

DAILY MARKET REVIEW

25 March, Monday

2019



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 22 March some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 rose by 0.8-1.1% after the rally of shares of technology companies led by Apple. The market was also supported by good statistics: data on applications for unemployment benefits, the business activity index in Philadelphia in March and the index of leading economic indicators in February were better than expectations. On Friday the composite stock index of the Asia-Pacific region MSCI Asia Pacific added 0.1% with multidirectional changes of the main country indices, and futures for US indices were in a small minus. Negative background for investors was, including, the increased uncertainty around Brexit. The EU summit on Friday night agreed to grant Britain a postponement of exit from the EU until 22 May, only if this week the British parliament approves the Brexit agreement. Otherwise, the Brexit term may be extended only until 12 April. May Brent futures traded around \$67.9 per barrel, \$0.3 below our 21 March close. Oil prices continue adjusting after updating the highs since November last year, based on the US Department of Energy's information about a sharp decline in oil and gasoline reserves over the past week.

On Friday, sellers dominated global stock markets. In the middle of the day, the MOEX Russia Index, the index of emerging markets MSCI EM, the European Stoxx Europe 600 Index, and futures for US indices lost on average about half a percent due to increased fears about prospects for the global economy. In addition to increasing the risks of implementing the tough Brexit scenario, pressure was put on the markets by weak statistics on business activity in the Eurozone in March. According to preliminary data from IHS Markit, the manufacturing PMI in the region fell to 47.6 points in March from 49.3 points in February following the collapse of Germany's manufacturing PMI to a record minimum of 44.7 points. The Eurozone's economy ends the first quarter on a weak note, and leading indicators suggest that growth will be even weaker in the second quarter, IHS Markit's analysts said. The decline in the European markets accelerated after the start of trading in the US with more than a percentage drop in major indices, triggered by the continued collapse in yields of US government bonds. At the same time, for the first time since 2007, the yield on three-month 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. The sharp deterioration in sentiment in the western markets has not yet made any particular impression on the Russian market – the MOEX Russia Index closed with a decline of 0.6%.

During the day, changes of the electric utilities sector index in general corresponded to the market. The main contribution to the final MOEXEU decline was made by shares of RusHydro and Unipro.

ELECTRIC POWER INDUSTRY NEWS

Implementation of smart electricity metering devices to allow the state to save 70-80 billion rubles a year while reducing energy losses

The "Digital Transformation 2030" concept is designed to provide the Russian market with modern technological solutions.

Read full text: <https://marketing.rbc.ru/articles/10776/>

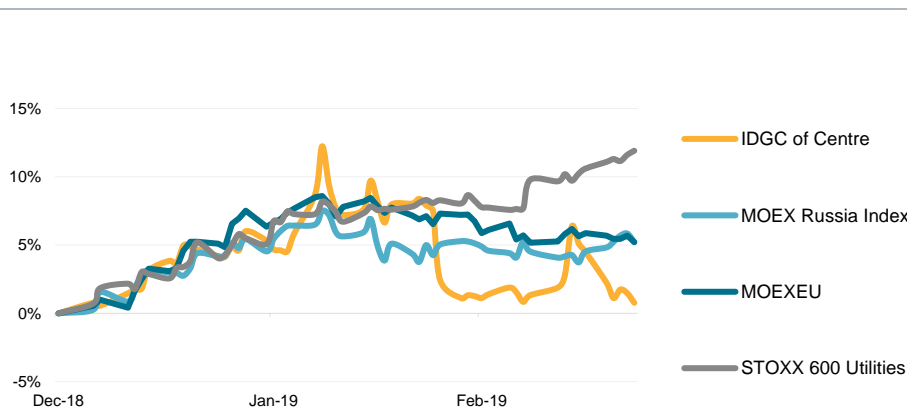
COMPANY NEWS

Igor Makovskiy: "64 billion rubles will be spent on the implementation of the Concept of digital transformation of IDGC of Centre and IDGC of Centre and Volga Region within the framework of the long-term investment program"

In Moscow, the colleagues' meeting of IDGC of Centre - the managing organization of IDGC of Centre and Volga Region, chaired by the Company's General Director Igor Makovskiy, completed its two-day work. It was attended by the heads of the main functional areas and subdivisions and directors of 20 regional branches.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/67795/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 492,70	-0,60%	5,21%
S&P 500	2 800,71	-1,90%	11,72%
FTSE 100	7 207,59	-2,01%	7,13%
DAX	11 364,17	-1,61%	7,63%
DJStoxx 600	376,03	-1,22%	11,37%
Nikkei	21 627,34	0,09%	8,06%
Sensex	38 164,61	-0,58%	5,81%
CSI300	3 833,80	-0,08%	27,34%
Bovespa	93 735,15	-3,10%	6,65%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	63,74	-0,84%	-8,25%
EURO/RUB	72,79	-0,21%	-8,40%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 313,68	0,33%	2,43%
Brent*, USD/bbl	67,03	-1,22%	24,59%

* - May futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre	0,2882	12,17	190,88
IDGC of Centre & Volga Reg	0,268	30,20	473,83

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,26%	11,91%
MOEXEU Index	-0,44%	5,23%
IDGC of Centre**	-0,69%	0,77%
IDGC of Centre and Volga Region**	-0,70%	1,13%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,10%	25,08%
FGC UES	0,12%	12,34%
IDGC of Volga	-0,45%	2,60%
MOESK	1,94%	3,56%
IDGC of Northern Caucasus	2,38%	4,57%
IDGC of North-West	-1,75%	-9,19%
IDGC of Urals	-1,62%	-1,41%
IDGC of Siberia	-1,42%	197,37%
IDGC of South	1,49%	30,95%
Lenenergo, ordinary shares	0,52%	10,59%
TRK, ordinary shares	0,00%	5,84%
Kubanenergo	2,82%	49,59%

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