

DAILY MARKET REVIEW

10 September, Monday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 7 September some moderately negative external background formed on the Russian market. On Thursday the US indices closed in different directions: the DJIA grew by 0.1%, the S&P500 lost 0.4%. The S&P500 index underperformance for the second day in a row was due to a decline in shares of the technological sector from record levels on increased regulatory risks. The US markets were kept from a larger fall by good statistics – the US business activity index rose in August more than expectations, applications for unemployment benefits updated the minimum since 1969. On Friday the composite index of the Asia-Pacific region, MSCI Asia Pacific, fell 0.3%, led by the Japanese Nikkei225, which lost 0.8%. The pressure on Japanese securities was strengthened by the yen and the statement by Donald Trump that Japan could become the next in the "trade war", as the US is trying to reduce the trade deficit with its main partners. November Brent futures traded near \$76.6 per barrel, \$0.7 higher than our September 6 closing. The surge in volatility in the oil market – quotes lost 2% and then moved to growth – was due to data from the US Department of Energy. On the one hand, oil reserves fell last week more than forecast. On the other hand, stocks of gasoline and distillates were higher than expected, while stocks in Cushing, where oil traded on NYMEX is stored, increased for the fourth consecutive week.

The MOEX Russia Index spent most of the day in a small minus, mainly within a third of a percent. The worsening of the attitude of investors to emerging markets as a whole continues to put pressure on the Russian market – on Thursday the MSCI EM index entered the "bearish" phase, and sanctions risks. On Wednesday hearings took place in the US Senate Banking Committee on New Sanctions Against the Russian Federation, including restrictions on operations with a new Russian national debt and a ban on dollar transactions for most state-owned banks. In turn, Great Britain calls for expanding anti-Russian restrictions in connection with the "Skripal case", while London's conclusions about Russia's involvement in the chemical attack in Salisbury were supported by the US, Germany, France and Canada. Additional uncertainty for investors in Russian assets is connected with the growing tension in Syria, according to media reports, at the Friday summit of the presidents of Russia, Iran and Turkey, a plan for a large-scale military operation in the north of Syria can be approved. In the second half of the day, investors' sentiment improved after the publication of strong statistics on the US labour market. The number of jobs grew stronger than forecasts in August, an increase in the average hourly pay in annual terms was a record since June 2009. Against this backdrop, the MOEX Russia Index was able to close trading in the positive area.

During the day 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 Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

Mr. Kozak supported the reform of electricity tariffs proposed by the Ministry of Energy - says the newspaper

Despite the existence of disagreements in the government, Deputy Prime Minister Dmitry Kozak agreed with most of the proposals of the Ministry of Energy on the reform of electric grid tariffs, it follows from the Minutes of the meeting with the official on 31 August, Kommersant reports that managed to get a copy of the document.

Read full text: <http://www.bigpowernews.ru/markets/document84463.phtml>

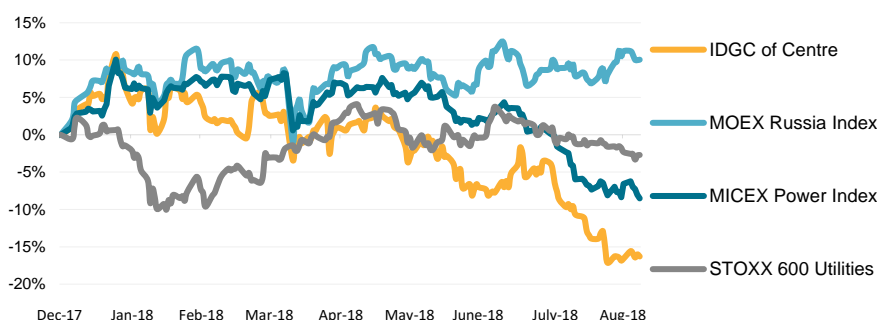
COMPANY NEWS

Specialists of Smolenskenergo told entrepreneurs about organization of purchasing activity of the branch

During the workshop for suppliers "Actual changes in the laws 44-FZ and 223-FZ. Practical recommendations for participants of procurement", which was held on 21 August 2018, employees of IDGC of Centre - Smolenskenergo division told about the organization of the purchasing activity of the branch, taking into account the changes in the legislation in the sphere of procurement of goods, works and services.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/65579/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 321,82	0,05%	10,05%
S&P 500	2 871,68	-0,22%	7,41%
FTSE 100	7 277,70	-0,56%	-5,33%
DAX	11 959,63	0,04%	-7,42%
DJStoxx 600	373,77	0,08%	-3,96%
Nikkei	22 307,06	-0,80%	-2,01%
Sensex	38 389,82	0,38%	12,72%
CSI300	3 277,64	0,45%	-18,69%
Bovespa	76 416,01	0,00%	0,02%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	68,25	-0,31%	18,43%
EURO/RUB	79,37	0,29%	15,38%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 196,93	-0,25%	-8,13%
Brent*, USD/bbl	76,83	0,43%	20,01%

* - November futures

Source: Bloomberg, Company calculations

Shares	Price**, ₹	MCap**, ₹ bln	Change	
			per day	fr 31.12.17
IDGC of Centre	0,2980	12,58		184,33
IDGC of Centre & Volga Reg	0,2885	32,51		476,38

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,07%	-2,71%
MICEX POWER Index	-0,54%	-8,52%
IDGC of Centre**	-0,33%	-16,29%
IDGC of Centre and Volga Region**	0,35%	-4,38%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,74%	-17,11%
FGC UES	0,64%	-3,39%
IDGC of Volga	-0,46%	-5,75%
MOESK	-0,29%	-23,47%
IDGC of Northern Caucasus	-1,00%	-22,92%
IDGC of North-West	1,04%	30,19%
IDGC of Urals	-1,44%	-18,14%
IDGC of Siberia	-1,13%	-23,58%
IDGC of South	-1,72%	4,85%
Lenenergo, ordinary shares	0,59%	24,90%
TRK, ordinary shares	0,00%	-11,05%
Kubanenergo	-0,37%	-30,87%

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