

DAILY MARKET REVIEW

25 June, Tuesday



2019

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 24 June some moderately positive external background formed on the Russian market. On Friday the US indices DJIA and S&P500 lost 0.1% on the growing risks of the armed conflict between the US and Iran. The activity of sellers was limited by the soft rhetoric of the Fed's representatives. Vice Chairman of the Federal Reserve said that the arguments in favour of a more stimulating monetary policy became more substantial, and the head of the Federal Reserve Bank of Minneapolis believes that the regulator should lower the rate by 50 base points at once in July, and make a commitment not to raise it until inflation returns to the target level of 2% "on a sustainable basis". On Monday the main country stock indices in the Asia-Pacific region added 0.1-0.2%. Investors' sentiment improved somewhat after official confirmation by the Xinhua news agency of the participation of the PRC Chairman in the G20 summit in Japan. According to experts, there were no prerequisites for the fact that the Chinese leader would not come to Osaka, but Donald Trump had previously threatened to increase the duties on Chinese goods, if that happens. At the same time, this positive factor was largely offset by a media report that the US Department of Commerce expanded its "blacklist" by including five more Chinese technology companies in the wake of Huawei. August Brent futures traded around \$ 65.7 per barrel, \$ 0.6 above our closing level on Friday, 21 June. Oil quotes continue to grow at the risk of increasing geopolitical tensions in the Middle East.

Most of the trading session, the MOEX Russia Index spent in a small plus, on average, about a third of a percent, despite a comparable decline in the European Stoxx Europe 600 Index. The Russian market was recovering after Friday's sales, triggered by the news that a group of Democrats in the US Congress proposed to introduce new sanctions against the Russian Federation affecting, among others, Russian banks and sovereign debt. According to some analysts, the market reaction was still excessive, taking into account, firstly, that this proposal is not a bill, and, secondly, that it does not contain anything new in comparison with several bills that lie without movement in the US Congress with anti-Russian sanctions. In turn, statistics contributed to the worsening sentiment of European investors – in June, the index of businessmen's confidence in the German economy dropped to its lowest level since November 2014, and the euro's strengthening to three-month highs weakened exporters. At the end of trading, the MOEX Russia Index lost almost the entire day's growth after the fall of Brent quotes below \$64.5 per barrel.

At the end of the trading session, the electric utilities sector index outperformed. The main contribution to the MOEXEU outperformance in comparison with the MOEX Russia Index was made by shares of Inter RAO and RusHydro. The fall in shares of MOESK and IDGC of Centre and Volga Region was associated with the ex-dividend date.

ELECTRIC POWER INDUSTRY NEWS

Electricity to become the leading source of energy in the 21st century

The leading energy source in the 21st century will be electricity, the demand for electricity will grow twice as fast as the demand for energy in general, said Russian Energy Minister Alexander Novak.

Read full text: <http://www.bigpowernews.ru/interview/speech/document88658.phtml?1&q=>

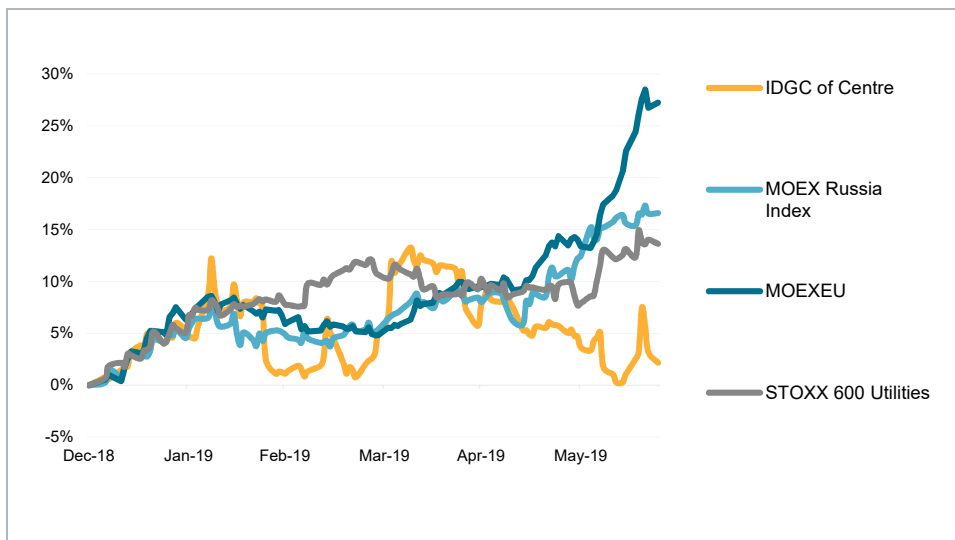
COMPANY NEWS

Belgorodenergo provided electricity supply for the City-fortress "Yablonov" in Korochansky district

Rosseti Centre - Belgorodenergo provided the requested electrical capacity of 149.90 kW to the cultural and historical complex "City-fortress "Yablonov".

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/68705/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 762,65	0,05%	16,60%
S&P 500	2 945,35	-0,17%	17,49%
FTSE 100	7 416,69	0,12%	10,23%
DAX	12 274,57	-0,53%	16,25%
DJStoxx 600	383,79	-0,25%	13,67%
Nikkei	21 285,99	0,13%	6,35%
Sensex	39 122,96	-0,18%	8,47%
CSI300	3 841,27	0,19%	27,59%
Bovespa	102 062,30	0,05%	16,13%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	63,13	-0,41%	-9,13%
EURO/RUB	71,35	-0,27%	-10,21%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 419,72	1,44%	10,70%
Brent*, USD/bbl	64,86	-0,52%	20,56%

* - August futures

Source: Bloomberg, Company calculations

Shares	Price**, P	MCap**, P bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2683	30,24	478,97

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,34%	13,65%
MOEXEU Index	0,40%	27,26%
IDGC of Centre**	-1,02%	2,17%
IDGC of Centre and Volga Region**	-11,80%	1,25%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,50%	83,11%
FGC UES	0,67%	38,33%
IDGC of Volga	0,26%	-2,96%
MOESK	-7,15%	11,21%
IDGC of Northern Caucasus	-6,73%	183,14%
IDGC of North-West	-3,18%	20,63%
IDGC of Urals	-0,45%	-3,90%
IDGC of Siberia	-2,59%	182,34%
IDGC of South	0,74%	24,89%
Lenenergo, ordinary shares	0,18%	6,81%
TRK, ordinary shares	-1,01%	-4,22%
Kubanenergo	-1,19%	35,66%

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