

DAILY MARKET REVIEW

21 February, Thursday

2019



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 20 February some moderately positive external background formed on the Russian market. Major US indices closed Tuesday with a slight increase in the range of 0.2%, on Wednesday most of the main country indices of the Asia Pacific region showed comparable changes, the composite MSCI Asia Pacific added 0.6%. The markets were supported by Donald Trump's statements that negotiations with China on overcoming disagreements in trade and economic relations are progressing successfully, and the dates for concluding a deal and raising duties may be shifted from 1 March to a later date. At the same time, investors' optimism was limited to increased concerns about the prospects for the global economy. In particular, the World Trade Organization announced the drop in the leading indicators of world trade in the first quarter to a minimum of nine years, as well as the possibility of worsening the forecast for world trade growth for 2019, as a whole. The main contribution to the rise of the regional Asia Pacific was made by Japanese stocks. The growth of the Nikkei 225 index exceeded 0.5%, despite the weak statistics – exports from the country declined in January at a maximum rate in more than two years. Investors are still supported by a weakening of the yen on the expectations of expanding stimulation of the economy by the Central Bank. April Brent futures traded around \$66.3 per barrel, at the level of our closure on 19 February.

On Wednesday, buyers dominated the Russian market in the context of a general improvement in investors' attitude to emerging markets assets in anticipation of a successful outcome of the US-China trade negotiations. In the second half of the trading session, the growth of the MOEX Russia Index and the index of emerging markets MSCI EM exceeded a percent. Additional support to Russian investors was provided by high oil prices. Brent quotes fixed above \$66 per barrel, including on information about a significant reduction in oil exports by OPEC countries. According to the Financial Times, exports of the cartel in the first half of February fell to a minimum since 2015 due to a reduction in production in Saudi Arabia and under US sanctions Venezuela and Iran.

During the trading session the electric utilities sector index underperformed. The main contribution to the MOEXEU underperformance compared to the MOEX Russia Index was made by shares of FGC UES, which lost 1.3% in the absence of significant news for such changes.

ELECTRIC POWER INDUSTRY NEWS

The Government commission approved a bill to improve the state regulation of energy tariffs

The Government commission of the Russian Federation on legislative activity approved amendments to the regulatory framework on improving state regulation of electricity prices on the wholesale and retail markets, the government press service reports.

Read full text: <http://www.bigpowernews.ru/markets/document86975.phtml>

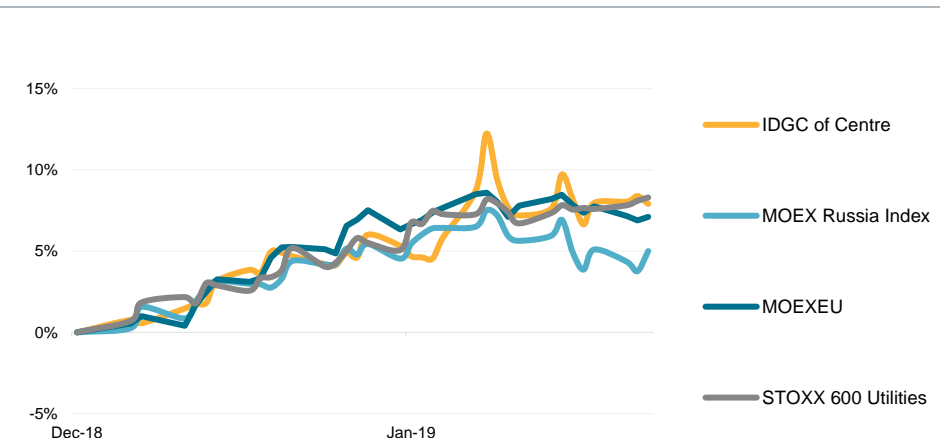
COMPANY NEWS

Power engineers of IDGC of Centre master digital monitoring and control systems of a Distribution Zone

A training seminar was held in Smolensk for representatives of the technical unit and specialists of Distribution Zones of the Smolensk branch of IDGC of Centre. In the course of it, specialists from one of the leading companies that supply energy equipment spoke about a digital monitoring and control system for Distribution Zones. In particular, the issues of remote control of overhead lines using an intelligent disconnector, as well as methods for determining a faulty feeder using the A-Signal grid monitor and disconnecting an emergency tap were covered.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/67332/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 487,82	1,19%	5,00%
S&P 500	2 784,70	0,18%	11,08%
FTSE 100	7 228,62	0,69%	7,44%
DAX	11 401,97	0,82%	7,98%
DJStoxx 600	371,46	0,67%	10,01%
Nikkei	21 431,49	0,60%	7,08%
Sensex	35 756,26	1,14%	-0,87%
CSI300	3 451,93	0,36%	14,66%
Bovespa	96 544,81	-1,14%	9,85%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	66,20	-0,07%	-4,70%
EURO/RUB	74,82	-0,12%	-5,85%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 338,44	-0,19%	4,36%
Brent*, USD/bbl	67,08	0,95%	24,68%

* - April futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3086	13,03	196,80
IDGC of Centre & Volga Reg	0,2892	32,59	492,31

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,19%	8,30%
MOEXEU Index	0,20%	7,11%
IDGC of Centre**	-0,45%	7,90%
IDGC of Centre and Volga Region**	-0,28%	9,13%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,20%	27,40%
FGC UES	-1,25%	10,49%
IDGC of Volga	-2,24%	7,04%
MOESK	0,57%	6,97%
IDGC of Northern Caucasus	-0,42%	2,43%
IDGC of North-West	-1,83%	-3,60%
IDGC of Urals	-0,20%	10,18%
IDGC of Siberia	0,74%	59,90%
IDGC of South	6,55%	20,94%
Lenenergo, ordinary shares	1,60%	7,94%
TRK, ordinary shares	0,00%	11,69%
Kubanenergo	-0,32%	29,10%

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