

# DAILY MARKET REVIEW

12 March, Monday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 7 March some moderately negative external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed with an increase of 0.3% on the weakening of expectations for the introduction of duties by Donald Trump on steel and aluminum – several experts believe that these statements by the US president are only part of the strategy for trade negotiations. In addition, investors were supported by a decline in geopolitical tensions on the Korean peninsula. According to media reports with reference to South Korean diplomats, the leader of the DPRK expressed a desire to hold serious talks with the US to determine ways of denuclearizing the region and normalizing relations between the DPRK and the US. On Wednesday the composite stock index of the Asia-Pacific region MSCI Asia Pacific lost 0.6%, futures for US indices were 1.1% down. According to MarketWatch, after the closure of the US stock exchanges, fears of the outbreak of new world trade wars broke out with renewed vigour when the economic adviser of the US president, Gary Cohn, resigned. According to experts, this further reduces the likelihood that the administration of Donald Trump will soften his position with respect to duties, the introduction of which can initiate a trade war. An additional negative factor in this regard was Bloomberg's information that the US president's administration plans to impose restrictions on Chinese investments in the American economy, and is also considering the possibility of introducing special import duties from China. May Brent futures traded near \$65.2 per barrel, \$0.3 below the closing level on 6 March. Quotes were pressured by the American Petroleum Institute's report on the growth of oil reserves in the country by 5.7 million barrels and the increase in the forecast of the US Department of Energy for oil production in the country to 11.17 million barrels per day by the end of the year.

On Wednesday sellers dominated the Russian market, on daily lows the fall of the MOEX Russia Index reached 1.5% – the global correction was strengthened by closing positions ahead of long weekends. The European Stoxx Europe 600 Index and the index of emerging markets MSCI EM in the middle of the day lost more than 0.5%. Shares of mining companies, steelmakers and automotive concerns headed the decline – these sectors, according to analysts, will be most seriously affected in case of realization of Donald Trump's statements. In the second half of the day, investors' sentiment improved after the publication of good statistics: the GDP growth in the Eurozone in 2017 was confirmed at 2.3% – the highest rate since 2007, the number of jobs in the US, according to ADP, increased in February by 235 thousand with an expected increase of 200 thousand.

During the trading session the changes of the MicexPWR Sector Index generally corresponded to the market. The main contribution to the final MicexPWR decrease was made by shares of RusHydro, Inter RAO and FGC UES.

## ELECTRIC POWER INDUSTRY NEWS

### FAS wants to introduce standards from 2021 when setting tariffs for electricity producers

The Federal Antimonopoly Service (FAS) of Russia wants from 2021 to introduce a standard principle for the formation of tariffs for electricity producers, the FAS said in a statement.

Read full text: [http://www.bigpowernews.ru/markets/document82027\\_phtml](http://www.bigpowernews.ru/markets/document82027_phtml)

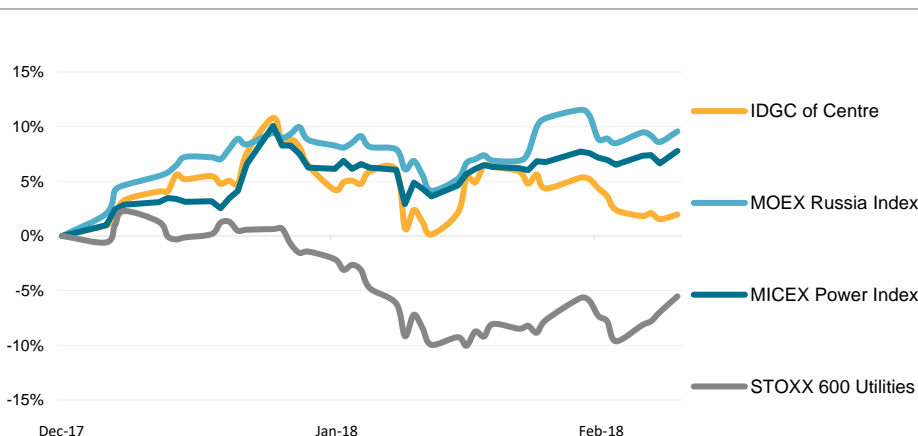
## COMPANY NEWS

### Smolenskenergo fights against illegal electricity consumption

Employees of IDGC of Centre - Smolenskenergo division in 2017 carried out a number of measures to prevent non-metered and non-contractual electricity consumption. Among them there were targeted raids, during which the verification of metering devices installed by legal entities and persons equal to them is carried out.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/63332/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 311,69	0,89%	9,57%
S&P 500	2 786,57	2,19%	4,22%
FTSE 100	7 224,51	0,93%	-6,03%
DAX	12 346,68	0,83%	-4,42%
DJStoxx 600	378,24	1,48%	-2,81%
Nikkei	21 469,20	1,02%	-5,69%
Sensex	33 307,14	0,83%	-2,20%
CSI300	4 108,86	1,79%	1,94%
Bovespa	86 371,41	1,04%	13,05%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	56,80	0,53%	-1,44%
EURO/RUB	70,53	1,14%	2,54%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 323,93	-0,12%	1,62%
Brent*, USD/bbl	65,49	1,79%	-0,91%

\* - May futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.17
IDGC of Centre	0,3630	15,33		269,80
IDGC of Centre & Volga Reg	0,3263	36,77		647,40

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	1,55%	-5,52%
MICEX POWER Index	1,07%	7,78%
IDGC of Centre**	0,41%	1,97%
IDGC of Centre and Volga Region**	0,28%	8,15%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,02%	0,54%
FGC UES	-1,12%	8,55%
IDGC of Volga	-0,82%	11,64%
MOESK	1,52%	-10,79%
IDGC of Northern Caucasus	-0,56%	-7,29%
IDGC of North-West	-0,82%	-7,50%
IDGC of Urals	-1,12%	5,49%
IDGC of Siberia	-3,66%	3,49%
IDGC of South	-1,05%	-5,18%
Lenenergo, ordinary shares	0,09%	18,75%
TRK, ordinary shares	-0,83%	-2,96%
Kubanenergo	-0,14%	-5,74%

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**