

DAILY MARKET REVIEW

9 April, Tuesday

2019



REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 8 April some moderately positive external background formed on the Russian market. On Friday the US indices S&P500 and DJIA closed with a growth of 0.2-0.5%; on Monday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.1% on the news about the progress in US-China trade negotiations and good American statistics. Following the results of the latest round of talks held on 4-5 April in Washington, the White House officially announced that the US and China had productive meetings and made progress on a number of key issues. At the same time, Donald Trump said that the parties expect to complete negotiations and conclude a new trade agreement in the next four weeks. In the US, unemployment remained at 3.8% in March, as was the case a month earlier, the growth in the number of jobs accelerated to 196 thousand, after increasing in February by a minimum of 33 thousand since September 2017. At the same time, the wage increase was lower than expected, which, according to analysts, should become another argument for the Fed in favour of a cautious approach to a possible change in monetary policy. June Brent futures traded at around \$70.6 per barrel, \$0.6 above our Friday close on 5 April. For the first time since November of last year, Brent quotes were fixed above the psychological mark of \$70 per barrel, both on reducing concerns about the prospects for the global economy and fears of a reduction in supply due to the escalation of the conflict in Libya and sanctions pressure on Iran and Venezuela.

The MOEX Russia Index, which updated the historical maximum on Monday, spent most of the day in a small plus within half a percent. Positive background for the Russian market was rising oil prices and hopes for a reduction in sanctions risks. Bloomberg reported a decrease in the US Congress's enthusiasm for additional sanctions against Russia. Many lawmakers, Bloomberg writes, still would like Russia to incur more severe punishment for interfering in the US presidential election in 2016, but there is still no consensus in Congress on how to send the right signal to the Kremlin. Fears of undesirable economic consequences and difficulties associated with passing laws through the divided Congress, with no support from the president, are two factors that increase the fluctuations of legislators. The activity of Russian buyers during the trading session was limited by weakly negative changes of the western markets. As noted in MarketWatch, the rally, supported by signals about the successful course of the US-China trade negotiations, loses momentum in the absence of specific agreements between the two countries. At the end of the day, the rise in the MOEX Russia Index accelerated to 0.8% – our market was supported by the growth of Brent quotes above \$71 per barrel.

At the end of the trading session, the electric utilities sector index underperformed. The main contribution to the MOEXEU underperformance compared to the MOEX Russia Index was made by shares of ROSSETI, in which profit was actively taken after a steady growth last week.

ELECTRIC POWER INDUSTRY NEWS

The Ministry of Economic Development supported the proposals of the Ministry of Energy on the phased introduction of fees for the grid capacity reserve

The Ministry of Economic Development of the Russian Federation supports the proposals of the Ministry of Energy on the phased introduction of fees for the grid capacity reserve, said Minister of Economic Development Maxim Oreshkin.

Read full text: http://www.bigpowernews.ru/news/document87667_phtml

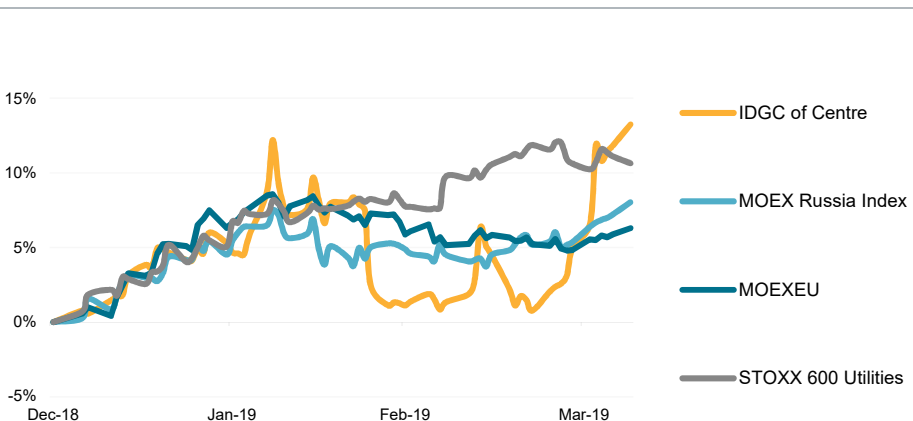
COMPANY NEWS

Tambovergo implemented grid connection of a socially significant facility

An important activity of IDGC of Centre - Tambovergo division is grid connection of social facilities. In 2019, Tambov power engineers in the shortest possible time provided connection to the grid of IDGC of Centre of a newly built waste sorting facility located in Mordovsky district of the Tambov region.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/67979/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 560,07	0,75%	8,05%
S&P 500	2 895,77	0,10%	15,51%
FTSE 100	7 451,89	0,07%	10,76%
DAX	11 963,40	-0,39%	13,30%
DJStoxx 600	387,51	-0,19%	14,77%
Nikkei	21 761,65	-0,21%	8,73%
Sensex	38 700,53	-0,42%	7,30%
CSI300	4 057,23	-0,12%	34,76%
Bovespa	97 369,29	0,27%	10,79%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,41	0,12%	-5,85%
EURO/RUB	73,44	0,02%	-7,58%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 297,48	0,44%	1,17%
Brent*, USD/bbl	71,1	1,08%	32,16%

* - June futures

Source: Bloomberg, Company calculations

Shares	Price**, P	MCap**, P bln	Change	
			per day	fr 31.12.18
IDGC of Centre	0,3240	13,68		209,13
IDGC of Centre & Volga Reg	0,2784	31,38		479,69

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,41%	10,68%
MOEXEU Index	0,38%	6,32%
IDGC of Centre**	1,25%	13,29%
IDGC of Centre and Volga Region**	0,43%	5,06%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-2,90%	29,59%
FGC UES	1,68%	11,23%
IDGC of Volga	0,10%	6,38%
MOESK	-0,72%	4,17%
IDGC of Northern Caucasus	-0,64%	10,71%
IDGC of North-West	0,37%	-2,34%
IDGC of Urals	-0,89%	-3,47%
IDGC of Siberia	0,09%	129,17%
IDGC of South	-3,21%	27,36%
Lenenergo, ordinary shares	-0,66%	13,23%
TRK, ordinary shares	0,61%	6,49%
Kubanenergo	2,33%	43,85%

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