

DAILY MARKET REVIEW

15 April, Monday

2019



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 12 April some neutral external background formed on the Russian market. On Thursday the US indices S&P500 and DJIA closed with multidirectional changes within 0.1%. Investors preferred to take a wait-and-see position in anticipation of the corporate reporting season. The current consensus forecast by FactSet suggests a decrease in earnings per share of companies from the S&P 500 index in the first quarter by 4.2% y/y after a two-digit growth in the previous quarter. If the forecasts are justified, the decline may be the first since the second quarter of 2016. However, a number of experts note that low expectations increase the chances for positive surprises. On Friday, most of the major country indices in the Asia-Pacific region MSCI Asia Pacific showed a positive trend, futures for the S&P500 index added 0.1%. Positive background for investors was the statistics from China, where, after the February drop by 20.8% y/y, exports in March grew by 14.2%, the highest rate in five months. June Brent futures traded at about \$71 per barrel, at the level of our closure on 11 April. Benchmark crude oil prices, Bloomberg writes, have closed positive for the sixth week in a row, which has not been observed since 2016. The main driver of the rise in the oil market is the observance by OPEC countries of agreements to reduce production against the background of a drop in production in Libya and Venezuela.

The MOEX Russia Index spent most of Friday in a small plus within half a percent as part of the recovery after a percentage decline the previous day. Our market was supported by improvement of sentiment in the western markets and the rise of Brent quotations to the level of \$71.7 per barrel. In the second half of the trading session, the main European indices and futures for US indices added on average about 0.5% on good reporting and statistics. Revenues and profits of JPMorgan and Wells Fargo in the first quarter exceeded analysts' forecasts, industrial production in the Eurozone in February was better than expected, while consumer confidence in the US in April remained at a close to a record level.

During the day, changes of the electric utilities sector index in general corresponded to the market. The main contribution to the final MOEXEU growth was made by shares of RusHydro and Unipro.

ELECTRIC POWER INDUSTRY NEWS

The Ministry of Energy of Russia to create methods for the digitalization of energy, and is waiting for an initiative from companies

The Russian Ministry of Energy will develop basic techniques for the digital transformation of the Russian power industry, but is waiting for initiatives from companies, said Russian Deputy Energy Minister Andrey Cherezov at the opening of the 9th All-Russian Meeting of Chief Power Engineers.

Read full text: <http://www.bigpowernews.ru/news/document87720.phtml>

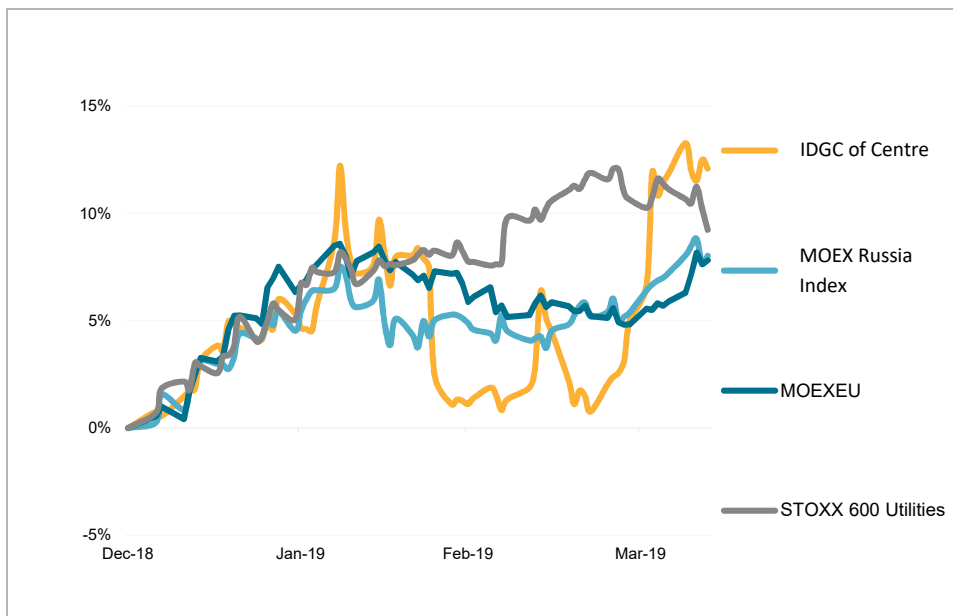
COMPANY NEWS

Belgorodenergo awarded the best Distribution Zone for reduction of electricity losses

The leader in reducing electricity losses in IDGC of Centre following the results of 2018 was Krasnogvardeysky Distribution Zone of IDGC of Centre - Belgorodenergo division. The diploma signed by the company's General Director Igor Makovskiy to the chief of the Distribution Zone, Viktor Savvin, was presented by Sergey Reshetnikov, the first deputy director - the chief engineer of the branch.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/68027/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 559,72	0,32%	8,04%
S&P 500	2 907,41	0,66%	15,98%
FTSE 100	7 437,06	0,26%	10,54%
DAX	11 999,93	0,54%	13,65%
DJStoxx 600	387,53	0,16%	14,77%
Nikkei	21 870,56	0,73%	9,27%
Sensex	38 767,11	0,41%	7,48%
CSI300	3 988,62	-0,22%	32,48%
Bovespa	92 875,00	-1,98%	5,68%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,40	-0,52%	-7,30%
EURO/RUB	72,66	-0,40%	-8,56%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 290,43	0,16%	0,62%
Brent*, USD/bbl	71,55	1,02%	32,99%

* - June futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3206	13,54	210,17
IDGC of Centre & Volga Reg	0,2783	31,36	487,02

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,89%	9,24%
MOEXEU Index	0,17%	7,82%
IDGC of Centre**	-0,37%	12,10%
IDGC of Centre and Volga Region**	-0,25%	5,02%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-1,23%	33,73%
FGC UES	-0,38%	11,98%
IDGC of Volga	-0,68%	4,80%
MOESK	-0,57%	5,68%
IDGC of Northern Caucasus	-0,77%	10,00%
IDGC of North-West	0,19%	-4,50%
IDGC of Urals	-0,46%	-5,42%
IDGC of Siberia	-1,81%	116,98%
IDGC of South	0,00%	23,30%
Lenenergo, ordinary shares	-1,67%	11,34%
TRK, ordinary shares	-1,19%	7,79%
Kubanenergo	1,72%	45,08%

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