

DAILY MARKET REVIEW

4 March, Monday

2019



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 1 March some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 fell 0.3%, on Friday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.2%. The world equity markets continue to show inexpressive changes on conflicting signals regarding the prospects for the US-PRC trade deal. After the actual failure of the US-DPRK summit, Donald Trump said on Thursday that he was never afraid to abandon transactions or leave the negotiating table, and this also applies to the trade dialogue with the PRC. On the same day, the Assistant to the President for Economic Policy reported on "fantastic" progress in the negotiations. The Asian session was supported by statistics from China, where the Markit-Caixin data on business activity in the PRC industry in February (rising to 49.9 points from 48.3 points in January) turned out to be better than official data (decreasing from 49.5 to 49.2 points). From the overall trends of the Asian exchanges, China's CSI300 rose by 2.1% from the MSCI provider stating that the weight of Chinese A-stocks (denominated in yuan and traded on mainland China) in the MSCI EM index this year will increase from the current 0.7% to 3.3%. May Brent futures traded around \$67.1 per barrel, \$0.7 above our 28 February close. Positive background for the oil market was statistics from China and information about the continued decline in OPEC production. According to a poll of Reuters, in February, the cartel production fell 0.3 million barrels per day (b/d), to 30.68 million b/d - the minimum level since 2015.

On Friday, moderately pessimistic moods prevailed on the Russian market. The MOEX Russia Index traded in a small minus on average within a third of a percent, despite a more than half-percent increase in the European Stoxx Europe 600 Index and futures for US indices. Pressure on the Russian market was influenced by uncertain oil price changes – Brent quotes fell below \$65.5 per barrel. In turn, the western markets were supported by returned optimism regarding the US-PRC trade deal. According to Bloomberg, the American negotiators are preparing the final text of the trade agreement with China for the summit of the leaders of the two states, which can be held in mid-March. At the end of the day, the growth rates of the western exchanges somewhat declined after the publication of weak statistics from the US, where in February the business activity index in the manufacturing sector fell to a minimum since November 2016, the rate of decline in household spending in December was the highest since 2009.

During the trading session the electric utilities sector index outperformed. The main contribution to the final MOEXEU growth in antiphase with the MOEX Russia Index was made by shares of RusHydro, OGK-2 and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

ROSSETI is ready to become the operator of all state programs in the electric grid complex

ROSSETI is ready to become the operator of all government programs in the electric grid complex. This was announced at a meeting with Russian President Vladimir Putin by Pavel Livinskiy, Director General of ROSSETI.

Read full text: <http://www.bigpowernews.ru/news/document87169.phtml>

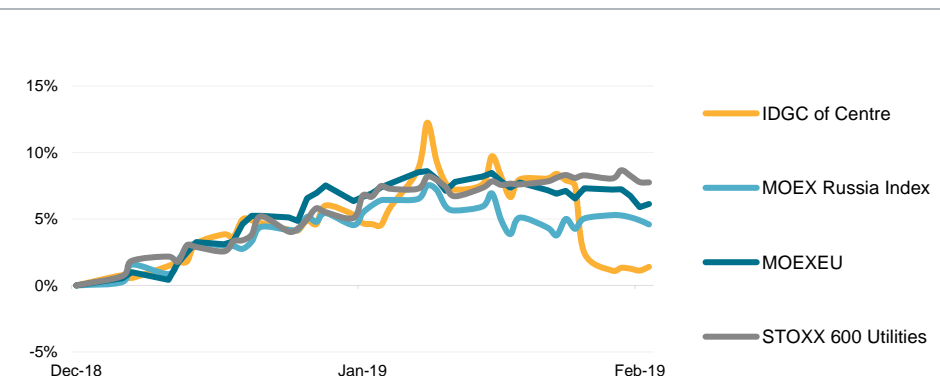
COMPANY NEWS

Igor Makovskiy: "By attracting the younger generation to solving actual problems of the electric power industry, we are shaping a trend to attract educated, talented, enterprising young personnel to the industry"

At the beginning of March, in all regions of operations of IDGC of Centre and IDGC of Centre and Volga Region (included in ROSSETI's Group of Companies) the first stage of the All-Russian Olympiad of pupils of ROSSETI will be held. The power company holds the Olympics for the second time and seeks to identify gifted senior high school students, capable of technical creativity and innovative thinking.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/67442/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 478,01	-0,29%	4,59%
S&P 500	2 803,69	0,69%	11,84%
FTSE 100	7 106,73	0,45%	5,63%
DAX	11 601,68	0,75%	9,88%
DJStoxx 600	374,24	0,39%	10,84%
Nikkei	21 602,69	1,02%	7,93%
Sensex	36 063,81	0,55%	-0,01%
CSI300	3 749,71	2,19%	24,55%
Bovespa	94 603,75	-1,03%	7,64%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,89	0,20%	-5,15%
EURO/RUB	74,97	0,19%	-5,65%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 293,44	-1,51%	0,85%
Brent*, USD/bbl	65,07	-1,45%	20,95%

* - May futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2636	29,71	450,86

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,02%	7,75%
MOEXEU Index	0,23%	6,12%
IDGC of Centre**	0,28%	1,40%
IDGC of Centre and Volga Region**	0,42%	-0,53%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,28%	26,91%
FGC UES	-0,54%	12,14%
IDGC of Volga	0,50%	1,89%
MOESK	-0,65%	4,09%
IDGC of Northern Caucasus	0,00%	2,43%
IDGC of North-West	1,22%	-10,45%
IDGC of Urals	2,05%	2,38%
IDGC of Siberia	1,69%	64,39%
IDGC of South	0,71%	17,63%
Lenenergo, ordinary shares	0,70%	8,70%
TRK, ordinary shares	-2,91%	8,44%
Kubanenergo	-1,02%	18,85%

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
MRKC:MM