

DAILY MARKET REVIEW

12 September, Wednesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 11 September some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed in different directions: the DJIA fell 0.2%, the S&P500 grew by 0.2% mainly due to the correction of shares of companies of the technological sector that were oversold a week ago. On Tuesday the composite index of the Asia-Pacific region, MSCI Asia Pacific, added 0.1% with mixed changes of the main country indices. In general, experts say, the main negative factor for the stock markets has recently been foreign trade risks provoked by the actions of the US. Investors are concerned about the possible introduction of higher tariffs for all Chinese imports, the lack of an agreement with Canada on the NAFTA agreement, the prospects for tightening trade disputes with the EU and potential trade confrontation with Japan. November Brent futures traded near \$77.8 per barrel, \$0.2 higher than our closing on 10 September. Oil prices were supported, including, by fears that Hurricane Florence, approaching the US coast in the Gulf of Mexico, could damage the oil infrastructure.

Most of Tuesday's trading session the Russian market, as well as global markets in general, were dominated by sellers on growing risks of escalating the trade confrontation between the US and China. According to media reports, the PRC next week is going to ask the World Trade Organization (WTO) for permission to impose sanctions against the US for non-compliance with the WTO decision in the dispute of 2013. At the same time, experts recall, Donald Trump repeatedly stated that the pressure on China will only increase if Beijing takes any retaliatory measures on the US trade restrictions. In the second half of the trading session, the MOEX Russia Index, the European Stoxx Europe 600 Index and the index of emerging markets MSCI EM lost more than half a percent. At the end of the day, sentiment on the markets improved after the start of trading in the US by a slight increase in the major indices on strong statistics: the optimism index of small business rose to the record values in August, and in July – the number of open vacancies in the labour market. Additional support to Russian investors was provided by the rise in oil prices to around \$78.8 per barrel on media reports about risks to oil production in Libya due to terrorist threats.

During the day changes of the MicexPWR Sector Index in general corresponded to the market. The main contribution to a small growth of MicexPWR was made by shares of Inter RAO and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

"Rosseti" expects transition to long-term tariffs in 2019

"Rosseti" expects that long-term electricity grid tariffs will be introduced in 2019, told RIA Novosti the head of the company Pavel Livinsky on the sidelines of the Eastern Economic Forum.

Read full text: <https://ria.ru/economy/20180912/1528354330.html>

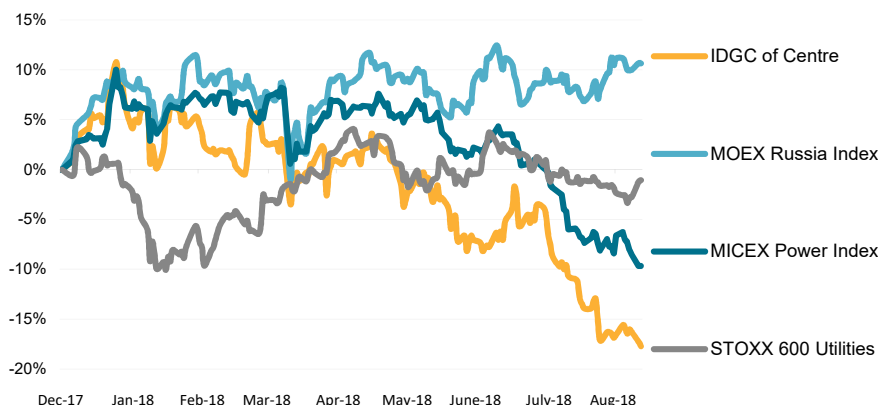
COMPANY NEWS

IDGC of Centre continues to develop an intelligent electricity metering system in the regions of the Central Federal District: according to the results of 2018 the company to increase the number of "smart" meters by more than 30 thousand

IDGC of Centre continues implementation of a large-scale project to create and expand in the regions of its activity (11 subjects of the Central Federal District) automated (intelligent) systems for electricity metering at the retail market. The project has been implemented since 2011, within the framework of the target program adopted by the company. During this period, 228 thousand automated meters were installed in the branches of IDGC of Centre, accounting for 7.1% of the total number of meters.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/65612/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 335,19	-0,03%	10,69%
S&P 500	2 887,89	0,37%	8,01%
FTSE 100	7 273,54	-0,08%	-5,39%
DAX	11 970,27	-0,13%	-7,33%
DJStoxx 600	375,31	-0,05%	-3,56%
Nikkei	22 664,69	1,30%	-0,44%
Sensex	37 413,13	-1,34%	9,85%
CSI300	3 224,21	-0,18%	-20,01%
Bovespa	74 656,51	-2,33%	-2,28%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	69,87	1,22%	21,24%
EURO/RUB	80,67	0,39%	17,28%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 198,59	0,23%	-8,00%
Brent*, USD/bbl	79,06	2,18%	23,49%

* - November futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre	0,2930	12,37	177,04
IDGC of Centre & Volga Reg	0,2870	32,34	462,93

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,16%	-1,03%
MICEX POWER Index	0,01%	-9,63%
IDGC of Centre**	-0,51%	-17,70%
IDGC of Centre and Volga Region**	0,88%	-4,87%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,72%	-19,39%
FGC UES	0,45%	-4,04%
IDGC of Volga	-0,58%	-8,09%
MOESK	0,00%	-23,80%
IDGC of Northern Caucasus	-1,02%	-23,96%
IDGC of North-West	-0,15%	29,04%
IDGC of Urals	0,59%	-18,38%
IDGC of Siberia	0,00%	-22,71%
IDGC of South	-0,16%	4,52%
Lenenergo, ordinary shares	-0,33%	24,17%
TRK, ordinary shares	0,00%	-11,05%
Kubanenergo	-2,19%	-31,63%

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