

# DAILY MARKET REVIEW

25 December, Tuesday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 24 December some neutral external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed with a fall of 1.8-2.1%, while the high-tech Nasdaq Composite moved to bearish territory, losing 20% from its peak. The markets were pressured by weak US statistics and the threat of partial suspension of the US government. The estimate of the US GDP growth in the third quarter was revised down to 3.4% from 3.5%; estimates of growth in consumer spending and a decrease in export volumes were revised for the worse. Donald Trump on Friday continued to insist on the need to build a wall on the border with Mexico, threatening to suspend the work of state institutions, if Democrats in the Senate vote against the draft interim budget, which includes \$5.7 billion for its construction. After the closure of the US stock exchanges, the US administration announced a partial suspension of the work of the federal government. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.2% with multidirectional changes of the country indices, futures for US indices added 0.6%. Investors were supported by media reports on new US-PRC telephone negotiations on trade issues. In addition, it was reported that Beijing is working on a law to improve intellectual rights and provide equal rights to foreign investors. The exchanges of Japan and Germany are closed on Monday in connection with the holidays. February Brent futures traded near \$54.1 per barrel, \$0.4 above our closing level on Friday, 21 December. Oil prices are adjusting upward after the collapse by 11% last week. The reason for the restoration of quotations was the statement by the Minister of Energy of the United Arab Emirates that OPEC+ may go for an additional decline in oil production if oil overproduction persists globally.

On Monday sellers dominated the Russian market, as well as on world markets as a whole. In the middle of the trading session, the MOEX Russia Index lost more than a percent, the European Stoxx Europe 600 Index, the index of emerging markets MSCI EM and futures for US indices – about half a percent. According to media reports, the US government may resume work in full only in 2019, since the Republicans and Democrats have not yet agreed on the financing of the construction of the wall at the border. In addition, the nervousness of traders is reinforced by reports that Donald Trump was considering the question of the dismissal of the head of the Federal Reserve, Jerome Powell, after the December's increase in the key interest rate. An additional negative factor for our market was the fall of Brent quotes below \$53 per barrel on signals of increased production in the US. The oil service company Baker Hughes reported a sharp increase in the number of existing oil rigs in the US last week. At the end of the day, sentiment on global markets deteriorated after the opening of trading in the US by a percentage drop in the major indices. Enhanced sales were due to a message that the head of the US Treasury Department on Monday scheduled a meeting with the anti-crisis group on financial markets.

During the trading session the MicexPWR Sector Index looked significantly better than the market – the main sales were concentrated in the first-tier securities. The main contribution to the final MicexPWR growth in antiphase with the MOEX Russia Index was made by Unipro's shares, which were adjusting after falling last week.

## ELECTRIC POWER INDUSTRY NEWS

### “System Operator” gave a technical assessment of the further development of unstable green generation in Russia, taking into account limitations of power grids

According to the dispatcher, the energy market will be able to accommodate up to 5 GW more, isolated power systems up to 400 MW, and retail roof panels up to 1 GW.

Read full text: <http://www.bigpowernews.ru/markets/document86124.phtml>

## COMPANY NEWS

### Employees of IDGC of Centre were given industry and corporate awards

On the Power Engineers' Day IDGC of Centre awarded the company's employees. Almost 500 power engineers for high professionalism and high-quality work were awarded departmental awards of the Ministry of Energy of Russia, corporate awards of ROSSETI's Group of Companies and IDGC of Centre, as well as awards of the All-Russian Industrial Association of Employers in the Electric Power Industry (RaEI).

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66891/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 322,27	-1,06%	10,07%
S&P 500	2 351,10	-2,71%	-12,06%
FTSE 100	6 685,99	-0,52%	-13,03%
DAX	10 633,82	0,00%	-17,68%
DJStoxx 600	335,24	-0,42%	-13,86%
Nikkei	20 166,19	0,00%	-11,42%
Sensex	35 470,15	-0,76%	4,15%
CSI300	3 038,20	0,29%	-24,63%
Bovespa	85 697,15	0,00%	12,17%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	68,01	0,95%	18,01%
EURO/RUB	77,97	1,34%	13,35%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 269,22	0,98%	-2,58%
Brent*, USD/bbl	50,47	-6,22%	-24,53%

\* - February futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.17
IDGC of Centre	0,2776	11,72	172,33	
IDGC of Centre & Volga Reg	0,2685	30,26	444,94	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,32%	-1,12%
MICEX POWER Index	0,12%	-11,84%
IDGC of Centre**	-0,22%	-22,02%
IDGC of Centre and Volga Region**	-0,56%	-11,00%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	1,53%	-4,56%
FGC UES	-0,98%	-6,45%
IDGC of Volga	-0,55%	-3,95%
MOESK	-0,08%	-26,59%
IDGC of Northern Caucasus	0,85%	-25,94%
IDGC of North-West	-2,11%	-1,73%
IDGC of Urals	-1,23%	-15,80%
IDGC of Siberia	0,81%	-12,75%
IDGC of South	-0,91%	-9,03%
Lenenergo, ordinary shares	-0,92%	12,50%
TRK, ordinary shares	-1,79%	-11,05%
Kubanenergo	-0,40%	-36,48%

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