

DAILY MARKET REVIEW

23 August, Thursday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 22 August some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 grew by 0.2%, while the S&P500 index updated the maximum since January. On Wednesday the composite index of the Asia-Pacific region, MSCI Asia Pacific, added 0.4%. The markets are still supported by hopes for smoothing the US trade disputes with China in the negotiation process, the first round of which began on Wednesday. Investors expect that the parties will be able to come to a compromise and prevent a trade war that could adversely affect the growth rates of the global economy as a whole. October Brent futures traded near \$73.0 per barrel, \$0.5 higher than our closing on 21 August. Positive background for the market was the data of the American Petroleum Institute on reduction of oil reserves in the country by impressive 5.2 million barrels.

The MOEX Russia Index spent the trading session on Wednesday flat near zero under the influence of differently directed factors. On the one hand, support for buyers was provided by the rise in prices for Brent crude above \$74 per barrel and moderately positive investors' sentiment on global markets – the main European indices and the index of emerging markets MSCI EM added on average about a third of a percent. On the other hand, the potential for the recovery of our market was largely limited to the sanctions news. Firstly, on Wednesday, the first part of the restrictive measures against Russia, declared by the US in connection with the "Skripal case", entered into force. Secondly, according to the information of the American media, on Tuesday a message from Microsoft caused sharp reaction of the US Senate that it recorded new attempts by Russia to influence the upcoming elections to the US Congress in November. The MOEX Russia Index was able to complete trading in the positive area due to the growth of exporters' shares, supported by the weakening of the ruble against the dollar, which raised the price of Brent oil, expressed in rubles, to a new historic high.

As a result of the trading session the MicexPWR Sector Index underperformed. The main contribution to the final decline in the sector indicator in antiphase with the MOEX Russia Index was made by shares of FGC UES, which lost 0.8% after the publication of mixed statements under IFRS for the first half of the year. Revenue increased by 15.7% y/y, to 117.5 billion rubles, adjusted EBITDA decreased by 1.4%, to 69.2 billion rubles, net profit increased by 29.5%, to 39.9 billion rubles, adjusted net profit decreased by 7.4%, to 39.9 billion rubles.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Energy of Russia does not ask for money for the grid in the strategy for infrastructure projects of the Ministry of Economic Development

The Ministry of Energy of the Russian Federation proposes to include in the draft spatial development strategy, developed by the Ministry of Economic Development, mainly grid facilities that will not require budgetary funds, told RIA Novosti Deputy Head of the Ministry of Energy Vyacheslav Kravchenko.

Read full text: https://1prime.ru/state_regulation/20180821/829148539.html

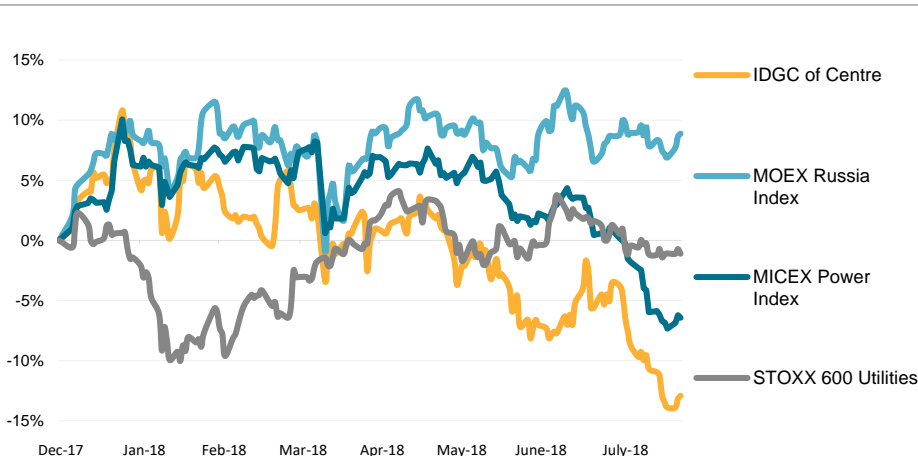
COMPANY NEWS

Power engineers of IDGC of Centre and IDGC of Centre and Volga Region awarded for high professionalism shown during the All-Russian exercises in the Republic of Dagestan

48 specialists from the grouping of IDGC of Centre and IDGC Centre and Volga Region were distinguished by the Ministry for North Caucasus Affairs of the Russian Federation, the Head of the Republic of Dagestan, the Ministry of Industry and Energy of the Republic of Dagestan, the Administration of Karabudakhkentsky district and PJSC "Rosseti".

Read full text: <https://www.mrsk-1.ru/press-center/news/company/65429/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2297,06	0,23%	8,88%
S&P 500	2866,25	0,11%	7,21%
FTSE 100	7574,24	0,11%	-1,48%
DAX	12385,7	0,01%	-4,12%
DJStoxx 600	384,02	-0,03%	-1,33%
Nikkei	22362,55	0,64%	-1,77%
Sensex	38285,75	0,00%	12,42%
CSI300	3307,95	-0,56%	-17,93%
Bovespa	76038,46	1,14%	-0,48%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	67,1783	0,00%	16,57%
EURO/RUB	77,3491	0,82%	12,45%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1195,89	-0,02%	-8,22%
Brent*, USD/bbl	74,48	2,55%	11,38%

* - October futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares	Price**, ₽	Change	
		MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre	0,31	13,09	194,82
IDGC of Centre & Volga Reg	0,289	32,57	484,82

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,40%	-1,11%
MICEX POWER Index	-0,21%	-6,43%
IDGC of Centre**	0,32%	-12,92%
IDGC of Centre and Volga Region**	1,05%	-4,21%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,46%	-14,80%
FGC UES	-0,84%	-5,15%
IDGC of Volga	0,88%	-4,77%
MOESK	-1,53%	-21,36%
IDGC of Northern Caucasus	1,96%	-18,75%
IDGC of North-West	-0,43%	32,69%
IDGC of Urals	0,27%	-12,41%
IDGC of Siberia	-1,08%	-19,65%
IDGC of South	-0,28%	19,57%
Lenenergo, ordinary shares	-0,34%	23,23%
TRK, ordinary shares	0,00%	-15,36%
Kubanenergo	-1,33%	-24,49%

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