

# DAILY MARKET REVIEW

27 February, Wednesday

2019



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 26 February some moderately negative external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed with a 0.1-0.2% increase on Donald Trump's statements about progress in trade negotiations with China and postponing the deadlines for increasing duties on Chinese exports from 1 March. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific declined by 0.4% after rising to 20-week highs a day earlier. Traders recorded profits in the face of continuing uncertainty in the outcome of the trade negotiations between Washington and Beijing. In particular, JPMorgan's analysts, drawing attention to the lack of official statements by the parties, warned that investors should not overestimate the current results of the trade negotiations, and the extension of terms does not mean their productivity. In addition, pressure on the markets in the Asian session was caused by the growth of geopolitical risks in the region after media reports that the Indian Air Force hit the terrorist training camp in Pakistan's disputed state of Kashmir. April Brent futures traded around \$64.7 per barrel, \$0.7 below our 25 February close. Oil prices continued to decline after falling by 3.5% on Monday, provoked by Donald Trump's statement on Twitter, in which he once again urged the OPEC not to overestimate the cost of fuel. At the same time, experts believe that the words of Donald Trump were only a pretext for the correction of Brent quotes after reaching three-month highs last week. According to analysts, the current potential for rising oil prices is largely limited by the growing imbalance of supply and demand in the context of the slowing global economy.

During the day, moderately negative changes prevailed on world stock exchanges. US index futures, the Stoxx Europe 600 European Index and the index of emerging markets lost on average about a third of a percent. Investors continued to evaluate information on the US-China trade negotiations, taking into account Donald Trump's reservation that a trade deal with Beijing might not be reached. Against this background, the main guideline for the Russian market was the trends of oil prices. The morning decline in the Brent quotes provoked an almost a percentage drop in the MOEX Russia Index, and further, the turn in oil prices allowed the MOEX Russia Index to close trading near zero. At the end of the day, the price of Brent rose to the level of \$65.5 – traders found the fall in oil prices on Monday to be excessive, believing that the efforts of the OPEC+ alliance would still contribute to the rebalancing of the oil market.

During the trading session the electric utilities sector index looked slightly better than the market. The main contribution to the conditional MOEXEU growth at the end of the day was made by shares of Inter RAO.

## ELECTRIC POWER INDUSTRY NEWS

### The Ministry of Justice registered an order of the Ministry of Energy, approving requirements for information security systems for remote monitoring of power equipment

The Ministry of Justice of the Russian Federation registered the order of the Ministry of Energy of Russia "On approval of requirements for basic (mandatory) functions and information security during the creation and subsequent operation of remote monitoring and diagnostics of power equipment in the Russian Federation".

Read full text: <http://www.bigpowernews.ru/news/document87057.phtml>

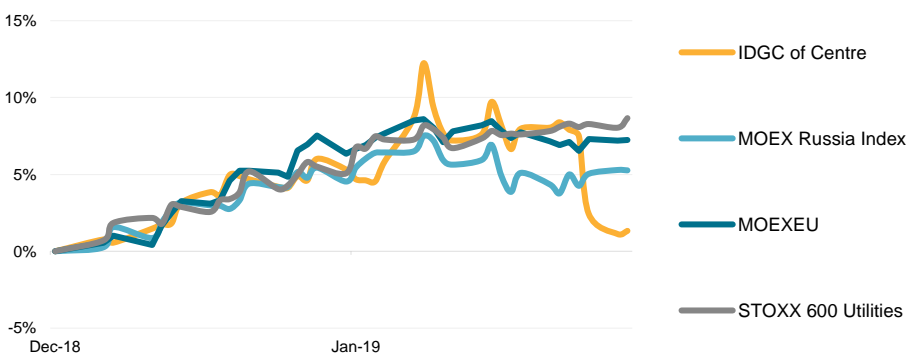
## COMPANY NEWS

### Tambovenergo in 2018 connected more than 1,200 facilities to its grids

IDGC of Centre - Tambovenergo division summed up the work on grid connection for 2018. During the reporting period, the power engineers connected 1,293 facilities to the grid with a total capacity of 35.7 MW.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/67407/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 494,02	-0,02%	5,26%
S&P 500	2 793,90	-0,08%	11,45%
FTSE 100	7 151,12	-0,45%	6,29%
DAX	11 540,79	0,31%	9,30%
DJStoxx 600	373,64	0,39%	10,66%
Nikkei	21 449,39	-0,37%	7,17%
Sensex	35 973,71	-0,66%	-0,26%
CSI300	3 684,69	-1,20%	22,39%
Bovespa	97 602,50	0,37%	11,05%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,26	-0,39%	-6,06%
EURO/RUB	74,09	-0,33%	-6,76%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 328,96	0,10%	3,62%
Brent*, USD/bbl	65,21	0,69%	21,21%

\* - April futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2898	12,23	187,48
IDGC of Centre & Volga Reg	0,2637	29,72	455,40

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,57%	8,66%
MOEXEU Index	0,04%	7,24%
IDGC of Centre**	0,21%	1,33%
IDGC of Centre and Volga Region**	0,11%	-0,49%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,27%	31,49%
FGC UES	0,08%	14,19%
IDGC of Volga	1,45%	3,52%
MOESK	-0,29%	4,47%
IDGC of Northern Caucasus	-1,13%	-0,14%
IDGC of North-West	0,00%	-9,91%
IDGC of Urals	-1,41%	6,28%
IDGC of Siberia	0,00%	60,98%
IDGC of South	0,08%	18,09%
Lenenergo, ordinary shares	-0,69%	8,32%
TRK, ordinary shares	-4,52%	9,74%
Kubanenergo	-1,64%	22,54%

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**