

DAILY MARKET REVIEW

2 November, Friday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 1 November some neutral external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 rose by 1.0-1.1%. Investors were supported by strong quarterly statements from a number of large companies, including Facebook, General Motors and eBay, and good statistics. In the US the number of new jobs in the manufacturing sector in October, according to the industry organization ADP, turned out to be significantly better than the forecast. On Thursday the composite stock index of the Asia-Pacific region, MSCI Asia Pacific, added 0.1% with multidirectional changes of the main country indices. The Chinese CSI300 increased by 0.7% on statistics and the risk reduction of a new round of trade war with the US. According to Caixin/Markit, business activity in the manufacturing sector in China in October increased, contrary to forecasts. Economic adviser of Donald Trump said that the US could abandon the idea of charging all imports from the PRC and the decision on tariffs would be the result of political negotiations. In turn, the Japanese Nikkei225 lost 1.1% after sales of shares in the telecommunications sector on information about the reduction of tariffs for mobile communications. January Brent futures traded around \$74.7 a barrel, \$1.4 below our close on 31 October. The quotes were pressured by the message of the US Department of Energy on the growth of oil reserves in the country for the sixth week in a row and the increase in US production to a historic record of 11.2 million barrels per day.

The MOEX Russia Index spent most of the trading session in a small minus within half a percent due to falling Brent quotes to \$74 per barrel. Negative background for the oil market was the information of the media that almost all the major buyers of Iranian oil are negotiating with the US on exemptions from the second part of the sanctions, which will allow them to continue importing oil from Iran even after these restrictions come into force on 4 November. At the same time, according to media reports, India and South Korea have already agreed with the US on the basic conditions for such permits. The strengthening of the ruble against the dollar following the sharp weakening of the American currency on the world market was also a deterrent for the Russian export-oriented market. In the second half of the day, the MOEX Russia Index, ignoring the fall in the cost of Brent oil to the level of \$73 per barrel, got fixed in positive territory due to positive sentiment on world markets. The European Stoxx Europe 600 Index and futures for US indices added more than half a percent, the index of emerging markets MSCI EM increased by more than a percent. Investors were supported by a statement by the US President about a fruitful telephone discussion of trade issues with the PRC Chairman and media information that the UK and the European Union were able to agree on access of financial companies to each other's markets after Brexit.

During the trading session the MicexPWR Sector Index underperformed. The main contribution to the small final MicexPWR decline in antiphase with the MOEX Russia Index was made by shares of Enel Russia on weak IFRS statements for 9M 2018.

ELECTRIC POWER INDUSTRY NEWS

Mr. Putin instructed the government to consider reducing the cost of electricity for agricultural producers

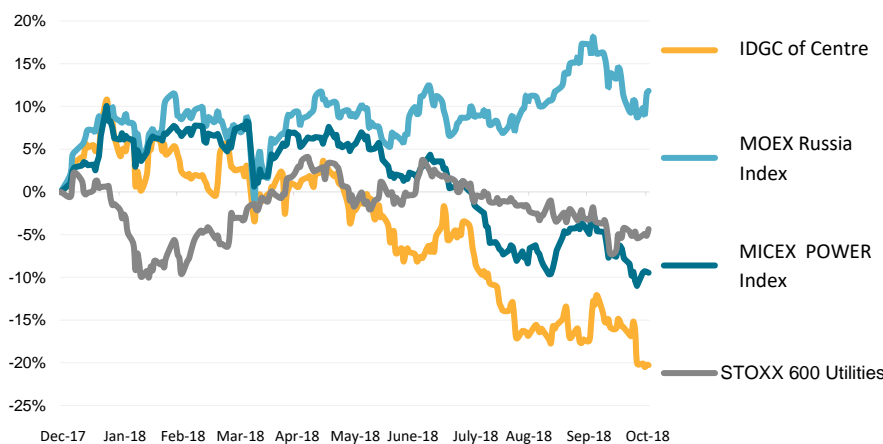
Read full text: <http://www.bigpowernews.ru/markets/document85160.phtml>

COMPANY NEWS

General Director of IDGC of Centre - the managing organization of IDGC of Centre and Volga Region Igor Makovskiy discussed with representatives of the Company's trade unions topical issues of social partnership and labour relations

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66363/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 359,33	0,28%	11,83%
S&P 500	2 740,37	1,06%	2,50%
FTSE 100	7 114,66	-0,19%	-7,45%
DAX	11 468,54	0,18%	-11,22%
DJStoxx 600	363,08	0,41%	-6,71%
Nikkei	21 687,65	-1,06%	-4,73%
Sensex	34 431,97	-0,03%	1,10%
CSI300	3 177,03	0,74%	-21,18%
Bovespa	88 419,05	1,14%	15,73%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	65,60	-0,27%	13,82%
EURO/RUB	74,42	-0,50%	8,19%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 233,43	1,54%	-5,32%
Brent*, USD/bbl	72,89	-3,42%	9,00%

* - November futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	Change	
			per day	fr 31.12.17
IDGC of Centre	0,2838	11,98	182,65	
IDGC of Centre & Volga Reg	0,266	29,98	457,00	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,82%	-4,35%
MICEX POWER Index	-0,15%	-9,48%
IDGC of Centre**	-0,07%	-20,28%
IDGC of Centre and Volga Region**	-1,12%	-11,83%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,03%	-17,87%
FGC UES	-0,10%	-5,71%
IDGC of Volga	-0,30%	-2,92%
MOESK	-0,71%	-22,69%
IDGC of Northern Caucasus	1,61%	-24,58%
IDGC of North-West	-1,12%	18,85%
IDGC of Urals	-0,12%	-18,47%
IDGC of Siberia	-1,08%	-28,30%
IDGC of South	-0,61%	9,87%
Lenenergo, ordinary shares	0,69%	21,25%
TRK, ordinary shares	-0,64%	-15,90%
Kubanenergo	0,00%	-34,95%

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