

DAILY MARKET REVIEW

17 January, Thursday

2019



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 16 January some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 rose by 0.7-1.1%, led by papers of the technology sector. MarketWatch reports that the markets were supported by information about the readiness of the Chinese authorities to stimulate economic growth, which somewhat weakened fears that a downturn in the PRC economy would adversely affect the global economy. In addition, statements of the ECB's President that the Eurozone's economy is not facing a recession have become positive for investors, but the pace of its recovery is currently weaker than expected, largely due to global uncertainty. His statements were perceived by market participants as evidence that the European Central Bank does not intend to hurry with a rise in the base interest rate. The decision of the British Parliament, which, with an overwhelming majority of votes, rejected the current agreement on the country's exit from the EU, was largely expected and did not have a significant impact on the stock exchanges. On Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific was near zero, with multidirectional changes of the main country indices. March Brent futures traded around \$60.7 per barrel, \$0.4 above our 15 January close. The rise of quotations was due to the intention of the government of China to stimulate the economy and expectations of reducing US oil reserves.

On Wednesday, there was a lull in the Russian market, as well as on world markets, as a whole. Most of the day, the MOEX Russia Index, the European Stoxx Europe 600 Index and the index of emerging markets MSCI EM spent sideways near zero. Traders took a wait-and-see attitude, including waiting for a vote in the British parliament on Wednesday evening about trusting the government of Prime Minister Theresa May. The MOEX Russia Index closed with a decline of 0.2% following correction in the oil market. At the end of the day, the data of the US Department of Energy, which showed a sharp increase in gasoline reserves in the country and growth in oil production to a new record of 11.9 million barrels per day, contributed to cheaper oil. The activity of sellers in the domestic market was held back due to an improvement in sentiment in western markets due to a half-percentage increase in US indices on strong quarterly statements of the largest banks, including Goldman Sachs and Bank of America.

During the trading session the MicexPWR Sector Index looked significantly better than the market. The main contribution to the MicexPWR rise in antiphase with the MOEX Russia Index was made by shares of ROSSETI, FGC UES and Unipro.

ELECTRIC POWER INDUSTRY NEWS

MED developed measures to reduce cross-subsidies in the power industry

The Ministry of Economic Development of Russia has developed a set of measures to reduce cross-subsidies in the electric power industry and intends to submit a legislative initiative to the government in the next two to three weeks. This was announced at the Gaidar Forum by Director of the Department for State Tariff Regulation, Infrastructure Reforms and Energy Efficiency of the Ministry Dmitry Vakhrukov.

Read full text: <http://www.bigpowernews.ru/news/document86231.phtml>

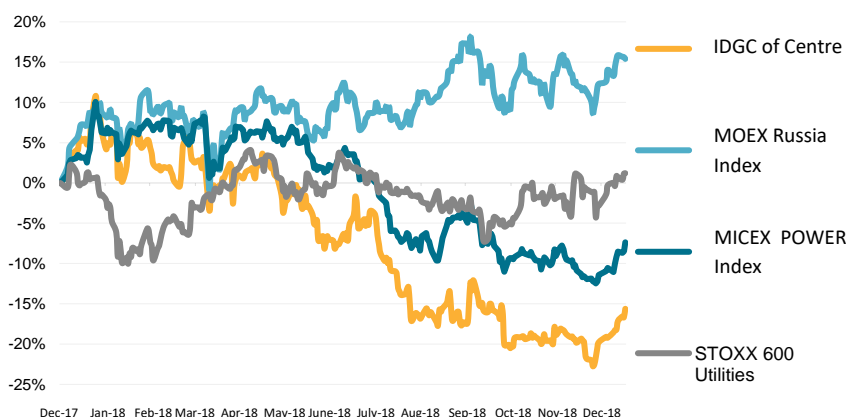
COMPANY NEWS

Governor of the Kostroma region Sergey Sitnikov and General Director of IDGC of Centre Igor Makovskiy discussed topical issues of functioning and development of the regional power grid complex

Igor Makovskiy discussed with the head of the region plans and tasks of the branch "Kostromaenergo" in the field of reconstruction of power grid facilities, which will improve the reliability of the branch's grids.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/67038/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 434,60	-0,20%	2,75%
S&P 500	2 616,10	0,22%	4,36%
FTSE 100	6 862,68	-0,47%	2,00%
DAX	10 931,24	0,36%	3,53%
DJStoxx 600	350,59	0,54%	3,83%
Nikkei	20 442,75	-0,55%	2,14%
Sensex	36 321,29	0,01%	0,70%
CSI300	3 128,65	0,02%	3,92%
Bovespa	94 393,07	0,36%	7,40%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	67,08	-0,16%	-3,44%
EURO/RUB	76,95	-0,15%	-3,16%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 293,67	0,32%	0,87%
Brent*, USD/bbl	61,32	1,12%	13,98%

* - February futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,27	30,43	453,60

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,07%	3,40%
MICEX POWER Index	1,24%	4,60%
IDGC of Centre**	1,28%	4,97%
IDGC of Centre and Volga Region**	0,00%	1,89%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	4,75%	8,94%
FGC UES	1,36%	4,85%
IDGC of Volga	1,49%	4,44%
MOESK	1,31%	5,23%
IDGC of Northern Caucasus	1,27%	2,86%
IDGC of North-West	3,42%	8,83%
IDGC of Urals	0,75%	2,17%
IDGC of Siberia	8,52%	21,76%
IDGC of South	7,90%	15,23%
Lenenergo, ordinary shares	-0,36%	6,05%
TRK, ordinary shares	0,00%	1,95%
Kubanenergo	0,36%	15,16%

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