

DAILY MARKET REVIEW

8 November, Thursday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 7 November some ambiguous external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed with a rise of 0.6-0.7% due to strong corporate reporting of a number of large companies. Trading activity was reduced – traders were awaiting the outcome of the midterm elections to the US Congress. On Wednesday the composite stock index of the Asia-Pacific region, MSCI Asia Pacific, was trading near zero, with multidirectional changes of the main country indices. The preliminary results of the vote showed the expected outcome of the American elections: the Republicans managed to retain the majority of seats in the Senate, while the Democrats for the first time in eight years gained control in the House of Representatives. According to analysts, it will now be harder for Donald Trump to carry out internal reforms, including fiscal stimulus measures, including tax cuts and the implementation of a program of large-scale infrastructure spending. This may force the US President to concentrate on foreign policy and lead to a hardening position in negotiations with trading partners, experts say. January Brent futures traded around \$71.7 a barrel, \$0.5 below our 6 November close. Negative background for the quotes was the message of the American Petroleum Institute on the growth of oil reserves in the country for the fifth week in a row by impressive 7.8 million barrels. In addition, the market was pressured by the US Department of Energy's increase in the production forecast in the country by 200 thousand barrels per day for this year and by 300 thousand for the next.

The MOEX Russia Index opened with a 0.7% fall on aggravation of sanctions risks. The US State Department announced that it would discuss with the Congress the introduction of new sanctions against the Russian Federation because of the "Scripal case", since Russia did not prove its non-involvement in the chemical attack in Salisbury in the UK. Now, Donald Trump can introduce a second round of sanctions, including lowering the level of diplomatic relations, restricting exports and imports, blocking international loans for the Russian Federation, and banning loans from US banks. In the second half of the day, the MOEX Russia Index added more than a percent following the optimism on world markets and the rise in oil prices. The European Stoxx Europe 600 Index, the index of emerging markets MSCI EM and futures for the US indices rose by about a percent on expectations that the US House of Representatives shifting under the control of the Democratic Party will make the US policy more balanced. Confrontation between the two chambers of the Congress reduces the likelihood of major changes in the US economic policy, experts say, and is historically favourable for investors. In turn, Brent quotes exceeded \$73 on Bloomberg's report that the OPEC+ committee at a meeting on 11 November may discuss the possibility of reducing production in 2019 due to concerns about rising oil reserves.

At the end of the trading session the MicexPWR Sector Index underperformed due to the greater activity of buyers in the first-tier liquid stocks.

ELECTRIC POWER INDUSTRY NEWS

Rosseti became a "Leader of Competitive Procurement"

Rosseti won the annual award "Leader in Competitive Procurement" in the nomination "Best Support for Small and Medium Business". This is the first professional competition in the field of trade and procurement activities, which unites purchasers, government officials, the media and public organizations.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=34237

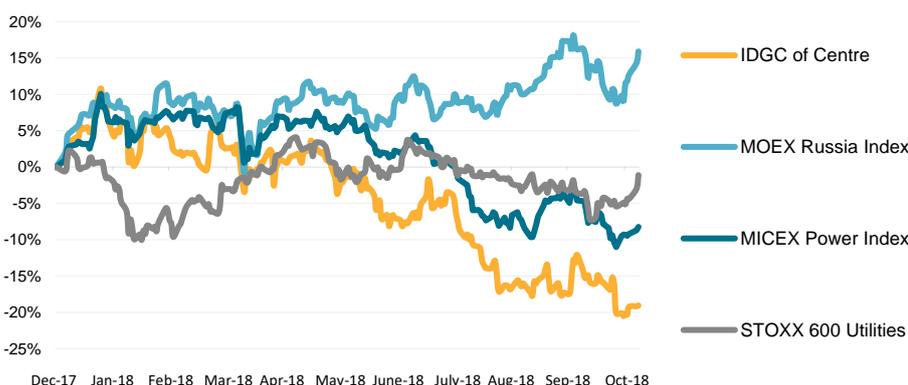
COMPANY NEWS

IDGC of Centre in 2018 increases the volume of net electricity supply to consumers

IDGC of Centre summed up the results of production activities for nine months of 2018. For a number of key indicators, the company surpassed the results of the same period last year.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66405/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 445,34	1,37%	15,91%
S&P 500	2 813,89	2,12%	5,25%
FTSE 100	7 117,28	1,09%	-7,42%
DAX	11 579,10	0,83%	-10,36%
DJStoxx 600	366,39	1,06%	-5,86%
Nikkei	22 085,80	-0,28%	-2,98%
Sensex	35 237,68	0,70%	3,47%
CSI300	3 221,91	-0,65%	-20,07%
Bovespa	87 714,35	-1,08%	14,81%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	65,99	0,63%	14,51%
EURO/RUB	75,32	0,43%	9,49%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 226,49	-0,06%	-5,86%
Brent*, USD/bbl	72,07	-0,08%	7,78%

* - January futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	Change	
		per day	fr 31.12.17
IDGC of Centre	0,2882	12,17	184,38
IDGC of Centre & Volga Reg	0,2682	30,23	458,02

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	1,90%	-1,10%
MICEX POWER Index	0,54%	-8,21%
IDGC of Centre**	0,14%	-19,04%
IDGC of Centre and Volga Region**	0,83%	-11,10%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	2,58%	-12,23%
FGC UES	1,02%	-3,56%
IDGC of Volga	0,15%	-2,68%
MOESK	0,07%	-22,64%
IDGC of Northern Caucasus	0,42%	-25,42%
IDGC of North-West	-0,17%	15,38%
IDGC of Urals	0,35%	-18,95%
IDGC of Siberia	0,12%	-28,12%
IDGC of South	-1,60%	7,69%
Lenenergo, ordinary shares	-1,35%	21,88%
TRK, ordinary shares	0,00%	-8,36%
Kubanenergo	0,00%	-34,95%

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