

# DAILY MARKET REVIEW

21 August, Tuesday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 20 August some moderately positive external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed with an increase of 0.3-0.4%, on Monday the composite index of the Asia-Pacific region, MSCI Asia Pacific, added 0.3%. The markets were supported by The Wall Street Journal that the US and China are working on the preparation of a road map for the removal of mutual trade claims. To remove tension, the WSJ reports, the parties can hold several consultations in the coming months – this should happen before meetings of the heads of the US and the PRC scheduled for November, which are expected to take place during the "multilateral summits". October Brent futures traded near \$71.8 per barrel, at the level of our closing on Friday, 17 August. Quotes stabilized near the low for five months in anticipation of further drivers. The data of the oilfield service company Baker Hughes about the unchanged number of operating oil production facilities in the US at the maximum level for more than three years had no significant effect on the changes of oil prices.

On Monday, the Russian market, as well as the global markets in general, were dominated by buyers – hopes of easing the heat of the trade confrontation between the US and China supported investors. In the middle of the day, the MOEX Russia Index and the index of emerging markets MSCI EM added about a percent, the European Stoxx Europe 600 Index – about half a percent. An additional positive factor for traders in our market was the growth of Brent quotations above \$72 per barrel and confirmation by Fitch agency of long-term sovereign ratings of the Russian Federation at the investment level "BBB-" with a "positive" outlook. Russia's ratings, according to a press release, take into account the good balance of the budget and external financing, as well as an effective economic policy against the weakening of growth prospects in comparison with competitors, but at the same time – high dependence on commodities, weak governance standards and geopolitical tensions.

During the trading session the changes of the MicexPWR Sector Index in general corresponded to the MOEX Russia Index. The main contribution to the final growth of the sector indicator was made by shares of Inter RAO and RusHydro.

## ELECTRIC POWER INDUSTRY NEWS

### The interaction of Rosseti and consumers reached a new level

The company "Rosseti" officially launched the All-Russian Internet portal "The Light Country" - [www.svetlayastrana.rf](http://www.svetlayastrana.rf). It is designed to simplify the interaction of the grid complex with consumers, each of which can now, in the simplest possible way and in a free form, report on a problem with electricity supply.

Read full text: <http://www.bigpowernews.ru/press/document84236.phtml>

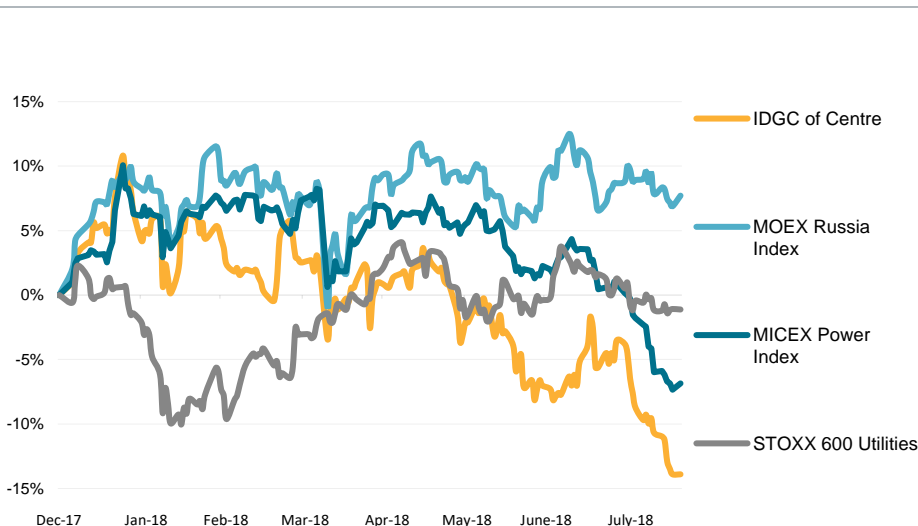
## COMPANY NEWS

### "Rosseti" for one month of the Exercises implemented a 10-year investment program in Dagestan and improved the quality of electricity supply to 1 million inhabitants

