

DAILY MARKET REVIEW

27 September, Thursday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 26 September some neutral external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed with a decline of 0.1-0.3%. Representatives of dividend sectors underperformed due to growth of yields of the US government bonds to annual highs before the results of the Fed's meeting, which will be published on Wednesday evening. Traders do not doubt raising the rate by 0.25 percentage points, to 2-2.25%, and they are waiting for comments from the Federal Reserve on further actions, analysts say. On Wednesday the composite index of the Asia-Pacific region, MSCI Asia Pacific, added 0.2% following the confident rise of the Chinese market. The CSI300 index grew by 1.1% due to the statement of the MSCI provider about the beginning of consultations with investors on the further expansion of the presence of Chinese shares of class "A" in the MSCI indices in 2019. In particular, it is about a possible two-stage increase in the next year the ratio of participation of A-class shares of high capitalization in the MSCI indices from 5% to 20%. November Brent futures traded near \$82 per barrel, \$0.2 higher than our closing on 25 September. Oil prices continue to update the 4-year highs on fears of insufficient supply after the entry into force of the second round of the US sanctions against Iran in November.

On Wednesday the Russian market recorded profit after the MOEX Russia Index updated its historical highs for several trading sessions in a row – the rate of decline of the index was approaching a percent. The reason for the correction was the reduction of Brent quotations to around \$81.1 per barrel on the report of the American Petroleum Institute on the growth of oil reserves in the US last week by almost 3 million barrels. In the second half of the day, the MOEX Russia Index managed to play back some of the losses due to moderately positive changes of the western markets and emerging markets – the US stock indices, the Stoxx Europe 600 Index and the MSCI EM Index added about a third of a percent, pending the Fed's decision on the rate.

During the day the MicexPWR Sector Index outperformed. The main contribution to the final MicexPWR outperformance in comparison with the MOEX Russia Index was made by shares of FGC UES and Mosenergo.

ELECTRIC POWER INDUSTRY NEWS

Mr. Kozak instructed the departments to work with metallurgists to pay for the reserve of electric grid facilities

Russian Deputy Prime Minister Dmitry Kozak, following the results of the meeting on the development of ferrous metallurgy, instructed the Ministry of Energy, the Ministry of Economic Development and the FAS, with the participation of National industrial Russian Steel Association, to further work out several issues in the preparation of the regulatory framework for paying for the electric grid reserve, Deputy Prime Minister Ilya Dzhuz told journalists, PRIME reports.

Read full text: <http://www.bigpowernews.ru/markets/document84674.phtml>

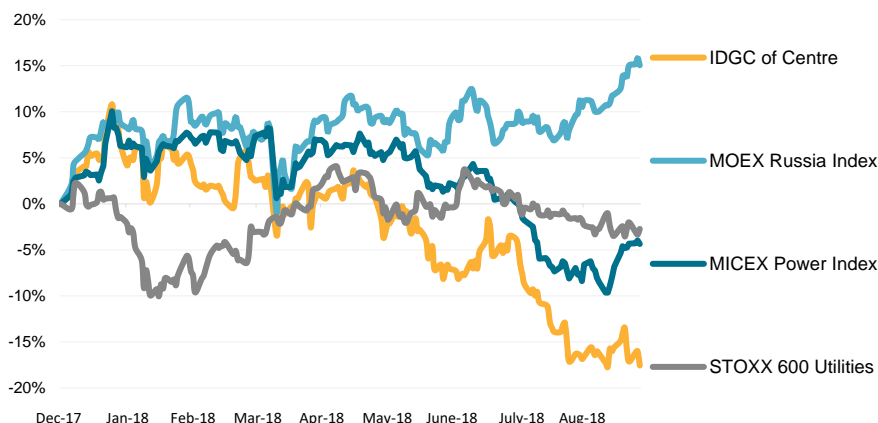
COMPANY NEWS

Tambovenergo overhauled over 350 kilometres of overhead lines for seven months

IDGC of Centre - Tambovenergo division summed up the results of the implementation of the repair program for seven months of 2018. All the events scheduled from January to July were fully implemented. 84 transformer substations of 6-10 kV, 129 transformers of 10/0.4 kV and about 354 kilometres of overhead lines of 0.4-110 kV were repaired. 319 hectares of ROWs along overhead lines were cleared from tree and shrub vegetation.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/65840/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 427,29	-0,69%	15,05%
S&P 500	2 905,97	-0,33%	8,69%
FTSE 100	7 511,49	0,05%	-2,29%
DAX	12 385,89	0,09%	-4,12%
DJStoxx 600	385,04	0,30%	-1,06%
Nikkei	24 033,79	0,39%	5,57%
Sensex	36 542,27	-0,30%	7,30%
CSI300	3 417,24	1,11%	-15,22%
Bovespa	78 656,16	0,03%	2,95%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	65,82	-0,51%	14,22%
EURO/RUB	77,38	-0,39%	12,50%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 194,44	-0,56%	-8,32%
Brent*, USD/bbl	81,34	-0,65%	27,05%

* - November futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.17
IDGC of Centre	0,2935	12,39	188,24	
IDGC of Centre & Volga Reg	0,2740	30,88	469,11	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,64%	-2,72%
MICEX POWER Index	-0,40%	-4,36%
IDGC of Centre**	-1,84%	-17,56%
IDGC of Centre and Volga Region**	-1,97%	-9,18%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,86%	-12,96%
FGC UES	0,51%	2,75%
IDGC of Volga	-1,85%	-4,48%
MOESK	-0,14%	-22,91%
IDGC of Northern Caucasus	-1,35%	-23,96%
IDGC of North-West	-0,30%	29,62%
IDGC of Urals	1,42%	-15,04%
IDGC of Siberia	-1,11%	-22,27%
IDGC of South	1,91%	33,61%
Lenenergo, ordinary shares	-1,70%	32,40%
TRK, ordinary shares	0,00%	-13,21%
Kubanenergo	-2,55%	-31,63%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, PJSC
127018, Moscow, 2nd Yamskaya, 4
+7 (495) 747 92 92
<http://mrsk-1.com/en/investors/>

IR Division
+7 (495) 747 92 92, ext. 33-34
ir@mrsk-1.ru

Tickers
Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC:RM
MRKC:MM