

DAILY MARKET REVIEW

3 April, Wednesday

2019



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 2 April some moderately positive external background formed on the Russian market. On Monday major US indices closed with a growth of 1.2-1.3% on good statistics on business activity in industries of China and the US, which weakened investors' concerns about the prospects for the global economy. In March, the industrial PMI in China rose above the key mark of 50 points, both in the official version and in the Caixin/Markit version, in the US data on the ISM Manufacturing were better than forecasts. In addition, the market was supported by statements of the chief economic adviser to the US President Larry Kudlow that Washington and Beijing were well advanced in the process of trade negotiations. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific showed zero changes with multidirectional trends of the main country indices. June Brent futures traded around \$69.1 per barrel, \$0.5 above our 1 April close. The oil quotes updated the annual maximum on the media information about a significant reduction in OPEC production. According to Bloomberg, oil production by the countries of the cartel in March decreased by 295 thousand barrels per day (b/d), to 30.4 million b/d. Wherein Saudi Arabia, the largest oil producer in OPEC, reduced its production to 9.82 million b/d, a minimum of four years. In Venezuela, production last month fell by 40% compared with February, to 600 thousand b/d due to power outages.

On Tuesday, the Russian market, as well as most global markets, consolidated after strong growth the day before. For the most part of the day, the MOEX Russia Index, the index of emerging markets MSCI EM, the European Stoxx Europe 600 Index and futures for the American indices were flat near zero. The deterioration of the WTO forecast for world trade in 2019 to a minimum of three years due to trade conflicts and increased risks of uncontrolled Brexit did not contribute to the continuation of the rally. On Monday, the British Parliament once again rejected alternative ways for Britain to withdraw from the European Union, after which the EU's main negotiator for Brexit said that the "tough" Brexit is becoming more and more likely. At the end of the day, the MOEX Russia Index was able to gain a foothold in the positive area due to the rise in Brent quotes to the level of \$69.4 per barrel.

At the end of the trading session, the electric utilities sector index underperformed. The main contribution to the MOEXEU decline in antiphase with the MOEX Russia Index was made by shares of Inter RAO and RusHydro.

ELECTRIC POWER INDUSTRY NEWS

250 billion rubles may be allocated for development of the electric grid infrastructure by 2024 - Mr. Novak

The government plans to spend at least 250 billion rubles by 2024 on the development of the Russian power grid infrastructure, Energy Minister Alexander Novak said, speaking at the government commission on electricity at the Krasnoyarsk Economic Forum, on Saturday, 30 March.

Read full text: <http://www.bigpowernews.ru/news/document87570.phtml>

COMPANY NEWS

IDGC of Centre and IDGC of Centre and Volga Region identified leaders in reducing electricity losses in 2018

IDGC of Centre and IDGC of Centre and Volga Region identified structural subdivisions that showed the best results in terms of reducing electricity losses in grids in 2018.

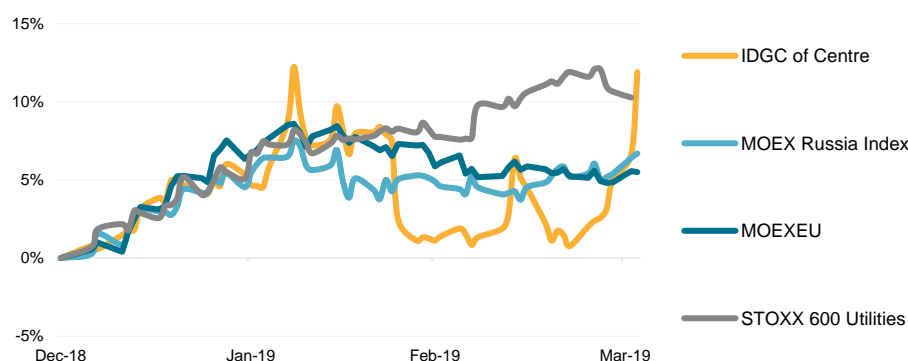
Read full text: <https://www.mrsk-1.ru/press-center/news/company/67911/>

Over 1,200 Voronezhenergo's employees to be trained in 2019

More than 1,200 employees of IDGC of Centre - Voronezhenergo division will be retrained in 2019 and will improve their qualifications within the framework of the personnel development program at the enterprise. Voronezhenergo will allocate about 11 million rubles for the personnel training.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/67909/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 527,77	0,26%	6,69%
S&P 500	2 867,24	0,00%	14,38%
FTSE 100	7 391,12	1,01%	9,85%
DAX	11 754,79	0,62%	11,33%
DJStoxx 600	385,03	0,35%	14,03%
Nikkei	21 505,31	-0,02%	7,45%
Sensex	39 056,65	0,48%	8,29%
CSI300	3 971,28	-0,07%	31,91%
Bovespa	95 386,76	-0,70%	8,53%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,42	1,05%	-5,83%
EURO/RUB	73,50	1,06%	-7,51%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 292,46	0,37%	0,78%
Brent*, USD/bbl	69,37	0,52%	28,94%

* - June futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3200	13,51	206,52
IDGC of Centre & Volga Reg	0,2763	31,14	475,99

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,42%	10,74%
MOEXEU Index	-0,05%	5,51%
IDGC of Centre**	4,92%	11,89%
IDGC of Centre and Volga Region**	0,25%	4,26%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,00%	25,08%
FGC UES	-0,10%	11,05%
IDGC of Volga	0,10%	4,18%
MOESK	-0,22%	3,33%
IDGC of Northern Caucasus	2,26%	10,00%
IDGC of North-West	0,95%	-4,32%
IDGC of Urals	0,23%	-3,79%
IDGC of Siberia	-1,02%	165,95%
IDGC of South	-0,78%	28,19%
Lenenergo, ordinary shares	2,20%	14,18%
TRK, ordinary shares	3,14%	6,49%
Kubanenergo	0,58%	40,98%

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