

DAILY MARKET REVIEW

5 February, Tuesday

2019



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 4 February some moderately positive external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed with a slight increase of 0.1-0.3%. The markets were supported by strong American statistics. In January, the growth in the number of jobs in the US was the highest in 11 months, significantly better than the forecast, the wage growth slowed to 3.2% from 3.3% a month earlier, reducing inflationary pressures. In January, the index of business activity in the US manufacturing sector, contrary to expectations, rose from the minimum value for two years recorded in December. A constraining factor for buyers was the weak sales forecast from Amazon, which put pressure on the technology sector. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.1%. Positive media reports that the President of the United States and the President of the People's Republic of China can meet in Vietnam on 27-28 February to coordinate a trade deal were levelled by weak statistics from China, where the composite index of business activity slowed down to a minimum since October last year. Activity on the Asian exchanges was reduced – due to the celebration of the New Year, the exchanges of China and South Korea were closed. April Brent futures traded around \$62.9 per barrel, \$1.2 above our closing level on Friday, 1 February. Positive background for the market was the message of Baker Hughes about the fall in the number of oil producing rigs in the US to a minimum since May 2018.

The MOEX Russia Index spent most of Monday in a small plus, on average, about a third of a percent – the rise in the Brent price to \$63.5 per barrel was compensated for by uncertain changes of world markets. In the middle of the trading session, the European Stoxx Europe 600 Index and the index of emerging markets MSCI EM lost about a third of a percent under pressure from weak reports of a number of large European companies, the stronger dollar and higher yields on US government bonds. At the end of the day, the growth of the MOEX Russia Index fell to 0.1% after the turn of the oil market and the decline in Brent quotes to \$61.5 per barrel.

During the trading session the electric utilities sector index outperformed. The main contribution to the MOEXEU outperformance in comparison with the MOEX Russia Index was made by shares of RusHydro. The information could be supported by the media on the normalization of the work of the Bureiskaya HPP after the Defense Ministry's specialists broke through the channel in the rock blockage on the Bureya River.

ELECTRIC POWER INDUSTRY NEWS

Head of Rosstandart promised to free the Russians from the "verification slavery" with meters

The head of Rosstandart, Alexey Abramov, in an interview with Rossiyskaya Gazeta, spoke about plans to free the population from the obligation to monitor the correctness of readings of utility resources meters.

Read full text: <https://www.kommersant.ru/doc/3874156?from=hotnews>

COMPANY NEWS

IDGC of Centre in 2018 spent over 600 million rubles to ensure industrial safety and labour protection of its employees

IDGC of Centre summed up the work on labour protection and ensuring occupational safety of personnel in 2018. The company spent 604.3 million rubles on the implementation of measures to reduce the risk of injuries of employees during this period.

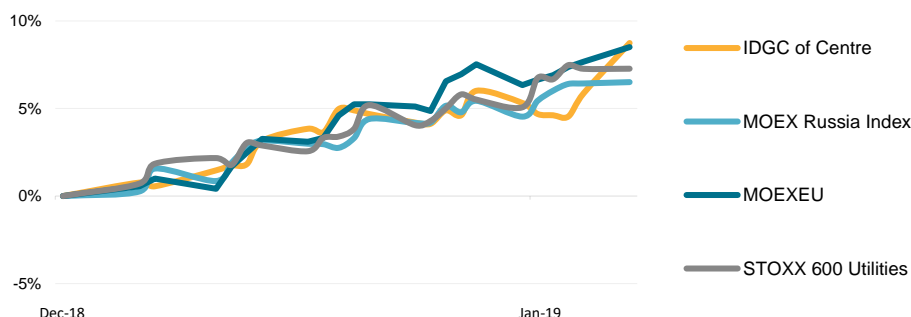
Read full text: <https://www.mrsk-1.ru/press-center/news/company/67181/>

IDGC of Centre in 2018 repaired more than 15 thousand kilometres of power lines and 4.5 thousand transformer substations

IDGC of Centre summed up the implementation of the 2018 repair program. The company fulfilled several key measures of the document in excess of planned targets.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/67178/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 523,52	0,07%	6,51%
S&P 500	2 724,87	0,68%	8,70%
FTSE 100	7 034,13	0,20%	4,55%
DAX	11 176,58	-0,04%	5,85%
DJStoxx 600	359,92	0,06%	6,60%
Nikkei	20 883,77	0,46%	4,34%
Sensex	36 582,74	0,31%	1,43%
CSI300	3 247,40	0,00%	7,86%
Bovespa	98 588,63	0,74%	12,18%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,66	0,46%	-5,49%
EURO/RUB	75,15	-0,07%	-5,43%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 312,25	-0,43%	2,32%
Brent*, USD/bbl	62,51	-0,38%	16,19%

* - April futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	Change	
		MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre	0,3110	13,13	199,97
IDGC of Centre & Volga Reg	0,2829	31,88	485,56

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,01%	7,27%
MOEXEU Index	0,78%	8,51%
IDGC of Centre**	2,71%	8,74%
IDGC of Centre and Volga Region**	2,95%	6,75%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,61%	25,85%
FGC UES	0,07%	12,07%
IDGC of Volga	1,56%	9,34%
MOESK	-0,50%	5,53%
IDGC of Northern Caucasus	0,42%	2,86%
IDGC of North-West	0,71%	2,70%
IDGC of Urals	1,49%	10,51%
IDGC of Siberia	5,69%	64,98%
IDGC of South	0,00%	19,28%
Lenenergo, ordinary shares	-2,24%	7,18%
TRK, ordinary shares	-1,66%	15,58%
Kubanenergo	16,61%	46,72%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, PJSC

127018, Moscow, 2nd Yamskaya, 4
+7 (495) 747 92 92

<http://mrsk-1.com/en/investors/>

IR Division

+7 (495) 747 92 92, ext. 33-34
ir@mrsk-1.ru

Tickers

Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC:RM
MRKC:MM