session, which after a week break due to the celebration of the new year jumped by 1.8%. According to media reports, the growth in China, among other things, was promoted by promises made by the regulator of the securities market to cancel a number of restrictions constraining risky operations. In connection with the national holiday on Monday, the Japanese stock exchanges were closed. April Brent futures traded around \$61.9 per barrel, at the level of our close on Friday, 8 February.

On Monday, buyers dominated the Russian market, as well as on global markets, as a whole. In the middle of the day, the MOEX Russia Index and futures for US indices added more than half a percent, the European Stoxx Europe 600 Index - more than a percent on expectations of a trade deal between Washington and Beijing. American media reported that Donald Trump's meeting with the PRC Chairman could take place in mid-March. In addition, the US President plans to talk to the leader of China by phone before 1 March, when the deadline for tariffs expires. According to analysts, the deadline for negotiations will probably be extended, taking into account the substantial differences between the positions of the parties. An additional positive factor for our market was the increase in the rating of the Russian Federation to the investment level by Moody's due to strong macroeconomic indicators. At the same time, Moody's believes that the consequences of the new US sanctions, which are likely to be imposed in the coming months, "can be limited without significant damage to the country's creditworthiness." At the end of the day, the MOEX Russia Index reduced the rise to 0.3% following the decline in Brent prices to \$61 per barrel. Negative background for the oil market, including, was the report of Baker Hughes on the growth of the number of oil-producing installations in the US last week and the sharp strengthening of the dollar in the foreign exchange market.

During the day the electric utilities sector index in general corresponded to the market. The main contribution to the final MOEXEU growth was made by shares of FGC UES and Mosenergo.

ELECTRIC POWER INDUSTRY NEWS

ROSSETI may change the organizational structure within the framework of digital transformation

ROSSETI may revise its organizational structure within the framework of the implementation of the digital transformation concept, Chief Adviser to the head of the company, Konstantin Mikhaylenko, said on Friday, 8 February.

Read full text: <http://www.bigpowernews.ru/news/document86861.phtml?1&q=>

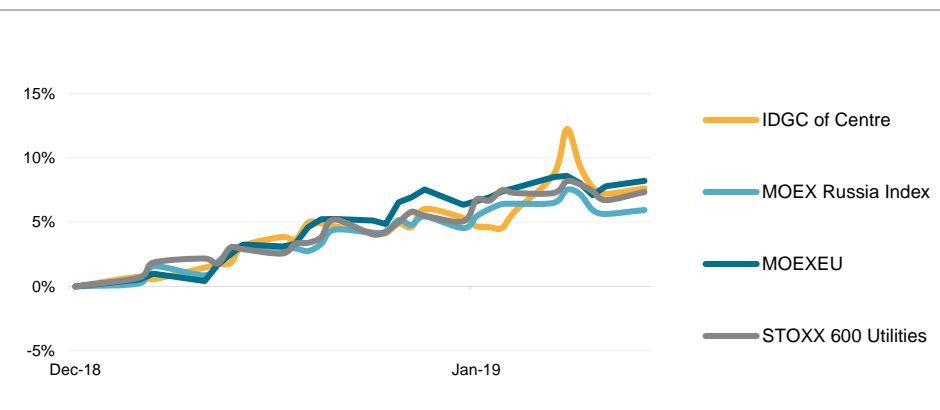
COMPANY NEWS

IDGC of Centre in 2018 executed about 40 thousand contracts of grid connection, customers of the Central Federal District received about 900 megawatts of power

IDGC of Centre summed up the work on connection of customers to electric grids for 2018. During the reporting period, the company executed 39,984 grid connection agreements, the total connected capacity under the executed agreements amounted to 867.518 MW. Total revenues from the grid connection amounted to 1.864 billion rubles, which is 0.26 billion rubles more than the approved business plan.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/67236/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 510,22	0,30%	5,95%
S&P 500	2 709,80	0,07%	8,10%
FTSE 100	7 129,11	0,82%	5,96%
DAX	11 014,59	0,99%	4,32%
DJStoxx 600	361,12	0,85%	6,95%
Nikkei	20 333,17	0,00%	1,59%
Sensex	36 395,03	-0,41%	0,91%
CSI300	3 306,47	1,82%	9,83%
Bovespa	94 412,91	-0,98%	7,43%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	66,06	0,06%	-4,91%
EURO/RUB	74,90	-0,09%	-5,75%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 308,12	-0,47%	2,00%
Brent*, USD/bbl	61,51	-0,95%	14,33%

* - April futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre	0,3078	12,99	196,70
IDGC of Centre & Volga Reg	0,2852	32,14	486,53

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,60%	7,34%
MOEXEU Index	0,38%	8,20%
IDGC of Centre**	0,39%	7,62%
IDGC of Centre and Volga Region**	0,71%	7,62%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,32%	26,00%
FGC UES	0,86%	12,37%
IDGC of Volga	-0,09%	8,98%
MOESK	-0,14%	5,76%
IDGC of Northern Caucasus	-0,14%	3,14%
IDGC of North-West	-2,66%	-1,08%
IDGC of Urals	-0,64%	17,33%
IDGC of Siberia	-0,48%	60,68%
IDGC of South	-0,30%	21,30%
Lenenergo, ordinary shares	1,41%	9,07%
TRK, ordinary shares	3,24%	24,03%
Kubanenergo	-0,30%	35,66%

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