

DAILY MARKET REVIEW

26 February, Tuesday

2019



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 25 February some moderately positive external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed with an increase of 0.6-0.7% on optimism regarding the US-China trade negotiations. According to analysts, the promotion of the deal may indicate information from the American media that the Chinese delegation remains in Washington for another two days to further discuss trade issues. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.7%, futures for US indices – about a third of a percent. The markets were supported by the statement of the US President on the intention to postpone the increase in duties on Chinese goods, scheduled for 1 March. At the same time, Donald Trump referred to "significant progress" in the trade negotiations, noting that in the event of further favourable progress in the negotiations, he will meet with the PRC Chairman to adopt the final version of the agreement. Against this background, the Chinese market looked much better than others in the Asian session – the CSI300 index jumped 6%. April futures for Brent traded around \$66.9 per barrel, at the level of our closing on Friday, 22 February. Brent quotes consolidated near three-month highs reached at the end of last week. According to analysts at Goldman Sachs, in the near future the cost of Brent may well grow to \$70-75 per barrel thanks to the efforts of OPEC+ to reduce oil production.

The MOEX Russia Index mainly spent the first half of the day in a more than half-percent plus. Support to buyers was provided by the general optimism of world markets regarding the US-China trade deal. On Monday, Donald Trump confirmed to journalists that the two countries were very close to concluding an agreement, and that he would personally meet with the PRC Chairman to sign the final version of such an agreement. However, in the second half of the trading session, the MOEX Russia Index dropped below zero after the fall of Brent quotes to \$65.5 per barrel. Sales on the oil market were triggered by a message from Donald Trump on Twitter, in which he expressed dissatisfaction with the rise in oil prices and urged OPEC to limit measures aimed at raising them. The MOEX Russia Index was able to close the trades in a small plus thanks to the preservation of the positive changes in global stock markets.

At the end of the trading session the electric utilities sector index underperformed. The main contribution to the MOEXEU decline in the opposite phase with the market was made by shares of ROSSETI and OGC-2, in which investors fixed profits after last week's steady growth.

ELECTRIC POWER INDUSTRY NEWS

FAS Russia intends to create a clear procedure for calculating cross-subsidies in the regions

The Federal Antimonopoly Service of the Russian Federation will create a clear procedure for calculating cross-subsidies in grid energy tariffs in the regions, the anti-monopoly regulator reports.

Read full text: <http://www.bigpowernews.ru/markets/document87012.phtml?1&q=>

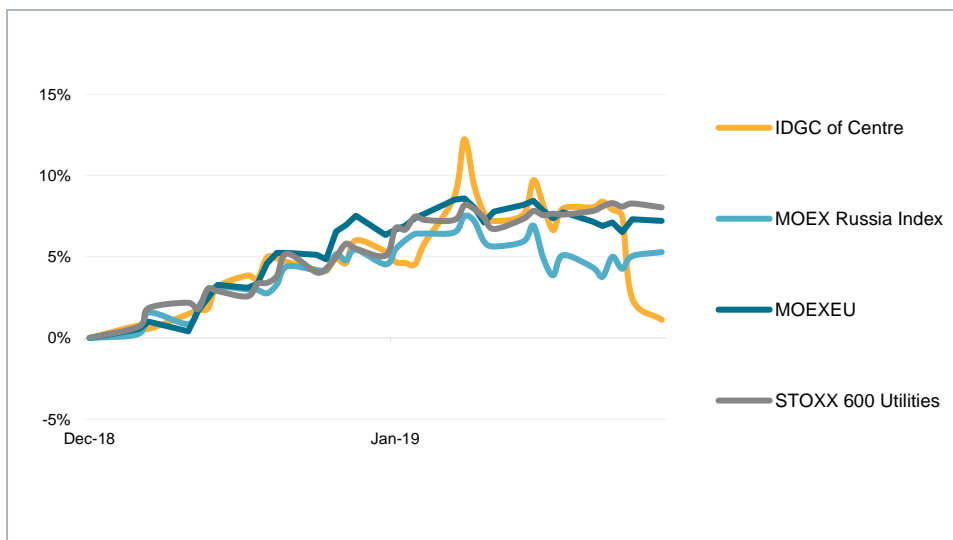
COMPANY NEWS

In 2018 Smolenskenergo recorded the maximum amount of revenue for the service to replace electricity metering devices

In 2018, the revenue from the service for replacement of electricity metering devices of IDGC of Centre - Smolenskenergo division was a record for the last 5 years. During the year, Smolenskenergo received 9,786 applications and concluded 8,543 contracts for the provision of this value-added service, which for several years in a row has been the most demanded value-added service of the branch among residents of the Smolensk region. The revenue from the provision of services increased by 5% and amounted to 22.45 million rubles.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/67386/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 494,63	0,24%	5,29%
S&P 500	2 796,11	0,12%	11,54%
FTSE 100	7 183,74	0,07%	6,77%
DAX	11 505,39	0,42%	8,96%
DJStoxx 600	372,18	0,26%	10,23%
Nikkei	21 528,23	0,48%	7,56%
Sensex	36 213,38	0,95%	0,40%
CSI300	3 729,48	5,95%	23,88%
Bovespa	97 239,90	-0,66%	10,64%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,51	-0,04%	-5,69%
EURO/RUB	74,33	0,05%	-6,45%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 327,58	-0,14%	3,52%
Brent*, USD/bbl	64,76	-3,52%	20,37%

* - April futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2634	29,68	453,10

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,22%	8,04%
MOEXEU Index	-0,10%	7,20%
IDGC of Centre**	-1,30%	1,12%
IDGC of Centre and Volga Region**	-2,26%	-0,60%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-1,07%	31,14%
FGC UES	-0,41%	14,10%
IDGC of Volga	-1,04%	2,04%
MOESK	-1,21%	4,77%
IDGC of Northern Caucasus	0,86%	1,00%
IDGC of North-West	0,00%	-9,91%
IDGC of Urals	3,43%	7,80%
IDGC of Siberia	1,79%	60,98%
IDGC of South	-0,31%	18,00%
Lenenergo, ordinary shares	0,35%	9,07%
TRK, ordinary shares	4,73%	14,94%
Kubanenergo	-1,62%	24,59%

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

Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

MRKC

MRKC:RM

MRKC:MM