In Makhachkala, during a solemn ceremony, Alexander Matovnikov, Plenipotentiary of the President of the Russian Federation in the North Caucasian Federal District, Sergey Chebotarev, Minister for North Caucasus Affairs of the Russian Federation, Vladimir Vasiliev, Acting Head of the Republic of Dagestan and Pavel Livinskiy, Director General of Rosseti, announced the first All-Russian exercise of power engineers closed.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/65399/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



| World indexes | Value    | Change  |             |
|---------------|----------|---------|-------------|
|               |          | per day | fr 31.12.17 |
| MOEX Russia   | 2272,49  | 0,77%   | 7,71%       |
| S&P 500       | 2856,2   | 0,21%   | 6,83%       |
| FTSE 100      | 7591,26  | 0,43%   | -1,26%      |
| DAX           | 12331,3  | 0,99%   | -4,54%      |
| DJStoxx 600   | 383,23   | 0,57%   | -1,53%      |
| Nikkei        | 22199    | -0,32%  | -2,49%      |
| Sensex        | 38278,75 | 0,87%   | 12,40%      |
| CSI300        | 3267,25  | 1,17%   | -18,94%     |
| Bovespa       | 75904,74 | -0,16%  | -0,65%      |

Source: Bloomberg, Company calculations (19:00 MSK)

| Currency rates | Value   | Change  |             |
|----------------|---------|---------|-------------|
|                |         | per day | fr 31.12.17 |
| USD/RUB        | 66,8757 | -0,03%  | 16,05%      |
| EURO/RUB       | 76,1848 | 0,17%   | 10,76%      |

Source: Bloomberg, Company calculations (19:00 MSK)

| Raw             | Value   | Change  |             |
|-----------------|---------|---------|-------------|
|                 |         | per day | fr 31.12.17 |
| Gold, USD/oz    | 1186,91 | 0,16%   | -8,91%      |
| Brent*, USD/bbl | 72,17   | 0,47%   | 7,93%       |

\* - October futures

Source: Bloomberg, Company calculations (19:00 MSK)

| Shares                     | Price**, ₺ | MCap**, ₺ bln | MCap**, \$ mln |
|----------------------------|------------|---------------|----------------|
| IDGC of Centre             | 0,3065     | 12,94         | 193,49         |
| IDGC of Centre & Volga Reg | 0,28       | 31,56         | 471,85         |

Source: Central Bank of Russia, Company calculations

| Comparison with indexes           | Change  |             |
|-----------------------------------|---------|-------------|
|                                   | per day | fr 31.12.17 |
| STOXX 600 Utilities               | -0,05%  | -1,12%      |
| MICEX POWER Index                 | 0,52%   | -6,86%      |
| IDGC of Centre**                  | 0,00%   | -13,90%     |
| IDGC of Centre and Volga Region** | 1,27%   | -7,19%      |

Source: Bloomberg, Company calculations

| Grid companies             | Change** |             |
|----------------------------|----------|-------------|
|                            | per day  | fr 31.12.17 |
| Rosseti, ordinary shares   | 0,93%    | -13,70%     |
| FGC UES                    | 0,13%    | -6,45%      |
| IDGC of Volga              | 1,24%    | -8,33%      |
| MOESK                      | 0,42%    | -21,02%     |
| IDGC of Northern Caucasus  | 0,33%    | -20,31%     |
| IDGC of North-West         | 0,72%    | 34,62%      |
| IDGC of Urals              | 0,82%    | -11,69%     |
| IDGC of Siberia            | -0,53%   | -17,90%     |
| IDGC of South              | -0,28%   | 19,23%      |
| Lenenergo, ordinary shares | 1,20%    | 22,50%      |
| TRK, ordinary shares       | 0,00%    | -15,36%     |
| Kubanenergo                | 2,04%    | -23,47%     |

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**