

# DAILY MARKET REVIEW

1 August, Wednesday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 31 July some moderately negative external background formed on the Russian market. On Monday the US indices DJIA and S&P500 fell 0.6% after the continuing sale of shares of technology companies. On Tuesday the composite index of the Asia-Pacific region, MSCI Asia Pacific, lost 0.5%. An additional negative factor for investors in the Asian session was weak statistics. In Japan unemployment and industrial production data were worse than in June, while in China in July indices of business activity in industry and services fell more than expected, the industrial PMI updated the minimum of five months. The results of the meeting of the Bank of Japan, which retained the basic parameters of monetary policy, did not become a surprise for the market. September Brent futures traded near \$74.7 per barrel, \$0.2 below our closing on 30 July. Oil prices are consolidating after a steady growth on Monday on news of a strike in three production fields of the company Total in the North Sea, which could lead to a decrease in the supply of Brent crude.

On Tuesday the Russian market was dominated by buyers, in the second half of the day the growth of the MOEX Russia Index exceeded 0.5%. Investors were supported by the rise of Brent crude oil quotations above \$75 per barrel and a slight corrective increase – on average within a third of a percent – of futures for US indices and the European Stoxx Europe 600 Index after a decline on 30 July. Published European statistics was ambiguous and had no significant effect on the trends of trading. In the Eurozone, the GDP growth in the second quarter (+2.1% y/y) slowed to a minimum in two years and was weaker than forecasts, unemployment in June was the lowest since 2008 – 8.3%, consumer prices in July increased by the maximum rate since 2012 to 2.1%. In the second half of the trading session, the markets supported by the information provided by Bloomberg that the US and China are trying to resume negotiations in order to prevent a full-scale trade war between the two largest economies of the world and good US statistics. In the US, in June, incomes and expenditures of the population increased at the level of expectations, data on consumer confidence and production activity in Chicago in July were better than the forecasts. Against this background, Russian buyers ignored the resumed decline in oil prices – the MOEX Russia Index closed with more than a percent increase on daily highs.

During the trading session the MicexPWR Sector Index underperformed. The main contribution to the final MicexPWR decline in antiphase with the MOEX Russia Index was made by shares of Unipro and Rosseti.

## ELECTRIC POWER INDUSTRY NEWS

### Power engineers of "Rosseti" fulfilled a quarter of work scope planned in Dagestan

During the first week of the All-Russian exercises of power engineers of "Rosseti" in Dagestan, 25% of the planned work scope was performed. There is no lag in the work, everything is on schedule, the press service of Dagestan Grid Company said.

Read full text: <http://md-gazeta.ru/news/51513>

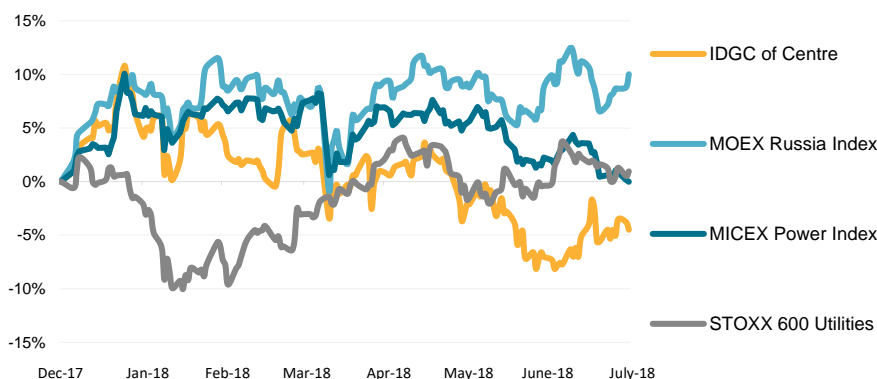
## COMPANY NEWS

### Smolenskenergo already spent 1.4 million rubles to ensure environmentally safe production in 2018

To implement measures of the environmental policy of IDGC of Centre for the past 6 months of 2018, IDGC of Centre - Smolenskenergo division spent 1.411 million rubles. Of these, 523.28 thousand rubles were used to receive and treat waste water, 512.80 thousand rubles - to deliver solid utility waste. In addition, Smolenskenergo conducted an event to protect the animal world - for the first half of the year, 1,393 bird protection devices were installed.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/65113/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 321,11	1,11%	10,02%
S&P 500	2 816,29	0,49%	5,34%
FTSE 100	7 748,76	0,62%	0,79%
DAX	12 805,50	0,06%	-0,87%
DJStoxx 600	391,61	0,18%	0,62%
Nikkei	22 553,72	0,04%	-0,93%
Sensex	37 606,58	0,30%	10,42%
CSI300	3 517,66	0,07%	-12,73%
Bovespa	79 220,43	-1,31%	3,69%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	62,78	-0,31%	8,94%
EURO/RUB	73,20	-0,19%	6,42%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 224,15	0,22%	-6,04%
Brent*, USD/bbl	74,21	-1,77%	15,25%

\* - September futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3400	14,35	228,64
IDGC of Centre & Volga Reg	0,3095	34,88	555,59

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,43%	0,95%
MICEX POWER Index	-0,17%	-0,02%
IDGC of Centre**	-0,73%	-4,49%
IDGC of Centre and Volga Region**	0,00%	2,59%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-1,98%	-6,48%
FGC UES	0,89%	5,15%
IDGC of Volga	0,24%	1,41%
MOESK	2,19%	-17,02%
IDGC of Northern Caucasus	0,61%	-14,32%
IDGC of North-West	0,14%	42,12%
IDGC of Urals	0,56%	-14,80%
IDGC of Siberia	2,44%	-8,30%
IDGC of South	1,22%	24,75%
Lenenergo, ordinary shares	-1,94%	21,25%
TRK, ordinary shares	0,00%	-8,89%
Kubanenergo	-0,66%	-23,47%

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**