

DAILY MARKET REVIEW

16 January, Wednesday

2019



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 15 January some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed with a 0.4-0.5% decline on fears of a slowdown in the Chinese and global economies. According to published data, China's exports and imports in December declined by a maximum of two years, while experts were waiting for an increase in both indicators. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific added 1.0%, futures for US indices increased by 0.6% on de-escalation signals of the US-China trade standoff and promises of the Chinese government to support the country's economy. According to analysts, Donald Trump did not tighten the rhetoric in connection with the latest data on the trade balance with China, which had expanded to historic highs. Instead, the US President predicts a trade deal with China and says that negotiations are going very well. In turn, according to media reports, the Chinese authorities are going to expand the scope of tax cuts, increase government spending and support the financing of small and medium-sized businesses in the framework of stimulating the weakening economy. March Brent futures were trading around \$59.8 per barrel, \$0.4 below our closing level on 14 January. The quotes were pressured by statements by Saudi Arabia that Russia reduces oil production in the OPEC+ deal "slower than we would like."

The MOEX Russia Index spent the trading session on Tuesday near zero. The growth of global markets was levelled by inexpressive changes of oil prices – for most of the day the Brent quotes were below \$60 per barrel. The European Stoxx Europe 600 Index and the index of emerging markets MSCI EM predominantly traded on average in more than a half percent plus on news from China. At the same time, investors' optimism was restrained by weak data on changes of the German GDP and uncertainty around Brexit. The rise of the German economy due to the general weakening of growth in world demand and trade slowed down last year to a minimum of five years and amounted to 1.5% compared with 2.2% in 2016-2017. On Tuesday evening, the British Parliament will vote on the draft agreement defining the UK's exit from the European Union. According to experts' forecasts, the project will not be approved by the Parliament and either the Brexit tough scenario or the postponement of the "divorce" term, which is now scheduled for 29 March, is expected to continue to negotiate.

At the end of the trading session the MicexPWR Sector Index outperformed. The main contribution to the MicexPWR growth in antiphase with the MOEX Russia Index was made by shares of Unipro and ROSSETI.

ELECTRIC POWER INDUSTRY NEWS

ROSSETI's Group acquired Izhevsk Electric Grids

ROSSETI's Group represented by a branch of IDGC of Centre and Volga Region - Udmurtenergo, operating in the Udmurt Republic, as part of the ongoing consolidation of power grid assets, acquired the first part of the property complex of Izhevsk Electric Grids.

Read full text: http://www.bigpowernews.ru/news/document86231_phtml

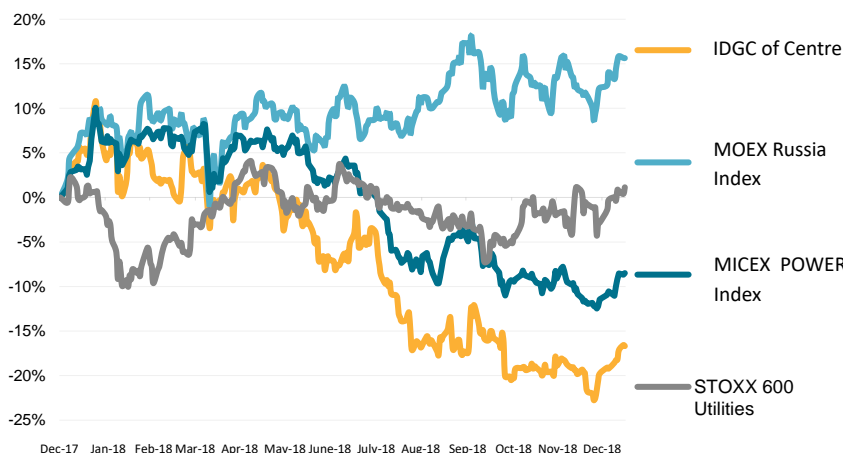
COMPANY NEWS

Employees of IDGC of Centre congratulated pupils of sponsored children's institutions from regions of the Central Federal District on the New Year's holidays

Employees of branches of IDGC of Centre (it operates in 20 regions of the Central Federal District) during the winter holidays, under a long-standing good tradition, congratulated children and teenagers from educational, healthcare and social institutions on the New Year and Christmas. The power engineers held holiday and charity events for the children and gave them gifts.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/67027/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 439,55	-0,02%	2,96%
S&P 500	2 610,30	1,07%	4,13%
FTSE 100	6 895,02	0,58%	2,48%
DAX	10 891,79	0,33%	3,15%
DJStoxx 600	348,71	0,35%	3,28%
Nikkei	20 555,29	0,96%	2,70%
Sensex	36 318,33	1,30%	0,69%
CSI300	3 127,99	1,96%	3,90%
Bovespa	94 055,72	-0,44%	7,02%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	67,19	0,41%	-3,28%
EURO/RUB	77,07	-0,08%	-3,01%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 289,51	-0,17%	0,55%
Brent*, USD/bbl	60,64	2,80%	12,71%

* - February futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2964	12,51	186,23
IDGC of Centre & Volga Reg	0,27	30,43	452,86

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,74%	3,32%
MICEX POWER Index	0,22%	3,32%
IDGC of Centre**	-0,20%	3,64%
IDGC of Centre and Volga Region**	0,00%	1,89%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,83%	4,00%
FGC UES	-0,25%	3,44%
IDGC of Volga	0,25%	2,91%
MOESK	0,88%	3,86%
IDGC of Northern Caucasus	0,14%	1,57%
IDGC of North-West	0,00%	5,23%
IDGC of Urals	-1,06%	1,41%
IDGC of Siberia	8,70%	12,20%
IDGC of South	2,46%	6,79%
Lenenergo, ordinary shares	-2,09%	6,43%
TRK, ordinary shares	-7,65%	1,95%
Kubanenergo	-1,41%	14,75%

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