

DAILY MARKET REVIEW

21 March, Thursday

2019



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 20 March some neutral external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed the trading session with a slight decrease of 0.1%, on Wednesday the composite index of the Asia Pacific region MSCI Asia Pacific showed a comparable trend. Traders avoid taking action in anticipation of the outcome of the Fed's meeting and the press conference of Jerome Powell. According to analysts, the preservation of the soft rhetoric of the regulator and the reduction by the Central Bank management of forecasts for the number of interest rate increases this year has already been included in prices and surprises in the comments may provoke a jump in volatility in financial markets. In addition, some pressure on stock indices was put by conflicting information about the course of the US-PRC trade negotiations. In particular, according to Bloomberg, Beijing, having agreed to major changes in its policy in the field of intellectual property, is disappointed by the lack of concrete reciprocal steps by Washington. At the same time, according to the media, the US Trade Representative Robert Lighthizer and the US Treasury Secretary are planning to fly to Beijing next week to give a new impetus to the trade negotiations with China. May Brent futures traded around \$67.6 per barrel, at the level of our 19 March close. Information about possible complications in the trade negotiations between the United States and the People's Republic of China levelled off the positive statistics of the American Petroleum Institute, which recorded a decrease in commercial oil reserves in the US over the week by 2.1 million barrels.

The MOEX Russia Index on Wednesday mainly showed a moderately positive trend, despite a significant deterioration in sentiment on European exchanges. In the afternoon, losses of the Stoxx Europe 600 Index were close to a percent – the markets were pressured by news on the US-China trade negotiations, and increased uncertainty on Brexit. According to media reports, the British Prime Minister appealed to the European Union with a request to postpone Brexit from 29 March to 30 June 2019. At the same time, in Brussels, they are either in favour of holding Brexit until 23 May, when the elections to the European Parliament start, or for the long-term transfer of this procedure, which, in turn, does not suit London. Against this background, support for the Russian market was provided by the stability of Brent quotes, which spent most of the day above \$67.5 per barrel. At the end of the day, the MOEX Russia Index was able to gain a foothold in the positive area following the rise in Brent's price above \$68 per barrel on data from the US Department of Energy, which reported a week-long drop in oil reserves – by 9.6 million barrels.

At the end of the trading session, the electric utilities sector index underperformed. The main contribution to the MOEXEU underperformance compared with the MOEX Russia Index was made by shares of RusHydro and Mosenergo.

ELECTRIC POWER INDUSTRY NEWS

The number of failures at power facilities of the Russian Federation in 2018 decreased by 35% - Rostekhnadzor

The number of failures at power facilities and in installations of consumers of electrical and thermal energy in the Russian Federation, the causes of which Rostekhnadzor was investigating, was reduced by 35% last year compared with 2017, follows from the message of the agency.

Read full text: <http://www.bigpowernews.ru/markets/document87424.phtml>

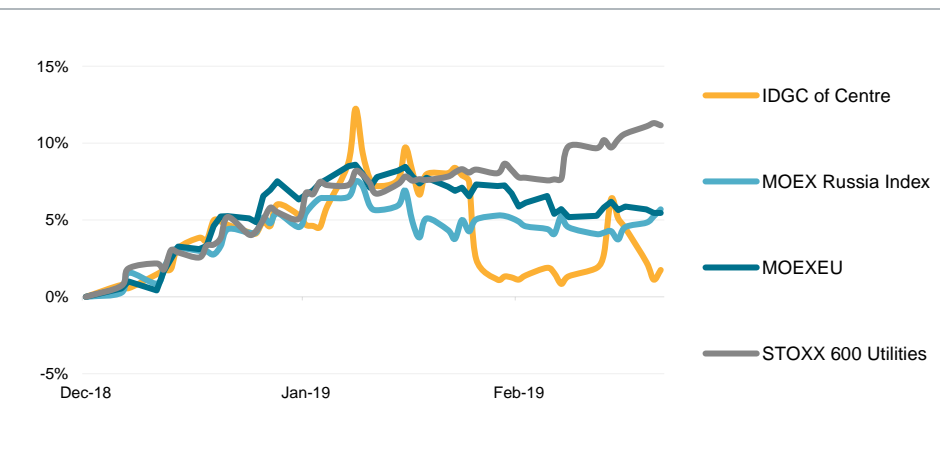
COMPANY NEWS

IDGC of Centre has published its audited consolidated financial statements under IFRS and management discussion and analysis (MD&A) for 2018

IDGC of Centre published its Consolidated Financial Statements for 2018 in accordance with International Financial Reporting Standards (IFRS).

Read full text: <https://www.mrsk-1.ru/press-center/news/company/67685/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 504,23	0,44%	5,69%
S&P 500	2 824,23	-0,29%	12,66%
FTSE 100	7 291,01	-0,45%	8,37%
DAX	11 603,89	-1,57%	9,90%
DJStoxx 600	380,84	-0,90%	12,79%
Nikkei	21 608,92	0,20%	7,96%
Sensex	38 386,75	0,06%	6,43%
CSI300	3 835,44	0,04%	27,40%
Bovespa	98 041,37	-1,55%	11,55%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,32	-0,55%	-7,42%
EURO/RUB	73,00	-0,49%	-8,13%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 312,53	0,46%	2,34%
Brent*, USD/bbl	68,5	1,32%	27,32%

* - May futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	Change	
		MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2910	12,29	191,01
IDGC of Centre & Volga Reg	0,268	30,20	469,60

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,13%	11,16%
MOEXEU Index	0,02%	5,47%
IDGC of Centre**	0,62%	1,75%
IDGC of Centre and Volga Region**	0,94%	1,13%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,02%	25,11%
FGC UES	0,18%	12,41%
IDGC of Volga	-1,08%	3,16%
MOESK	-0,15%	2,12%
IDGC of Northern Caucasus	-0,82%	3,86%
IDGC of North-West	-0,19%	-5,05%
IDGC of Urals	-0,95%	1,30%
IDGC of Siberia	-4,20%	231,71%
IDGC of South	-3,08%	35,63%
Lenenergo, ordinary shares	0,69%	10,40%
TRK, ordinary shares	0,00%	8,44%
Kubanenergo	-0,27%	52,05%

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