

DAILY MARKET REVIEW

27 March, Tuesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 26 March some moderately negative external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed with a fall of 1.8-2.1% on fears of a full-scale trade war between the US and China. In response to the signing by the US president of a memorandum against the Chinese "economic aggression", China said that it was not afraid of a trade war with the US, and announced plans to introduce duties on import from the US worth \$3 billion in the first response to President D. Trump. In addition, the Chinese ambassador to the US in an interview with Bloomberg did not rule out the possibility of reducing purchases of US Treasury bonds in response to duties imposed by President D. Trump. Analysts note that the prospect of global protectionism, coupled with tightening monetary policy by the world's leading Central Banks, could hit companies' profits and the pace of world economic growth. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.2% with mixed changes of major indices, futures for US indices added a percent. The anxiety of investors regarding the trade confrontation between the US and China weakened somewhat after the statement of the US Treasury Secretary that he was optimistic about the possibility of concluding an agreement with China regarding trade duties. May Brent futures traded near \$70.3 per barrel, slightly higher than the closing level on Friday, 23 March. Oil prices were supported by representatives of Saudi Arabia about the possible extension of the OPEC+ agreement for 2019 and the strengthening of geopolitical risks in the Middle East after Saudi Arabia announced the destruction of seven missiles launched from the territory of Yemen. At the same time, the rise in prices was constrained by data from Baker Hughes, which indicated an increase in the number of operating oil drilling rigs in the US to a maximum since March 2015.

On Monday the Russian market was dominated by sellers – at the end of the trading session the MOEX Russia Index losses were close to 2%. Negative background for our market was a sharp deterioration of relations with the West because of the "case of Skripal" – the US, Canada and 14 European countries on Monday launched an unprecedented demarche against Russia, announcing the expulsion of over 100 diplomats, including 60 from the US. In addition, the EU chairman stressed that the European Union does not exclude additional measures against the Russian Federation in the coming weeks, and the British defense minister said that his country has already issued warrants for the arrest of Russian capital of dubious origin. In turn, the presidential press secretary said that the head of state will take a decision on the response after an analysis of the situation in which Russia will be guided by the principle of reciprocity.

During the trading session the MicexPWR Sector Index outperformed – the main sales were concentrated in the first-tier shares.

ELECTRIC POWER INDUSTRY NEWS

"Market Council" proposes to legislatively prohibit the introduction of new surpluses on the energy market

The association "NP Market Council" proposes to prohibit at the legislative level the introduction of new non-market markups on the wholesale energy market, which ultimately lead to a rise in the cost of electricity for the consumer.

Read full text: <http://www.bigpowernews.ru/markets/document82230.phtml>

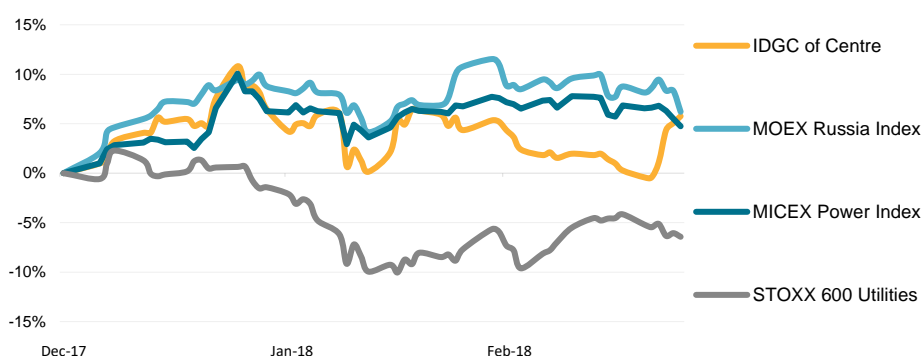
COMPANY NEWS

For two months IDGC of Centre's specialists suppressed more than 600 cases of electricity theft

IDGC of Centre summed up the results of the implementation in January-February 2018 of measures to identify and suppress non-metered and non-contractual electricity consumption.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/63450/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2240,85	-1,95%	6,21%
S&P 500	2616,26	1,08%	-2,15%
FTSE 100	6888,69	-0,48%	-10,39%
DAX	11787,26	-0,83%	-8,75%
DJStoxx 600	363,18	-0,72%	-6,68%
Nikkei	20766,1	0,72%	-8,78%
Sensex	33066,41	1,44%	-2,91%
CSI300	3879,89	-0,64%	-3,75%
Bovespa	84691,34	0,37%	10,85%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	57,1072	0,47%	-0,91%
EURO/RUB	70,4303	0,17%	2,39%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1354,81	0,56%	3,97%
Brent*, USD/bbl	70,14	-0,44%	4,89%

* - May futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln	
			per day	fr 31.12.17
IDGC of Centre	0,3765	15,90	278,34	
IDGC of Centre & Volga Reg	0,3261	36,75	643,54	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,40%	-6,43%
MICEX POWER Index	-0,73%	4,75%
IDGC of Centre**	0,67%	5,76%
IDGC of Centre and Volga Region**	-2,07%	8,09%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-3,14%	-5,14%
FGC UES	-0,77%	7,47%
IDGC of Volga	-2,11%	17,29%
MOESK	-0,51%	-13,79%
IDGC of Northern Caucasus	-0,29%	-9,38%
IDGC of North-West	-2,04%	-7,69%
IDGC of Urals	-1,97%	6,92%
IDGC of Siberia	0,82%	6,99%
IDGC of South	-1,56%	-5,18%
Lenenergo, ordinary shares	-0,91%	13,23%
TRK, ordinary shares	0,00%	-4,58%
Kubanenergo	0,14%	-9,57%

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