

DAILY MARKET REVIEW

27 March, Wednesday

2019



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 26 March some moderately positive external background formed on the Russian market. On Monday major US indices closed in different directions with small changes within 0.1%. However, according to MarketWatch, investors' sentiment was generally more pessimistic after the data released at the end of last week showed a deterioration in the global economy. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific added about a percent mainly due to the recovery of the Japanese market – the Nikkei 225 index rose 2.2% after a 3% collapse on Monday. May Brent futures traded around \$67.3 per barrel, \$0.3 above our 25 March close. The oil market continues to be supported by expectations of cuts in production by the largest producers of raw materials. Citigroup's analysts raised the forecast for the average annual price of Brent crude for 2019 from \$64 to \$70 per barrel. A further decline in deliveries from Venezuela, Iran, Nigeria and Algeria in the face of a reduction in commercial stocks of raw materials may well push the quotes up, experts say.

On Tuesday, buyers dominated global stock markets. In the middle of the day, the MOEX Russia Index, the European Stoxx Europe 600 Index, and futures for the American indices added on average about half a percent. Support to the markets, among other things, was given by hopes for progress in the US-PRC trade negotiations, which should resume this week after the arrival of the American delegation to China led by the US Treasury Secretary and Trade Representative Robert Lighthizer. At the end of the day, the growth rates of the Russian and European markets accelerated after the start of trading in the US with a percentage increase in the major stock indices. The resumption of growth in long-term US Treasuries profitability and hopes for the completion of the active phase of the US and Chinese trade disputes allowed US investors to ignore their own weak statistics. The number of new buildings in the US fell in February at the fastest pace in eight months, in March, contrary to forecasts, the consumer confidence index fell. An additional positive factor for the Russian market was the return of Brent crude quotes to the level of \$68 per barrel, including, on information about the next problems with energy supply in Venezuela. As mass media remind, in the first decade of March, a sharp drop in oil production was recorded in Venezuela due to a large-scale power outage.

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 Gazprom's generation companies.

ELECTRIC POWER INDUSTRY NEWS

ROSSETI is ready to become a platform for digital transformation of the industry

ROSSETI is ready to act as a platform for the digital transformation of the energy industry. This was announced by Evgeny Olkhovich, Deputy Director General for Strategic Development of ROSSETI, at the World Summit Smart Energy forum.

Read full text: <https://tass.ru/ekonomika/6260732>

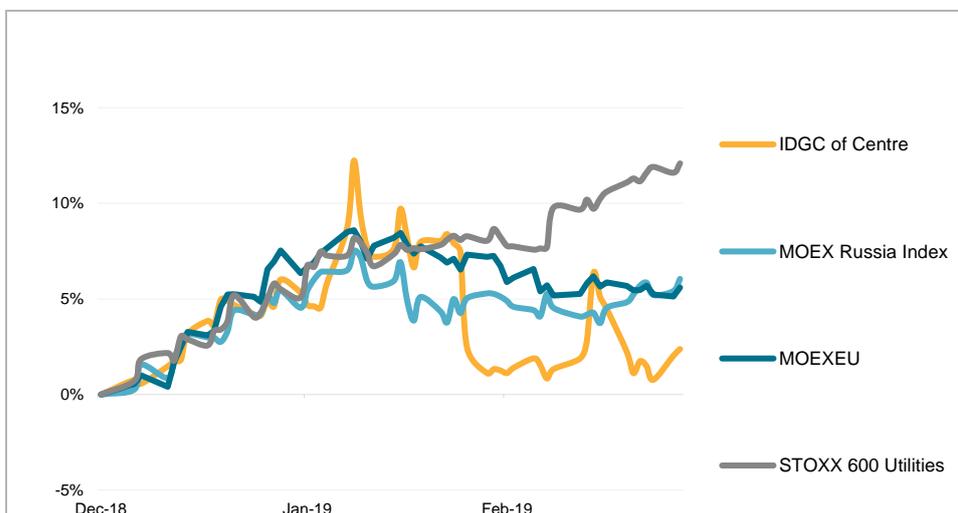
COMPANY NEWS

IDGC of Centre plans in the Voronezh region a "digital substation" for 675 million rubles

IDGC of Centre - Voronezhenergo division began to search through a tender for a contractor who would build the 110 kV substation "Sputnik" in the region and "adjust the project documentation" for it. As stated in the auction documentation, published on the portal of public procurement, the maximum contract price (the maximum from which the transaction value will fall) is 674.59 million rubles.

Read full text: <https://www.kommersant.ru/doc/3923223>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 512,63	0,60%	6,05%
S&P 500	2 818,46	0,72%	12,43%
FTSE 100	7 196,29	0,26%	6,96%
DAX	11 419,48	0,64%	8,15%
DJStoxx 600	377,2	0,77%	11,71%
Nikkei	21 428,39	2,15%	7,06%
Sensex	38 233,41	1,12%	6,00%
CSI300	3 700,44	-1,13%	22,91%
Bovespa	95 306,82	1,76%	8,44%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,50	1,14%	-7,16%
EURO/RUB	72,92	0,46%	-8,23%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 315,71	-0,47%	2,59%
Brent*, USD/bbl	67,97	1,13%	26,34%

* - May futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2928	12,36	191,65
IDGC of Centre & Volga Reg	0,2704	30,47	472,46

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,44%	12,09%
MOEXEU Index	0,44%	5,59%
IDGC of Centre**	0,34%	2,38%
IDGC of Centre and Volga Region**	0,45%	2,04%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,15%	25,15%
FGC UES	-0,11%	12,62%
IDGC of Volga	0,30%	2,96%
MOESK	0,81%	4,02%
IDGC of Northern Caucasus	3,59%	7,14%
IDGC of North-West	-0,19%	-7,39%
IDGC of Urals	-1,66%	-3,58%
IDGC of Siberia	-0,39%	174,44%
IDGC of South	0,43%	28,01%
Lenenergo, ordinary shares	-0,51%	11,34%
TRK, ordinary shares	0,00%	5,84%
Kubanenergo	-3,13%	39,34%

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