

# DAILY MARKET REVIEW

23 March, Friday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 22 March some neutral external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed with a decrease of 0.2% on mixed results of the Fed's meeting. On the one hand, the Fed, raising the key interest rate by 0.25 percentage points, to 1.5-1.75%, still, as follows from the documents, is of the opinion that in 2018 in total the rate will be raised three times, and not four times, as the markets feared. On the other hand, the updated forecast for 2019 provides for three rate hikes, while in December only two increases were mentioned. In addition, analysts drew attention to the statement of the head of the Federal Reserve that too slow increase in the interest rate creates risks for the economy and raises fears that in the future too sharp monetary policy tightening may occur. On Thursday the composite index of the Asia-Pacific region, MSCI Asia Pacific, added 0.4% with mixed changes of major indices. May Brent futures traded near \$69.4 per barrel, \$0.2 higher than the closing level on 21 March. The growth of oil quotations was due to the report of the US Department of Energy on reduction of oil reserves in the country last week.

On Thursday the Russian market and western markets were dominated by sellers – in the second half of the trading session the loss of the MOEX Russia Index and the European Stoxx Europe 600 Index, futures for US indices exceeded a percent. Deteriorating sentiment in the markets was triggered by fears of increased protectionism in world trade. According to the American media, Thursday night, Donald Trump intends to announce the introduction of new tariffs on Chinese products worth \$30-60 billion. In response, China, according to the Wall Street Journal, can revise tariffs on imports of American goods, particularly agricultural products. In addition, on Friday the increase in US import duties on steel and aluminum should come into effect. So far, according to media reports, the EU hopes for a peaceful settlement of disputes, however, the EU said that they are considering "various measures to counterbalance the situation." An additional negative factor for European markets was weak statistics – the composite index of business activity in the Eurozone in March fell to a minimum for 14 months. In the second half of the day sales in the Russian and European markets increased after the start of trading in the US with a 1.5% decline in major indices.

During the trading session the MicexPWR Sector Index outperformed. The main contribution to the MicexPWR outperformance in comparison with the MOEX Russia Index was made by shares of Inter RAO and IDGC of Centre. The changes of IDGC of Centre's shares in the absence of significant news for this were characterized by high volatility – the range of daily fluctuations exceeded 9%, the trading volume was the maximum this year.

## ELECTRIC POWER INDUSTRY NEWS

### Consumption of electricity in Russia over the past six years grew by 3.8%

The consumption of electricity in Russia increased by 3.8% over the past six years, the growth was less than a percent per year, this trend will be taken into account in the strategic documents of the Ministry of Energy of the Russian Federation, said the head of the ministry Alexander Novak at a meeting of the public council of the ministry.

Read full text: <https://ria.ru/teplo/20180321/1516958717.html>

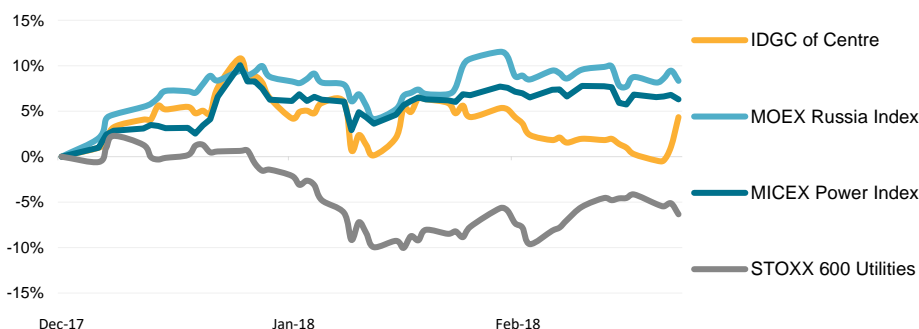
## COMPANY NEWS

### IDGC of Centre - managing organization IDGC of Centre and Volga Region held the "Analyst's Day" for representatives of the investment community, dedicated to the results of the companies' activities for 2017 and guidance for 2018

Management of IDGC of Centre and IDGC of Centre and Volga Region held a meeting with representatives of the investment community, dedicated to the results of work in 2017 and guidance for 2018. The "Analyst's Day" aroused considerable interest on the part of analysts from the largest banks and investment companies.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/63430/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2285,76	-1,02%	8,34%
S&P 500	2668,58	-1,60%	-0,19%
FTSE 100	6926,07	-1,60%	-9,91%
DAX	12045,71	-2,14%	-6,75%
DJStoxx 600	367,74	-1,93%	-5,51%
Nikkei	21591,99	0,99%	-5,15%
Sensex	33006,27	-0,39%	-3,08%
CSI300	4020,35	-1,00%	-0,26%
Bovespa	84583,44	-0,46%	10,71%

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

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	57,4954	-0,36%	-0,23%
EURO/RUB	70,5699	-0,93%	2,59%

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

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1326,82	-0,42%	1,82%
Brent*, USD/bbl	69	-0,68%	3,19%

\* - May futures

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

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3715	15,68	272,79
IDGC of Centre & Volga Reg	0,3365	37,92	659,58

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-1,30%	-6,34%
MICEX POWER Index	-0,48%	6,30%
IDGC of Centre**	3,19%	4,35%
IDGC of Centre and Volga Region**	0,00%	11,53%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,29%	-0,71%
FGC UES	-0,48%	8,70%
IDGC of Volga	-2,48%	18,85%
MOESK	-0,13%	-11,46%
IDGC of Northern Caucasus	0,00%	-8,85%
IDGC of North-West	1,24%	-5,77%
IDGC of Urals	-0,22%	8,11%
IDGC of Siberia	2,11%	5,68%
IDGC of South	-2,20%	-3,34%
Lenenergo, ordinary shares	-2,65%	14,79%
TRK, ordinary shares	0,00%	-4,58%
Kubanenergo	0,00%	-7,65%

Source: MOEX, Company calculations

\*\* - at the price of last transaction at MOEX

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**Tickers**  
Moscow Exchange (MOEX)  
Bloomberg  
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**MRKC**  
**MRKC:RM**  
**MRKC:MM**