

# DAILY MARKET REVIEW

26 April, Thursday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 25 April some moderately negative external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 fell 1.3-1.7% pressured by the rise of yield of the US 10-year government bonds above the psychological level of 3% for the first time in four years. As analysts note, the increase in the cost of lending increases costs of companies, reducing profits, and also increases the relative attractiveness of bonds in comparison with shares. Experts predict a further increase in yields, given the increase in the US budget deficit, the growing inflationary pressure and expectations of a more aggressive tightening of monetary policy by the Fed. Following the US markets, the composite stock index of the Asia-Pacific region MSCI Asia Pacific lost more than 0.5% on Wednesday. June Brent futures traded near \$73.8 per barrel, \$0.9 lower than our closing on 24 April. Oil quotes retreated from the maximum of three and a half years on the report of the American Petroleum Institute about the unexpected growth of oil reserves in the country last week. In addition, analysts note a reduction in the risk premium after the French president, during his visit to Washington, said that Paris is ready to work on the creation of a new agreement on the Iranian atom.

On Wednesday the Russian and European markets were dominated by sellers within the worldwide decline in investors' interest in risky assets in the context of the ongoing growth in yields of the US government bonds, provoking an increase in yields worldwide. At the daily lows, the losses of the MOEX Russia Index, the index of emerging markets MSCI EM and the European Stoxx Europe 600 Index reached a percentage point. By the end of the day the MOEX Russia Index was able to return to zero both at the expense of the ruble weakening, which supported shares of exporters, and a 5% rise of Rosneft's shares on news of nearly two-fold increase in dividend payout following the results of 2017 and the possible entry of the company in the authorized capital of the Novorossiysk Shipping Commercial Port.

As a result of the trading session the MicexPWR Index underperformed mainly due to a decrease in shares of FGC UES and Mosenergo. Outsider among shares of distribution companies were shares of IDGC of Centre, which lost 4.4% on the information that the company's board of directors recommended the shareholders' meeting to pay dividends for 2017 in the amount of 0.0208212 RUB per share – half as much as a year earlier.

## ELECTRIC POWER INDUSTRY NEWS

### Plus the energy efficiency of the whole country

The plan to increase the energy efficiency of Russia's economy after almost a year of discussions was signed by Prime Minister Dmitry Medvedev. Its activities include facilitating access to the conclusion of energy service contracts to increase their number by more than two times by 2030, the possible differentiation of property tax rates depending on its energy efficiency, and the introduction of the responsibility of budgetary organizations to purchase economical equipment and technology. By 2030, the government expects to reduce the energy intensity of the economy by 23%.

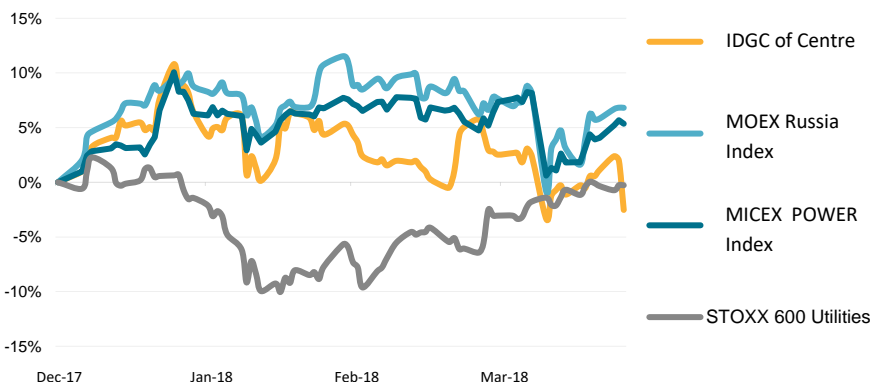
Read full text: <https://www.kommersant.ru/doc/3612707>

## COMPANY NEWS

**IDGC of Centre's Board of Directors recommended that the Annual General Meeting of Shareholders should allocate 879 million rubles for dividend payments following the results of 2017**

Read full text: <https://www.mrsk-1.ru/press-center/news/company/63810/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 253,50	-0,01%	6,81%
S&P 500	2 639,40	0,18%	-1,28%
FTSE 100	7 379,32	-0,62%	-4,01%
DAX	12 422,30	-1,02%	-3,83%
DJStoxx 600	380,17	-0,77%	-2,32%
Nikkei	22 215,32	-0,28%	-2,41%
Sensex	34 501,27	-0,33%	1,30%
CSI300	3 828,70	-0,38%	-5,02%
Bovespa	85 044,39	-0,50%	11,31%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	61,66	-0,16%	7,00%
EURO/RUB	75,21	-0,77%	9,34%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 323,13	-0,54%	1,56%
Brent*, USD/bbl	74,00	0,19%	12,50%

\* - June futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.17
IDGC of Centre	0,3470	14,65		237,57
IDGC of Centre & Volga Reg	0,3508	39,53		641,12

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,01%	-0,27%
MICEX POWER Index	-0,30%	5,36%
IDGC of Centre**	-4,41%	-2,53%
IDGC of Centre and Volga Region**	0,46%	16,27%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,59%	0,30%
FGC UES	-0,95%	6,05%
IDGC of Volga	0,97%	16,90%
MOESK	0,00%	-20,13%
IDGC of Northern Caucasus	-2,03%	-11,98%
IDGC of North-West	-2,52%	-10,58%
IDGC of Urals	-1,37%	3,10%
IDGC of Siberia	-2,04%	4,80%
IDGC of South	-2,21%	-11,04%
Lenenergo, ordinary shares	-0,34%	22,29%
TRK, ordinary shares	0,29%	-8,09%
Kubanenergo	-1,24%	-19,01%

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