

DAILY MARKET REVIEW

6 May, Monday

2019



REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 30 April some neutral external background formed on the Russian market. Major US indices closed Monday with a slight increase of 0.2%, the S&P500 and Nasdaq indices updated their record for the second session in a row for the first time since last August. The markets were supported by strong statistics on population expenditures in March – the rate of growth was the highest since 2009. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific declined by 0.2% with multidirectional changes of the main country indices. Negative background for investors was data on business activity in the processing industry of China in April. The official PMI and the index, calculated by Gaixin/Markit, having fallen from the March's levels more than expected, came close to the threshold mark of 50 points. June Brent futures traded around \$72.2 per barrel, \$0.1 above our 29 April close. Oil prices rose on statements of the Minister of Energy of Saudi Arabia about the possibility of extending the OPEC+ deal until the end of 2019. In addition, investors drew attention to the IMF study, according to which Saudi Arabia would need \$85 per barrel to balance its budget in 2019. Under these conditions, experts note, the kingdom's restrained reaction to Donald Trump's calls for increased oil production looks quite justified.

On Tuesday, pessimistic moods prevailed on global stock markets. During the day, the losses of the MOEX Russia Index, the index of emerging markets MSCI EM, the European Stoxx Europe 600 Index, and futures for US indices averaged about one-third percent. Investors, experts say, preferred to take a wait-and-see attitude before the Fed's meeting. The current consensus forecast assumes that the base interest rate will remain at 2.25-2.5%. At the same time, markets are still looking to gain greater clarity about future plans of the Federal Reserve, including taking into account the ambiguity of the statistical data of recent weeks. At the end of the day, the decline in the MOEX Russia Index accelerated on statements by the leader of the democratic minority in the US Senate that the US should impose additional sanctions against the Russian leadership as part of measures to strengthen the security of the American electoral system. At the same time, the sellers' activity was limited by the growth of Brent quotes to the level of \$73 per barrel on the news of an attempted coup in Venezuela.

During the trading session, the electric utilities sector index outperformed. The main contribution to the final MOEXEU outperformance compared to the MOEX Russia Index was made by shares of FGC UES and OGK-2.

ELECTRIC POWER INDUSTRY NEWS

Industrial consumers can overpay up to 60 billion rubles for capacity according to the results of competitive capacity auction in 2022-2024 because of the overestimated forecast of demand of the regulator, says the newspaper

In 2018, the forecast, on the basis of which the volume of supply for auction is formed, turned out to be more than real consumption by 3%, or 4.7 GW. "System Operator" believes that the forecast must be higher than the fact, because it insures the power system from the most "severe" developments. But large consumers who will pay the difference do not agree with this approach: in their opinion, redundancy should be reduced.

Read full text: <http://www.bigpowernews.ru/markets/document87980.phtml>

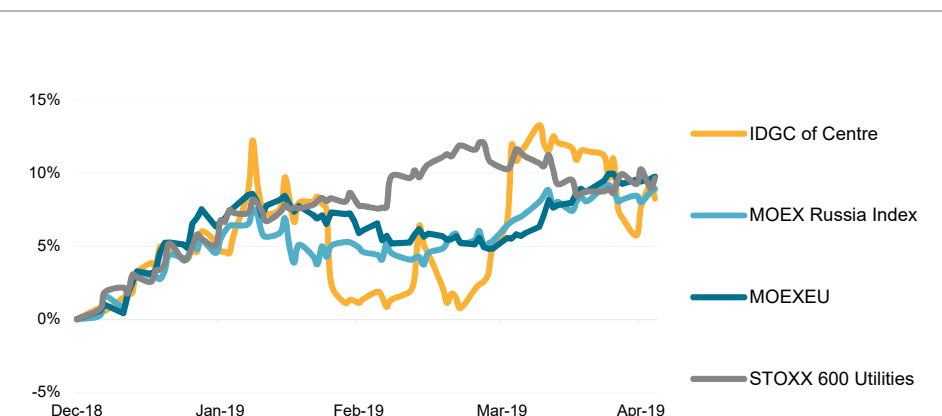
COMPANY NEWS

For three months Kostromaenergo collected in court from defaulters more than 10 million rubles for the electricity transmitted

IDGC of Centre - Kostromaenergo division summed up the results of the first quarter of 2019 to collect accounts receivable for electricity transmission services. An important direction of this work was the claim-related activity.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/68260/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 580,95	0,22%	8,93%
S&P 500	2 945,64	0,96%	17,50%
FTSE 100	7 380,64	0,40%	9,70%
DAX	12 412,75	0,55%	17,56%
DJStoxx 600	390,37	0,39%	15,61%
Nikkei	22 258,73	0,00%	11,21%
Sensex	38 963,26	-0,05%	8,03%
CSI300	3 913,21	0,00%	29,98%
Bovespa	96 007,89	0,50%	9,24%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,63	0,00%	-6,97%
EURO/RUB	72,31	0,00%	-9,00%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 279,11	0,66%	-0,26%
Brent*, USD/bbl	70,85	0,14%	31,69%

* - June futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3096	13,07	202,23
IDGC of Centre & Volga Reg	0,2838	31,98	494,86

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,60%	9,65%
MOEXEU Index	0,14%	9,78%
IDGC of Centre**	-0,83%	8,25%
IDGC of Centre and Volga Region**	0,64%	7,09%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-1,89%	37,85%
FGC UES	0,61%	12,07%
IDGC of Volga	0,34%	6,22%
MOESK	-0,14%	5,45%
IDGC of Northern Caucasus	7,99%	91,14%
IDGC of North-West	-0,18%	-2,70%
IDGC of Urals	-1,04%	-6,83%
IDGC of Siberia	1,53%	107,71%
IDGC of South	1,15%	28,74%
Lenenergo, ordinary shares	0,00%	9,45%
TRK, ordinary shares	0,00%	9,74%
Kubanenergo	0,58%	40,98%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers
 Moscow Exchange (MOEX)
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MRKC
MRKC:RM
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