

# DAILY MARKET REVIEW

18 July, Wednesday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 17 July some moderately negative external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed in different directions with changes within 0.2%. Purchases in shares of financial companies on the strong quarterly statements of Bank of America and BlackRock were offset by a decline in the commodity sector after the collapse in oil prices. Even after the close of the US exchanges, weak quarterly results were presented by Netflix, which put pressure on the technology sector in the post-market. On Tuesday the composite index of the Asia-Pacific region, MSCI Asia Pacific, added 0.1% on mixed changes of the main country indices. September Brent futures traded near \$71.5 per barrel, \$0.8 lower than our closing on 16 July. On Monday Brent quotes fell 4.7% on fears of increasing supplies to the world market by Saudi Arabia and the potential release of part of the strategic oil reserve of the US. In addition, analysts of Goldman Sachs note, volatility of oil prices strengthen the US political decisions with regard to Iran. According to experts, due to fluctuations in supplies from Libya, Saudi Arabia and Iran, the world market may face an excess of oil supply in the amount of 300 thousand barrels per day (b/d) in August, while in June a deficit of about 500 thousand b/d was recorded.

On Tuesday the Russian market was dominated by sellers, at daily lows, the loss of the MOEX Russia Index reached 1.7%. In general, the neutral results of the first full-fledged meeting between the presidents of the Russian Federation and the United States and the absence of important statements led to investors closing long positions in domestic securities. Now, when this factor (the hopes for a rapid revaluation of the sanction award), which supported Russian assets last weeks, is behind, analysts note, the attention of traders turned to trends of oil prices, which lost more than 9% in the last four trading sessions. On the western markets there was a calm period – European indices and futures for US indices traded near zero, pending the speech of the Fed Chairman with a semi-annual report on monetary policy in the US Senate. At the end of the day, the head of the Federal Reserve somewhat supported world markets, saying that the Fed is confident that "today the best option is to gradually increase the interest rate." Investors, writes Bloomberg, paid special attention to the words "to date" in the speech of Jeremy Powell, believing that this could indicate a weakening of the Fed's confidence in the future direction of the monetary policy.

During the trading session changes of the MicexPWR Sector Index in general corresponded to the MOEX Russia Index. The main contribution to the final decline in the sector indicator was made by shares of FGC UES, which lost 7.6% after the ex-dividend date.

## ELECTRIC POWER INDUSTRY NEWS

**Chairman of the Government of the Russian Federation Dmitry Medvedev met with Pavel Livinskiy, Director General of PJSC Rosseti**

Read full text: [http://www.rosseti.ru/press/news/?ELEMENT\\_ID=33601](http://www.rosseti.ru/press/news/?ELEMENT_ID=33601)

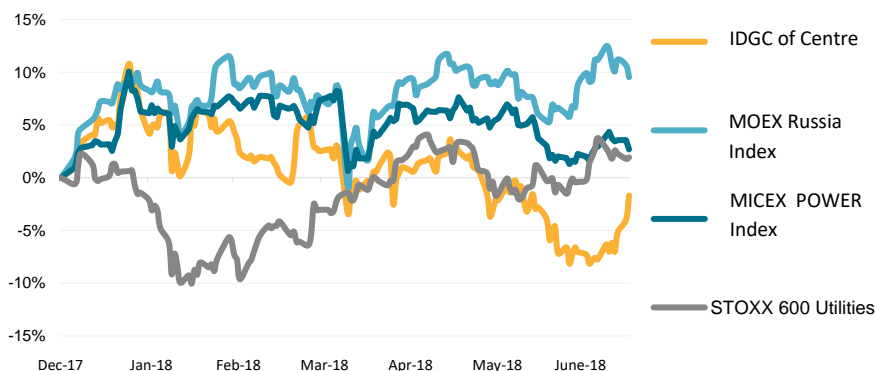
## COMPANY NEWS

**IDGC of Centre improves reliability of power supply for objects of the historical and cultural heritage of the Voronezh region**

Specialists of IDGC of Centre - Voronezhenergo division started reconstruction of 10 kV overhead line (Conductor) No. 2 in Liskinsky district of the Voronezh region. Its modernization will significantly improve the quality and reliability of energy supply to two significant sites of the historical and cultural heritage of the region - the "Divnogorye" natural museum-reserve and the cave men's Divnogorsky Uspensky Monastery, as well as the settlements of Selyavnoe and Vyazniki.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/64774/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 310,92	-1,00%	9,54%
S&P 500	2 809,55	0,40%	5,08%
FTSE 100	7 626,33	0,34%	-0,80%
DAX	12 661,54	0,80%	-1,98%
DJStoxx 600	384,98	0,24%	-1,08%
Nikkei	22 697,36	0,44%	-0,30%
Sensex	36 519,96	0,54%	7,23%
CSI300	3 449,38	-0,65%	-14,43%
Bovespa	78 130,30	1,93%	2,26%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	62,26	-0,06%	8,03%
EURO/RUB	72,80	0,45%	5,83%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 227,54	-1,08%	-5,78%
Brent*, USD/bbl	72,16	0,45%	11,43%

\* - September futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,3025	34,09	547,60

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,14%	1,94%
MICEX POWER Index	-0,84%	2,69%
IDGC of Centre**	2,34%	-1,69%
IDGC of Centre and Volga Region**	0,50%	0,27%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,10%	-3,10%
FGC UES	-7,65%	7,71%
IDGC of Volga	-0,89%	13,59%
MOESK	2,66%	-18,46%
IDGC of Northern Caucasus	0,95%	-16,67%
IDGC of North-West	-1,89%	19,62%
IDGC of Urals	-0,54%	-11,69%
IDGC of Siberia	-0,47%	-7,86%
IDGC of South	4,65%	9,20%
Lenenergo, ordinary shares	0,00%	19,48%
TRK, ordinary shares	0,00%	-13,75%
Kubanenergo	-0,68%	-25,26%

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**