

# DAILY MARKET REVIEW

26 December, Wednesday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 25 December some negative external background formed on the Russian market. On Monday the US indices DJIA and S&P500, having updated their annual lows, fell 2.7-2.9% due to political problems in the US. Firstly, the work of state institutions is still partially suspended in the country due to the disagreements between Donald Trump and Democrats on the interim budget. Secondly, investors were worried about the president's new critical remarks about the Fed, which, according to Donald Trump, is the "only problem of the economy." Thirdly, according to Bloomberg, the president can dismiss the head of the Treasury Department, blaming him for the collapse of financial markets. In the escalation of the political crisis, Democratic leaders in the Senate and House of Representatives accused Donald Trump, saying that he plunges the country into chaos on the eve of Christmas. Finally, the nervousness of the traders was added by the statement of the head of the US Treasury Department about the sufficient liquidity of the largest American banks. According to The Wall Street Journal, the attempts of Secretary of the Treasury to reassure investors, it seems, only worsened the situation. Following the US market, on Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 1.9%. The Japanese Nikkei225 was the driver of the fall, collapsing by 5% and switching to the territory of the "bearish" trend. Additional pressure on the Japanese market was caused by a sharp strengthening of the yen due to the flight of investors into defensive assets. February Brent futures traded around \$50.5 per barrel, \$2.5 below our 24 December close. On Monday Brent quotes lost 6.2% due to the general withdrawal of traders from risky assets and continuing concerns about the slowdown in the global economy and the preservation of excess fuel in the market.

On Tuesday sellers dominated the Russian market, while at the daily lows, the fall of the MOEX Russia Index reached 2.8%. In addition to the increase in pessimism on global stock markets, an additional negative factor for domestic investors was a sharp deterioration in expectations regarding the situation on the oil market – at the beginning of trading January Brent futures on Moscow Exchange fell to \$45 per barrel. In the afternoon the MOEX Russia Index reduced losses to 1.4% after the turn in oil prices from the session lows.

During the trading session the MicexPWR Sector Index outperformed – the main activity of sellers was concentrated in the first-tier securities. The main contribution to the final MicexPWR reduction was made by shares of Inter RAO.

## ELECTRIC POWER INDUSTRY NEWS

**Head of the Ministry of Energy, Alexander Novak, in an interview with Kommersant confirmed that the transfer of the functions related to development of the electric power industry to his deputy Alexey Texler, after dismissing Vyacheslav Kravchenko from the Ministry, is the final decision.**

According to the head of the Ministry of Energy, Mr. Texler will retain the position of the first deputy and will continue to oversee energy policy and the electric power industry.

Read full text: <http://www.bigpowernews.ru/news/document86158.phtml>

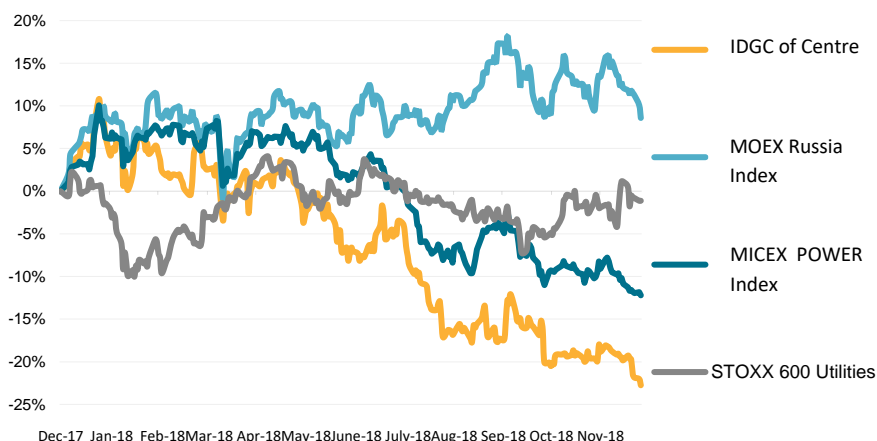
## COMPANY NEWS

**Government of the Voronezh Region and IDGC of Centre strengthen cooperation in the field of development and modernization of the electric grid complex of the region**

On 25 December, Voronezh hosted a working meeting of Governor of the Voronezh Region Alexander Gusev and General Director of IDGC of Centre - the managing organization of IDGC of Centre and Volga Region Igor Makovskiy. The head of the region and the head of the company discussed topical issues of operation of the regional power grid complex.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66906/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 290,86	-1,35%	8,58%
S&P 500	2 351,10	-2,71%	-12,06%
FTSE 100	6 685,99	-0,52%	-13,03%
DAX	10 633,82	0,00%	-17,68%
DJStoxx 600	335,24	-0,42%	-13,86%
Nikkei	20 166,19	0,00%	-11,42%
Sensex	35 470,15	-0,76%	4,15%
CSI300	3 017,28	-0,69%	-25,15%
Bovespa	85 697,15	0,00%	12,17%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	68,41	0,59%	18,70%
EURO/RUB	77,89	-0,11%	13,23%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 268,54	-0,05%	-2,63%
Brent*, USD/bbl	50,47	-6,22%	-24,53%

\* - February futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.17
IDGC of Centre	0,2750	11,61	169,72	
IDGC of Centre & Volga Reg	0,2639	29,74	434,76	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,32%	-1,12%
MICEX POWER Index	-0,42%	-12,21%
IDGC of Centre**	-0,94%	-22,75%
IDGC of Centre and Volga Region**	-1,71%	-12,53%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-1,39%	-5,89%
FGC UES	-0,73%	-7,13%
IDGC of Volga	-1,62%	-5,50%
MOESK	-1,14%	-27,42%
IDGC of Northern Caucasus	-2,39%	-27,71%
IDGC of North-West	-0,59%	-2,31%
IDGC of Urals	1,47%	-14,56%
IDGC of Siberia	0,70%	-12,14%
IDGC of South	1,10%	-8,03%
Lenenergo, ordinary shares	-0,56%	11,88%
TRK, ordinary shares	0,00%	-11,05%
Kubanenergo	-0,80%	-36,99%

Source: MOEX, Company calculations

\*\* - at the price of last transaction at MOEX

**IDGC of Centre, PJSC**  
127018, Moscow, 2nd Yamskaya, 4  
+7 (495) 747 92 92  
<http://mrsk-1.com/en/investors/>

**IR Division**  
+7 (495) 747 92 92, ext. 33-34  
[ir@mrsk-1.ru](mailto:ir@mrsk-1.ru)

**Tickers**  
Moscow Exchange (MOEX)  
Bloomberg  
Reuters

**MRKC**  
**MRKC:RM**  
**MRKC:MM**