



## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 23 March some negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 collapsed by 2.5-2.9%, on Friday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 2.8%. The markets were pressured by worried investors that a global trade war could undermine the pace of economic growth. On 22 March, the US president signed a memorandum against the Chinese "economic aggression", instructing the country's trade representative to ensure, within two weeks, the introduction of duties on the import of Chinese goods worth \$60 billion. Donald Trump also instructed the head of the Treasury within 60 days to develop restrictions on the investment of Chinese companies into the business to protect American technologies. In response, China announced that it plans to raise duties on 128 items of American goods, import of which in China is estimated at \$3 billion. The flight of investors into defensive assets triggered a sharp strengthening of the yen, under the pressure of which the Japanese Nikkei225 collapsed by 4.5%. May Brent futures traded near \$69.6 per barrel, \$0.6 above the closing level on 22 March. Oil quotes are rising on expectations of a possible US withdrawal from the nuclear agreement on Iran, which may result in new sanctions against Iran and limiting the flow of its oil to the world market. The reason for intensifying such speculation was another reshuffle in the administration of the US president - John Bolton will be Donald Trump's National Security Advisor, who, according to The Wall Street Journal, takes a tough stance against Iran, the DPRK and Russia.

In the first half of the day, sellers dominated the Russian market as part of a worldwide trend of reducing their positions in risky assets due to the escalation of the trade conflict between the two countries – the US and China. On daily lows the MOEX Russia Index lost a percent, the European Stoxx Europe 600 Index – 1.5%, the emerging markets index MSCI EM – 2%. The decision of the Bank of Russia to reduce the key interest rate by 0.25 pp to 7.25% was expected and did not have a significant impact on the domestic market. At the same time, experts drew attention to the change in the signals of the Central Bank about the future direction of monetary policy. Firstly, the press release says that against a background of long-term low inflation, the regulator will accelerate the transition to a neutral monetary policy and complete it in 2018. Secondly, the head of the Central Bank said that if inflation is "stuck" at the level of 2-2.5%, the Central Bank will take measures to bring it closer to 4%, even if it means moving from a neutral policy to a soft one. In the second half of the day, the MOEX Russia Index was able to recover all losses and close the trades near the zero mark, mainly due to the rise in the price of Brent oil to around \$70 per barrel.

During the trading session the MicexPWR Sector Index underperformed. The main contribution to the MicexPWR underperformance in comparison with the MOEX Russia Index was made by shares of Inter RAO and RusHydro.

## ELECTRIC POWER INDUSTRY NEWS

### Vyacheslav Kravchenko: "The Russian energy market has mechanisms that show its effectiveness"

Deputy Minister of Energy of the Russian Federation Vyacheslav Kravchenko spoke at the round table of the State Duma Committee on Energy on the topic: "Issues of reform and development of competitive relations in the electric power industry".

Read full text: <https://minenergo.gov.ru/node/10862>

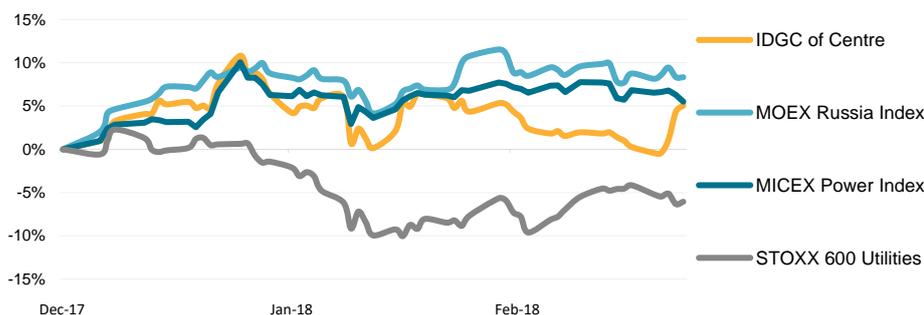
## COMPANY NEWS

### IDGC of Centre and IDGC of Centre and Volga Region identified leaders in reducing losses of electricity in 2017

IDGC of Centre and IDGC of Centre and Volga Region determined structural units that showed the best results in terms of reducing power losses in grids by the end of 2017. In IDGC of Centre, the leader in this indicator was the branch "Tambovenero".

Read full text: <https://www.mrsk-1.ru/press-center/news/company/63429/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2285.53	-0.01%	8.33%
S&P 500	2630.21	-0.51%	-1.62%
FTSE 100	6921.94	-0.44%	-9.96%
DAX	11886.31	-1.77%	-7.98%
DJStoxx 600	365.82	-0.90%	-6.00%
Nikkei	20617.86	-4.51%	-9.43%
Sensex	32596.54	-1.24%	-4.29%
CSI300	3904.94	-2.87%	-3.12%
Bovespa	84339.1	-0.51%	10.39%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	56,8391	-1.14%	-1.37%
EURO/RUB	70,31	-0.37%	2.22%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1350.06	1.58%	3.61%
Brent*, USD/bbl	69.77	1.25%	4.34%

\* - May futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln	
			per day	fr 31.12.17
IDGC of Centre	0,374	15,79	277,79	
IDGC of Centre & Volga Reg	0,333	37,53	660,26	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,06%	-6,06%
MICEX POWER Index	-0,73%	5,52%
IDGC of Centre**	0,67%	5,06%
IDGC of Centre and Volga Region**	-1,04%	10,37%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-1,37%	-2,07%
FGC UES	-0,37%	8,30%
IDGC of Volga	0,82%	19,82%
MOESK	-2,14%	-13,35%
IDGC of Northern Caucasus	-0,29%	-9,11%
IDGC of North-West	0,00%	-5,77%
IDGC of Urals	0,88%	9,07%
IDGC of Siberia	0,41%	6,11%
IDGC of South	-0,35%	-3,68%
Lenenergo, ordinary shares	-0,45%	14,27%
TRK, ordinary shares	0,00%	-4,58%
Kubanenergo	-2,21%	-9,69%

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**  
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