

DAILY MARKET REVIEW

8 August, Wednesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 7 August some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P 500 closed an increase of 0.2-0.4% – the market is still supported by corporate reporting. According to Bloomberg, the consolidated net profit of the companies, included in the S&P 500 index, grew by 16% y/y in the second quarter, the profits of 80% of the reported companies surpassed the forecasts. The composite index of the Asia-Pacific region, MSCI Asia Pacific, added 0.8% on Tuesday. The Chinese stocks resold in recent days had increased demand of investors – the CSI300 index rose by 2.9%, including due to information about the authorities' plans to increase infrastructure spending. October Brent futures traded near \$74.2 per barrel, slightly above our closing level on 6 August. Oil quotes are growing on expectations of a reduction in oil supplies from Iran. On Monday the first part of the US sanctions against this country came into force, which confirmed the decisive attitude of Donald Trump. It is estimated that the export of Iranian oil may fall by 1 million barrels per day (b/d) from the current 2.5 million b/d after the entry into force of the US energy part in early November.

On Tuesday the Russian market was dominated by buyers within the global demand of investors for risky assets – a pause in the trade confrontation between the US and China allowed traders to focus on a strong season of corporate reporting. In the middle of the day, the MOEX Russia Index, the index of emerging markets MSCI EM and the European Stoxx Europe 600 Index added more than half a percent. Additional support for our market was provided by the growth of Brent quotations to around \$74.9 per barrel. Published European statistics was ambiguous and did not have a significant impact on the mood of investors. In Germany in June industrial production fell more than forecast, imports increased to a record level, export growth slowed to zero.

During the trading session the MicexPWR Sector Index underperformed. The main contribution to the final MicexPWR decrease in antiphase with the MOEX Russia Index was made by shares of RusHydro, Unipro and Mosenergo.

ELECTRIC POWER INDUSTRY NEWS

The power consumption in the Centre's UES twice reached a new summer historical high

According to operational data, on 3 August, at 11:00 am at an average daily outdoor temperature of +22.7°C, the power consumption in the Unified Energy System of Centre (UES of Centre) reached 28,173 MW, which is 170 MW higher than the historical maximum of the energy consumption in the summer, recorded on 27 July 2018 at an average daily outdoor temperature of +23.9°C, reported ODU of Centre.

Read full text: <http://www.bigpowernews.ru/markets/document84081.phtml?1&q=>

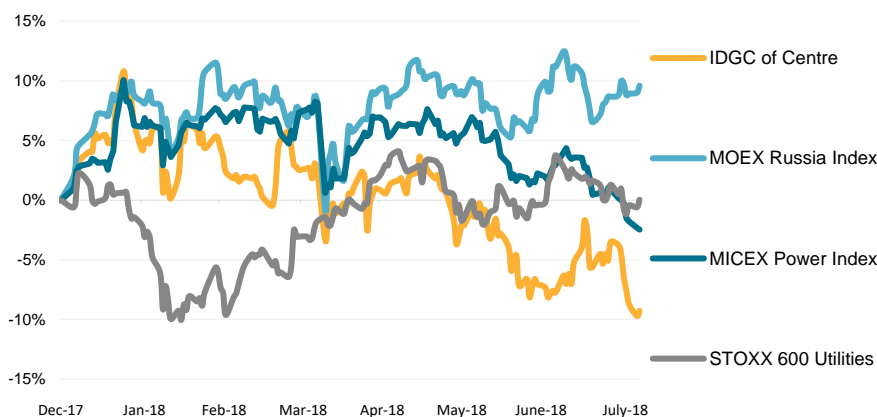
COMPANY NEWS

IDGC of Centre implements the investment program of 2018 ahead of planned targets: over half a year more than 100 MVA capacity and over 1,000 kilometres of power lines commissioned

IDGC of Centre summed up the results of implementation of the investment program for the first half of 2018. In this period, the company commissioned 105 MVA of capacity, which is 60% higher than the planned value, and 1,182 kilometres of power lines, exceeding the plan by 20%.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/65262/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 312,19	0,54%	9,60%
S&P 500	2 858,45	0,28%	6,91%
FTSE 100	7 718,48	0,71%	0,40%
DAX	12 648,19	0,40%	-2,09%
DJStoxx 600	390,49	0,47%	0,34%
Nikkei	22 662,74	0,69%	-0,45%
Sensex	37 665,80	-0,07%	10,60%
CSI300	3 368,87	2,92%	-16,42%
Bovespa	80 346,52	-0,87%	5,16%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	63,50	0,07%	10,18%
EURO/RUB	73,41	-0,09%	6,72%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 210,97	0,28%	-7,05%
Brent*, USD/bbl	74,65	1,22%	15,93%

* - October futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3230	13,64	214,75
IDGC of Centre & Volga Reg	0,2980	33,58	528,90

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,63%	0,04%
MICEX POWER Index	-0,15%	-2,47%
IDGC of Centre**	0,47%	-9,27%
IDGC of Centre and Volga Region**	-0,83%	-1,23%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,09%	-7,34%
FGC UES	-0,40%	-0,09%
IDGC of Volga	-0,83%	-1,22%
MOESK	0,83%	-18,69%
IDGC of Northern Caucasus	-2,76%	-17,45%
IDGC of North-West	-1,35%	40,38%
IDGC of Urals	-1,07%	-11,69%
IDGC of Siberia	0,00%	-10,04%
IDGC of South	0,00%	23,08%
Lenenergo, ordinary shares	0,42%	23,65%
TRK, ordinary shares	-2,99%	-12,67%
Kubanenergo	-0,68%	-25,26%

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