

DAILY MARKET REVIEW

15 March, Friday

2019



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 14 March some neutral external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 rose by 0.6-0.7%, the S&P500 index peaked from November, closing the December's fall. The markets were supported by statistics on industrial inflation and risk reduction for the implementation of "tough" Brexit. In February, the producer price growth was below forecasts, which, according to analysts, should add arguments in favour of the "patient" Fed's approach to tightening monetary policy. The British Parliament voted against the country's withdrawal from the European Union without a new agreement with Brussels, on the day before there was a vote on the postponement of the Brexit, scheduled for 29 March. On Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.3%. The markets were under pressure from weak statistics from China, which heightened investors' concerns about the prospects for the global economy. In January-February, the growth rate of industrial production in China slowed to a minimum of 5.3% in 17 years, the unemployment rate increased to 5.3% – a maximum in two years. May Brent futures traded around \$67.8 per barrel, \$0.6 above our 13 March close. Brent quotes climbed to their highs in four months on statistics from the US Department of Energy. Oil reserves in the country for the week decreased by 3.9 million barrels, while experts expected an increase of 3.3 million barrels, gasoline inventories decreased by 4.6 million barrels instead of the expected reduction of 3 million barrels. In addition, for the first time since December last year, oil production decreased by 100,000 barrels per day, to 12 million b/d.

Most of the Thursday's trading session, the MOEX Russia Index, as well as the index of emerging markets MSCI EM, traded in a small minus – on average, within a third of a percent. The Russian market was kept from more active sales by rising oil prices and positive sentiment on European markets. In the afternoon, the rise of the Stoxx Europe 600 exceeded 0.5% in anticipation of a vote by the British parliament to postpone Brexit. At the same time, the chairman of the European Council, Donald Tusk, has already stated that in the event of a change in London's approach to the implementation of Brexit, he will turn to the EU countries with a proposal to postpone its deadlines. Against this background, investors ignored the new signals of a slowing global economy. Economists, surveyed by The Wall Street Journal, worsened forecasts of the US GDP growth in the first quarter to 1.3% – the minimum since the end of 2015, the German Institute IFO lowered the forecast for economic growth in Germany in 2019 to 0.6%. At the end of trading, the negative changes of the MOEX Russia Index accelerated following the decline in the Brent price to the level of \$67 per barrel.

At the end of the trading session changes of the electric utilities sector index corresponded to the market. The main contribution to the final MOEXEU decline was made by shares of RusHydro and Unipro.

ELECTRIC POWER INDUSTRY NEWS

Experts identified key barriers to digital business transformation

Lack of qualified personnel, intolerance of top management of corporations to failures when working with innovations, complexity of procurement procedures in large companies, immaturity of corporate culture are key barriers hindering the development of digital technologies in Russia.

Read full text: <https://leadersclub.ru/blog/about/2516.html>

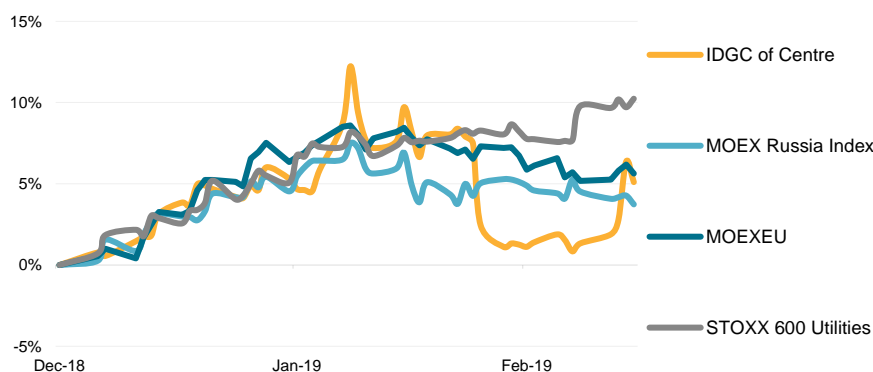
COMPANY NEWS

In 2019 IDGC of Centre and IDGC of Centre and Volga Region to spend more than 90 million rubles on environmental protection measures

IDGC of Centre - the managing organization of IDGC of Centre and Volga Region continues implementing a set of measures to improve environmental safety and rational use of natural resources. In 2019, it is planned to allocate 92.3 million rubles for these purposes.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/67623/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 457,79	-0,52%	3,73%
S&P 500	2 808,48	-0,09%	12,03%
FTSE 100	7 185,43	0,37%	6,80%
DAX	11 587,47	0,13%	9,74%
DJStoxx 600	378,52	0,78%	12,10%
Nikkei	21 287,02	-0,02%	6,36%
Sensex	37 754,89	0,01%	4,68%
CSI300	3 698,49	-0,69%	22,85%
Bovespa	98 604,67	-0,30%	12,19%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,59	-0,27%	-5,59%
EURO/RUB	74,02	-0,06%	-6,84%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 296,17	-0,99%	1,07%
Brent*, USD/bbl	67,23	-0,47%	24,96%

* - May futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.18
IDGC of Centre	0,3006	12,69		193,49
IDGC of Centre & Volga Reg	0,2687	30,28		461,69

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,48%	10,24%
MOEXEU Index	-0,51%	5,64%
IDGC of Centre**	-1,18%	5,10%
IDGC of Centre and Volga Region**	-0,07%	1,40%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,06%	25,08%
FGC UES	-0,16%	11,80%
IDGC of Volga	0,45%	2,24%
MOESK	-0,58%	3,03%
IDGC of Northern Caucasus	-2,45%	7,86%
IDGC of North-West	-3,28%	-4,50%
IDGC of Urals	-1,77%	2,06%
IDGC of Siberia	-8,51%	192,68%
IDGC of South	-6,96%	44,90%
Lenenergo, ordinary shares	1,05%	9,45%
TRK, ordinary shares	0,00%	8,44%
Kubanenergo	33,22%	65,98%

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