

# DAILY MARKET REVIEW

31 January, Thursday

2019



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 30 January some neutral external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed in different directions with changes within 0.2%, on Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.1%. Investors are still refraining from active actions in anticipation of the outcome of the Fed meeting and the commencement of the US-PRC trade negotiations. The Chinese delegation, headed by the Vice-Premier of the State Council of the People's Republic of China, arrived in Washington, where the two-day talks started on Wednesday. The parties will try to make progress in resolving the contradictions, since the freezing of duties on Chinese goods in the amount of \$200 billion expires on 1 March. The Secretary of the US Treasury said he was waiting for progress in the new round and that the parties were moving in the right direction, although the negotiations were difficult. March Brent futures traded around \$61.4 per barrel, \$0.1 below our 29 January close. A slight decline in the quotations was due to the message of the American Petroleum Institute on the growth of oil reserves in the country last week.

On Wednesday, moderately optimistic moods prevailed on the Russian market, as well as on world markets, as a whole. Most of the day the MOEX Russia Index, the European Stoxx Europe 600 Index, the index of emerging markets MSCI EM and futures for US indices added within half a percent. Firstly, traders expect the Fed to keep the rate at the current level on Wednesday evening and to soften the rhetoric regarding the prospects for the normalization of monetary policy. According to the Chicago Stock Exchange, the probability of a single rate increase this year does not exceed 30%. In addition, the Reuters writes, the Fed may have to admit that it will need to keep a larger volume of bonds on its balance sheet than previously planned. Secondly, employment in the US manufacturing sector in January, according to industry ADP, turned out to be significantly better than forecast. Thirdly, on Tuesday, the British Parliament ruled out the possibility of the country's withdrawal from the European Union without a deal with Brussels and voted to continue negotiations with the EU. Fourthly, the markets were supported by good quarterly reporting by a number of large American companies, including Apple and Boeing. An additional positive factor for the Russian market was the increase in the cost of Brent above \$62 per barrel. Against this background, the MOEX Russia Index updated the historical record.

At the end of the trading session the electric utilities sector index underperformed. The main contribution to the sector indicator underperformance compared with the MOEX Russia Index was made by shares of Inter RAO and Mosenergo.

## ELECTRIC POWER INDUSTRY NEWS

### Mr. Titov estimates the potential for reducing monopoly tariffs at 30%

The tariffs of natural monopolies on average in the country are overestimated by 30%. This opinion was expressed by the business ombudsman of the Russian Federation, Boris Titov, in the course of a press conference in Moscow.

Read full text: <http://www.bigpowernews.ru/markets/document86698.phtml?1&q=>

## COMPANY NEWS

### IDGC of Centre commissioned 3.6 thousand kilometres of power lines and over 360 MVA of capacity in 2018

IDGC of Centre summed up the implementation of the 2018 investment program. According to operational data, during this period, the company put into operation more than 360 MVA of capacity, and 3.6 thousand km of power lines.

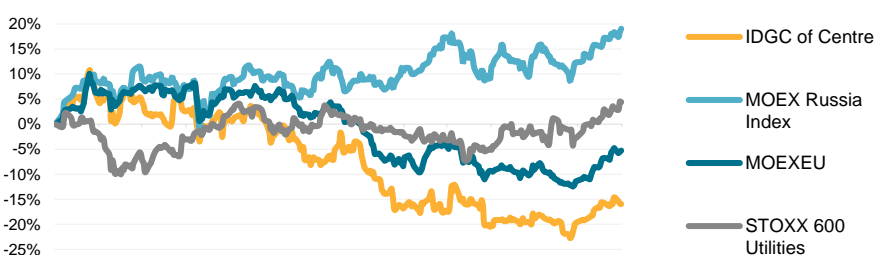
Read full text: <https://www.mrsk-1.ru/press-center/news/company/67146/>

### About 14 thousand employees of IDGC of Centre in 2018 got the opportunity to undergo vocational training

IDGC of Centre summed up the results of staff training in 2018. 13,870 employees of the company received new knowledge and skills in the framework of various forms of training. More than 94% of the total number of trained - representatives of industrial specialties.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/67144/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 511,86	0,54%	6,02%
S&P 500	2 681,05	1,55%	6,95%
FTSE 100	6 941,63	1,58%	3,17%
DAX	11 181,66	-0,33%	5,90%
DJStoxx 600	358,51	0,36%	6,18%
Nikkei	20 556,54	-0,52%	2,71%
Sensex	35 591,25	0,00%	-1,32%
CSI300	3 168,48	-0,80%	5,24%
Bovespa	96 996,21	1,42%	10,36%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	66,34	0,62%	-4,50%
EURO/RUB	75,88	0,91%	-4,50%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 319,91	0,62%	2,92%
Brent*, USD/bbl	61,65	0,54%	14,59%

\* - March futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2992	12,63	190,40
IDGC of Centre & Volga Reg	0,2694	30,36	457,65

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,07%	6,67%
MOEXEU Index	0,24%	6,91%
IDGC of Centre**	-0,07%	4,62%
IDGC of Centre and Volga Region**	-0,52%	1,66%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,93%	26,37%
FGC UES	0,06%	9,44%
IDGC of Volga	-0,67%	6,33%
MOESK	-0,71%	5,91%
IDGC of Northern Caucasus	0,14%	1,57%
IDGC of North-West	-0,17%	4,14%
IDGC of Urals	1,72%	9,21%
IDGC of Siberia	13,79%	60,98%
IDGC of South	0,94%	18,37%
Lenenergo, ordinary shares	-0,52%	9,07%
TRK, ordinary shares	0,00%	16,88%
Kubanenergo	3,23%	31,15%

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](mailto:ir@mrsk-1.ru)

**Tickers**  
Moscow Exchange (MOEX)  
Bloomberg  
Reuters

**MRKC**  
**MRKC:RM**  
**MRKC:MM**