

DAILY MARKET REVIEW

27 November, Tuesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 26 November some negative news background formed on the Russian market. On Sunday a clash of Russian and Ukrainian warships occurred in the Azov Sea off the coast of the Crimea. As a result, the border guards of the Russian Federation after a warning shooting detained the ships of the Ukrainian Navy, which, according to the Russian side, made an attempt of illegal actions within the territorial sea of the Russian Federation in the Kerch Strait area. In turn, Ukraine considers the actions of the Russian border guards illegal and refers to an agreement with the Russian Federation guaranteeing the freedom of navigation both in the strait and in the Sea of Azov. Both Russia and Ukraine announced the convening of an extraordinary meeting of the UN Security Council.

According to experts, the incident in the Kerch Strait increases the likelihood of the introduction of new anti-Russian sanctions by the US and the European Union, which do not recognize the annexation of the Crimea to Russia. At the same time, analysts do not exclude that a topic with tough US sanctions, including a ban on the purchase of Russian government debt and dollar settlements of state-owned banks of the Russian Federation, may return to the agenda. On Monday the Russian market was under pressure from increased geopolitical risks – at the morning lows, the fall of the MOEX Russia Index reached 2.5%, with an average loss of the index of about 1.5%. The activity of sellers in the absence of a clear-cut reaction of the West to the Kerch incident was limited to the recovery of positive sentiment on global stock markets and the correction in oil prices. Brent quotes returned above \$60 per barrel after falling 12% last week. The European Stoxx Europe 600 Index, futures for US indices and the index of emerging market MSCI EM added more than a percent in the afternoon. The reason for the optimism of investors was mainly the progress in resolving European problems. Firstly, according to media reports, the Italian government can meet the demands of the European Commission and revise the benchmark budget deficit for 2019. Key Italian ministers were to meet on Monday to discuss various budget scenarios. Secondly, the EU summit last weekend approved an agreement on British exit from the EU and a declaration on the future relations of the parties.

During the trading session the MicexPWR Sector Index outperformed, the main sales were concentrated in the first-tier shares. The main contribution to the MicexPWR reduction was made by shares of RusHydro and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

The Ministry of Energy advocated the consolidation of territorial grid organizations

The Ministry of Energy of the Russian Federation supported the proposal of the Ministry of Emergency Situations on the consolidation of territorial grid organizations on the basis of ROSSETI's subsidiaries. This was said by Minister of Energy of Russia Alexander Novak, speaking at the Ministry of Emergency Situations.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=34297

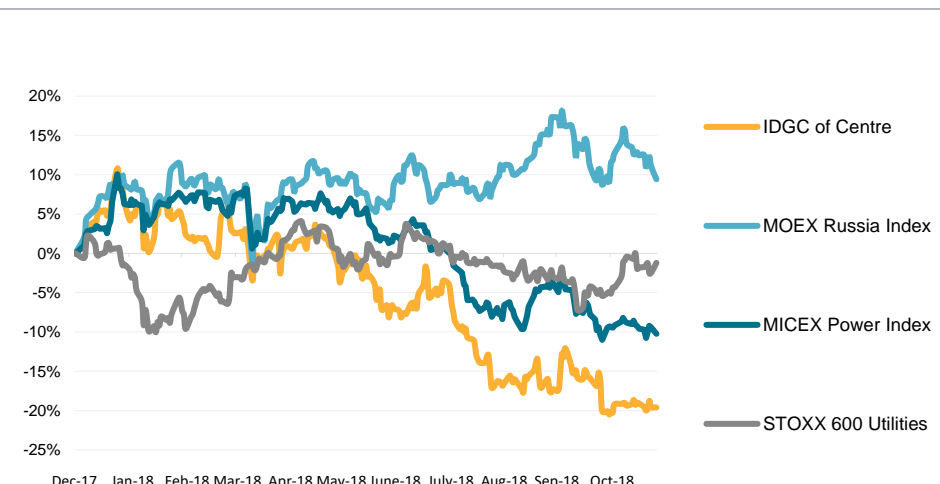
COMPANY NEWS

IDGC of Centre - managing organization of IDGC of Centre and Volga Region held a conference call and webcast dedicated to the consolidated performance results of IDGC of Centre and IDGC of Centre and Volga Region for 9 months of 2018

Based on the results of the publication of the unaudited consolidated interim condensed financial statements for 9 months of 2018 under IFRS, IDGC of Centre's management held a conference call with representatives of the investment community to webcast a presentation dedicated to the performance results of IDGC of Centre and IDGC of Centre and Volga Region for 9 months of 2018.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66594/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 308,50	-1,47%	9,42%
S&P 500	2 673,45	1,55%	-0,01%
FTSE 100	7 036,00	1,20%	-8,48%
DAX	11 354,72	1,45%	-12,10%
DJStoxx 600	358,33	1,23%	-7,93%
Nikkei	21 812,00	0,76%	-4,19%
Sensex	35 354,08	1,07%	3,81%
CSI300	3 141,24	-0,07%	-22,07%
Bovespa	85 546,51	-0,79%	11,97%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	65,67	0,09%	13,95%
EURO/RUB	74,94	0,18%	8,94%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 222,40	-0,05%	-6,17%
Brent*, USD/bbl	60,48	2,86%	-9,56%

* - January futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2862	12,08	184,00
IDGC of Centre & Volga Reg	0,2699	30,42	463,21

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	1,29%	-1,21%
MICEX POWER Index	-0,92%	-10,24%
IDGC of Centre**	-0,07%	-19,61%
IDGC of Centre and Volga Region**	-1,46%	-10,54%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,11%	-12,02%
FGC UES	-0,12%	-5,26%
IDGC of Volga	-1,15%	-3,51%
MOESK	-1,11%	-25,58%
IDGC of Northern Caucasus	-1,13%	-26,98%
IDGC of North-West	-1,94%	6,92%
IDGC of Urals	0,00%	-18,38%
IDGC of Siberia	2,55%	-22,71%
IDGC of South	-2,67%	-2,34%
Lenenergo, ordinary shares	-0,71%	17,08%
TRK, ordinary shares	0,00%	-6,20%
Kubanenergo	-4,36%	-32,91%

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