

DAILY MARKET REVIEW

10 January, Thursday

2019



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 9 January some positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 increased by 1.0-1.1%, on Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific added 1.3%. The markets were supported by hopes for the successful completion of the US-PRC trade negotiations. Firstly, Donald Trump said that the negotiations with China are going "very well." Secondly, the two-day talks between the American and Chinese officials in Beijing were extended further on Wednesday, which increased the optimism associated with the statements of the American president. Thirdly, according to Bloomberg, Donald Trump wants an early conclusion of a trade agreement with China in order to ensure the recovery of the US financial markets. March Brent futures traded around \$59.2 per barrel, \$1.4 above our 8 January close. Quotes have been growing for the eighth session in a row, which has not happened since mid-2017, Dow Jones notes. Positive background for traders are the signals of trade reconciliation of the two largest economies in the world and the expectations of the implementation of the agreement on the restriction of production by OPEC+ countries. So, The Wall Street Journal reported that Saudi Arabia plans to reduce exports to about 7.1 million barrels per day (b/d) by the end of January, which is 800 thousand b/d below the level of November.

On Wednesday, buyers dominated on the Russian market, as well as on world markets as a whole. In the middle of the trading session, the MOEX Russia Index and the European Stoxx Europe 600 Index added about one percent, the index of emerging markets MSCI EM – about 1.5%. The main driver of the market growth is still the expectations of de-escalation of the US-Chinese trade conflict. The media reported that the three-day trade negotiations ended, and both parties were satisfied with their results. In particular, according to Bloomberg, Washington and Beijing have been able to bring positions closer together on a number of issues, including trade in energy and agricultural products. In general, experts say, there are hopes that the final trade agreement may be signed within the next few weeks – before the expiration of the three-month truce announced by the heads of the US and China after the meeting at the G20. Additional support to our market was provided by the rise in oil prices above \$60 per barrel.

During the trading session the MicexPWR Sector Index outperformed. Inter RAO and FGC UES made the main contribution to the final MicexPWR outperformance in comparison with the MOEX Russia Index.

ELECTRIC POWER INDUSTRY NEWS

Review of key changes in energy legislation in December 2018

Read full text: <http://www.bigpowernews.ru/markets/document86260.phtml>

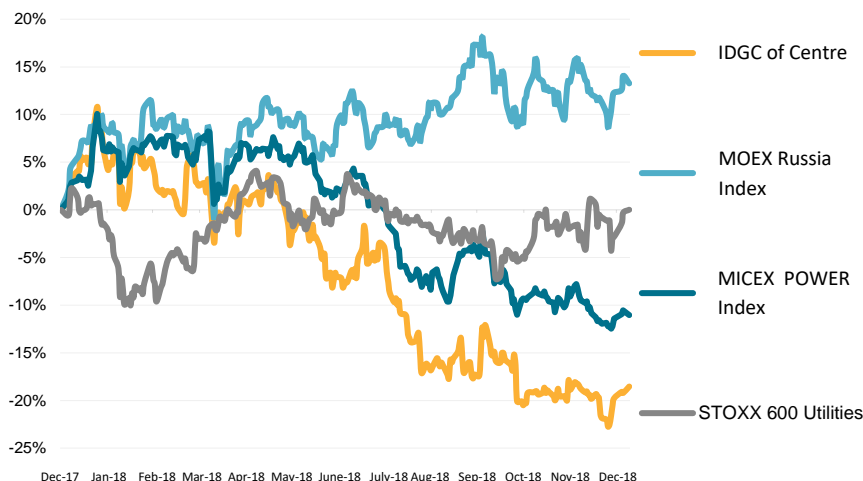
COMPANY NEWS

Power engineers of IDGC of Centre and IDGC of Centre and Volga Region provided reliable power supply for 20 regions of Russia during the New Year holidays

IDGC of Centre - the managing organization of IDGC of Centre and Volga Region summed up the work during the New Year holidays. Thanks to careful preparatory work, competent leadership and high professionalism, during this period the power engineers were able to provide reliable power supply to consumers in all regions of the Company's service area (it operates in 20 regions of the Russian Federation).

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66991/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 414,13	1,02%	1,89%
S&P 500	2 584,96	0,41%	3,12%
FTSE 100	6 906,63	0,66%	2,65%
DAX	10 893,32	0,83%	3,17%
DJStoxx 600	347,7	0,53%	2,98%
Nikkei	20 427,06	1,10%	2,06%
Sensex	36 212,91	0,64%	0,40%
CSI300	3 078,48	1,01%	2,25%
Bovespa	93 613,04	1,72%	6,51%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	69,47	0,00%	0,00%
EURO/RUB	79,46	0,00%	0,00%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 293,56	0,64%	0,86%
Brent*, USD/bbl	61,44	4,63%	14,20%

* - February futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2910	12,29	176,84
IDGC of Centre & Volga Reg	0,2679	30,19	434,60

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,38%	1,78%
MICEX POWER Index	1,27%	1,68%
IDGC of Centre**	0,28%	1,75%
IDGC of Centre and Volga Region**	-0,37%	1,09%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	2,06%	2,15%
FGC UES	1,70%	2,58%
IDGC of Volga	0,45%	2,40%
MOESK	0,61%	0,76%
IDGC of Northern Caucasus	-0,85%	-0,14%
IDGC of North-West	0,71%	2,34%
IDGC of Urals	-0,86%	0,22%
IDGC of Siberia	1,40%	-0,98%
IDGC of South	0,18%	3,67%
Lenenergo, ordinary shares	2,39%	5,48%
TRK, ordinary shares	0,00%	10,39%
Kubanenergo	-0,41%	0,00%

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