

DAILY MARKET REVIEW

28 March, Wednesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 27 March some positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 grew by 2.7-2.8%, on Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific added 1.5%. The markets were supported by reduced risks associated with the US foreign trade policy. According to media reports, Washington and Beijing are negotiating, which, perhaps, will avoid the introduction of new duties on Chinese products and further escalate tensions in relations. In particular, writes Bloomberg, the ministers of finance of the US and China agreed to find a mutually acceptable way to reduce the American deficit in trade with China. In turn, Reuters reports that representatives of the administration of the American president are asking China to reduce import duties on cars, allow foreign companies to hold majority stakes in companies providing financial services, and to increase the purchase of semiconductors produced in the US. Meanwhile, according to media reports, the US and South Korea have already been able to agree on the regulation of the volume of South Korean steel import to the US. May Brent futures traded near \$70.2 per barrel, at the closing level on 26 March. Oil quotes are held near the maximum for two and a half years, including due to the weakening of the dollar and the persistence of uncertainty associated with Iran. On 12 May, the media recall, the term of the US-requested revision of the terms of the Iranian nuclear agreement expires. Many experts believe that Washington can abandon this agreement and resume sanctions against Tehran.

The MOEX Russia Index spent most of the trading session on Tuesday in a percent plus, recovering after a 2% collapse on Monday, provoked by unprecedented expulsion by Western countries of Russian diplomats because of the "case of Skripal". The Russian market was supported by the rise in oil prices and positive trends of the stock markets in Europe and developing countries, following the confident growth of America and Asia, the European Stoxx Europe 600 Index and the MSCI EM Index added on average about a percent in anticipation of a reduction in tensions in the US-PRC relations. As analysts say, the conciliatory comments of American and Chinese officials give hope that the trade war that has begun to flare up will eventually turn into short-lived disputes. The statistics released from the US being worse than expected did not have a significant impact on the trends of trading – despite the decline in the consumer confidence index in the US in March, the indicator remains close to the record for the past 18 years.

During the trading session changes of the MicexPWR Index in general corresponded to the market. The main contribution to the MicexPWR rise was made by shares of RusHydro and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

Long-term tariffs for 5-10 years are planned for all natural monopolies, says the newspaper

The Ministry of Economic Development proposes setting long-term tariffs for 5-10 years for all natural monopolies. As reported by "Izvestia", this is stated in the draft activity of the department for 2018.

Read full text: <http://www.bigpowernews.ru/markets/document82241.phtml>

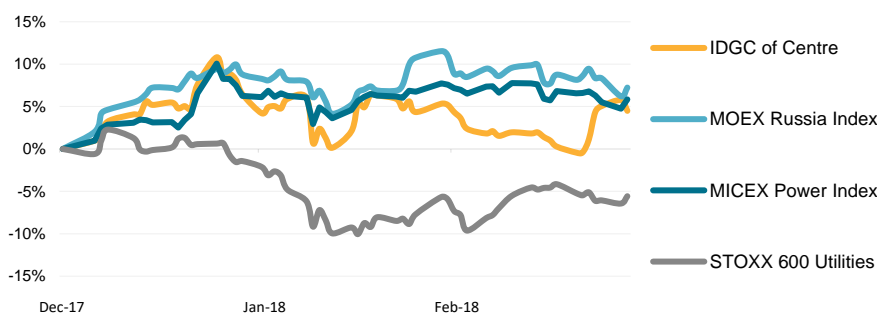
COMPANY NEWS

In 2018 Belgorodenergo to spend about half a billion rubles on reconstruction of power lines in settlements of the Belgorod region

IDGC of Centre - Belgorodenergo division has started implementing the program for reconstruction of worn-out and end-of-life grids. In the current year, 191 km of 0.4-10 kV power lines are planned to be reconstructed in settlements of the region. 490 million rubles will be spent for these purposes.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/63473/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 262,50	0,97%	7,24%
S&P 500	2 612,62	-1,73%	-2,28%
FTSE 100	7 000,14	1,62%	-8,94%
DAX	11 970,83	1,56%	-7,33%
DJStoxx 600	367,57	1,21%	-5,55%
Nikkei	21 317,32	2,65%	-6,36%
Sensex	33 174,39	0,33%	-2,59%
CSI300	3 913,27	0,86%	-2,92%
Bovespa	83 808,05	-1,50%	9,69%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	57,00	-0,18%	-1,08%
EURO/RUB	70,57	0,20%	2,59%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 345,05	-0,62%	3,24%
Brent*, USD/bbl	70,11	-0,01%	6,08%

* - May futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,3282	36,99	648,86

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,92%	-5,57%
MICEX POWER Index	1,05%	5,85%
IDGC of Centre**	-1,20%	4,49%
IDGC of Centre and Volga Region**	0,64%	8,78%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,87%	-4,31%
FGC UES	1,49%	9,07%
IDGC of Volga	-1,20%	15,88%
MOESK	0,00%	-13,79%
IDGC of Northern Caucasus	0,86%	-8,59%
IDGC of North-West	1,04%	-6,73%
IDGC of Urals	-0,22%	6,68%
IDGC of Siberia	-0,41%	6,55%
IDGC of South	0,53%	-4,68%
Lenenergo, ordinary shares	2,48%	16,04%
TRK, ordinary shares	0,00%	-4,58%
Kubanenergo	0,00%	-9,57%

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