

DAILY MARKET REVIEW

6 September, Thursday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 5 September some moderately negative external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed with a decline of 0.2% under pressure from the risks of escalation of trade conflicts and the growth of turbulence in emerging markets. The US markets were kept from a greater decline by strong statistics – the index of business activity in the manufacturing sector in August increased to a maximum in 14 years. On Wednesday the composite index of the Asia-Pacific region, MSCI Asia Pacific, lost 1.3%. The outsider in the Asian session was the Chinese market – the CSI300 index fell 2% on concerns about the beginning of a new phase of the US-China trade war and weak statistics. The index of business activity in the service sector of China, according to Caixin, in August fell to a minimum in 10 months. November Brent futures traded near \$77.5 per barrel, \$1.0 below our closing level on 4 September. Oil quotes decreased on media reports that the tropical storm "Gordon" never became a hurricane and its consequences for oil production in the Gulf of Mexico will be minimal.

On Wednesday the MOEX Russia Index spent the trading session flat near zero – the weakening of the ruble, supporting shares of exporters, was largely offset by strengthening of negative sentiment in world markets. In the afternoon, the European Stoxx 600 Index lost more than a percent. The threat of the proliferation of trade wars and the prospect of a slowdown in the global economy are becoming more obvious, experts say. According to Bloomberg, Donald Trump is ready to sign documents on the introduction of new tariffs for the import of Chinese products to the US in the amount of \$200 billion immediately after the end of the period of public discussions on 6 September. On Wednesday the talks of the US and Canada on the NAFTA trade agreement resumed, on the eve of which the Canadian prime minister said that his country does not intend to make concessions to the US. Additional pressure on emerging markets – the fall of the MSCI EM index exceeded 1.5% – was given by risks of infection of emerging economies on the Turkish (Argentine) scenario. At the end of the day, the activity of sellers on the Russian market intensified after the beginning of trading in the US with more than half a percent decline on average of major indices.

During the trading session changes of the MicexPWR Sector Index in general corresponded to the MOEX Russia Index. The main contribution to the final MicexPWR decline was made by RusHydro's shares.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Energy and Rostelecom agreed on cooperation in the digitalization of energy

Deputy Head of the Ministry of Energy Andrey Cherezov and Vice-President for industrial solutions of Rostelecom Roman Shulginov signed an agreement on long-term cooperation for the development of the digital economy of the Russian Federation, solving problems of innovative development, joint development and implementation of industrial Internet technologies.

Read full text: <http://peretok.ru/news/worldenergy/18759/>

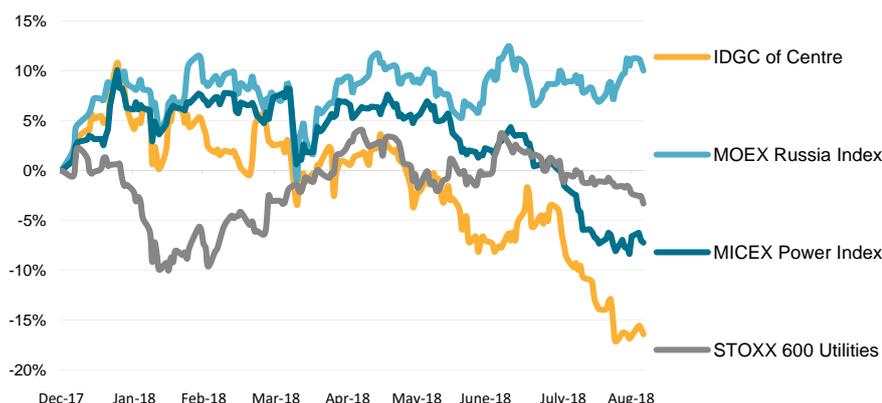
COMPANY NEWS

IDGC of Centre over seven months repaired more than 3,000 transformer substations and about 10,000 kilometres of power lines

IDGC of Centre summed up the results of the implementation of the repair program for seven months of 2018. The company performs a number of its key events ahead of schedule. 3,087 transformer substations of 6-10/0.4 kV and 9,864.6 kilometres of overhead and cable power lines of 0.4-110 kV were repaired, which makes 105% to the plan cumulative.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/65557/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 321,33	-0,64%	10,03%
S&P 500	2 888,60	-0,28%	8,04%
FTSE 100	7 383,28	-1,00%	-3,96%
DAX	12 040,46	-1,39%	-6,79%
DJStoxx 600	375,68	-1,09%	-3,47%
Nikkei	22 580,83	-0,51%	-0,81%
Sensex	38 018,31	-0,37%	11,63%
CSI300	3 298,14	-1,95%	-18,18%
Bovespa	75 092,27	0,51%	-1,71%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	68,27	0,78%	18,47%
EURO/RUB	79,02	0,49%	14,88%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 196,73	0,44%	-8,14%
Brent*, USD/bbl	77,27	-1,15%	20,70%

* - November futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2975	12,56	183,96
IDGC of Centre & Volga Reg	0,2885	32,51	476,22

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,76%	-3,32%
MICEX POWER Index	-0,26%	-7,25%
IDGC of Centre**	-0,67%	-16,43%
IDGC of Centre and Volga Region**	1,58%	-4,38%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,30%	-17,19%
FGC UES	0,03%	-3,12%
IDGC of Volga	0,41%	-5,21%
MOESK	0,43%	-22,25%
IDGC of Northern Caucasus	0,00%	-21,61%
IDGC of North-West	1,20%	29,23%
IDGC of Urals	1,16%	-16,71%
IDGC of Siberia	-1,69%	-23,58%
IDGC of South	-0,47%	7,02%
Lenenergo, ordinary shares	1,69%	25,31%
TRK, ordinary shares	0,00%	-11,05%
Kubanenergo	0,73%	-29,34%

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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