

DAILY MARKET REVIEW

7 June, Friday

2019



REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 6 June some neutral external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed with a 0.8% increase following the intensified expectations for the Fed to lower interest rates after the publication of weak ADP data, which registered a drop in the number of new jobs in the private sector in May to a minimum of nine years. On Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.3% on Donald Trump's statements that they had not yet achieved sufficient progress in negotiations with Mexico to prevent the introduction of duties, of which he had previously warned – 5% for all Mexican imports from 10 June. August Brent futures traded around \$60.8 per barrel, \$0.2 less than our 5 June close. As Bloomberg noted, on Wednesday oil prices decreased by more than 20% from April's highs, which indicates a "bearish" trend. The market was pressured by data from the US Department of Energy, according to which oil and petroleum products in the country soared 22 million barrels for the week – a record in the entire history of calculations since 1990. At the same time, the growth of reserves is largely due to the increase in oil production, which reached a historic maximum, 12.4 million barrels per day.

In the first half of the trading session, stock markets grew in anticipation of the outcome of the ECB meeting – the MOEX Russia Index added more than a percent, the European Stoxx Europe 600 Index and futures for US indices – about half a percent. Additional support for Russian investors was provided by the rise of Brent quotes to the level of \$61.5 per barrel. According to experts, the ECB will refrain from changing the parameters of monetary policy, but the tone of the regulator's statements may soften, which will be a signal to strengthen support for the Eurozone's economy. Moods in western markets deteriorated after the publication of the results of the ECB meeting and the press conference of Mario Draghi. The decisions of the European Central Bank on the whole coincided with analysts' forecasts, however, Bloomberg writes that investors were surprised by the stated intention to keep rates unchanged until at least the end of the first half of 2020 – it was previously expected that rates would remain the same until the end of 2019. Secondly, the head of the European Central Bank announced a decrease in growth forecasts for the Eurozone's economy in 2020-2021 due to the uncertainty in the Brexit negotiations and concerns about the prospects for world trade. Against this background, the European Stoxx Europe 600 Index and futures for the S&P500 index moved into the negative area. This trend did not make an impression on the Russian investors – the MOEX Russia Index closed trading near the daily highs, ignoring also the fall in Brent quotes below \$60.5 per barrel.

The electric utilities sector index for the third day in a row has demonstrated outperformance. The main contribution to the MOEXEU outperformance in comparison with the MOEX Russia Index was made by shares of RusHydro and ROSSETI.

ELECTRIC POWER INDUSTRY NEWS

ROSSETI to create its own line of metering devices in 2020

As part of the implementation of the digital transformation concept, ROSSETI will develop its own industrial design of smart electricity metering devices based on the domestic element base.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=35283

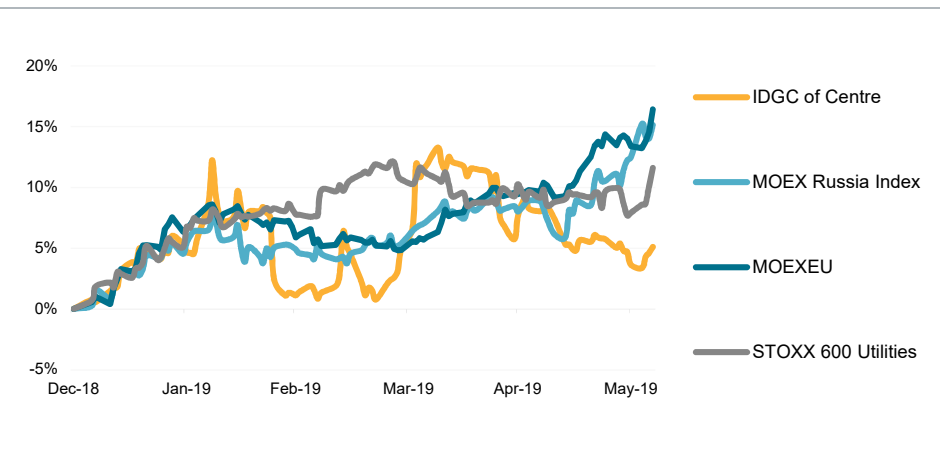
COMPANY NEWS

Kurskenergo provided energy supply for large facilities of the agro-industrial complex of the region

IDGC of Centre - Kurskenergo division summed up the work on connection of customers to power grids for 4 months of 2019. During this period, the branch received 685 applications for grid connection. 504 contracts were concluded, 463 contracts were executed. The total capacity of power installations connected to Kurskenergo's grids was 10.4 MW.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/68573/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 728,25	0,98%	15,15%
S&P 500	2 843,49	0,61%	13,43%
FTSE 100	7 259,85	0,55%	7,90%
DAX	11 953,14	-0,23%	13,20%
DJStoxx 600	374,01	-0,02%	10,77%
Nikkei	20 774,04	-0,01%	3,79%
Sensex	39 529,72	-1,38%	9,60%
CSI300	3 564,68	-0,90%	18,40%
Bovespa	97 204,85	1,26%	10,60%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,12	-0,06%	-6,26%
EURO/RUB	73,37	-0,07%	-7,67%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 335,33	0,38%	4,12%
Brent*, USD/bbl	61,67	1,72%	14,63%

* - August futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.18
IDGC of Centre	0,3006	12,69	194,87	
IDGC of Centre & Volga Reg	0,2866	32,30	495,96	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	1,34%	11,61%
MOEXEU Index	1,61%	16,42%
IDGC of Centre**	0,47%	5,10%
IDGC of Centre and Volga Region**	2,03%	8,15%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	2,34%	68,92%
FGC UES	1,01%	20,36%
IDGC of Volga	0,56%	10,20%
MOESK	0,83%	10,00%
IDGC of Northern Caucasus	13,78%	110,00%
IDGC of North-West	-0,33%	9,55%
IDGC of Urals	0,46%	-4,88%
IDGC of Siberia	0,73%	196,20%
IDGC of South	-0,42%	31,68%
Lenenergo, ordinary shares	-1,20%	9,07%
TRK, ordinary shares	0,68%	-4,55%
Kubanenergo	0,00%	27,05%

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