

DAILY MARKET REVIEW

21 March, Wednesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 20 March some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 lost 1.3-1.4% due to fears of a faster monetary tightening by the Fed, a new round of the US trade war with China and a scandal surrounding Facebook. On Tuesday evening, a two-day meeting of the Federal Reserve started – the attention of traders is directed to the forecast of the leaders of the Fed within the framework of "spot schedules", which may change in favour of four rate increases in 2018 from the announced in December three. According to The Washington Post, US President D. Trump is preparing to impose import duties on Chinese goods totalling about \$60 billion a year – it is expected that the relevant package of measures will be made public until Friday this week. The technology sector underperformed due to a 7% collapse in Facebook's shares against the backdrop of a scandal involving the misappropriation of user data to third parties to process and compile a psychological portrait of the user. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.2% with multidirectional changes of major indices. May Brent futures traded near \$66.6 per barrel, \$0.8 higher than the closing level on 19 March. Oil quotations were supported by a message from Bloomberg that the OPEC technical committee expects to achieve a balance of supply and demand in the oil market between the second and third quarters of this year.

The MOEX Russia Index and the European Stoxx Europe 600 Index spent the first half of the trading session in a small minus on average within half a percent, playing back the fall of the US market on Monday. Negative background for investors was also weak statistics from Germany – data from the ZEW Institute pointed to a drop in investors' confidence in the economy of Germany to a minimum of 18 months due to the threat of a trade war with the US. In the second half of the day the Russian and European indices were able to gain a foothold in the positive area after the start of trading in the US with a slight increase in major indices. Additional support for the domestic market was provided by the growth of Brent quotations above \$67.5 on expectations of the results of the meeting of the Crown Prince of Saudi Arabia with the US president, which may include the issue of new sanctions against Iran. Analysts note that after the dismissal of Secretary of State R. Tillerson, there is a growing likelihood that the US will withdraw from the deal with Iran and impose sanctions against the Islamic republic.

As a result of the trading session the MicexPWR Sector Index underperformed mainly due to active sales in shares of RusHydro.

ELECTRIC POWER INDUSTRY NEWS

"Market Council" discusses the principles of support for RES, which will gradually reduce it to zero

Experts discuss on the platform of the association NP "Market Council" (the regulator of energy markets in the Russian Federation) new principles for supporting electricity generation based on renewable energy sources (RES), which will gradually allow to refuse such support, said the deputy chairman of the management board of "Market Council" Oleg Barkin.

Read full text: <http://www.bigpowernews.ru/markets/document82163.phtml>

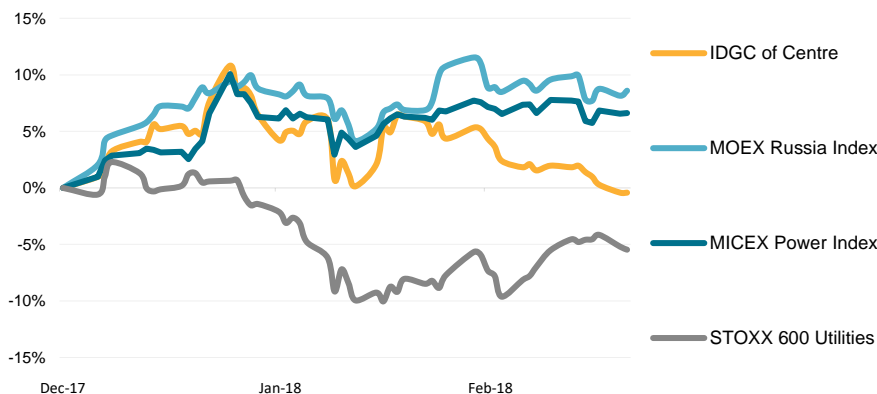
COMPANY NEWS

IDGC of Centre thinks about placing this year bonds for 5 billion rubles - say sources

IDGC of Centre is considering placement of bonds this year to attract 5 billion rubles. Two participants of the company's management meeting with the investment community told Interfax.

Read full text: <http://www.rusbonds.ru/nwsinf.asp?id=4737543>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 291,18	0,41%	8,60%
S&P 500	2 716,94	0,15%	1,62%
FTSE 100	7 061,27	0,26%	-8,15%
DAX	12 307,33	0,74%	-4,72%
DJStoxx 600	375,57	0,51%	-3,50%
Nikkei	21 380,97	-0,47%	-6,08%
Sensex	32 996,76	0,22%	-3,11%
CSI300	4 077,70	0,08%	1,16%
Bovespa	84 163,80	0,30%	10,16%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	57,55	0,10%	-0,13%
EURO/RUB	70,60	-0,29%	2,64%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 311,31	-0,42%	0,65%
Brent*, USD/bbl	67,42	2,07%	2,01%

* - May futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3545	14,97	260,05
IDGC of Centre & Volga Reg	0,3350	37,75	655,99

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,28%	-5,47%
MICEX POWER Index	0,05%	6,61%
IDGC of Centre**	0,00%	-0,42%
IDGC of Centre and Volga Region**	0,90%	11,04%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,12%	0,16%
FGC UES	-0,59%	8,58%
IDGC of Volga	1,71%	21,33%
MOESK	0,25%	-11,12%
IDGC of Northern Caucasus	0,00%	-8,59%
IDGC of North-West	-1,44%	-8,08%
IDGC of Urals	-0,65%	9,07%
IDGC of Siberia	-3,32%	1,75%
IDGC of South	0,34%	-1,00%
Lenenergo, ordinary shares	3,01%	17,60%
TRK, ordinary shares	-1,39%	-4,58%
Kubanenergo	-0,69%	-8,29%

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