

# DAILY MARKET REVIEW

21 January, Monday

2019



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 18 January some positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed with a rise of 0.7-0.8%, on Friday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.6%. The markets were supported by hopes for easing the US-PRC trade contradictions. According to The Wall Street Journal, officials from the Donald Trump's administration, led by the head of the Treasury, discussed the abolition of some or all of the duties on imports of Chinese goods and suggested considering tariff cuts during trade negotiations scheduled for 30 January. According to the head of the Treasury, this will help achieve concessions from Beijing and calm the financial markets. At the same time, reports the WSJ, the US Trade Representative Robert Lighthizer opposed such a decision, so the proposal has not yet been sent to Donald Trump. Later, a spokesman for the Treasury denied this publication, but the market participants view it as a sign that the White House is looking for ways to improve the US-China relations and an opportunity to put an end to trade wars. March Brent futures traded around \$61.9 per barrel, \$1.4 above our 17 January close. Positive background for oil prices was the message of OPEC on the reduction of oil production by the cartel in December last year by 0.75 million barrels per day, the maximum rate for two years.

On Friday, buyers dominated on the Russian market, as well as on world markets, as a whole, due to investors' demand for risky assets. Improved sentiment contributed to the hope of de-escalating the trade confrontation between the two largest economies in the world. In the middle of the day, the MOEX Russia Index and the index of emerging markets MSCI EM added more than half a percent, the European Stoxx Europe 600 Index – more than a percent. American statistics were ambiguous and did not significantly affect investors' sentiment: industrial production in the US rose more than expected in December, and consumer confidence in January fell to a minimum of two years. At the close of our trading session, the growth of the Stoxx Europe 600 Index exceeded 1.5%, following the almost percentage increase in the US indices. Additional support for the MOEX Russia Index, which added 1.1% on Friday, was provided by the growth of Brent crude oil quotes to \$63 per barrel on the IEA information on the reduction in oil production by OPEC countries in December to the lowest level since July last year.

During the day the MicexPWR Sector Index underperformed. The main contribution to the MicexPWR underperformance in comparison with the MOEX Russia Index was made by shares of Inter RAO.

## ELECTRIC POWER INDUSTRY NEWS

### The government of the Russian Federation in 2019 to determine a single portal for connecting to power grids

The government of the Russian Federation in 2019 will determine a single portal for connecting to power grids, which will be connected with the portal of public services, follows from the order of the Cabinet of Ministers on approval of the action plan "Transformation of the business climate".

Read full text: <http://www.bigpowernews.ru/news/document86449.phtml>

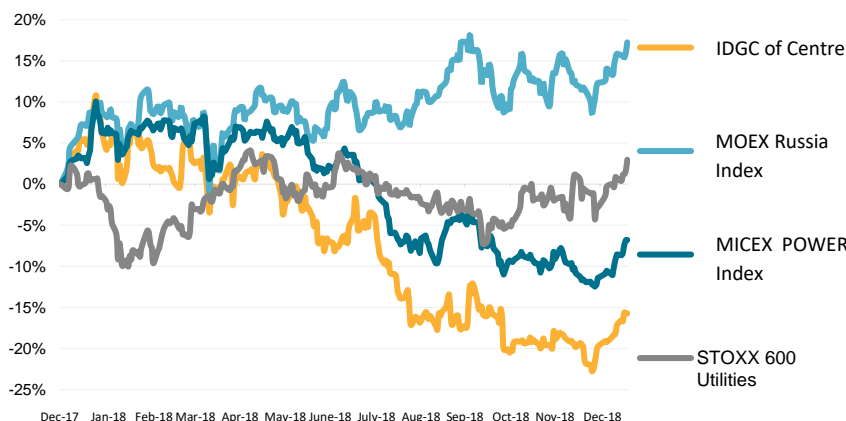
## COMPANY NEWS

### "Personnel training is a key factor in the successful implementation of the digital transformation strategy in the power industry" - Igor Makovskiy

General Director of IDGC of Centre - the managing organization of IDGC of Centre and Volga Region Igor Makovskiy met with Rector of Ivanovo State Power Engineering University Sergey Tararykin. The parties discussed prospects for cooperation between the company and the university. The head of the university introduced the head of IDGC of Centre and IDGC of Centre and Volga Region to the scientific base, laboratories and research centres of the educational institution.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/67071/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 473,61	1,06%	4,40%
S&P 500	2 670,71	1,32%	6,54%
FTSE 100	6 968,33	1,95%	3,57%
DAX	11 205,54	2,63%	6,12%
DJStoxx 600	357,05	1,80%	5,75%
Nikkei	20 666,07	1,29%	3,25%
Sensex	36 386,61	0,03%	0,88%
CSI300	3 168,17	1,82%	5,23%
Bovespa	96 096,75	0,78%	9,34%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	66,44	-0,48%	-4,36%
EURO/RUB	75,63	-0,66%	-4,82%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 282,11	-0,77%	-0,03%
Brent*, USD/bbl	62,7	2,48%	16,54%

\* - February futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.18
IDGC of Centre	0,2994	12,64		190,24
IDGC of Centre & Volga Reg	0,27	30,43		457,96

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	1,32%	5,20%
MICEX POWER Index	0,01%	5,25%
IDGC of Centre**	-0,20%	4,69%
IDGC of Centre and Volga Region**	0,00%	1,89%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	1,33%	15,15%
FGC UES	0,81%	5,39%
IDGC of Volga	0,54%	4,49%
MOESK	1,07%	6,97%
IDGC of Northern Caucasus	-0,83%	2,00%
IDGC of North-West	2,76%	13,87%
IDGC of Urals	1,39%	2,82%
IDGC of Siberia	1,33%	19,32%
IDGC of South	0,32%	14,50%
Lenenergo, ordinary shares	3,36%	10,40%
TRK, ordinary shares	39,74%	41,56%
Kubanenergo	-0,71%	13,93%

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**