

DAILY MARKET REVIEW

4 February, Monday

2019



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 1 February some neutral external background formed on the Russian market. On Thursday the major US indices closed in different directions: the S&P500 gained 0.9%, the DJIA fell 0.1% due to the fall in a number of "heavy" securities, including Goldman Sachs and Microsoft. Overall, optimism prevailed in the US market due to the easing of the Fed's rhetoric, strong reporting of Facebook and MasterCard, and good statistics – sales of new buildings in the US soared 16.9% in November, to a maximum since March. On Friday the composite index of the Asia-Pacific region MSCI Asia Pacific showed changes close to zero. On the one hand, investors were supported by a statement from the US president on good progress during trade negotiations with the Chinese delegation, which allows reaching an agreement before the beginning of March, when Washington threatens to impose increased duties on Chinese goods worth \$200 billion. At the same time, buyers in the Asian session were restrained by weak Chinese statistics – the manufacturing PMI of China, according to Caixin, fell in January, stronger than forecast, to a minimum of three years. The indicator for the second month in a row is below the threshold of 50 points. Positive background for the Chinese CSI300, which added 1.4%, were expectations of stimulating the economy, including a possible reduction in the key rate, as well as Central Bank's injections of liquidity to the market before the long weekend – the Chinese stock exchanges will be closed all next week due to the New Year celebration. April Brent futures traded around \$60.8 per barrel, \$1.6 below our closing level on 31 January. The quotes were put under pressure by weak Chinese statistics, which strengthened pessimistic expectations regarding the prospects of the second world economy.

The MOEX Russia Index spent the Friday's trading session flat near zero against the background of uncertain changes of world stock markets, determined by ambiguous statistics. The index of business activity in the manufacturing sector of the Eurozone in January fell to 50.5 from 51.4 in December, while Germany, the locomotive of the Eurozone, entered the zone of business decline for the first time in four years. The IHS Markit review notes that the Eurozone's production is approaching stagnation due to trade wars and political instability. In addition, inflation in the Eurozone in January weakened to 1.4% – the minimum for 9 months. At the same time, the number of jobs in the US was the highest in 11 months in January, significantly better than the forecast, wage growth slowed to 3.2% from 3.3% a month earlier, reducing inflationary pressures. In January, the index of business activity in the US manufacturing sector, contrary to expectations, rose from the minimum value for two years recorded in December. After publication of the US statistics, Brent quotes rose to \$62 per barrel, which, in turn, allowed the MOEX Russia Index to complete trading in positive territory.

During the trading session the electric utilities sector index looked slightly better than the market. The main contribution to the MOEXEU outperformance in comparison with the MOEX Russia Index was made by shares of Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

Capacity of generation facilities registered for today as part of the first Capacity Delivery Agreement exceeded 45 GW, which is 4 times more than the quota set for the outtake

The volume of capacity for the currently registered generation facilities in the pricing zones of the Wholesale Electric Energy/Power Market for participation in the first outtake under the modernization program of thermal power plants has currently reached 45.4 GW, Andrey Kataev, Director for Energy Markets of JSC SO UES, told reporters today.

Read full text: <http://www.bigpowernews.ru/markets/document86738.phtml>

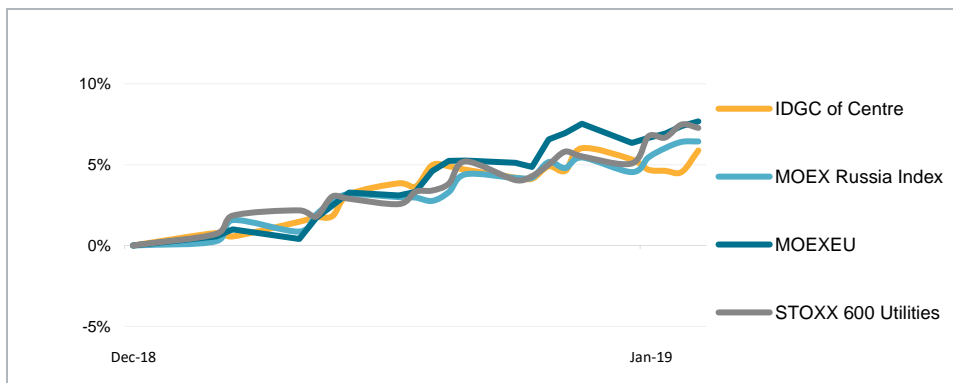
COMPANY NEWS

The head of Tambovenergo took part in a meeting in the administration of the Tambov region in the framework of the visit of Presidential Plenipotentiary Envoy Igor Shchegolev

Deputy General Director of IDGC of Centre - Tambovenergo division director Nikolay Bogomolov took part in a meeting in the regional administration during the visit of Presidential Plenipotentiary Envoy Igor Shchegolev to the Tambov region.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/67168/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 521,70	0,02%	6,43%
S&P 500	2 706,53	0,09%	7,97%
FTSE 100	7 020,22	0,74%	4,34%
DAX	11 180,66	0,07%	5,89%
DJStoxx 600	359,71	0,29%	6,53%
Nikkei	20 788,39	0,07%	3,87%
Sensex	36 469,43	0,59%	1,11%
CSI300	3 247,40	1,43%	7,86%
Bovespa	97 861,27	0,48%	11,35%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,36	-1,12%	-5,92%
EURO/RUB	75,20	-0,49%	-5,36%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 317,98	-0,25%	2,77%
Brent*, USD/bbl	62,75	1,39%	16,64%

* - April futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.18
IDGC of Centre	0,3028	12,78		195,59
IDGC of Centre & Volga Reg	0,2748	30,97		473,84

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,20%	7,27%
MOEXEU Index	0,26%	7,67%
IDGC of Centre**	1,27%	5,87%
IDGC of Centre and Volga Region**	0,96%	3,70%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,03%	26,63%
FGC UES	-0,18%	11,99%
IDGC of Volga	0,24%	7,65%
MOESK	0,00%	6,06%
IDGC of Northern Caucasus	1,27%	2,43%
IDGC of North-West	-3,58%	1,98%
IDGC of Urals	-0,99%	8,88%
IDGC of Siberia	-3,09%	56,10%
IDGC of South	0,00%	19,28%
Lenenergo, ordinary shares	0,52%	9,64%
TRK, ordinary shares	0,56%	17,53%
Kubanenergo	-6,97%	25,82%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, PJSC
127018, Moscow, 2nd Yamskaya, 4
+7 (495) 747 92 92
<http://mrsk-1.com/en/investors/>

IR Division
+7 (495) 747 92 92, ext. 33-34
ir@mrsk-1.ru

Tickers
Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC:RM
MRKC:MM