

DAILY MARKET REVIEW

26 March, Tuesday

2019



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 25 March some negative external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed with a fall of 1.8-1.9%, on Monday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 2.1%, futures for the S&P500 declined by 0.7%. The reason for the active sales was the growing fears of a slowdown in the global economy, triggered by weak statistics for the Eurozone – in March, according to HIS Markit, business activity indices in the Eurozone's industry and Germany fell to record lows. After the publication of these data, the rally continued in government bonds of developed countries, which was given a start by an unexpected softening of the Fed's rhetoric at the last meeting. The yield on 10-year US Treasuries fell to a minimum since the end of 2017, the yield on 10-year German government bonds fell below zero for the first time since 2016, in Japan the same indicator reached its lowest level since September 2016. At the same time, investors drew attention to the fact that for the first time since 2007, the yield on three-month US bonds exceeded the yield on 10-year securities. Such an inversion, Bloomberg reminds, is a reliable harbinger of a recession in the US, which comes with a lag of six months or a year. May Brent futures traded around \$66.6 per barrel, at the level of our close 22 March. The oil prices were supported by a message from Baker Hughes that the number of operating oil rigs in the US had fallen for the fifth week in a row.

The MOEX Russia Index spent most of the Monday's trading session flat near zero. On the one hand, the Russian market was pressured by persistence of negative sentiment on global stock exchanges – the MSCI All Country World Index lost about half a percent in the second half of the day due to investors' concerns about the prospects for the global economy. On the other hand, information about the American media that the investigation by Special Counsel Robert Mueller did not reveal evidence of collusion between Russia and Donald Trump's campaign headquarters to influence the results of the 2016 US presidential election was a positive factor for our market. In particular, a number of analysts believe that this weakens the Congress's ability to use the "Russian" factor in the confrontation with Donald Trump and, accordingly, reduces the likelihood of introducing new tough bills against the Russian Federation. The main beneficiary of the reduction of sanctions risks were Sberbank's ordinary shares, whose 3% growth allowed the MOEX Russia Index to close trading in positive territory.

During the day, the electric utilities sector index looked slightly worse than the market. The main contribution to the final MOEXEU decline in antiphase with the MOEX Russia Index was made by RusHydro's shares.

ELECTRIC POWER INDUSTRY NEWS

Small businesses in Russia to be allowed to save on electricity starting from the summer of 2019

Small consumers of electricity, which include shops, cafes, restaurants, etc., will be able to save at the expense of controlled electricity consumption. The resolution was signed by Russian Prime Minister Dmitry Medvedev, RBC reports.

Read full text: <https://www.business.ru/news/7311-elektroenergiya>

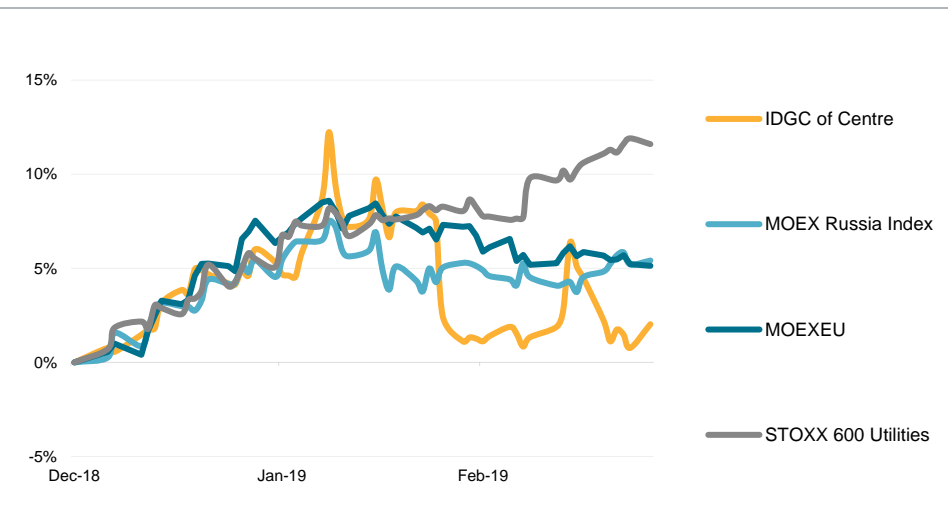
COMPANY NEWS

IDGC of Centre's Board of Directors approved the Company's Business Plan for 2019

A meeting of the Company's Board of Directors was held on 22 March 2019, which approved the Company's Business Plan for 2019 and forecast indicators for 2020-2023. The Business Plan for 2019 is formed taking into account the Forecast of socio-economic development of the Russian Federation until 2024 (hereinafter – the Forecast), prepared by the Ministry of Economic Development of Russia.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/67812/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 497,59	0,20%	5,41%
S&P 500	2 798,36	-0,08%	11,63%
FTSE 100	7 177,58	-0,42%	6,68%
DAX	11 346,65	-0,15%	7,46%
DJStoxx 600	374,33	-0,45%	10,86%
Nikkei	20 977,11	-3,01%	4,81%
Sensex	37 808,91	-0,93%	4,83%
CSI300	3 742,82	-2,37%	24,32%
Bovespa	93 662,01	-0,08%	6,57%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	63,77	0,04%	-8,21%
EURO/RUB	72,59	-0,27%	-8,65%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 321,90	0,63%	3,07%
Brent*, USD/bbl	67,21	0,27%	24,93%

* - May futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2918	12,32	193,18
IDGC of Centre & Volga Reg	0,2692	30,34	475,74

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,28%	11,60%
MOEXEU Index	-0,09%	5,13%
IDGC of Centre**	1,25%	2,03%
IDGC of Centre and Volga Region**	0,45%	1,58%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,21%	25,34%
FGC UES	0,36%	12,75%
IDGC of Volga	0,05%	2,65%
MOESK	-0,37%	3,18%
IDGC of Northern Caucasus	-1,09%	3,43%
IDGC of North-West	2,18%	-7,21%
IDGC of Urals	-0,55%	-1,95%
IDGC of Siberia	-7,35%	175,51%
IDGC of South	-2,66%	27,46%
Lenenergo, ordinary shares	1,20%	11,91%
TRK, ordinary shares	0,00%	5,84%
Kubanenergo	-3,84%	43,85%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

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Bloomberg

Reuters

MRKC

MRKC:RM

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