

DAILY MARKET REVIEW

14 May, Tuesday

2019



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 13 May some moderately negative external background formed on the Russian market. On Friday the US indices DJIA and S&P500, showing high volatility, increased by 0.4%. At the same time, the indices lost about 1.5% on the daily lows, according to information that the US increased Chinese export tariffs worth \$200 billion from 10% to 25%. Investors were supported by information on the continuation of trade negotiations and the statement of Donald Trump's and the Treasury Secretary about the constructiveness of the Washington meeting of the parties. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific declined by 0.7%, futures for US indices – by 1.1%. The markets were pressured by the media that the negotiation process was at a standstill because of the tough positions that both parties took. In particular, according to Reuters, the US insists on returning to the text of the agreement the obligations of the PRC to change its legislation to secure the deal. In turn, Beijing is demanding the abolition of the existing US duties, and the Premier of the People's Republic of China has declared that the country cannot afford to make concessions on the fundamental issues of bilateral trade. July Brent futures traded around \$71.1 per barrel, \$0.5 above our closing level on Friday, 10 May. Oil prices were supported by a message about an attack on two oil tankers of Saudi Arabia off the coast of the United Arab Emirates. According to experts, this attack demonstrates the growth of geopolitical risks in the Middle East against the background of tougher US sanctions against the oil sector of Iran. This incident raised fears of a disruption in the transportation of oil through the Strait of Hormuz, through which at least 15% of world oil production passes a day. Earlier, remind the media, Iran has already threatened to close the strait in response to the US ban on the purchase of Iranian oil.

In the first half of Monday, the Russian market moved in antiphase with global markets. In the middle of the day, the MOEX Russia Index added about 0.5% due to the increase in oil prices on the rise in tensions in the Persian Gulf. At the same time, the European Stoxx Europe 600, the index of emerging market MSCI EM and futures for US indices lost on average about a percent under the pressure of fears of the failure of the US-China trade negotiations. In the afternoon, the fall in the world markets accelerated, the MOEX Russia Index moved to negative territory after media reports that China increased import duties on US goods worth \$60 billion. According to analysts, China's retaliatory move in the trade war significantly reduces the chances of a trade deal.

During the trading session, the electric utilities sector index outperformed. The main contribution to the final MOEXEU growth in antiphase with the MOEX Russia Index was made by shares of Inter RAO and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

Power engineers to help the Russians save on electricity

Russian power engineers have come up with a special project that allows the consumer to save on electricity. Trial testing of the new development will be implemented in Russia starting in July. From the materials provided by the dispatcher of the Unified Energy System of the Russian Federation, it follows that it will be necessary to save by transferring the maximum energy consumption to another time.

Read full text: <https://www.eprussia.ru/news/base/2019/7720576.htm>

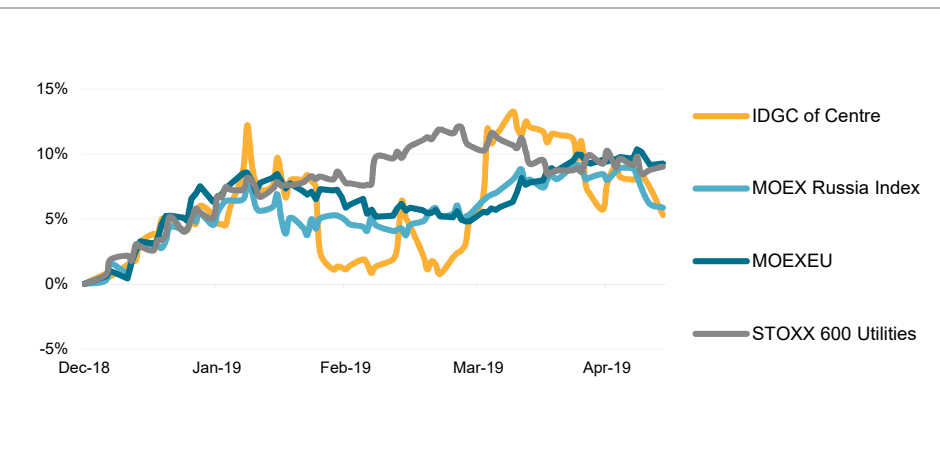
COMPANY NEWS

Smolenskenergo conducted a command and staff exercise to prepare for elimination of consequences of the spring flood and wildfires in 2019

IDGC of Centre - Smolenskenergo division held a command-staff exercise, the theme of which was the development of actions of the governing bodies, forces and facilities of the object level of the functional subsystem of the Single State Emergency Management System of Smolenskenergo in eliminating consequences of natural disasters at energy facilities caused by spring flood and wildfires.

Read full text: <https://smolgazeta.ru/daylynews/64167-smolenskenergo-provelo-komandno-shtabnoe.html>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 508,87	-0,24%	5,89%
S&P 500	2 811,87	-2,41%	12,17%
FTSE 100	7 163,68	-0,55%	6,47%
DAX	11 876,65	-1,52%	12,48%
DJStoxx 600	372,57	-1,21%	10,34%
Nikkei	21 191,28	-0,72%	5,88%
Sensex	37 090,82	-0,99%	2,83%
CSI300	3 668,73	-1,65%	21,86%
Bovespa	91 726,54	-2,69%	4,37%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,23	0,00%	-6,11%
EURO/RUB	73,09	0,00%	-8,02%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 299,91	1,08%	1,36%
Brent*, USD/bbl	70,23	-0,55%	30,54%

* - July futures

Source: Bloomberg, Company calculations

Shares	Price**, P	MCap**, P bln	Change	
			per day	fr 31.12.18
IDGC of Centre	0,3012	12,72	194,95	
IDGC of Centre & Volga Reg	0,2853	32,15	492,92	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,23%	9,05%
MOEXEU Index	0,12%	9,28%
IDGC of Centre**	-1,95%	5,31%
IDGC of Centre and Volga Region**	0,25%	7,66%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,36%	42,48%
FGC UES	1,50%	12,61%
IDGC of Volga	1,18%	9,54%
MOESK	-1,62%	5,53%
IDGC of Northern Caucasus	-9,74%	64,14%
IDGC of North-West	-2,34%	-2,16%
IDGC of Urals	-0,70%	-7,37%
IDGC of Siberia	0,66%	108,20%
IDGC of South	-0,13%	35,90%
Lenenergo, ordinary shares	-1,23%	6,24%
TRK, ordinary shares	0,00%	9,74%
Kubanenergo	-0,46%	33,20%

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