

# DAILY MARKET REVIEW

1 April, Monday

2019



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 29 March some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 rose by 0.4%, on Friday the composite stock index of the Asia-Pacific region MSCI Asia Pacific added 0.6%. The main driver of growth in the stock indices was the news about the progress in the US-China trade negotiations. According to media reports, China has made unprecedented technological concessions to the US on a number of issues, including a move away from forcing American companies operating in China to transfer technology in order to accelerate the course of trade negotiations. At the same time, economic adviser of Donald Trump said that the US was ready to negotiate with Beijing for weeks and even months in order to get it to improve the access of foreign companies to the country's market and protect the intellectual property rights of American firms. The main beneficiary of the increase in expectations for the US-PRC trade deal was the Chinese market – the CSI300 index rose by 3.9%. May Brent futures traded around \$67.9 per barrel, \$0.6 above our 28 March close. Brent quotes finish the quarter with a record rise in almost 10 years – about 30% – due to a reduction in OPEC+ production, as well as a drop in oil supplies from Venezuela and Iran due to the US sanctions.

Most of the trading session, the Russian market showed a moderately positive trend following the improvement of sentiment on global stock markets on expectations of advancing the US-China trade negotiations. In the afternoon, the MOEX Russia Index, the European Stoxx Europe 600 Index, and futures for the American indices added about 0.5% on average. In the last hour of trading the Russian stock market and the ruble were pressured by a message from Bloomberg that the US is preparing new sanctions against the Russian Federation in connection with the "Skripal case". According to the agency, the package of measures was approved by the State Department and the US Treasury, the final decision of the White House is expected. The exact amount of sanctions is still unknown, but one of the sources of Bloomberg claims that they affect the banking sector of the Russian Federation. On these pieces of news, the MOEX Russia Index reduced the growth rates to 0.2%, the dollar went up by more than a percent, rising above 65.7 rubles.

At the end of the trading session, the electric utilities sector index underperformed mainly due to a percentage decrease in Inter RAO's shares. ROSSETI reported for 2018: the loss under RAS amounted to 11.55 billion rubles against the loss of 13.2 billion rubles a year earlier, the net profit under IFRS increased by 2.9% y/y, to 124.7 billion rubles. The head of ROSSETI said that the holding plans to pay dividends for the first quarter of 2019. In turn, even before the publication of the financial statements of ROSSETI, the Minister of Energy announced that paying dividends to shareholders of ROSSETI is technically possible even with the loss under RAS, but this issue has not yet been discussed.

## ELECTRIC POWER INDUSTRY NEWS

### FAS hopes to level electric grid tariffs in "pilot" regions from 2020

The Federal Antimonopoly Service (FAS) of Russia expects that the first "pilot" projects for introduction of reference costs in the power grid complex, whose task is to equalize the cost of electricity transmission in the regions of Russia to an average, will start working next year, FAS Deputy Head Vitaly Korolev told journalists on the sidelines of the Krasnoyarsk Economic Forum.

Read full text: <http://www.bigpowernews.ru/markets/document87542.phtml>

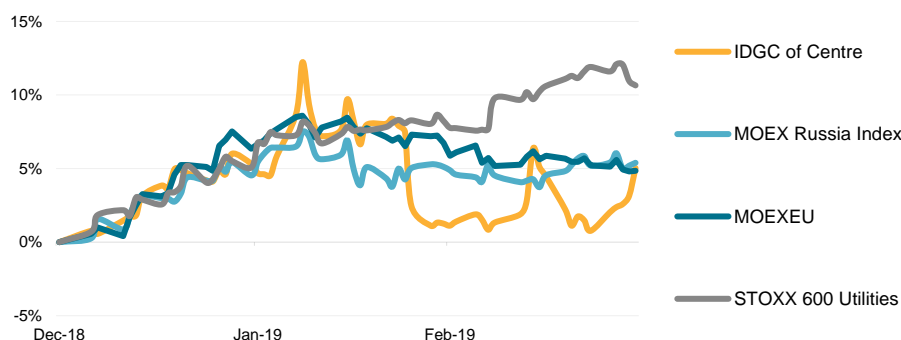
## COMPANY NEWS

### Kostromaenergo met representatives of small and medium-sized businesses on grid connection issues

IDGC of Centre - Kostromaenergo division held a meeting on connection to grids of power installations with a capacity of 15-150 kW. The event was attended by representatives of small and medium-sized businesses of the Kostroma region, the leadership of Kostromaenergo and relevant subdivisions of the branch.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/67878/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 497,10	0,19%	5,39%
S&P 500	2 834,40	0,67%	13,07%
FTSE 100	7 279,19	0,62%	8,19%
DAX	11 526,04	0,86%	9,16%
DJStoxx 600	379,09	0,60%	12,27%
Nikkei	21 205,81	0,82%	5,95%
Sensex	38 672,91	0,33%	7,22%
CSI300	3 872,34	3,86%	28,62%
Bovespa	95 414,55	1,09%	8,56%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,80	0,32%	-6,72%
EURO/RUB	72,89	0,23%	-8,27%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 292,38	0,15%	0,77%
Brent*, USD/bbl	68,39	0,84%	27,12%

\* - May futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2759	31,09	479,83

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,28%	10,65%
MOEXEU Index	0,02%	4,84%
IDGC of Centre**	1,83%	5,03%
IDGC of Centre and Volga Region**	1,47%	4,11%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,00%	25,08%
FGC UES	-0,06%	10,79%
IDGC of Volga	0,74%	3,98%
MOESK	0,22%	3,56%
IDGC of Northern Caucasus	2,44%	8,00%
IDGC of North-West	0,19%	-6,49%
IDGC of Urals	-1,79%	-4,88%
IDGC of Siberia	-3,80%	174,34%
IDGC of South	-0,14%	30,67%
Lenenergo, ordinary shares	0,68%	12,29%
TRK, ordinary shares	0,00%	5,19%
Kubanenergo	-0,30%	37,30%

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**