

DAILY MARKET REVIEW

4 June, Tuesday

2019



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 3 June some moderately negative external background formed on the Russian market. On Friday the US indices DJIA and S&P500 fell 1.3-1.4% after Donald Trump's decision to start a trade war with Mexico, with increasing tensions with China. Good statistics on consumer confidence, as well as income and expenditure of the population, could not provide substantial support to investors. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific showed zero changes with multidirectional trends of the main country indices, futures for the S&P500 index lost 0.4%. The Chinese CSI300 grew by 0.1% after the release of statistics on business activity in industry that turned out to be better than expected in May. According to Caixin/Markit, the manufacturing PMI remained at the level of April at 50.2 points, while analysts predicted a decline to 50 points. August Brent futures traded around \$61.3 per barrel, \$2 below our closing level on Friday, 31 May. The reason for the pessimism of investors is still fears of a slowdown in the global economy due to the aggressive US trade policy.

On Monday, buyers dominated the Russian market – the MOEX Russia Index, having updated the historical maximum, was trading in more than 2% plus for the greater part of the day. Gazprom's shares became the driving force of our market growth – by adding more than 15% at daily highs, for the first time since 2008, the papers tested 250 rubles. In the opinion of Interfax, rumours about the imminent resignation of the head of the company, which led to an avalanche of quotations up on the mass closure of short positions, led to a sharp jump in Gazprom's shares. Later, the rumours were refuted, but this did not prevent Gazprom's shares from finishing the day with almost 10% growth at the highest trading volume since February 2008. At the end of the day, support to Russian investors was provided by improved sentiment in the western markets. Earlier in the day, the MSCI World index lost about half a percent after the PRC State Council published a document in which Beijing accused Washington of the failure of trade negotiations and said that in order to establish trade relations, all previously imposed duties should be abolished. In the second half of the trading session, the MSCI World index was able to move to a positive territory on statements of representatives of the Mexican delegation, who arrived in Washington to settle the trade conflict that arose, about the possibility of reaching agreements and soon settling the issue with duties.

During the trading session, the electric utilities sector index underperformed. The main contribution to the final MOEXEU reduction was made by shares of ROSSETI.

ELECTRIC POWER INDUSTRY NEWS

"People are not worried about the tariff, but the final bill for electricity"

Deputy Director General of ROSSETI Pavel Grebtsov - on the company's revenues and new digital services for consumers.

Read full text: <https://iz.ru/883287/nikolai-khrenkov/liudei-bespokoit-ne-tarif-itogovi-schet-za-elektroenergiu>

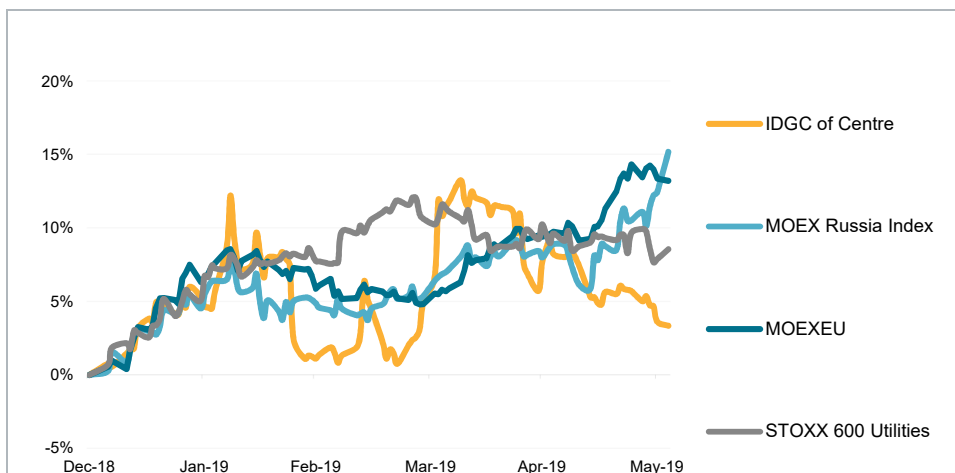
COMPANY NEWS

IDGC of Centre and IDGC of Centre and Volga Region to spend 60 billion rubles on digitalization

IDGC of Centre and IDGC of Centre and Volga Region (included in ROSSETI's Group of Companies) estimate the volume of investments in digitalization of the electric grid complex at 60 billion rubles until 2024, General Director of IDGC of Centre (the managing organization of IDGC of Centre and Volga Region) Igor Makovskiy told TASS.

Read full text: <https://tass.ru/ekonomika/6500428>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



| World indexes | Value | Change | |
|---------------|-----------|---------|-------------|
| | | per day | fr 31.12.18 |
| MOEX Russia | 2 729,93 | 2,42% | 15,22% |
| S&P 500 | 2 744,45 | -0,28% | 9,48% |
| FTSE 100 | 7 184,80 | 0,32% | 6,79% |
| DAX | 11 792,81 | 0,56% | 11,69% |
| DJStoxx 600 | 370,49 | 0,39% | 9,73% |
| Nikkei | 20 410,88 | -0,92% | 1,98% |
| Sensex | 40 267,62 | 1,39% | 11,64% |
| CSI300 | 3 632,01 | 0,06% | 20,64% |
| Bovespa | 97 020,48 | -0,01% | 10,39% |

Source: Bloomberg, Company calculations

| Currency rates | Value | Change | |
|----------------|-------|---------|-------------|
| | | per day | fr 31.12.18 |
| USD/RUB | 65,38 | 0,50% | -5,88% |
| EURO/RUB | 72,84 | 0,58% | -8,33% |

Source: Bloomberg, Company calculations

| Raw | Value | Change | |
|-----------------|----------|---------|-------------|
| | | per day | fr 31.12.18 |
| Gold, USD/oz | 1 325,31 | 1,51% | 3,34% |
| Brent*, USD/bbl | 61,28 | -4,98% | 13,90% |

* - August futures

Source: Bloomberg, Company calculations

| Shares | Price**, ₽ | MCap**, ₽ bln | Change | |
|----------------------------|------------|------------------|---------|-------------|
| | | | per day | fr 31.12.18 |
| IDGC of Centre | 0,2956 | 12,48 | 190,87 | |
| IDGC of Centre & Volga Reg | 0,2821 | 31,79 | 486,24 | |

Source: Central Bank of Russia, Company calculations

| Comparison with indexes | Change | |
|-----------------------------------|---------|-------------|
| | per day | fr 31.12.18 |
| STOXX 600 Utilities | 0,62% | 8,58% |
| MOEXEU Index | -0,14% | 13,24% |
| IDGC of Centre** | -0,27% | 3,36% |
| IDGC of Centre and Volga Region** | -0,63% | 6,45% |

Source: Bloomberg, Company calculations

| Grid companies | Change** | |
|----------------------------|----------|-------------|
| | per day | fr 31.12.18 |
| Rosseti, ordinary shares | -2,22% | 56,71% |
| FGC UES | 1,12% | 17,89% |
| IDGC of Volga | 0,37% | 10,05% |
| MOESK | -1,16% | 9,32% |
| IDGC of Northern Caucasus | -1,19% | 78,57% |
| IDGC of North-West | -0,66% | 7,75% |
| IDGC of Urals | -1,58% | -5,42% |
| IDGC of Siberia | 0,84% | 192,68% |
| IDGC of South | -1,44% | 32,23% |
| Lenenergo, ordinary shares | 0,35% | 9,64% |
| TRK, ordinary shares | -3,59% | -4,22% |
| Kubanenergo | -1,74% | 27,46% |

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

www.mrsk-1.ru/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