

# DAILY MARKET REVIEW

11 February, Monday

2019



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 8 February some negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 fell 0.9%, on Friday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 1%. The markets were pressured by concerns about the prospects for the world economy after the deterioration of forecasts for growth in the GDP of the Eurozone and Great Britain from the European Commission and the Bank of England, respectively, as well as doubts about the conclusion of a trade agreement between the US and China before the end of February. First of all, Larry Kudlow, Top Economic Adviser to the President of the United States, said that there is still a long way to go before a deal is made between Washington and Beijing. Secondly, Donald Trump said that he does not plan to meet with the Chairman of the PRC before 1 March, the deadline set by the countries for concluding a trade agreement. Thirdly, according to experts, a decree banning the use of Chinese telecommunications equipment in US wireless networks, which the US President may sign this week, can make it more difficult to conclude a deal. April Brent futures traded around \$61.1 per barrel, \$1.2 below our 7 February close. Negative background for the market was concerns about a decline in oil demand due to the slowdown of the global economy and the strengthening of the dollar in the global foreign exchange market.

Most of the trading session the MOEX Russia Index, the European Stoxx Europe 600 Index and the index of emerging markets MSCI EM, futures for US indices spent in a small minus within half a percent. The decrease in investors' demand for risky assets, according to analysts, was mainly due to the risks of an escalation of the US-China trade conflict. The decision of the Bank of Russia to keep the key interest rate at 7.75% was expected and did not have a significant impact on the changes of the Russian stock market. At the same time, experts drew attention to a significant softening of the rhetoric of the regulator, who removed from the final statement the phrase on the assessment of the feasibility of further raising the key rate. Instead, the new statement says that "the Bank of Russia will make decisions on the key rate, assessing the sufficiency of the increase in the key rate in September and December 2018 to return annual inflation to the goal in 2020." At the end of the day, the Russian market was supported by the growth of Brent quotes to \$62 per barrel. Losses of the MOEX Russia Index were limited to a third of a percent, despite the deterioration of sentiment in the western exchanges.

During the trading session the electric utilities sector index outperformed. The main contribution to the final MOEXEU growth in antiphase with the MOEX Russia Index was made by shares of Inter RAO.

## ELECTRIC POWER INDUSTRY NEWS

### Legislative regulation of digital transformation of the electric grid complex was discussed in the State Duma of the Russian Federation

Today in Moscow in the State Duma of the Russian Federation an extended discussion took place on the issues of legislative regulation of the digital transformation of the electric grid complex. During the meeting, Chief Adviser of ROSSETI, Konstantin Mikhaylenko, presented the main aspects of the Digital Transformation 2030 concept.

Read full text: [http://www.rosseti.ru/press/news/index.php?ELEMENT\\_ID=34653](http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=34653)

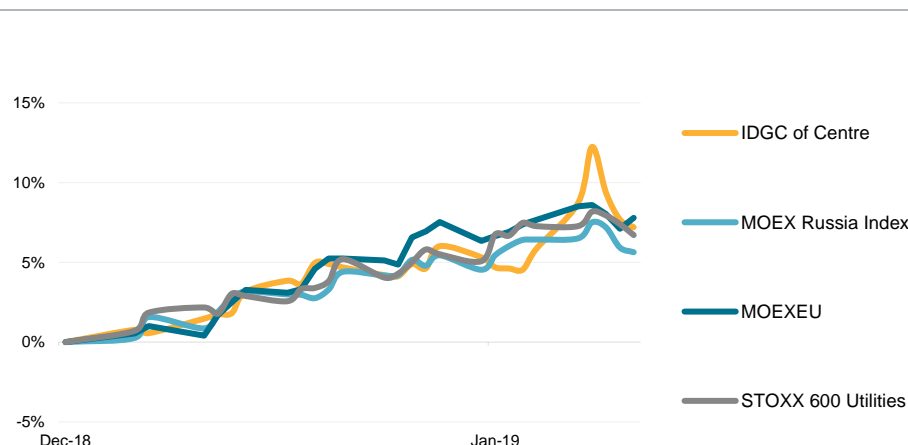
## COMPANY NEWS

### Kurskenergo in 2019 to spend 248.9 million rubles to implement the repair program

IDGC of Centre - Kurskenergo division approved the repair program for 2019. It is planned to allocate 248.9 million rubles for the implementation of its activities. The program provides for overhaul of 313 transformer substations of 10/0.4 kV and 1,712.8 km of overhead lines (Conductors) of 0.4-110 kV.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/67227/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 502,82	-0,28%	5,63%
S&P 500	2 707,88	0,07%	8,02%
FTSE 100	7 071,18	-0,32%	5,10%
DAX	10 906,78	-1,05%	3,29%
DJStoxx 600	358,07	-0,56%	6,05%
Nikkei	20 333,17	-2,01%	1,59%
Sensex	36 546,48	-1,15%	1,33%
CSI300	3 247,40	0,00%	7,86%
Bovespa	95 343,10	0,99%	8,48%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	66,02	0,53%	-4,97%
EURO/RUB	74,97	0,26%	-5,66%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 314,29	0,32%	2,48%
Brent*, USD/bbl	62,1	0,76%	15,43%

\* - April futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3066	12,94	196,06
IDGC of Centre & Volga Reg	0,2832	31,92	483,43

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,65%	6,71%
MOEXEU Index	0,64%	7,79%
IDGC of Centre**	-0,45%	7,20%
IDGC of Centre and Volga Region**	0,60%	6,87%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,21%	25,60%
FGC UES	-0,05%	11,41%
IDGC of Volga	0,19%	9,08%
MOESK	0,07%	5,91%
IDGC of Northern Caucasus	0,98%	3,29%
IDGC of North-West	-0,88%	1,62%
IDGC of Urals	4,81%	18,09%
IDGC of Siberia	0,55%	61,46%
IDGC of South	1,22%	21,67%
Lenenergo, ordinary shares	-0,18%	7,56%
TRK, ordinary shares	2,78%	20,13%
Kubanenergo	-1,48%	36,07%

Source: MOEX, Company calculations

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

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### Tickers

Moscow Exchange (MOEX)  
Bloomberg  
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MRKC  
MRKC:RM  
MRKC:MM