

DAILY MARKET REVIEW

28 November, Wednesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 27 November some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed with an increase of 1.5-1.6%. The driver behind the rise was oversold stocks of the technology sector and papers of retailers in recent weeks on expectations of strong sales over the past holidays. On Tuesday the composite index of the Asia-Pacific region, MSCI Asia Pacific, added 0.4%, futures for US indices decreased by a third of one percent. Donald Trump's statement on the eve of this week's meeting with the PRC Chairman about readiness to introduce additional duties starting 1 January for practically all goods imported from China in the absence of a "breakthrough" in trade negotiations was a deterrent for buyers. In an interview with The Wall Street Journal, the US President repeated the summer statements on increasing the duty from 10% to 25% on goods from China worth \$200 billion a year and new duties worth \$267 billion on imports at a rate of 10% or 25%. Brent January futures traded around \$60.1 per barrel, \$0.4 below our 26 November close. Brent quotes continue consolidating around \$60 per barrel after falling 12% last week.

On Tuesday buyers dominated the Russian market. At daily highs the MOEX Russia Index added about 1.5% on easing of geopolitical risks associated with the Kerch incident. According to analysts, the restrained reaction of Western countries to the clash of Russian and Ukrainian ships in the Sea of Azov reduced the likelihood of introducing new anti-Russian sanctions. Basically, according to the media, representatives of the Western community have so far limited themselves to appeals to the Russian Federation and Ukraine to show restraint and prevent an escalation of the crisis. At the same time, according to Bloomberg, the governments of the European Union countries are still discussing sanctions against Russia after the new confrontation with Ukraine, although it is unlikely that any measures will be taken before the facts are fully established. Against this background, moderately negative changes of the western markets did not have a significant impact on the mood of Russian investors. The European Stoxx Europe 600 Index and futures for US indices lost an average of about 0.5% on fears that the meeting of the leaders of the US and China at the G-20 summit at the end of this week would not bring results, which could trigger a full-scale trade war between the two leading world economies.

During the trading session the MicexPWR Sector Index underperformed – investors were buying the first-tier papers, which on Monday were under pressure from strong sales.

ELECTRIC POWER INDUSTRY NEWS

SUMMARY: the Government decided to "put things in order" in electricity tariffs

Deputy Prime Minister Dmitry Kozak at a meeting on 19 September generally endorsed the idea of the Ministry of Energy and the Ministry of Economy to introduce social norms, follows from the minutes of the event, Kommersant reported in early October, which was able to familiarize itself with the document. The Ministries and FAS are instructed by 15 January 2019 to submit draft regulatory documents.

Read full text: <http://www.bigpowernews.ru/markets/document85599.phtml?1&q=>

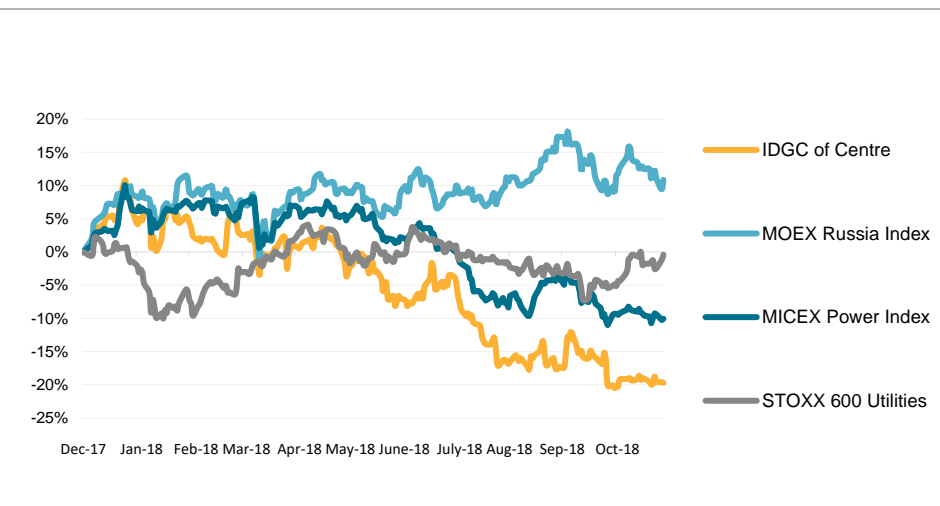
COMPANY NEWS

Kurskenergo continues to reduce receivables

IDGC of Centre - Kurskenergo division continues the systematic work on reduction of receivables. One of the effective directions of this work is claim-related activities of the branch. Since the beginning of the year, specialists of Kurskenergo's legal unit have submitted 92 claims to the court for collection of receivables totalling 165.65 million rubles. At present, 64.95 million rubles have been recovered from defaulters in favour of the enterprise. In addition, bailiffs were sent 5 writs of execution totalling 18 million rubles.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/66603/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 338,71	1,31%	10,85%
S&P 500	2 682,17	0,33%	0,32%
FTSE 100	7 016,85	-0,27%	-8,73%
DAX	11 309,11	-0,40%	-12,45%
DJStoxx 600	357,40	-0,26%	-8,17%
Nikkei	21 952,40	0,64%	-3,57%
Sensex	35 513,14	0,45%	4,28%
CSI300	3 137,24	-0,13%	-22,17%
Bovespa	87 891,18	2,74%	15,04%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	66,51	1,28%	15,41%
EURO/RUB	75,57	0,84%	9,86%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 215,05	-0,60%	-6,74%
Brent*, USD/bbl	60,21	-0,45%	-9,96%

* - January futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.17
IDGC of Centre	0,2858	12,07		181,42
IDGC of Centre & Volga Reg	0,2734	30,81		463,28

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,80%	-0,42%
MICEX POWER Index	0,17%	-10,09%
IDGC of Centre**	-0,14%	-19,72%
IDGC of Centre and Volga Region**	1,30%	-9,38%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,51%	-12,47%
FGC UES	-0,46%	-5,70%
IDGC of Volga	0,00%	-3,51%
MOESK	0,37%	-25,31%
IDGC of Northern Caucasus	1,43%	-25,94%
IDGC of North-West	-0,36%	6,54%
IDGC of Urals	-0,12%	-18,47%
IDGC of Siberia	-0,56%	-23,14%
IDGC of South	0,86%	-1,51%
Lenenergo, ordinary shares	-0,71%	16,25%
TRK, ordinary shares	-0,57%	-6,74%
Kubanenergo	7,60%	-27,81%

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