

# DAILY MARKET REVIEW

16 May, Thursday

2019



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 15 May some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 rose by 0.8%, on Wednesday the composite stock index of the Asia-Pacific region MSCI Asia Pacific added 0.6%. The markets were mainly supported by the mitigation of Donald Trump's rhetoric regarding trade disputes with China. In particular, describing the current situation in the negotiations as a "petty quarrel", he again expressed confidence that a trade agreement with China would still be signed. In addition, the US president said that he had not yet decided to increase duties on the remaining Chinese exports in excess of \$300 billion a year. Under these conditions, the Chinese market showed a steady rise – the CSI300 index grew by 2.3% – despite April statistics for industrial production and retail sales that were worse than expected. The escalation of the trade conflict between Washington and Beijing, analysts said, could put additional pressure on the Chinese economy. July Brent futures traded around \$71 per barrel, \$0.3 below our closing level on 14 May. The negative background for the market was the message of the American Petroleum Institute about a sharp increase in US oil reserves last week – by 8.6 million barrels.

Most of the day sellers dominated in the Russian market, as in all major global stock markets. The losses of the MOEX Russia Index, the European Stoxx Europe 600 Index, and futures for the American indices averaged about 0.5%. The markets were pressured by both media information about possible new complications in the US-PRC trade negotiations, as well as weak American statistics. According to the Financial Times, Donald Trump after the aggravation of the trade conflict with China to increase the pressure on Beijing can sign a decree that effectively prohibits US companies from using Chinese Huawei equipment. In the US, retail sales declined in April, contrary to forecasts, industrial output decreased at the highest rate since May last year. At the end of the day, investors' sentiment improved significantly after Bloomberg reported that the US president could postpone the decision to impose a 25% duty on European-made cars for up to six months. According to Bloomberg, Donald Trump probably will not rush to the new duties to avoid escalating tensions with the EU and Japan at the time of the escalation of the trade conflict with China. Against this background, the US indices and the Stoxx Europe 600 switched to a small increase within a third of a percent, the MOEX Russia Index was able to slightly reduce the losses.

During the trading session, the electric utilities sector index outperformed. For the second day in a row, the main contribution to the MOEXEU growth has been made by Inter RAO's shares, supported by strong IFRS financial statements for the first quarter and information on the increase in the weight of these securities in the MSCI indices.

## ELECTRIC POWER INDUSTRY NEWS

### The winner of the contest "Leaders of Russia" appointed Deputy Director General of ROSSETI

The Board of Directors of ROSSETI, at its absentia meeting held on 29 April 2019, agreed on the appointment of Konstantin Mikhailik, the winner of the Leaders of Russia management contest, to the position of Deputy Director General for Operations.

Read full text: [http://www.rosseti.ru/press/news/?ELEMENT\\_ID=35067](http://www.rosseti.ru/press/news/?ELEMENT_ID=35067)

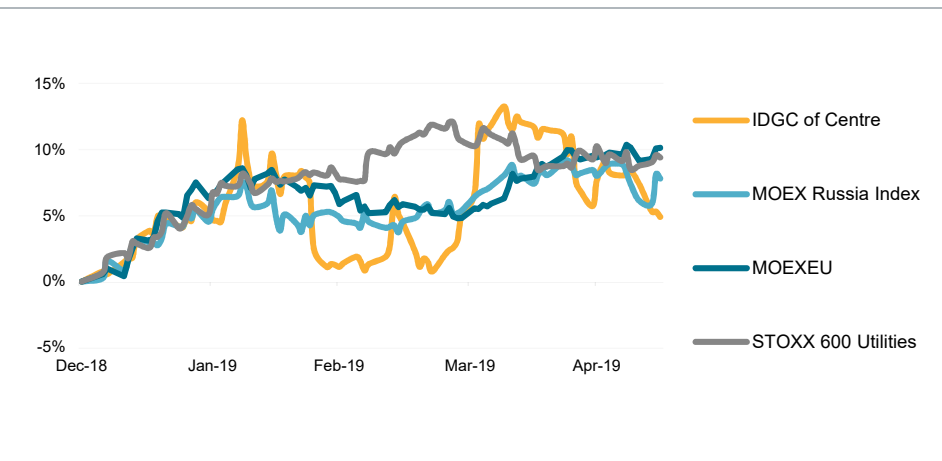
## COMPANY NEWS

### IDGC of Centre contributes to the development of the agro-industrial complex of the Kostroma region

Specialists of IDGC of Centre - Kostromaenergo division ahead of schedule implemented a project for the delivery of capacity to production premises of the dairy plant "Kosmol". For 6 months, instead of the one-year term stipulated in the contract for grid connection, the power engineers completed construction of a 6 kV cable line. The maximum power of the applicant's connected power installations was 630 kW.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/68346/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 554,49	-0,31%	7,81%
S&P 500	2 850,96	0,58%	13,73%
FTSE 100	7 296,95	0,76%	8,45%
DAX	12 099,57	0,90%	14,59%
DJStoxx 600	378,06	0,46%	11,97%
Nikkei	21 188,56	0,58%	5,86%
Sensex	37 114,88	-0,55%	2,90%
CSI300	3 727,09	2,25%	23,80%
Bovespa	91 623,44	-0,51%	4,25%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,30	-0,26%	-6,00%
EURO/RUB	73,37	-0,21%	-7,66%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 296,49	-0,03%	1,09%
Brent*, USD/bbl	71,77	0,74%	33,40%

\* - July futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln	
			fr 31.12.18	per day
IDGC of Centre	0,3000	12,67	193,96	
IDGC of Centre & Volga Reg	0,286	32,23	493,59	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,17%	9,41%
MOEXEU Index	0,04%	10,14%
IDGC of Centre**	-0,40%	4,90%
IDGC of Centre and Volga Region**	0,14%	7,92%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-2,43%	40,10%
FGC UES	-0,72%	11,40%
IDGC of Volga	0,38%	9,18%
MOESK	1,14%	7,35%
IDGC of Northern Caucasus	1,44%	71,14%
IDGC of North-West	0,09%	-2,43%
IDGC of Urals	-0,95%	-10,08%
IDGC of Siberia	0,36%	117,17%
IDGC of South	0,20%	35,45%
Lenenergo, ordinary shares	2,48%	9,26%
TRK, ordinary shares	0,00%	9,74%
Kubanenergo	1,85%	35,45%

Source: MOEX, Company calculations

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

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**Tickers**  
Moscow Exchange (MOEX)  
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**MRKC**  
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