

# DAILY MARKET REVIEW

16 April, Tuesday

2019



## REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 15 April some moderately positive external background formed on the Russian market. On Friday the US indices S&P500 and DJIA closed with a rise of 0.6-1% on strong statistics from China, where exports in March rose by a maximum of five months to 14.2% y/y and good quarterly reporting by JPMorgan and Wells Fargo, as well as stocks of Walt Disney added 11.5% after introducing a new video service – a competitor to Netflix and Amazon HBO. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.6%. Support to investors in the Asian session was provided by a number of statements by the head of the US Treasury on the prospects for a US-China trade deal. Firstly, Steven Mnuchin reported significant progress in the trade negotiations between Washington and Beijing, noting that the parties are “approaching the final round.” Secondly, the head of the US Treasury said that the US is ready to assume responsibility for consequences of non-fulfillment of obligations under the trade agreement with the PRC. June Brent futures traded around \$71.4 per barrel, \$0.1 below our closing on Friday, 12 April. The optimism of the markets with respect to the US and China trade deal was levelled by the message of the oilfield services company Baker Hughes about the increase in the number of existing drilling rigs in the US. Experts believe that this could be a signal to increase production in the US in the face of rising oil prices in recent weeks.

For the most part of the trading session, the MOEX Russia Index, like most of the major global stock indices, showed sideways trends near zero. According to experts, the likelihood of concluding a trade deal between the US and China is already included in the prices, and investors are more interested in what will happen to the already introduced duties. And in this regard, the information from Bloomberg that Washington does not intend to abandon the previously imposed duties on Chinese exports of \$50 billion even in the case of a trade agreement became a negative factor for the markets. In the afternoon, the activity of sellers in the Russian market increased, the loss of the MOEX Russia Index approached 0.8%. The deterioration in investors' sentiment triggered both the continuing decline in oil prices and the start of trading in the US with a decrease in major indices on average within a third of a percent amid inexpressive quarterly reporting by the banks Goldman Sachs and Citigroup. These reports reminded of pessimistic expectations for the profits of the largest American companies in the first quarter. In particular, the consensus forecast of FactSet suggests a drop in earnings per share of companies from the S&P500 index in January-March by 4.2% y/y after a two-digit growth in the previous quarter.

During the day, 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 RusHydro.

## ELECTRIC POWER INDUSTRY NEWS

### ROSSETI holds open doors days for partners of the company

Partner Days for Russian and foreign manufacturers of electrical products opened at the headquarters of ROSSETI.

Read full text: [http://www.rosseti.ru/press/news/index.php?ELEMENT\\_ID=34988](http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=34988)

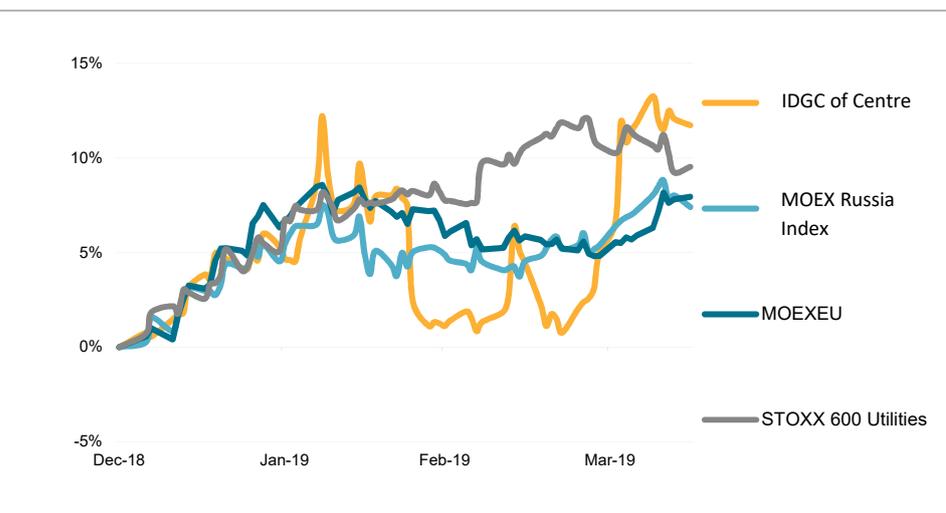
## COMPANY NEWS

### The first digital substation to appear in Belgorodenergo

IDGC of Centre - Belgorodenergo division has started the final stage of the complex modernization of the 35 kV substation “Nikolskoye” in Belgorodsky district. The project envisages an increase in the capacity of the supply centre from 2.5 to 8 MW, the complete replacement of equipment and the transition to digital technology. 286 million rubles were allocated for the project implementation with VAT included.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/68044/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 545,12	-0,57%	7,42%
S&P 500	2 905,58	-0,06%	15,91%
FTSE 100	7 436,87	0,00%	10,53%
DAX	12 020,28	0,17%	13,84%
DJStoxx 600	388,1	0,15%	14,94%
Nikkei	22 169,11	1,37%	10,76%
Sensex	38 905,84	0,36%	7,87%
CSI300	3 975,52	-0,33%	32,05%
Bovespa	93 082,97	0,22%	5,91%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,52	0,18%	-7,13%
EURO/RUB	72,84	0,25%	-8,33%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 287,95	0,19%	0,43%
Brent*, USD/bbl	71,18	-0,52%	32,30%

\* - June futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.18
IDGC of Centre	0,3196	13,49	209,14	
IDGC of Centre & Volga Reg	0,2741	30,89	478,80	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,28%	9,55%
MOEXEU Index	0,13%	7,97%
IDGC of Centre**	-0,31%	11,75%
IDGC of Centre and Volga Region**	-1,51%	3,43%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,07%	33,82%
FGC UES	0,10%	12,08%
IDGC of Volga	-0,68%	4,08%
MOESK	-0,93%	4,70%
IDGC of Northern Caucasus	-1,17%	8,71%
IDGC of North-West	-0,19%	-4,68%
IDGC of Urals	-1,60%	-6,93%
IDGC of Siberia	-2,70%	111,12%
IDGC of South	0,74%	24,22%
Lenenergo, ordinary shares	0,00%	11,34%
TRK, ordinary shares	-1,20%	6,49%
Kubanenergo	1,41%	47,13%

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**