

DAILY MARKET REVIEW

4 October, Thursday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 03 October some neutral external background formed on the Russian market. On Tuesday major US indices closed in different directions: the DJIA rose by 0.4%, the S&P500 fell within 0.1% due to sales of shares of high-tech companies. On Wednesday the composite stock index of the Asia-Pacific region, MSCI Asia Pacific, lost 0.6%. According to analysts, a strong dollar, an increase in the yield of US government bonds and high oil prices are a negative combination of factors for Asia. December Brent futures traded near \$84.9 per barrel, \$0.2 below our closing level on 02 October. Oil prices consolidated at four-year highs, pending data on US fuel stocks.

On Wednesday, the Russian market, having interrupted the three-day profit taking, showed a confident rise. In the afternoon, the growth rate of the MOEX Russia Index exceeded 2%, the ruble stock indicator updated the historical maximum and tested the mark of 2,500 points. Against the background of high oil prices, shares of companies in the oil and gas sector led by Gazprom became the driver of the rise in the domestic market. Buyers had additional support by improved sentiment on the western markets – the European Stoxx Europe 600 Index and futures for US indices added on average about a third of a percent on news from Italy and good statistics. Italian media reported that the Italian authorities intend to gradually reduce the budget deficit and bring it from 2.4% of GDP in 2019 to 2% in 2021. In the US, according to ADP Employer, the number of jobs in September increased by 230 thousand – 40% more than in August, and 30% higher than forecast. The index of business activity in the services of the US, which accounts for almost 90% of the US economy, jumped in September to close to a record of 61.6 points. At the end of the day, the MOEX Russia Index retreated from daily highs after a surge in volatility on the oil market, triggered by a report of the US Department of Energy on increase in oil reserves last week to a record of 8 million barrels since the beginning of the year.

During the trading session the MicexPWR Sector Index underperformed – the activity of buyers was mainly concentrated in shares of oil and gas companies.

ELECTRIC POWER INDUSTRY NEWS

Power consumption in the Russian Federation for 9 months 2018 increased by 1.5%

Electricity consumption in the Unified Energy System (UES) in September 2018 (not including isolated energy zones) decreased by 0.3% compared to September 2017 and amounted to 78.7 billion kWh, System Operator reported. In Russia as a whole, electricity consumption decreased by the same 0.3% to 80.1 billion kWh. This indicator change has been marked for the first time this year. Electricity consumption in the first nine months of 2018 in Russia as a whole amounted to 784.2 billion kWh (+1.6% compared to the same indicator in 2017), and in the UES of Russia - 769.4 billion kWh (+1.5%).

Read full text: <http://www.bigpowernews.ru/markets/document84796.phtml>

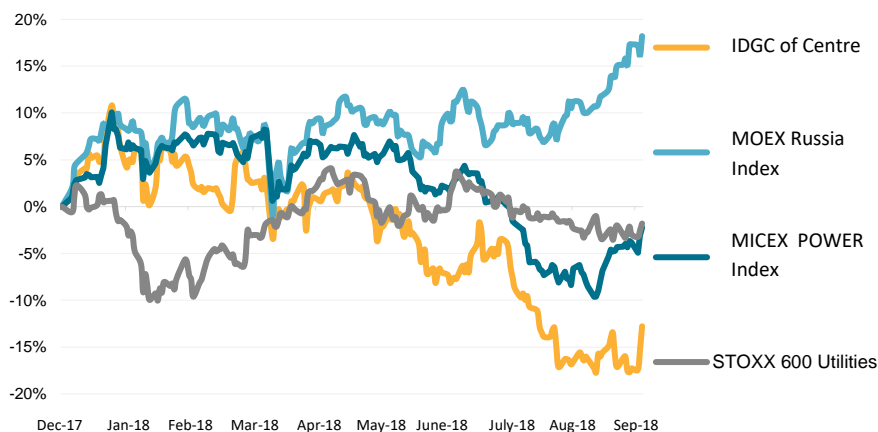
COMPANY NEWS

IDGC of Centre increased the share of innovative equipment in the electric grid complex of the Belgorod region

This year, IDGC of Centre has increased the amount of financing of innovative projects implemented in the electric grid complex of the Belgorod region to 5% of the investment program, or 136.6 million rubles. More than 76% of the total volume of innovations consisted of projects aimed at increasing the level of automation and digitalization of the electric grid.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/65917/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 449,70	-0,91%	16,11%
S&P 500	2 923,43	-0,04%	9,34%
FTSE 100	7 474,55	-0,28%	-2,77%
DAX	12 287,58	-0,42%	-4,88%
DJStoxx 600	381,94	-0,52%	-1,86%
Nikkei	24 270,62	0,10%	6,61%
Sensex	36 526,14	0,00%	7,25%
CSI300	3 438,86	0,00%	-14,69%
Bovespa	81 612,28	3,80%	6,82%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	65,22	-0,54%	13,18%
EURO/RUB	75,23	-1,00%	9,36%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 197,35	-0,50%	-8,09%
Brent*, USD/bbl	86,29	1,76%	29,04%

* - October futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3105	13,11	200,99
IDGC of Centre & Volga Reg	0,2895	32,63	500,23

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,76%	-1,81%
MICEX POWER Index	0,94%	-2,22%
IDGC of Centre**	2,99%	-12,78%
IDGC of Centre and Volga Region**	1,40%	-4,04%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,67%	-2,25%
FGC UES	0,94%	3,21%
IDGC of Volga	1,30%	-1,22%
MOESK	1,00%	-21,25%
IDGC of Northern Caucasus	1,71%	-22,66%
IDGC of North-West	3,27%	33,65%
IDGC of Urals	0,84%	-14,32%
IDGC of Siberia	0,00%	-18,78%
IDGC of South	0,00%	30,43%
Lenenergo, ordinary shares	-2,54%	27,92%
TRK, ordinary shares	2,48%	-11,05%
Kubanenergo	-2,61%	-33,42%

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