

DAILY MARKET REVIEW

21 November, Wednesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 20 November some negative external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed with a fall of 1.6-1.7%, while the composite index of the Asia-Pacific region, MSCI Asia Pacific, lost 1% on Tuesday. The markets were pressured by the US technology sector sales (the Nasdaq Composite index lost 3%) due to concerns about a cut in Apple production and a potential tightening of regulation in this sector, which could also provoke a tightening of the US-Chinese trade conflict. According to media reports, Donald Trump's administration is considering the possibility of imposing restrictions on the export of high technologies, seeking to protect innovation leadership from Chinese competition. In particular, Bloomberg writes, the restrictions may affect companies such as Apple, Google, IBM and Amazon. According to experts, the introduction of export restrictions on a wide range of technologies can cause serious damage to Silicon Valley companies. January Brent futures traded around \$66.3 per barrel, at the level of our close on 19 November.

On Tuesday, sellers dominated the Russian market, as well as on world markets as a whole, as part of a decline in investors' interest in risky assets due to the US-PRC trade and European problems. In the afternoon, the MOEX Russia Index, the index of emerging markets MSCI EM, the European Stoxx Europe 600 Index and futures for US indices lost about 1.5%. As the Financial Times notes, the dispute between the US and China is growing and has long gone beyond raising tariffs for manufactured goods. Donald Trump, as well as representatives of his administration and American business, are increasingly worried about the theft of intellectual property of US companies in China against the backdrop of Beijing's desire to develop innovation in the country. In the UK, the chances of implementing a tough Brexit scenario are growing. Although the Confederation of British Industry supported the plan of Prime Minister Theresa May to secede from the EU, however, experts will not save it from the failure of the agreement in parliament. In addition, traders are concerned about the budgetary confrontation between Italy and the European Union – on Wednesday the European Commission should respond to the new draft of the Italian budget for 2019. At the end of the day, an additional negative factor for our market was the fall in Brent crude prices to \$63.5 per barrel, provoked by fears of an increase in the imbalance of supply and demand.

During the day changes of the MicexPWR Sector Index as a whole corresponded to the market. The main contribution to the final MicexPWR decline was made by shares of Inter RAO, ROSSETI and Mosenergo.

ELECTRIC POWER INDUSTRY NEWS

The State Duma proposes to increase state support for the agro-industrial complex, including by optimizing electricity tariffs

The State Duma adopted a resolution in which it recommended the government to continue increasing the level of state support in the agro-industrial sector of Russia, proposing, among other things, to consider the issue of optimizing electricity tariffs for agricultural producers and people living in rural areas.

Read full text: <http://www.bigpowernews.ru/markets/document85423.phtml>

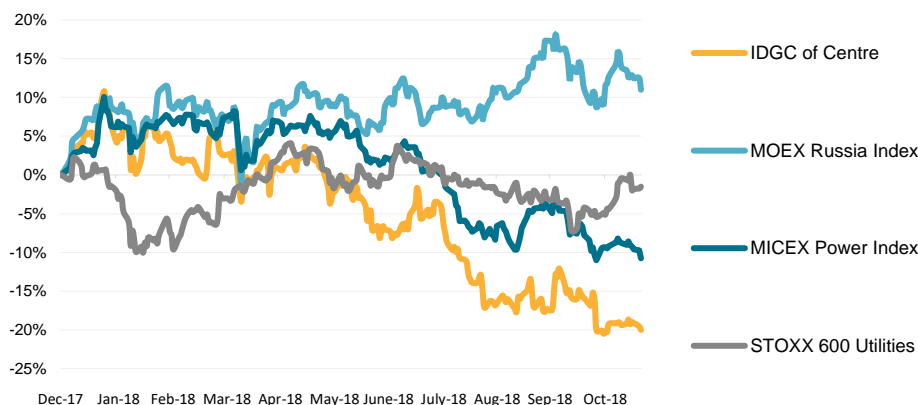
COMPANY NEWS

Igor Makovskiy: "High-quality and reliable power supply to the Orel region is one of the priority conditions for further development of its industry and tourist cluster"

General Director of IDGC of Centre Igor Makovskiy made a working trip to the Orel region, where he checked the operation of the power grid complex of the branch "Orelerenergo".

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66525/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 341,60	-1,36%	10,99%
S&P 500	2 641,89	-1,82%	-1,19%
FTSE 100	6 947,92	-0,76%	-9,62%
DAX	11 066,41	-1,58%	-14,33%
DJStoxx 600	351,06	-1,14%	-9,79%
Nikkei	21 583,12	-1,09%	-5,19%
Sensex	35 474,51	-0,84%	4,16%
CSI300	3 218,41	-2,31%	-20,16%
Bovespa	87 900,83	0,00%	15,05%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	66,01	0,02%	14,54%
EURO/RUB	75,32	0,56%	9,50%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 221,66	-0,21%	-6,23%
Brent*, USD/bbl	62,53	-6,38%	-6,49%

* - January futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.17
IDGC of Centre	0,2848	12,02	182,15	
IDGC of Centre & Volga Reg	0,2605	29,36	444,76	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,24%	-1,51%
MICEX POWER Index	-1,15%	-10,76%
IDGC of Centre**	-0,56%	-20,00%
IDGC of Centre and Volga Region**	-0,80%	-13,66%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-1,92%	-14,64%
FGC UES	-0,53%	-7,13%
IDGC of Volga	-0,66%	-5,41%
MOESK	-0,22%	-24,08%
IDGC of Northern Caucasus	-0,71%	-27,29%
IDGC of North-West	-3,89%	4,42%
IDGC of Urals	0,00%	-18,95%
IDGC of Siberia	-0,12%	-26,81%
IDGC of South	-3,80%	-0,42%
Lenenergo, ordinary shares	0,00%	20,00%
TRK, ordinary shares	0,00%	-8,36%
Kubanenergo	-1,72%	-27,30%

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