

DAILY MARKET REVIEW

24 October, Wednesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

On Monday the US indices DJIA and S&P500 closed with a decrease of 0.4-0.5%. On Tuesday the composite stock index of the Asia-Pacific region, MSCI Asia Pacific, fell 2.1%, futures for US indices lost 1.2%. The markets were pressure, writes Bloomberg, by such factors as the US-PRC trade confrontation, heightened tension around Saudi Arabia, as well as concerns about the Italian budget. The forecast of global economic growth in 2019 was for the first time worsened, as shown by a survey of economists conducted by Reuters, who said that the US-Chinese trade war and stricter financial conditions could trigger a slowdown in economic growth. In addition, on Monday, Donald Trump said that he was not satisfied with the explanations of Saudi Arabia about the death of an opposition Saudi journalist in Istanbul. Finally, according to media reports, the Italian government refused to back down on the budget deficit, despite criticism from the European Union about the country's plans for spending in 2019. December Brent futures traded around \$79.5 a barrel, \$0.3 lower than our 22 October close. Oil prices are adjusting on fears of a slowdown in the global economy.

Most of the day the Russian market, as well as world markets, as a whole, were dominated by sellers as part of investors' withdrawal from risky assets. At daily lows, the loss of the MOEX Russia Index reached 0.8%, the index of emerging markets MSCI EM – 2.5%, the European Stoxx Europe 600 Index – 1.6%. Brent quotes decreased to \$76.6 per barrel, including on statements by Saudi Arabia about readiness to increase production by 1-2 million barrels per day to prevent a shortage of fuel in the market. Attempts by the MOEX Russia Index in the middle of the trading session to gain a foothold in positive territory due to the rise in shares of LUKOIL and Novatek on corporate news were unsuccessful. At the end of the day, sales in world markets intensified after the opening of trading in the US with the fall of the main indices by 1.5-2%. Negative background for investors was the weak reporting of a number of large American manufacturing companies, including Caterpillar and 3M, as well as European news. According to media reports, the European Commission officially rejected the draft budget of Italy for 2019 and gave the country's authorities three weeks to finalize the plan.

During the trading session the MicexPWR Sector Index looked significantly worse than the market. Shares of Inter RAO, FGC UES and Rosseti made the main contribution to the MicexPWR outpacing decline in comparison with the MOEX Russia Index.

ELECTRIC POWER INDUSTRY NEWS

The government of the Russian Federation to review investment programs of infrastructure companies - says Mr. Novak

Investment programs of infrastructure companies will be reviewed by the government, this approach was supported at a meeting with First Deputy Prime Minister, Finance Minister Anton Siluanov, Russian Energy Minister Alexander Novak told reporters.

Read full text: <http://www.bigpowernews.ru/news/document85031.phtml?1&q=>

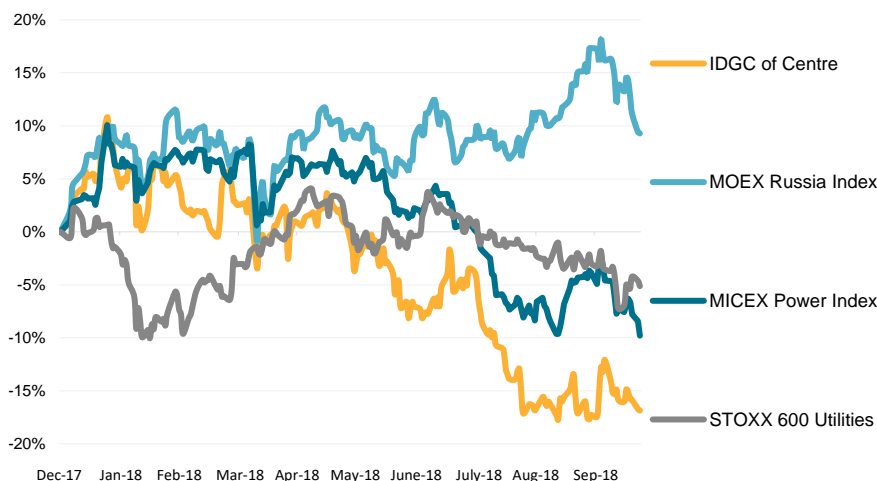
COMPANY NEWS

More than 90 km of power lines were reconstructed in the Tver region

According to the up-to-date information of the Headquarters of exercises for working out interaction and eliminating interruptions in the electric grid complex in the Tver region, by 21 October, the power engineers reconstructed 90.1 km of overhead lines. 3,310 power line poles were replaced, and self-supporting insulated wire was installed.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66223/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 305,58	-0,13%	9,28%
S&P 500	2 740,69	-0,55%	2,51%
FTSE 100	6 955,21	-1,24%	-9,53%
DAX	11 274,28	-2,17%	-12,72%
DJStoxx 600	354,06	-1,58%	-9,02%
Nikkei	22 010,78	-2,67%	-3,31%
Sensex	33 847,23	-0,84%	-0,62%
CSI300	3 183,43	-2,66%	-21,02%
Bovespa	85 300,03	-0,35%	11,65%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	65,31	-0,77%	13,32%
EURO/RUB	75,37	0,06%	9,57%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 230,30	0,67%	-5,56%
Brent*, USD/bbl	76,44	-4,25%	14,31%

* - December futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2960	12,50	191,35
IDGC of Centre & Volga Reg	0,2810	31,67	484,91

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,52%	-5,13%
MICEX POWER Index	-1,50%	-9,79%
IDGC of Centre**	-0,17%	-16,85%
IDGC of Centre and Volga Region**	-1,40%	-6,86%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-3,23%	-13,82%
FGC UES	-1,96%	-7,44%
IDGC of Volga	-1,86%	-2,53%
MOESK	-0,43%	-23,25%
IDGC of Northern Caucasus	-2,08%	-26,30%
IDGC of North-West	2,29%	28,85%
IDGC of Urals	-0,58%	-18,62%
IDGC of Siberia	-3,47%	-27,07%
IDGC of South	3,48%	29,43%
Lenenergo, ordinary shares	-1,10%	21,35%
TRK, ordinary shares	0,00%	-15,36%
Kubanenergo	1,19%	-34,95%

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