

DAILY MARKET REVIEW

6 June, Thursday

2019



REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 5 June some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 jumped 2.1%, on Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific rose by 1% after statements by the Fed Chairman about the readiness to support the US economic growth. According to him, the Fed is closely watching the "consequences of trade disputes for the prospects for the American economy" and is ready to take stimulating measures. Earlier, the media remind, the head of the Federal Reserve Bank of St. Louis said that in conditions of low inflation, lowering interest rates in the US in the near future may be justified. Investors, Bloomberg writes, took these statements by the heads of the American Central Bank as a signal of readiness to move to easing monetary policy. According to the Chicago Stock Exchange, traders estimate the likelihood of a rate cut at the July Fed meeting at around 75%. August Brent futures traded around \$61.5 per barrel, \$0.2 less than our 4 June close. Negative background for the market was the message of the American Petroleum Institute about the increase in US oil reserves last week by 3.6 million barrels, while analysts had expected a reduction of 0.8 million barrels.

On Wednesday the MOEX Russia Index spent most of the trading session sideways near zero – a slight increase in world markets was compensated by uncertain changes of oil prices. In turn, optimism on external exchanges also showed a tendency to fade. Experts note that the possible easing of monetary policy of the Fed is still a forced response to increased risks for the global economy in general and the American one in particular. On the eve a number of pieces of news confirmed the validity of such concerns. Firstly, according to media reports, China continues to prepare a ban on the export to the US of rare earth metals, which indicates the next stage of the escalation of the trade conflict. Secondly, the World Bank lowered its forecast for global economic growth in 2019 to 2.6% from 2.9% in January due to the growth of trade barriers. Thirdly, weak statistics on the labour market was released in the US – according to ADP, the May increase in the number of jobs in the private sector by 27 thousand was the lowest in nine years. At the end of the day, selling pressure on the Russian market increased after the fall of Brent quotes to \$60 per barrel, triggered by the US industry statistics. According to the US Department of Energy, the increase in oil and gasoline stocks last week amounted to 6.7 and 3.2 million barrels, respectively, oil production rose to a record of 12.4 million barrels per day.

The electric utilities sector index for the second day in a row has demonstrated outperformance. The main contribution to the final MOEXEU growth in antiphase with the MOEX Russia Index was made by shares Inter RAO and ROSSETI.

ELECTRIC POWER INDUSTRY NEWS

ROSSETI to present at the SPIEF the first achievements of the digital transformation of the electric power industry

ROSSETI traditionally acts as a strategic partner of the SPIEF. As part of the exposition in Pavilion F, the company will present pilot projects implemented as part of the first phase of the digital transformation of the power grid infrastructure.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=35280

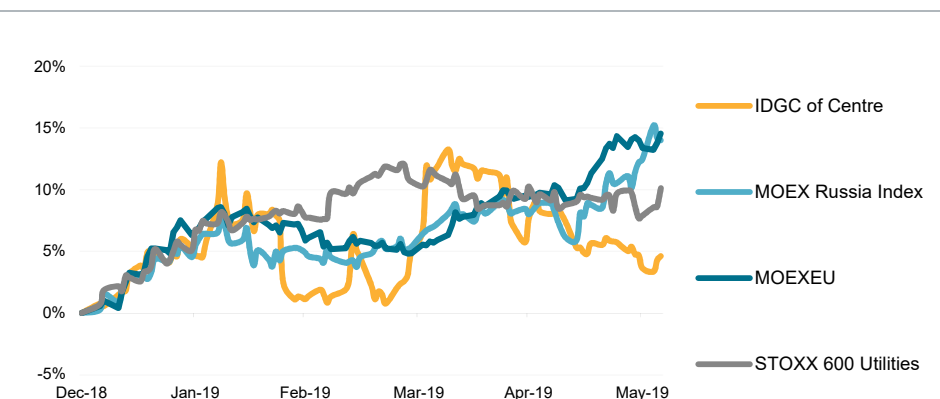
COMPANY NEWS

Employees of Tambovenergo took part in a scientific and technical conference on energy saving

Employees of IDGC of Centre - Tambovenergo division took part in the VI International Scientific and Technical Conference of Students, Young Scientists and Specialists "Energy Saving and Efficiency in Technical Systems", which was held at the site of Tambov State Technical University (TSTU) with the support of the Russian Fundamental Research Foundation.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/68560/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 701,84	-0,16%	14,03%
S&P 500	2 826,15	0,82%	12,74%
FTSE 100	7 220,22	0,08%	7,31%
DAX	11 980,81	0,08%	13,47%
DJStoxx 600	374,08	0,38%	10,79%
Nikkei	20 776,10	1,80%	3,80%
Sensex	40 083,54	0,00%	11,13%
CSI300	3 597,11	-0,04%	19,48%
Bovespa	95 998,75	-1,42%	9,23%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,16	-0,60%	-6,20%
EURO/RUB	73,42	0,28%	-7,60%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 330,32	0,36%	3,73%
Brent*, USD/bbl	60,63	-2,16%	12,70%

* - August futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln	
			fr 31.12.18	Change
IDGC of Centre	0,2992	12,63	193,85	
IDGC of Centre & Volga Reg	0,2809	31,66	485,82	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	1,36%	10,13%
MOEXEU Index	0,67%	14,58%
IDGC of Centre**	0,34%	4,62%
IDGC of Centre and Volga Region**	-0,50%	6,00%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	3,71%	65,05%
FGC UES	-1,40%	19,16%
IDGC of Volga	0,37%	9,59%
MOESK	0,00%	9,09%
IDGC of Northern Caucasus	-0,23%	84,57%
IDGC of North-West	-1,13%	9,91%
IDGC of Urals	0,34%	-5,31%
IDGC of Siberia	0,84%	194,05%
IDGC of South	0,14%	32,23%
Lenenergo, ordinary shares	-0,17%	10,40%
TRK, ordinary shares	-0,34%	-5,19%
Kubanenergo	-0,64%	27,05%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, PJSC
127018, Moscow, 2nd Yamskaya, 4
+7 (495) 747 92 92
www.mrsk-1.ru/en/investors/

IR Division
+7 (495) 747 92 92, ext. 33-34
ir@mrsk-1.ru

Tickers
Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC:RM
MRKC.MM