

# DAILY MARKET REVIEW

14 November, Wednesday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 13 November some moderately negative external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed with a fall of 2.0-2.3%. The decisive factor in the decline was the technology sector led by Apple, whose shares fell 5% due to worsening sales and profit forecasts by a number of suppliers, and the financial sector led by shares of Goldman Sachs that collapsed by 7.5%. These papers were under pressure from media reports that the Malaysian authorities want to return all fees paid to the bank for organizing multibillion-dollar dealings with state fund 1MDB, accused of corruption and money laundering. Following the US market, the composite index of the Asia-Pacific region, MSCI Asia Pacific, lost 1.1% on Tuesday. At the same time, the Chinese CSI300 added 1%, futures for US indices grew by 0.3% on expectations of easing the US-PRC trade conflict. According to media reports, the two largest economies in the world resumed trade negotiations on the eve of the meeting of the leaders of the two countries scheduled for this month at the G-20 summit. January Brent futures traded around \$69.4 per barrel, \$1.8 below our 12 November close. The negative background for the quotes was a sharp strengthening of the dollar in the foreign exchange market – the DXY index updated the maximum in 17 months – and Donald Trump's statements. The US president condemned the Saudi plan to reduce production, pointing out that oil prices should be lower, based on the current level of reserves.

The MOEX Russia Index spent most of the trading session in a small minus within half a percent due to the fall in oil companies' stocks. Securities of the sector were pressured by a decline in Brent quotations to the level of \$68.5 after the publication of the OPEC report. The cartel analysts in the monthly review worsened forecasts for oil demand in the current and next years, recorded growth in oil production by the cartel countries in October and raised production forecast for this year for the US and the Russian Federation. The Russian market was restrained from great losses by moderately positive sentiment on world markets. The European Stoxx Europe 600 Index and futures for US indices added more than half a percent on hopes for progress in resolving trade disputes between the US and China. According to media reports, the Vice-Premier of the State Council of China will visit the US to prepare a meeting of the two leaders at the G-20 summit in Argentina on 30 November. At the end of the day, the activity of sellers on the Russian market intensified after the acceleration of the fall in Brent quotes, which tested the mark of \$67 per barrel, and the deterioration of sentiment in the western markets.

During the trading session the MicexPWR Sector Index outperformed. The main contribution to the final MicexPWR growth in antiphase with the MOEX Russia Index was made by shares of Inter RAO and RusHydro.

## ELECTRIC POWER INDUSTRY NEWS

### ROSSETI qualitatively changes the approach to the operation through autumn-winter maximum loads

Despite the fact that all branches of the ROSSETI's Group of Companies ensured that the equipment was ready for the autumn-winter period, which was confirmed by the results of monitoring conducted by the Ministry of Energy of Russia, on behalf of the holding's Director General Pavel Livinskiy, additional exercises and trainings are being conducted in certain regions of Russia, where there are increased risks of abnormal weather.

Read full text: [http://www.rosseti.ru/press/news/index.php?ELEMENT\\_ID=34251](http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=34251)

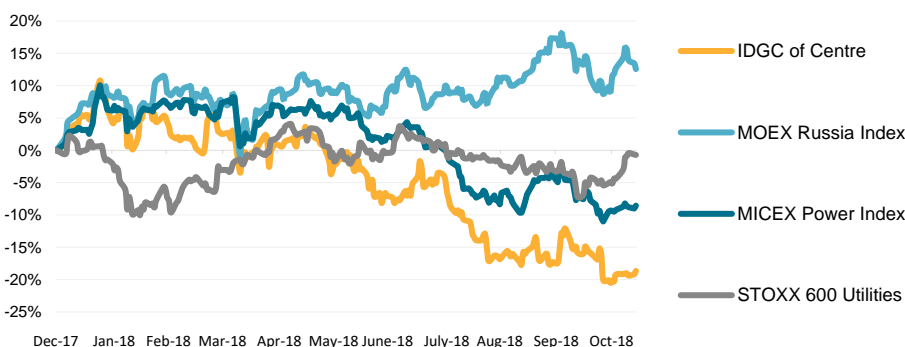
## COMPANY NEWS

### Lipetskenergo connected to the grid new facilities of the agro-industrial complex

IDGC of Centre - Lipetskenergo division provided electricity to three large facilities of the agro-industrial complex at once. Thus, in Terbunsky district, a site for storing beets was connected to the company's grid. To operate 112 fans, the conveyor and service premises, agricultural producers needed 500 kW of power. A similar facility was provided with electricity in Khlevensky district, but for storage of carrots.

Read full text: <http://www.prttime.ru/2018/11/12/lipeckenergo-podklyuchilo-k.html>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 374,94	-0,79%	12,57%
S&P 500	2 722,18	-0,15%	1,82%
FTSE 100	7 053,76	0,01%	-8,25%
DAX	11 472,22	1,30%	-11,19%
DJStoxx 600	364,44	0,67%	-6,36%
Nikkei	21 810,52	-2,06%	-4,19%
Sensex	35 144,49	0,95%	3,19%
CSI300	3 237,38	1,01%	-19,69%
Bovespa	84 914,11	-0,71%	11,14%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	67,52	1,01%	17,17%
EURO/RUB	76,09	0,38%	10,62%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 202,23	0,15%	-7,72%
Brent*, USD/bbl	65,47	-6,63%	-2,09%

\* - January futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.17
IDGC of Centre	0,2896	12,23		181,07
IDGC of Centre & Volga Reg	0,2655	29,92		443,12

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,07%	-0,71%
MICEX POWER Index	0,49%	-8,57%
IDGC of Centre**	0,63%	-18,65%
IDGC of Centre and Volga Region**	-0,86%	-12,00%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,34%	-12,97%
FGC UES	0,14%	-5,79%
IDGC of Volga	-0,70%	-3,60%
MOESK	0,07%	-23,30%
IDGC of Northern Caucasus	-1,68%	-26,77%
IDGC of North-West	-0,33%	15,00%
IDGC of Urals	0,35%	-18,85%
IDGC of Siberia	-0,98%	-29,17%
IDGC of South	0,56%	4,60%
Lenenergo, ordinary shares	-1,53%	20,83%
TRK, ordinary shares	0,00%	-8,36%
Kubanenergo	4,28%	-31,63%

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**