

DAILY MARKET REVIEW

12 December, Wednesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 11 December some moderately negative external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed with a slight increase of 0.2%. The rise in technology companies' shares was offset by a decline in the financial sector due to increased uncertainty around Brexit after the British Prime Minister postponed the planned parliamentary vote, and the weakness of commodity securities following the fall in oil prices. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.3% with multidirectional changes of the main country indices, while futures for US indices decreased by 0.2%. The focus of investors is still the US-PRC confrontation. According to media reports, the Vice Premier of China, the US Secretary of Commerce and the US Trade Representative held telephone conversations – the parties exchanged views on the schedule and roadmap of future trade negotiations. According to analysts, the conversation indicates the continuation of the trade dialogue between the countries, despite the aggravation of relations in connection with the arrest of CFO of the Chinese company Huawei. February Brent futures traded around \$60 per barrel, \$1.3 below our 10 December close. The quotes were pressured by the strengthening of the dollar in the world currency market and the concerns of traders that the OPEC+ transaction would provoke further growth in US production and could lead to the preservation of excess fuel in the market.

The MOEX Russia Index spent the first half of Tuesday in a small minus within half a percent, playing back the decline in oil prices. In the middle of the day, the MOEX Russia Index moved to positive territory following the improvement of sentiment in the oil market and global markets. Brent quotes rose to \$61 per barrel on media reports that production in Libya was stalled at the largest oil field due to unrest (315,000 barrels per day). The European Stoxx Europe 600 Index added more than 2%, futures for US indices – about 1% on investors' hopes of resolving the US-PRC trade conflict in the negotiation process. According to Bloomberg, China in the coming days will consider a proposal to reduce import duties on American cars to 15% from the current 40%. The MOEX Russia Index closed in a small minus mainly due to sales in Gazprom's shares on media reports that the US is urging EU countries to withdraw from the Nord Stream 2 project and continue to assess the possibility of imposing sanctions related to Russian energy exports.

During the trading session the MicexPWR Sector Index outperformed. The main contribution to the MicexPWR increase in antiphase with the MOEX Russia Index was made by shares of FGC UES and ROSSETI.

ELECTRIC POWER INDUSTRY NEWS

The International Forum "Electric Grids 2018" exceeded the expectations of participants and organizers

The International Forum "Electric Grids 2018" (MFES-2018), organized by ROSSETI for the first time, became an important and relevant industry event in 2018.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=34356

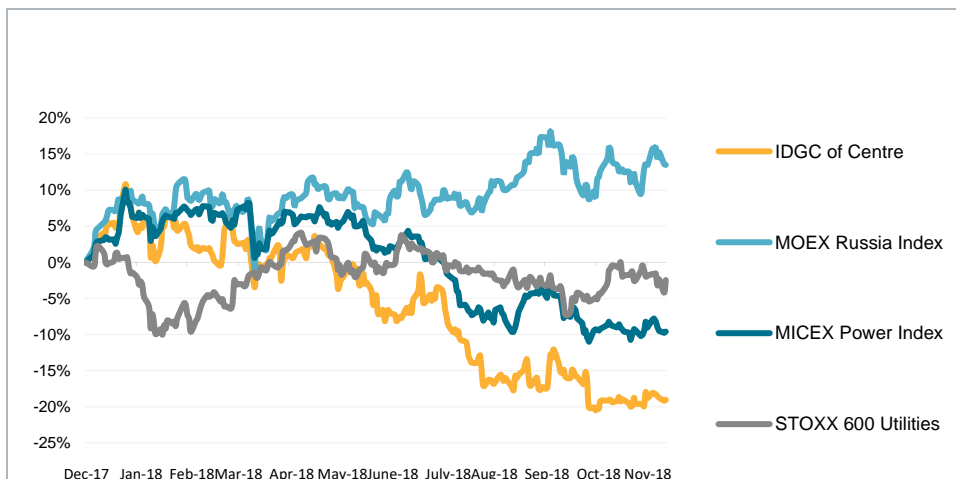
COMPANY NEWS

General Director of IDGC of Centre Igor Makovskiy inspected the operation of the power grid complex of the Lipetsk region

General Director of IDGC of Centre - the managing organization of IDGC of Centre and Volga Region Igor Makovskiy assessed the state and prospects of development of Lipetskenergo's power grid complex, visited Distribution Zones and large substations in the region.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66747/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 394,26	-0,11%	13,49%
S&P 500	2 636,78	-0,04%	-1,38%
FTSE 100	6 806,94	1,27%	-11,46%
DAX	10 780,51	1,49%	-16,54%
DJStoxx 600	344,18	1,53%	-11,56%
Nikkei	21 148,02	-0,34%	-7,10%
Sensex	35 150,01	0,54%	3,21%
CSI300	3 159,82	0,48%	-21,61%
Bovespa	86 419,57	0,59%	13,11%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	66,24	-1,02%	14,94%
EURO/RUB	75,71	-0,49%	10,06%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 243,25	-0,10%	-4,57%
Brent*, USD/bbl	60,20	0,38%	-9,97%

* - February futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2882	12,17	183,68
IDGC of Centre & Volga Reg	0,2739	30,87	465,99

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	1,82%	-2,46%
MICEX POWER Index	0,18%	-9,60%
IDGC of Centre**	0,14%	-19,04%
IDGC of Centre and Volga Region**	-0,62%	-9,21%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	1,63%	-7,02%
FGC UES	2,52%	-2,57%
IDGC of Volga	0,05%	-1,51%
MOESK	0,82%	-25,03%
IDGC of Northern Caucasus	0,00%	-26,35%
IDGC of North-West	0,00%	4,42%
IDGC of Urals	3,06%	-13,13%
IDGC of Siberia	-3,54%	-14,41%
IDGC of South	-1,14%	-5,52%
Lenenergo, ordinary shares	0,00%	18,54%
TRK, ordinary shares	0,00%	-11,05%
Kubanenergo	-2,21%	-32,14%

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