

DAILY MARKET REVIEW

29 November, Thursday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 28 November some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 rose by 0.3-0.4%, on Wednesday the composite stock index of the Asia-Pacific region, MSCI Asia Pacific, added 0.7%. The markets were supported by hopes for the possible advancement of Washington and Beijing in resolving trade disputes at a meeting of the two countries, which is scheduled for this Saturday at the G-20 summit. The reason for optimism, in particular, was the statement by the economic adviser to the White House that Donald Trump "sees good chances of concluding an agreement" between the two countries. However, the adviser also confirmed Donald Trump's previous statement that Washington is ready to hold a new round of raising duties on Chinese exports if there is no progress in negotiations with the PRC Chairman. January Brent futures traded around \$61.2 a barrel, at the level of our close on 27 November.

On Wednesday buyers dominated the Russian market due to the demand of investors for assets of emerging markets on expectations of easing the threat of escalating the US-PRC trade conflict. In the middle of the day the MOEX Russia Index and the MSCI EM Index added on average about one percent. An additional positive factor for our market was the information of the German media that Germany and France do not support the proposal to expand sanctions against Russia in connection with recent events in the Kerch Strait area. In the afternoon the rise in the MICEX index exceeded 2% due to a sharp increase (+7.7% on the day) of Gazprom's shares on the statement of the financial director of the concern that Gazprom could raise dividends in 2018 to a two-digit value (in 2017, 8.04 rubles per share were paid). At the end of the trading session the MOEX Russia Index retreated from daily highs under the pressure of a renewed fall in oil prices and a deterioration in sentiment on western markets after the publication of the US statistics, which did not meet forecasts. Brent quotes dropped to \$59 a barrel on a report by the US Department of Energy about an increase in oil reserves by 3.6 million barrels and keeping production at a record level. After the revision, the estimate of the increase in the US GDP in the third quarter was kept at 3.5%, with a forecast of 3.6%, sales of new buildings in October fell 9%, to a minimum since March 2016, while economists were waiting for growth of this indicator by 4%.

At the end of the trading session the MicexPWR Sector Index underperformed – investors' activity was concentrated in the first-tier securities. The main contribution to the daily MicexPWR growth was made by shares of FGC UES and ROSSETI.

ELECTRIC POWER INDUSTRY NEWS

The Government to consider a bill establishing a ban on the exit of regions of the Russian Federation from the WEMP and the transition to regulated prices for electricity

At the meeting on 29 November, the Government of the Russian Federation will consider the draft law "On Amendments to Article 36 of the Federal Law "On Electric Power Industry" to restrict the list of individual parts of the wholesale market price zones, which establish the features of the wholesale and retail markets", say the meeting materials.

Read full text: <http://www.bigpowernews.ru/markets/document85637.phtml>

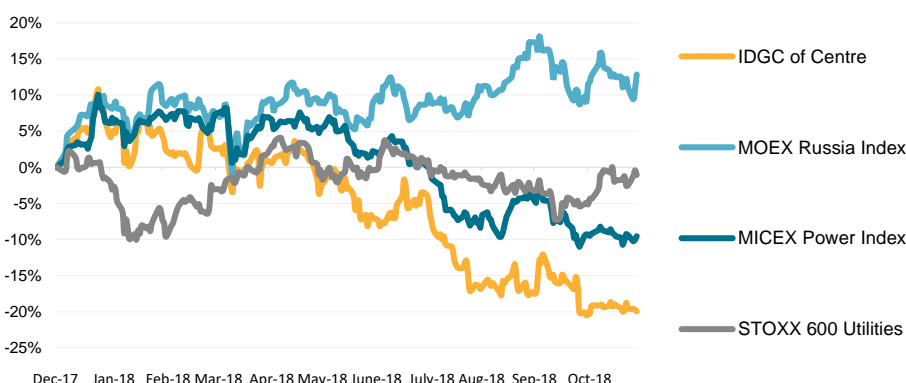
COMPANY NEWS

The results of two months of exercises in the Tver region: more than 8.5 thousand hectares of ROWs were cleared, the indicators of the calendar plan are ahead of schedule

In the Tver region the large-scale exercise of ROSSETI's Group of Companies, which started on 22 September to work out interaction and elimination of violations in the regional power grid complex, continue. More than 5,000 employees from 20 branches of IDGC of Centre and IDGC of Centre and Volga Region participate in them.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66611/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 381,12	1,81%	12,86%
S&P 500	2 743,79	2,30%	2,62%
FTSE 100	7 004,52	-0,18%	-8,89%
DAX	11 298,88	-0,09%	-12,53%
DJStoxx 600	357,39	0,00%	-8,17%
Nikkei	22 177,02	1,02%	-2,58%
Sensex	35 716,95	0,57%	4,87%
CSI300	3 178,93	1,33%	-21,14%
Bovespa	89 250,82	1,55%	16,82%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	66,78	0,41%	15,88%
EURO/RUB	75,62	0,07%	9,94%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 221,23	0,51%	-6,26%
Brent*, USD/bbl	58,76	-2,41%	-12,13%

* - January futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre	0,2850	12,03	180,18
IDGC of Centre & Volga Reg	0,2750	30,99	464,09

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,64%	-1,06%
MICEX POWER Index	0,61%	-9,54%
IDGC of Centre**	-0,28%	-19,94%
IDGC of Centre and Volga Region**	0,59%	-8,85%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	3,40%	-9,50%
FGC UES	1,62%	-4,17%
IDGC of Volga	-0,20%	-3,70%
MOESK	0,37%	-25,03%
IDGC of Northern Caucasus	0,14%	-25,83%
IDGC of North-West	-0,18%	6,35%
IDGC of Urals	-0,35%	-18,76%
IDGC of Siberia	5,11%	-19,21%
IDGC of South	1,19%	-0,33%
Lenenergo, ordinary shares	0,72%	17,08%
TRK, ordinary shares	0,00%	-6,74%
Kubanenergo	-2,47%	-29,59%

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