

DAILY MARKET REVIEW

27 December, Thursday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 26 December some neutral external background formed on the Russian market. On Tuesday the American stock exchanges were closed due to the celebration of Christmas. On Wednesday the composite stock index of the Asia-Pacific region MSCI Asia Pacific added 0.2% with multidirectional changes of country indices, futures for US indices were trading at zero. Investors are still concerned about the political risks in the US. Firstly, the media reported on Donald Trump's growing discontent with the activities of the head of the US Treasury Department. In particular, according to CNN, the head of the White House is ready to put responsibility for the collapse of the markets on Steven Mnuchin, who in recent days has been making desperate attempts to calm the Wall Street. Secondly, the US President said that the government would not resume work until his demand for financing the construction of a wall on the border with Mexico was met. According to experts, the work of state institutions will be partially suspended until January, when the new Congress convocation begins. February Brent futures traded around \$50.3 a barrel, just below the closing on 24 December.

On Wednesday the Russian market was recovering after two trading sessions of active sales, at daily highs, the rise in the MOEX Russia Index exceeded a percent. Buyers were supported by an increase in Brent quotes to \$52 per barrel and almost a percentage increase in futures for US indices. The reason for optimism at financial exchanges was the statements of the US President about trusting the heads of the Treasury and the Fed and about the presence of "excellent opportunities to buy" shares of American companies in a strong economy. As noted by Bloomberg, these statements were interpreted as an attempt to reassure investors after the sharp collapse of the stock market, provoked by rumours about Donald Trump's desire to dismiss the leaders of the Fed and the Treasury. An additional positive factor for the export-oriented Russian market was the weakening of the ruble against the dollar. Trading activity in our market was reduced – European exchanges are closed due to the continuation of the Christmas holidays.

During the trading session the MicexPWR Sector Index underperformed – oversold first-tier securities were in demand by investors. The main contribution to the final MicexPWR decline in antiphase with the MOEX Russia Index was made by shares of FGC UES.

ELECTRIC POWER INDUSTRY NEWS

The Board of Directors of ROSSETI approved the concept of digital transformation of the electric grid complex until 2030

At the in-person meeting of the Board of Directors of ROSSETI chaired by Minister of Energy of the Russian Federation Alexander Novak, the concept of "Digital Transformation 2030" was approved, which was presented by the company's Director General Pavel Livinskiy.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=34455

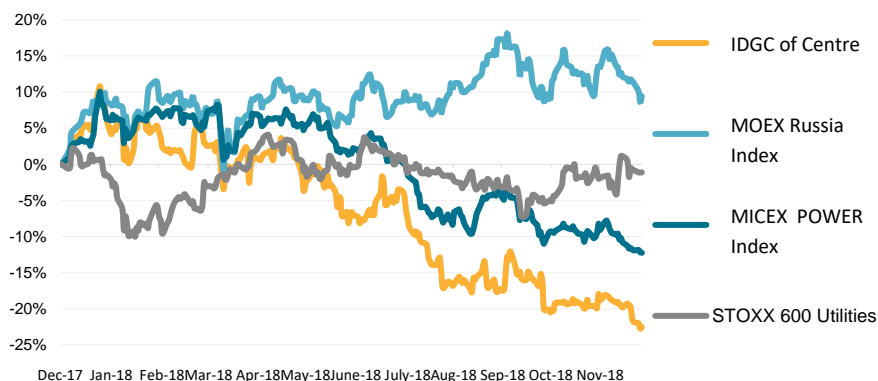
COMPANY NEWS

Acting Governor of the Kursk Region Roman Starovoyt and General Director of IDGC of Centre - the managing organization of IDGC of Centre and Volga Region Igor Makovskiy held a working meeting

during the meeting, Acting Governor of the Kursk Region and General Director of IDGC of Centre agreed to create in 2019 in Kursk a single control centre for electric grids, which will monitor the operation of power grid facilities of the Kursk region and nearby regions.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66919/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 308,85	0,79%	9,44%
S&P 500	2 467,70	4,96%	-7,70%
FTSE 100	6 685,99	-0,52%	-13,03%
DAX	10 633,82	0,00%	-17,68%
DJStoxx 600	335,24	0,00%	-13,86%
Nikkei	20 166,19	0,00%	-11,42%
Sensex	35 649,94	-0,76%	4,68%
CSI300	3 002,03	-0,51%	-25,52%
Bovespa	85 697,15	0,00%	12,17%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	68,74	0,49%	19,29%
EURO/RUB	78,43	0,70%	14,02%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 267,14	-0,11%	-2,74%
Brent*, USD/bbl	54,47	-6,22%	-18,54%

* - February futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2758	11,64	169,38
IDGC of Centre & Volga Reg	0,2622	29,55	429,84

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,32%	-1,12%
MICEX POWER Index	-0,04%	-12,25%
IDGC of Centre**	0,29%	-22,53%
IDGC of Centre and Volga Region**	-0,64%	-13,09%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	1,15%	-4,80%
FGC UES	-1,29%	-8,32%
IDGC of Volga	-0,62%	-6,09%
MOESK	0,23%	-27,25%
IDGC of Northern Caucasus	-0,58%	-28,13%
IDGC of North-West	-1,38%	-3,65%
IDGC of Urals	2,57%	-12,36%
IDGC of Siberia	-0,30%	-12,40%
IDGC of South	-0,91%	-8,86%
Lenenergo, ordinary shares	-0,93%	10,83%
TRK, ordinary shares	-6,67%	-16,98%
Kubanenergo	-2,43%	-38,52%

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