

DAILY MARKET REVIEW

13 December, Thursday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 12 December some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed with a slight decrease in the range of 0.25%. On the one hand, the markets were supported by hopes for the success of the US-China trade negotiations thanks to the emergence of the first concrete results after the meeting of the two countries at the G20 summit in early December. According to Bloomberg, China in the coming days will consider a proposal to reduce import duties on American cars to 15% from the current 40%. On the other hand, a negative factor for investors was Donald Trump's threat to stop the work of the government (the financing of state institutions expires on 21 December), if Democrats do not support spending on the wall with Mexico. On Wednesday the composite stock index of the Asia-Pacific region MSCI Asia Pacific added 1.5%, futures for US indices – 0.6%. Positive background for traders was the information of the media that CFO of Chinese Huawei, arrested in Canada at the request of the United States, was released on bail, which also reduced the degree of tension between the countries. In addition, Donald Trump said he was ready to intervene in the case of the top manager of the Chinese company, if it helps resolve trade disputes between the PRC and the US and does not harm the interests of the US national security. February Brent futures traded around \$60.9 per barrel, just above our 11 December close. The quotes were supported by data from the American Petroleum Institute on the decline in oil reserves in the country by impressive 10.2 million barrels.

On Wednesday sellers dominated the Russian market. At daily lows the loss of the MOEX Russia Index exceeded a percent on the growth of geopolitical risks. The day before the House of Representatives of the US Congress approved a resolution against the Nord Stream 2, called on European governments to abandon the project and supported the imposition of sanctions. Despite the fact that the resolution is declarative in nature, analysts say, the overall US foreign policy trend has a negative effect on changes of Russian assets. Positive sentiment on global markets on expectations of a truce between the US and China kept the Russian market from a larger fall. The US media reported that Beijing plans to increase the access of foreign companies to its market to reduce differences with the US in the field of trade. Against this background the European Stoxx Europe 600 Index and the index of emerging markets MSCI EM added more than 1.5%, the US indices – more than 1%.

During the day changes of the MicexPWR Index as a whole corresponded to the market. The main contribution to the MicexPWR decline was made by shares of FGC UES and ROSSETI.

ELECTRIC POWER INDUSTRY NEWS

The State Duma adopted in the first reading a draft on the transfer of the introduction of a ban on the sale of energy without a license

The State Duma adopted in its first reading a bill on the transfer from 1 January 2019 to 1 July 2020 of the term for imposing a ban on energy sales without a license. The document was initiated by the government of the Russian Federation.

Read full text: <https://tass.ru/ekonomika/5897640>

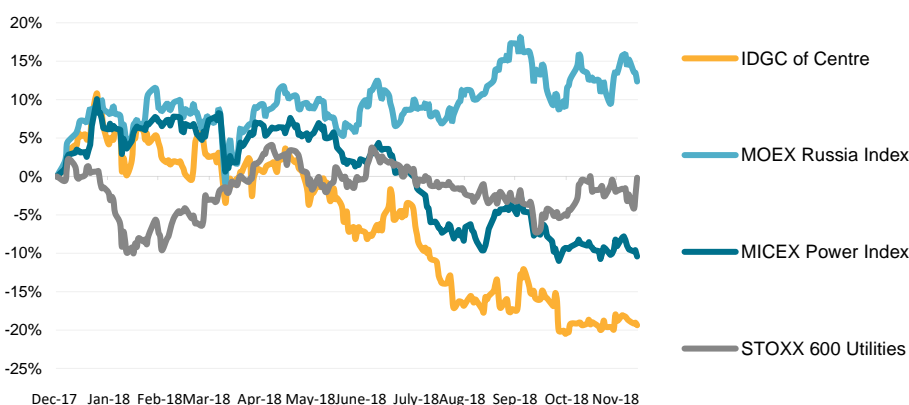
COMPANY NEWS

Heads of FGC UES and IDGC of Centre discussed cooperation in the regions of joint presence

During a working meeting, Chairman of the Management Board of FGC UES Andrey Murov and General Director of IDGC of Centre - the managing organization of IDGC of Centre and Volga Region Igor Makovskiy discussed measures to increase the efficiency of joint actions while ensuring reliable power supply to consumers and developing the grid complex in 20 regions of the Russian Federation.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66760/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 370,35	-1,00%	12,35%
S&P 500	2 651,07	0,54%	-0,84%
FTSE 100	6 880,19	1,08%	-10,50%
DAX	10 929,43	1,38%	-15,39%
DJStoxx 600	350,00	1,69%	-10,07%
Nikkei	21 602,75	2,15%	-5,11%
Sensex	35 779,07	1,79%	5,06%
CSI300	3 170,61	0,34%	-21,34%
Bovespa	86 977,46	0,65%	13,84%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	66,50	0,39%	15,40%
EURO/RUB	75,62	-0,12%	9,93%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 245,66	0,19%	-4,39%
Brent*, USD/bbl	60,15	-0,08%	-10,05%

* - February futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	Change	
		₺ bln	MCap**, \$ mln
IDGC of Centre	0,2870	12,12	182,20
IDGC of Centre & Volga Reg	0,2745	30,94	465,18

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	2,35%	-0,17%
MICEX POWER Index	-0,90%	-10,42%
IDGC of Centre**	-0,42%	-19,38%
IDGC of Centre and Volga Region**	0,22%	-9,02%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-2,14%	-9,01%
FGC UES	-2,06%	-4,59%
IDGC of Volga	-0,59%	-2,09%
MOESK	-0,37%	-25,31%
IDGC of Northern Caucasus	0,14%	-26,25%
IDGC of North-West	-0,55%	3,85%
IDGC of Urals	-0,55%	-13,60%
IDGC of Siberia	-0,20%	-14,59%
IDGC of South	1,86%	-3,76%
Lenenergo, ordinary shares	-1,41%	16,88%
TRK, ordinary shares	0,00%	-11,05%
Kubanenergo	-4,51%	-35,20%

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