

DAILY MARKET REVIEW

11 July, Wednesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 10 July some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 increased by 0.9-1.3%. Investors continue to play back data on the US labour market, in addition, expectations for good corporate reporting are beginning to provide support for buyers. According to analysts, high rates of global economic growth and the US tax reform will help increase companies' profits from the S&P500 index by 20% y/y in the second quarter. On Tuesday the composite index of the Asia-Pacific region, MSCI Asia Pacific, added 0.1% with mixed changes of the main country indices. Good Chinese statistics – inflation accelerated to a maximum in June since March, producers' prices rose for the second month in a row due to rising prices of raw materials – were levelled by the continuing threat of escalating trade disputes between the US and China. September Brent futures traded near \$78.7 per barrel, \$0.7 higher than our closing on 9 July. Oil quotes are supported by the fear of a supply shortage of raw materials. In addition to falling production in Libya, Venezuela and Canada, the media reported that Norwegian workers from gas and oil drilling rigs in the North Sea are going to strike because of a denial of the wage deal.

A small increase in European indices and a rise in Brent quotations to around \$79.5 per barrel on the information about the strike of oil workers in the North Sea started supporting the Russian market – the MOEX Russia Index in the afternoon updated its historic high. After that, investors preferred to fix part of the profits, taking into account the increase in the volatility of oil prices – Brent prices returned to the morning levels, zero changes of the index of emerging markets MSCI EM due to fears of trade wars and weak European statistics. In May, contrary to forecasts, industrial production in Britain and France decreased, the index of investors' and analysts' expectations for the German economy fell in July to the lowest level since August 2012 due to the worsening of trade disputes with the US. The main contribution to the final decline in the MOEX Russia Index was made by a 2% fall in LUKOIL's shares after the ex-dividend date.

During the trading session the MicexPWR Sector Index outperformed mainly due to active purchases in shares of Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

FCS: "Russia in January-May reduced electricity exports by 13.4%, to 5.6 billion kWh"

Exports of electricity from Russia in January-May 2018 decreased by 13.4% compared to the same period in 2017 - to 5.595 billion kWh, according to the materials of the Federal Customs Service (FCS) of Russia. In May, exports decreased by 32.1% compared to April 2018, to 791.5 million kWh.

Read full text: <http://www.bigpowernews.ru/markets/document83679.phtml>

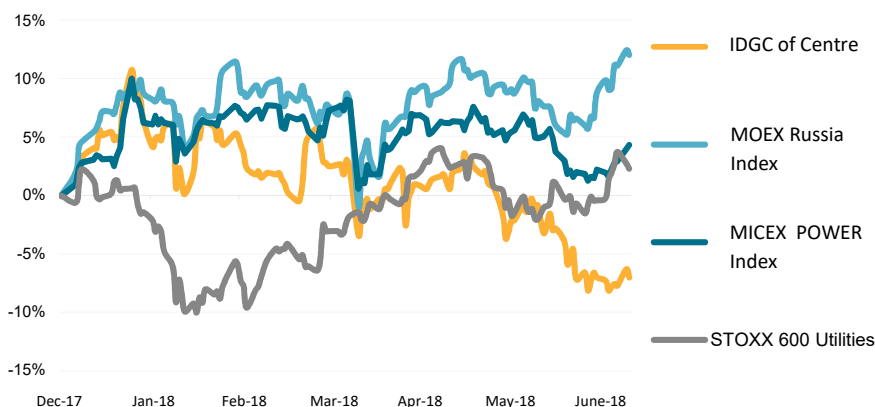
COMPANY NEWS

Since the beginning of the year Kurskenergo's specialists identified the theft of electricity for more than 2 million rubles

IDGC of Centre - Kurskenergo division continues regular work to identify facts of non-metered and non-contractual electricity consumption. One of the most effective measures is raids, during which employees of the branch inspect power lines and meters for illegal connections.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/64715/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 365,17	-0,34%	12,11%
S&P 500	2 793,84	0,35%	4,50%
FTSE 100	7 692,04	0,05%	0,06%
DAX	12 609,85	0,53%	-2,38%
DJStoxx 600	386,25	0,43%	-0,75%
Nikkei	22 196,89	0,66%	-2,50%
Sensex	36 239,62	0,85%	6,41%
CSI300	3 467,52	0,24%	-13,98%
Bovespa	74 862,38	-0,20%	-2,02%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	62,83	-0,46%	9,03%
EURO/RUB	73,94	0,05%	7,49%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 255,54	0,17%	-3,63%
Brent*, USD/bbl	78,86	1,01%	21,77%

* - September futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3310	13,97	222,40
IDGC of Centre & Volga Reg	0,3020	34,03	541,66

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,44%	2,32%
MICEX POWER Index	0,34%	4,35%
IDGC of Centre**	-0,75%	-7,02%
IDGC of Centre and Volga Region**	-0,66%	0,10%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,96%	-2,78%
FGC UES	0,00%	17,86%
IDGC of Volga	1,05%	16,95%
MOESK	0,14%	-23,14%
IDGC of Northern Caucasus	-0,32%	-17,71%
IDGC of North-West	-0,48%	19,62%
IDGC of Urals	0,80%	-10,26%
IDGC of Siberia	1,89%	-5,68%
IDGC of South	-0,96%	3,85%
Lenenergo, ordinary shares	0,44%	20,00%
TRK, ordinary shares	0,00%	-13,75%
Kubanenergo	0,50%	-22,96%

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