

DAILY MARKET REVIEW

11 September, Tuesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 10 September some neutral external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed with a decrease of 0.2-0.3%. Strong data on the labour market – in August the number of jobs in the US grew stronger than forecasts, the unemployment rate remained at the lowest since 1969 level of 3.9% – was offset by the threat of a growing trade war with China. On Friday Donald Trump announced the completion of preparations for the introduction of previously announced duties on Chinese goods valued at \$200 billion and announced readiness to impose duties on the additional volume of imports of Chinese goods worth \$267 billion per year. On Monday the composite index of the Asia-Pacific region, MSCI Asia Pacific, was 0.6% down, with mixed changes of the main country indices. The outsider in the Asian session was the Chinese CSI300, which lost 1.5% on information on the toughening of the US position in trade disputes. In addition, as statistics for August showed, the trade surplus of the PRC with the US increased to a historic high, which, according to experts, threatens to intensify the trade conflict. The Japanese Nikkei225, which gained 0.3%, was supported by the revision of the country's GDP growth estimate for the second quarter from 1.9% to 3% in annual terms. November Brent futures traded near \$77.7 per barrel, \$1 higher than our closing on Friday, 7 September. Positive background for quotations was the data of the company Baker Hughes on the reduction of the number of operating oil production facilities in the US.

The MOEX Russia Index spent most of the trading session in a small plus within half a percent due to the rise of shares of exporters, supported by the weakening of the ruble, and moderately positive sentiment on the western markets. The dollar-ruble pair for the first time since March 2016 rose above the level of 70 P/\$ under the pressure of sanctions risks and the general weakness of emerging market currencies. The European Stoxx Europe 600 Index and futures for US indices in the middle of the day added about a third of a percent within the correction after four consecutive days of sales. The MOEX Russia Index closed trading on the daily highs due to a slight increase in US indices at the beginning of trading and stability of Brent quotes above \$77 per barrel.

During the day the MicexPWR Sector Index underperformed significantly. Shares of electric utilities, as well as other sectors focused on domestic demand, were under pressure of the ruble weakening. The main contribution to the final MicexPWR decline in antiphase with the MOEX Russia Index was made by shares of RusHydro and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

Mr. Putin supported the extension of tariff levelling for the Far Eastern Federal District until 2028

Russian President Vladimir Putin supported the initiative of the Ministry of Energy to extend the tariff equalization mechanism in the Far Eastern Federal District until 2028.

Read full text: <http://www.bigpowernews.ru/markets/document84486.phtml>

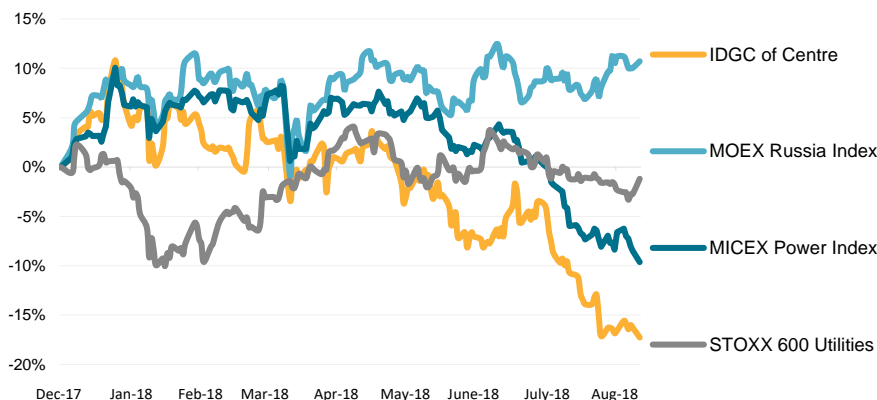
COMPANY NEWS

IDGC of Centre from the beginning of the year recovered about a billion rubles of debt for transmission electricity services

IDGC of Centre continues systematic work to reduce receivables for electricity transmission services. One of its most effective directions is claims and lawsuits. In January-July 2018, the company could collect 938 million rubles from debtors in the framework of judgments made against 428 claims, including 534 million rubles from electricity suppliers of last resort in the regions.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/65593/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 335,85	0,60%	10,72%
S&P 500	2 877,13	0,19%	7,61%
FTSE 100	7 279,30	0,02%	-5,31%
DAX	11 986,34	0,22%	-7,21%
DJStoxx 600	375,51	0,47%	-3,51%
Nikkei	22 373,09	0,30%	-1,72%
Sensex	37 922,17	-1,22%	11,35%
CSI300	3 230,07	-1,45%	-19,87%
Bovespa	76 436,35	0,03%	0,04%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	69,03	1,14%	19,78%
EURO/RUB	80,36	1,24%	16,82%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 195,88	-0,09%	-8,21%
Brent*, USD/bbl	77,37	0,70%	20,85%

* - November futures

Source: Bloomberg, Company calculations

Shares	Price**, P	MCap**, P bln	MCap**, \$ mln
IDGC of Centre	0,2945	12,43	180,12
IDGC of Centre & Volga Reg	0,2845	32,06	464,48

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	1,56%	-1,19%
MICEX POWER Index	-1,22%	-9,63%
IDGC of Centre**	-1,17%	-17,28%
IDGC of Centre and Volga Region**	-1,39%	-5,70%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-2,04%	-18,81%
FGC UES	-1,12%	-4,47%
IDGC of Volga	-1,91%	-7,55%
MOESK	-0,44%	-23,80%
IDGC of Northern Caucasus	-0,34%	-23,18%
IDGC of North-West	-0,74%	29,23%
IDGC of Urals	-0,87%	-18,85%
IDGC of Siberia	1,14%	-22,71%
IDGC of South	-0,16%	4,68%
Lenenergo, ordinary shares	-0,25%	24,58%
TRK, ordinary shares	0,00%	-11,05%
Kubanenergo	1,11%	-30,10%

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