

# DAILY MARKET REVIEW

15 January, Tuesday

2019



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 14 January some moderately negative external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed with a slight decrease of 0.1% as part of profit-taking after five days of growth in a row. The reason for the correction was the continued suspension of the US government agencies due to disagreements over the financing of the construction of the wall on the border with Mexico. The current "shutdown" has already become a record in the history of the United States, the media say, while the losses of the American economy are estimated at \$1.2 billion per week. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.5%, futures for US indices – 0.8%. On Monday Japanese stock exchanges were closed due to a national holiday. The markets were pressured by news from China. Firstly, China's exports and imports in December shrank by a maximum of two years, while experts expected an increase in both indicators. The reason for the fall is the trade tension between China and the US and the slowdown in the growth of the Chinese economy, analysts say. Secondly, data from the PRC fixed a record trade surplus of China with the US in 2018 (\$323.3 billion, +17.2% y/y), which could lead to the intensification of the trade dispute between Washington and Beijing. Thirdly, according to Reuters, the Chinese authorities plan to reduce the target value of raising the GDP to 6–6.5% in 2019 (last year the target was "about 6.5%"). Brent March futures traded around \$59.7 per barrel, \$1.4 below our closing level on Friday, 11 January. Experts attribute the oil getting cheaper to weak Chinese statistics – the reduction in trade volumes is interpreted by the market as an increase in the risks of a slowdown in global economic growth and a decrease in demand for fuel.

On Monday, the Russian market, as global markets in general, was under pressure from fears of a slowdown in the global economy. In the middle of the day, the MOEX Russia Index, the European Stoxx Europe 600 Index and the index of emerging markets MSCI EM lost about a percent. An additional negative factor for investors was the uncertainty around Brexit – on Tuesday there will be a decisive vote in the British parliament on the approval of the deal with the European Union. Experts warn about the growing risks of a British exit from the EU without an agreement, as well as possible early general elections in the country in case of failure and even a new Brexit referendum. At the end of the trading session, the MOEX Russia Index was able to reduce losses to 0.2% after weakening sales in western markets and the return of Brent quotes to above \$60 per barrel.

At the end of the day changes of the MicexPWR Sector Index corresponded to the market. The main contribution to the MicexPWR decline was made by shares of Mosenergo and Unipro.

## ELECTRIC POWER INDUSTRY NEWS

### Electricity consumption in the UES of Russia in 2018 increased by 1.5% compared with 2017

According to the operational data of SO UES, electricity consumption in the Unified Energy System of Russia in 2018 amounted to 1,055.5 billion kWh, which is 1.5% more than the consumption in 2017. Electricity consumption in Russia as a whole in 2018 amounted to 1,076.1 billion kWh, which is 1.6% more than in 2017.

Read full text:

[http://so-ups.ru/index.php?id=press\\_release\\_view&tx\\_ttnews\[tt\\_news\]=13767&cHash=459c6886e7a](http://so-ups.ru/index.php?id=press_release_view&tx_ttnews[tt_news]=13767&cHash=459c6886e7a)

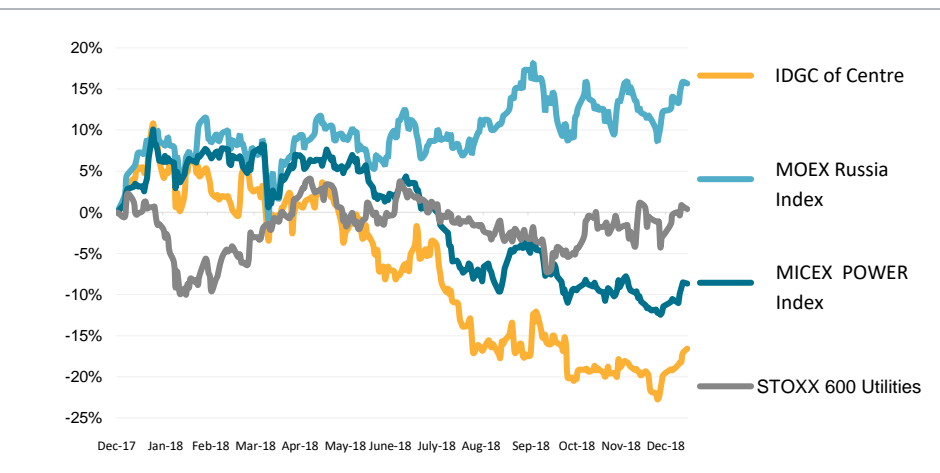
## COMPANY NEWS

### Kostromaenergo for 11 months connected to power grids more than 4 thousand new facilities

IDGC of Centre - Kostromaenergo division, according to the results of 11 months of 2018, executed 4,352 agreements on the implementation of grid connection with a total capacity of 62.248 MW. Among them, under 3,701 agreements connection of residential customers was completed under concluded grid connection contracts (with connected power of up to 15 kW) for a total capacity of 39 MW.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/67008/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 440,15	-0,18%	2,99%
S&P 500	2 582,61	-0,53%	3,02%
FTSE 100	6 855,02	-0,91%	1,89%
DAX	10 855,91	-0,29%	2,81%
DJStoxx 600	347,51	-0,48%	2,92%
Nikkei	20 359,70	0,00%	1,72%
Sensex	35 853,56	-0,43%	-0,60%
CSI300	3 067,78	-0,87%	1,90%
Bovespa	94 474,13	0,87%	7,49%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	66,92	0,08%	-3,68%
EURO/RUB	77,13	-0,11%	-2,94%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 291,72	0,11%	0,72%
Brent*, USD/bbl	58,99	-2,46%	9,65%

\* - February futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,27	30,43	454,72

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,32%	2,56%
MICEX POWER Index	-0,17%	3,10%
IDGC of Centre**	0,68%	3,85%
IDGC of Centre and Volga Region**	0,00%	1,89%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,06%	3,15%
FGC UES	0,01%	3,70%
IDGC of Volga	-0,35%	2,65%
MOESK	0,30%	2,95%
IDGC of Northern Caucasus	0,42%	1,43%
IDGC of North-West	2,82%	5,23%
IDGC of Urals	0,21%	2,49%
IDGC of Siberia	3,32%	3,22%
IDGC of South	0,00%	4,22%
Lenenergo, ordinary shares	3,42%	8,70%
TRK, ordinary shares	0,00%	10,39%
Kubanenergo	5,19%	16,39%

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**