

DAILY MARKET REVIEW

13 February, Wednesday

2019



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 12 February some moderately positive external background formed on the Russian market. On Monday the major US indices closed in different directions with changes within 0.2%, awaiting information on the US-China trade negotiations and the problem of a new shutdown. After the completion of trading on the American stock market, the media reported that the Democrats and Republicans in the US Congress had reached an agreement in principle on financing the protection of the Mexican border, which should prevent another suspension of government activities this weekend. Now a compromise solution must be approved by both Chambers of the Congress and signed by the president. On this news on Tuesday, the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.9%, futures for US indices - 0.5%. April Brent futures traded around \$61.8 per barrel, \$0.4 above our 11 February close. According to analysts, the market is supported by a decline in oil production under the OPEC+ pact and US sanctions against Venezuela and Iran.

On Tuesday, optimistic moods prevailed on world markets. In the middle of the trading session, the MOEX Russia Index, the European Stoxx Europe 600 Index and futures for the American indices added more than half a percent. Positive background for investors was hopes to prevent the shutdown and signals of a constructive attitude of Washington in the trade negotiations with Beijing. In particular, the US administration said that Donald Trump expects to meet soon with the Chairman of the PRC to conclude a trade deal. In general, the media notes, investors expect that the negotiations between the US and China, which will be held this week, will be more productive. Additional support for our market was provided by the Brent price increase above \$63 per barrel on statements by Saudi Arabia that the kingdom plans to reduce oil production to 9.8 million b/d in March - by 500 thousand b/d more than its obligations under the OPEC+ deal.

During the trading session the electric utilities sector index underperformed - buyers' activity was concentrated in the first-tier securities. The main contribution to the MOEXEU underperformance in comparison with the MOEX Russia Index was made by shares of Unipro and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

FAS proposed to limit the right of the regions to increase electricity tariffs

The Federal Antimonopoly Service (FAS) has introduced a bill to the government restricting the rights of the regions to increase electricity transmission tariffs. The relevant data are given in the materials for the meeting of the legal commission on legislative activities, reports "Interfax".

Read full text: <https://www.kommersant.ru/doc/3881008>

The Board of Directors reviewed the priority areas of work of ROSSETI and got acquainted with the specific results of the Group's work in 2018

On 11 February 2019, an in-person meeting of the Board of Directors of the company was held at ROSSETI's headquarters, chaired by Minister of Energy of the Russian Federation Alexander Novak, during which preliminary financial and production results of the Group's activities in 2018 were summed up. The report with the results of the holding's operations was presented by the head of the company Pavel Livinskiy.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=34656

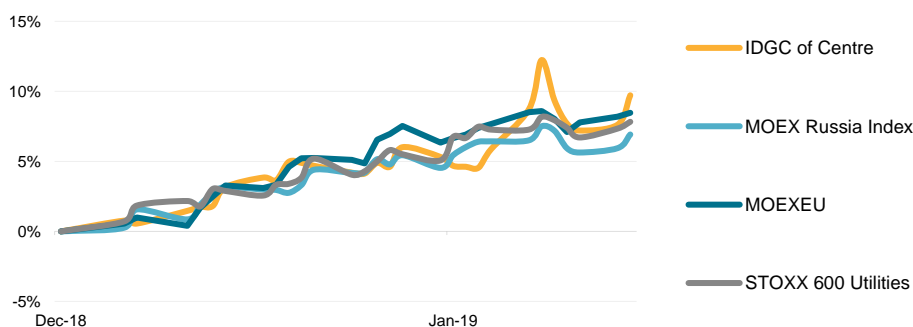
COMPANY NEWS

In 2018 Bryanskenergo spent more than 26 million rubles on safety measures

IDGC of Centre - Bryanskenergo division summed up the work in the field of safety for 2018. During this period, over 26.9 million rubles were spent on safety measures. More than 20.6 million rubles of this amount were spent on providing staff with the necessary personal protective equipment and clothing.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/67245/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 533,32	0,92%	6,92%
S&P 500	2 744,73	1,29%	9,49%
FTSE 100	7 133,14	0,06%	6,02%
DAX	11 126,08	1,01%	5,37%
DJStoxx 600	362,78	0,46%	7,44%
Nikkei	20 864,21	2,61%	4,24%
Sensex	36 153,62	-0,66%	0,24%
CSI300	3 330,34	0,72%	10,62%
Bovespa	96 168,40	1,86%	9,42%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,65	-0,62%	-5,50%
EURO/RUB	74,32	-0,76%	-6,46%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 310,80	0,20%	2,21%
Brent*, USD/bbl	62,42	1,48%	16,02%

* - April futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3138	13,25	201,79
IDGC of Centre & Volga Reg	0,2875	32,40	493,52

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,45%	7,83%
MOEXEU Index	0,24%	8,46%
IDGC of Centre**	1,95%	9,72%
IDGC of Centre and Volga Region**	0,81%	8,49%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,40%	26,50%
FGC UES	-0,34%	11,99%
IDGC of Volga	3,00%	12,24%
MOESK	0,36%	6,14%
IDGC of Northern Caucasus	1,11%	4,29%
IDGC of North-West	0,55%	-0,54%
IDGC of Urals	-1,20%	15,93%
IDGC of Siberia	1,70%	63,41%
IDGC of South	0,15%	21,49%
Lenenergo, ordinary shares	1,56%	10,78%
TRK, ordinary shares	-4,19%	18,83%
Kubanenergo	-0,30%	35,25%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

MRKC
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