

# DAILY MARKET REVIEW

25 January, Friday

2019



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 24 January some neutral external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed with an increase of 0.2-0.7% thanks to strong quarterly statements from several large companies, including IBM and Procter & Gamble. Positive background for the markets was also the information of the media that the US Senate on Thursday will hold a vote on two competing bills, each of which can bring an end to the shutdown and the resumption of the US government in full. On Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.3% with multidirectional changes of the main country indices. The Japanese Nikkei225 looked worse than others in the Asian session, dropping 0.1% on weak statistics. The index of manufacturing activity in Japan, according to IHS Markit, fell to 50 points in January – the lowest level since August 2016, indicating a halt in business growth in the sector. March Brent futures traded around \$60.9 per barrel, \$0.6 below our 23 January close. The quotes were pressured by a message from the American Petroleum Institute about an increase in oil reserves in the country by impressive 6.55 million barrels.

The MOEX Russia Index spent most of Thursday in a small minus within half a percent under the pressure of uncertain oil price changes. The activity of sellers in the domestic market was restrained by moderately positive sentiment on western markets – the European Stoxx Europe 600 Index was trading in a slight plus following the continued growth of futures for US indices. The results of the ECB meeting were mostly expected and did not have a significant impact on the trends of stock markets. The European regulator retained all key interest rates at the same level and confirmed its intention to keep them unchanged, at least until the end of the summer of 2019. At the same time, analysts drew attention to the statement by the head of the ECB about the increasing risks for the Eurozone's economy due to geopolitical factors, trade wars and the weakness of emerging markets. According to experts, the speech of Mario Draghi showed that the ECB this year will be even more cautious in approaching the issue of the complete cessation of incentives and the tightening of monetary policy. At the end of the day, the markets were supported by strong statistics from the US – applications for unemployment benefits fell to fewer than 200 thousand for the first time since 1969. As noted by Bloomberg, these data somewhat reduced investors' concerns about the slowdown in the global economic growth and US GDP, in particular.

During the trading session the electric utilities index outperformed. The main contribution to the final MOEXEU growth in antiphase with the MOEX Russia Index was made by shares of FGC UES and Inter RAO.

## ELECTRIC POWER INDUSTRY NEWS

### A minority shareholder was caught by ROSSETI

According to Kommersant, NPF "Gazfond" became a minority shareholder of ROSSETI, having bought up to 2% of its shares for almost \$49 million. The transaction took place against an unusual background: since October, ROSSETI's ordinary shares have risen by almost 37%, including by 9% in the last days before the purchase, moreover, that the papers of subsidiaries of the holding did not show such changes. ROSSETI considers, the holding has always been interested by investors. But, although the company's shares rose almost to par value, analysts disagree, pointing to low dividends.

Read full text: <https://www.kommersant.ru/doc/3861427>

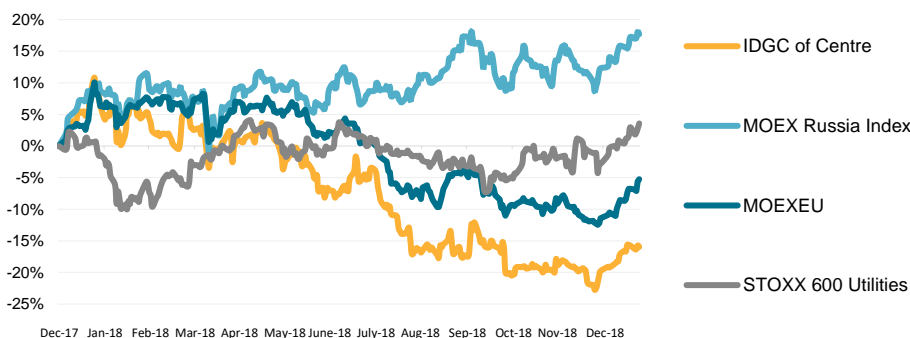
## COMPANY NEWS

### IDGC of Centre to pay up to 2.5 million rubles for valuation of shares of "Voronezh City Power Grid"

Voronezhenergo (a branch of IDGC of Centre, PJSC) announced a tender to assess the market value of the full package of shares of "Voronezh City Power Grid", owned by the mayor's office. The starting price of the contract amounted to 2.5 million rubles, follows from the materials of the site of public procurement.

Read full text: <https://vrntimes.ru/articles/ekonomika/mrsk-centra-zaplatit-do-25-mln-rublej-za-ocenku-akciy-voronezhskoy-gorelektroseti>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 482,71	-0,35%	4,79%
S&P 500	2 642,33	0,14%	5,40%
FTSE 100	6 818,95	-0,35%	1,35%
DAX	11 130,18	0,53%	5,41%
DJStoxx 600	355,67	0,22%	5,34%
Nikkei	20 574,63	-0,09%	2,80%
Sensex	36 195,10	0,24%	0,35%
CSI300	3 158,78	0,56%	4,92%
Bovespa	97 677,19	1,16%	11,14%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	66,33	-0,33%	-4,52%
EURO/RUB	75,39	-0,22%	-5,13%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 281,21	-0,12%	-0,10%
Brent*, USD/bbl	61,09	-0,08%	13,55%

\* - March futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2727	30,73	463,32

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,76%	5,80%
MOEXEU Index	0,37%	6,95%
IDGC of Centre**	-0,27%	4,62%
IDGC of Centre and Volga Region**	0,00%	2,91%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,20%	25,08%
FGC UES	1,56%	10,13%
IDGC of Volga	0,09%	7,86%
MOESK	0,78%	8,26%
IDGC of Northern Caucasus	-0,56%	2,29%
IDGC of North-West	-0,67%	7,39%
IDGC of Urals	-0,61%	6,61%
IDGC of Siberia	0,46%	28,59%
IDGC of South	-0,23%	21,85%
Lenenergo, ordinary shares	-1,53%	9,83%
TRK, ordinary shares	8,29%	27,27%
Kubanenergo	-0,35%	15,57%

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)  
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**MRKC**  
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