

# DAILY MARKET REVIEW

16 May, Wednesday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 15 May some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed with an increase of 0.1-0.3% due to a rise of the commodity sector, following the rise in oil prices and signals of some easing of tension in trade relations between the US and China. During the weekend, Donald Trump softened his position against the second-largest Chinese telecommunications equipment manufacturer ZTE, for which Washington introduced a seven-year ban on the purchase of products of American technology companies in April. This week a Chinese delegation headed by Vice Premier of the State Council of the People's Republic of China will arrive in the US to conduct trade negotiations. On Tuesday the composite index of the Asia-Pacific region, MSCI Asia Pacific, lost 0.7% on mixed Chinese statistics. In April the growth rate of industrial production in China surpassed the expectations of economists, while the increase in retail sales and investment in fixed assets was weaker than forecast. July Brent futures traded near \$78.2 per barrel, slightly above the closing level on 14 May. Oil prices renewed the maximum of three and a half years after the publication of the OPEC monthly report, in which the cartel reported that the OECD's commercial oil reserves practically reached an average level of 5 years. At the same time, the growth of quotations was restrained by the updated forecast of the US Department of Energy on the increased production of shale oil in the country by an additional 144,000 barrels per day in June, to 7.2 million b/d.

On Tuesday the Russian market was dominated by sellers within the global decline in investors' interest in emerging market assets amid continued growth in yields of US government bonds, again exceeding the psychological mark of 3%. At daily lows, losses of the MOEX Russia Index reached 1%, and the emerging markets index MSCI EM - 2%. High oil prices kept in our market from a greater decline - Brent prices exceeded \$79 per barrel for the first time since November 2014 due to the continuing tensions in the Middle East. In the second half of the day sales in world stock markets increased after the release of strong US statistics, which increased investors' concerns about the accelerated tightening of monetary policy by the Fed. In the US in April, retail sales continued to grow in line with the forecast, with data for March being revised upwards. Against this background, the dollar index DXY exceeded the maximum since the beginning of the year, the yield of 10-year US government bonds - the peak since 2011.

During the trading session, the MicexPWR Index outperformed mainly due to an increase in shares of Unipro and Enel Russia. From the current news of the sector one can note the statement of Deputy Minister of Energy V. Kravchenko that in the agency's understanding Rosseti must pay to shareholders interim dividends of "not less than last year".

## ELECTRIC POWER INDUSTRY NEWS

### Tariff-2020

Starting from 2020, the transition to a new system of state regulation of tariffs for natural monopolies may begin, Deputy Head of the Federal Antimonopoly Service of Russia Sergei Puzyrevsky told Izvestia.

Read full text: <https://iz.ru/741746/svetlana-volokhina/tarif-2020>

### Ministry of Finance is still for dividends of state-owned companies at 50% under IFRS, the MED has a similar position

The Ministry of Finance of Russia still stands for dividends of state-owned companies in the amount of 50% of profit under IFRS, the Ministry of Economic Development has a similar position, told journalists Deputy Finance Minister Alexey Moiseev.

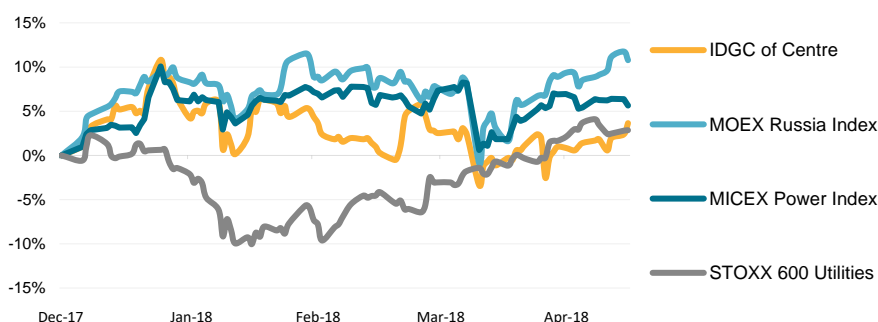
Read full text: <http://www.bigpowernews.ru/news/document82937.phtml>

## COMPANY NEWS

### For 1Q 2018, Smolenskenergo received almost 3.5 million rubles of arrears for electricity

Read full text: <https://glavnavatema.com/?p=43259>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 337,03	-0,87%	10,77%
S&P 500	2 711,45	-0,68%	1,42%
FTSE 100	7 722,98	0,16%	0,46%
DAX	12 970,04	-0,06%	0,41%
DJStoxx 600	392,37	0,05%	0,82%
Nikkei	22 818,02	-0,21%	0,23%
Sensex	35 543,94	-0,04%	4,37%
CSI300	3 924,10	0,38%	-2,65%
Bovespa	85 130,42	-0,12%	11,42%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	61,77	0,05%	7,18%
EURO/RUB	73,94	0,58%	7,50%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 290,53	-1,75%	-0,94%
Brent*, USD/bbl	78,43	0,26%	19,78%

\* - July futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.17
IDGC of Centre	0,3690	15,58	252,21	
IDGC of Centre & Volga Reg	0,3555	40,06	648,62	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,05%	2,85%
MICEX POWER Index	-0,67%	5,64%
IDGC of Centre**	1,23%	3,65%
IDGC of Centre and Volga Region**	-1,11%	17,83%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,89%	1,29%
FGC UES	-0,68%	7,62%
IDGC of Volga	-0,19%	25,57%
MOESK	-0,54%	-18,02%
IDGC of Northern Caucasus	-3,60%	-16,41%
IDGC of North-West	5,36%	9,62%
IDGC of Urals	-0,22%	8,83%
IDGC of Siberia	-4,89%	-6,55%
IDGC of South	0,31%	7,53%
Lenenergo, ordinary shares	-0,34%	22,71%
TRK, ordinary shares	-1,78%	-10,51%
Kubanenergo	-1,49%	-15,82%

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**