

# DAILY MARKET REVIEW

15 June, Friday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 14 June some moderately negative external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed with a decrease of 0.4-0.5%, on Thursday the composite stock index of the Asia-Pacific region MSCI Asia Pacific lost about a percent. The markets were pressured by the Fed's decision to raise the interest rate by 0.25 percentage points, to 1.75-2%, and the willingness of the Central Bank to accelerate the tightening of monetary policy. If the rate hike was predicted by the markets, then the tightening of the Fed's rhetoric was a definite surprise. In its final statement, the Fed noted a "significant pace" in improving the state of the US economy, bringing inflation closer to the target 2% and abandoning the old phrase that the rate "will remain below normal for some time" (about 3%). In addition, the point schedule, which marks the forecasts of the committee members, has shifted toward four rate increases this year, while in March most expected three increases. An additional negative factor for investors in the Asian session was weak statistics: in China, data on industrial production and retail sales in May were worse than expected, in Japan - on industrial production in April. August Brent futures traded near \$76.4 per barrel, slightly below the closing level on 13 June. The oil market has growing uncertainty associated with disagreements of OPEC+ countries before the meeting on 22 June. According to media reports, Saudi Arabia and Russia are in favour of an increase in oil production proportionate to existing quotas, while most other producers are against this step, including because of the inability to rapidly increase their production.

On Thursday the Russian market, like emerging markets in general, was under pressure from expectations of an early completion of the era of cheap liquidity – in the afternoon losses of the MOEX Russia Index and the consolidated MCSI EM Index were about a percent. Following the tightening of the monetary policy of the Fed, the ECB reported on its exit strategy. While retaining key rates at the previous level, including the refinancing rate at zero, the regulator said that the redemption of bonds under the QE program will be completed by the end of December. At the end of the day, the MOEX Russia Index was able to somewhat reduce the rate of decline amid improving sentiment in the western markets, where the support was provided by the ECB's promises to keep all key interest rates unchanged at least until the summer of 2019 and good US statistics. In the US retail sales in May doubled forecasts of analysts, data on applications for unemployment benefits were better than expectations.

As a result of the trading session, changes of the MicexPWR Sector Index corresponded to the market. The main contribution to the MicexPWR reduction was made by shares of Inter RAO and RusHydro.

## ELECTRIC POWER INDUSTRY NEWS

### Electric power generation in Russia in 2018 can grow by 1%, electricity consumption by 2%

Electric power generation in Russia in 2018 can grow by 1% to 1.085 trillion kWh, RIA Novosti reported citing documents signed at the meeting of the Council of Ministers of the Union State of Russia-Belarus.

Read full text: <http://www.bigpowernews.ru/markets/document83353.phtml>

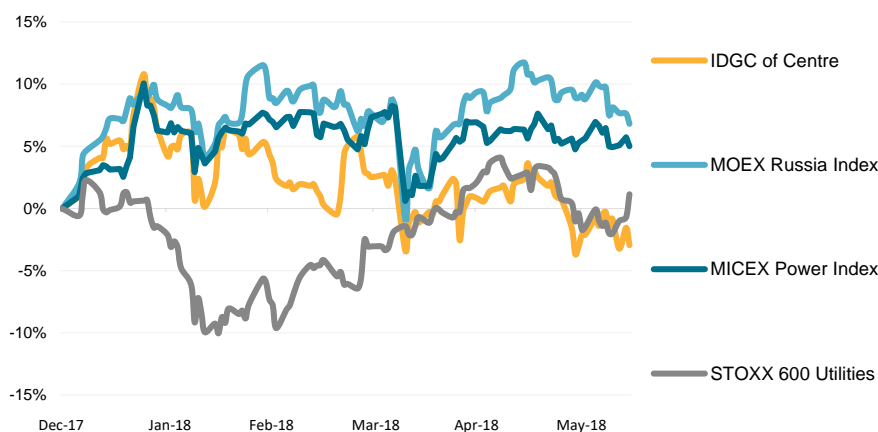
## COMPANY NEWS

### IDGC of Centre overfulfilled the planned indicators of net electricity supply to consumers by results of four months

IDGC of Centre summed up the production activity for four months of 2018.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/64318/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 253,48	-0,76%	6,81%
S&P 500	2 782,49	0,25%	4,07%
FTSE 100	7 765,79	0,81%	1,01%
DAX	13 107,10	1,68%	1,47%
DJStoxx 600	393,04	1,23%	0,99%
Nikkei	22 738,61	-0,99%	-0,12%
Sensex	35 599,82	-0,39%	4,53%
CSI300	3 773,36	-0,40%	-6,39%
Bovespa	71 421,20	-0,97%	-6,52%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	63,12	1,24%	9,52%
EURO/RUB	74,14	1,05%	7,78%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 302,25	0,23%	-0,04%
Brent*, USD/bbl	75,94	-1,04%	16,62%

\* - August futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.17
IDGC of Centre	0,3455	14,59		231,10
IDGC of Centre & Volga Reg	0,3035	34,20		541,92

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	1,86%	1,15%
MICEX POWER Index	-0,70%	5,00%
IDGC of Centre**	-1,43%	-2,95%
IDGC of Centre and Volga Region**	-0,98%	0,60%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,58%	1,77%
FGC UES	-0,27%	13,02%
IDGC of Volga	-2,13%	16,61%
MOESK	-0,41%	-19,58%
IDGC of Northern Caucasus	-0,61%	-14,58%
IDGC of North-West	-1,85%	12,31%
IDGC of Urals	-3,19%	-5,97%
IDGC of Siberia	-0,47%	-7,42%
IDGC of South	0,15%	10,03%
Lenenergo, ordinary shares	-0,59%	23,23%
TRK, ordinary shares	0,00%	-10,78%
Kubanenergo	0,00%	-23,09%

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**