

DAILY MARKET REVIEW

28 January, Monday

2019



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 25 January some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed in different directions with changes within 0.2%. On the one hand, the markets were supported by statistics from the US – applications for unemployment benefits fell to fewer than 200 thousand for the first time since 1969. As noted by Bloomberg, strong statistical data somewhat calmed investors' concerns about a slowdown in the global economic growth and US GDP, in particular. On the other hand, buyers' activity was restrained by lowering expectations for a speedy resolution of the trade conflict between the US and China and the continuing shutdown. According to the US Commerce Secretary, Washington and Beijing are still far from a trade agreement. In turn, the US Senate on Thursday rejected two bills aimed at resolving budgetary disputes and resuming the work of the American government in full. On Friday the composite index of the Asia-Pacific region MSCI Asia Pacific added 1%, futures for US indices – 0.6%. The markets were supported by strong quarterly statements and optimistic forecasts of a number of large technology companies. In addition, the Central Bank of China announced on Friday that it would allocate another \$37 billion of liquidity to the country's banks to stimulate economic growth and lending. March Brent futures traded around \$61.7 per barrel, \$0.8 above our 24 January close. Fears of a reduction in production in Venezuela due to political and economic instability levelled the negative news from the US Department of Energy about a sharp increase in oil reserves in the country by impressive 8 million barrels.

The MOEX Russia Index spent the Friday's trading session in a small plus within half a percent – the positive sentiment on world markets was offset by uncertain changes of oil prices. Brent quotes fell to the level of \$60.8 per barrel, including on the US Department of Energy's forecasts that production in the country will continue to grow until 2030 and will be more than 14 million barrels per day. In the middle of the day, the European Stoxx Europe 600 Index added more than half a percent, the index of emerging markets MSCI EM – about a percent. The markets were supported by good corporate reporting and hopes for the continuation of stimulating monetary policy in the Eurozone. Since 24 January, the head of the ECB said that the slowdown in the Eurozone's GDP growth may be more substantial and longer than previously predicted. Traders perceived this as a signal that the regulator would postpone the first planned interest rate increase. In confirmation of this, on Friday two representatives of the ECB, who are possible successors of Mario Draghi, made it clear that they are not sure that the Central Bank will raise the base interest rate this year.

During the day changes of the electric utilities sector index in general corresponded to the market. The main contribution to the final increase in the sector indicator was made by shares of Unipro and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

The government of the Russian Federation intends to undertake the approval of investment programs of all state-owned grid companies - the newspaper

The Russian government has decided to tighten control over the capital expenditures of state-owned grid companies - it will itself approve their investment programs, the Vedomosti newspaper reports, citing sources.

Read full text: <http://www.bigpowernews.ru/news/document86641.phtml>

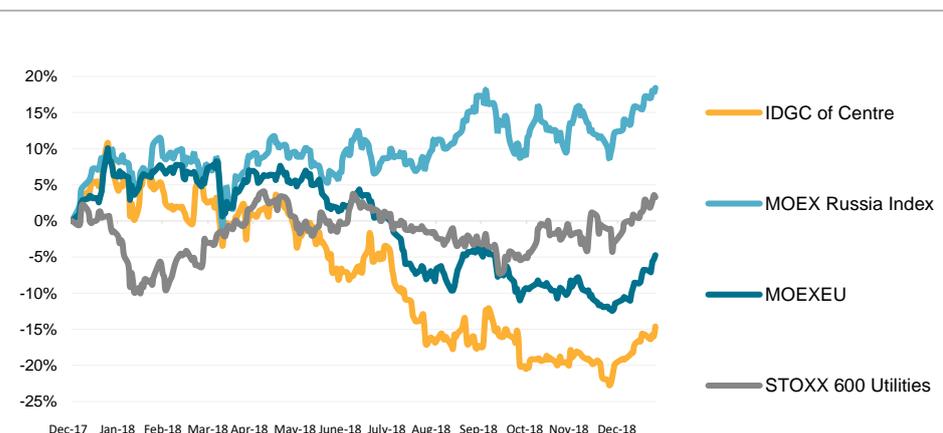
COMPANY NEWS

Belgorodenergo to save 898 thousand kWh of electricity due to implementation of the energy saving program

In 2019, due to measures aimed at reducing technical losses of electricity, IDGC of Centre - Belgorodenergo division plans to save 898 thousand kWh of electricity.

Read full text: <https://www.eprussia.ru/news/base/2019/8411101.htm>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 498,23	0,63%	5,44%
S&P 500	2 664,76	0,85%	6,30%
FTSE 100	6 809,22	-0,14%	1,21%
DAX	11 281,79	1,36%	6,85%
DJStoxx 600	357,84	0,61%	5,98%
Nikkei	20 773,56	0,97%	3,79%
Sensex	36 025,54	-0,47%	-0,12%
CSI300	3 184,47	0,81%	5,77%
Bovespa	97 677,19	0,00%	11,14%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	66,00	-0,50%	-4,99%
EURO/RUB	75,03	-0,47%	-5,57%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 305,25	1,88%	1,77%
Brent*, USD/bbl	61,64	0,90%	14,57%

* - March futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln	
			per day	fr 31.12.18
IDGC of Centre	0,3032	12,80	193,94	
IDGC of Centre & Volga Reg	0,2731	30,78	466,32	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,28%	5,51%
MOEXEU Index	0,54%	7,53%
IDGC of Centre**	1,34%	6,01%
IDGC of Centre and Volga Region**	0,15%	3,06%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,31%	25,47%
FGC UES	0,70%	10,90%
IDGC of Volga	1,18%	9,13%
MOESK	0,35%	8,64%
IDGC of Northern Caucasus	0,00%	2,29%
IDGC of North-West	-1,68%	5,59%
IDGC of Urals	2,13%	8,88%
IDGC of Siberia	3,11%	32,59%
IDGC of South	-1,58%	19,93%
Lenenergo, ordinary shares	1,20%	11,15%
TRK, ordinary shares	-5,61%	20,13%
Kubanenergo	4,61%	20,90%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, PJSC
127018, Moscow, 2nd Yamskaya, 4
+7 (495) 747 92 92
<http://mrsk-1.com/en/investors/>

IR Division
+7 (495) 747 92 92, ext. 33-34
ir@mrsk-1.ru

Tickers
Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC:RM
MRKC:MM