



## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 21 March some neutral external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed the volatile session lowering by 0.3-0.5% following the fall in banks' shares at the outcome of the Fed meeting. The American Central Bank, as expected, kept the base interest rate in the range of 2.25-2.5%. At the same time, investors were surprised by the reduction in forecasts for the number of rate hikes in 2019 from two to zero and the Fed's statement that the rate of decline in assets on the balance sheet will slow down from May, and in September it will be completely stopped. This piece of news triggered a fall in the yield of 10-year US Treasuries to a minimum since January 2018, and after that sales of shares of financial companies – the capitalization of the largest banks fell by an average of more than 2.5%. The main country indices of the Asia-Pacific region MSCI Asia Pacific showed close to zero changes, the stock exchanges of Japan and India were closed in connection with the celebration of the Vernal Equinox Day. According to analysts, the outcome of the Fed meeting is positive for Asian markets, at the same time, buyers' activity was limited to increased risks of a slowdown in the global economy – the Fed worsened macro forecasts for 2019-2020 and increased uncertainty about a trade deal with China. On Wednesday, Donald Trump said that Washington intends to maintain customs duties on Chinese goods for a long time even after reaching a trade agreement – as one of the instruments for controlling the deal. May Brent futures traded around \$68.6 per barrel, \$0.2 above our 20 March close. The oil market was supported by the weakening of the dollar after the publication of the Fed's decisions, and the US Department of Energy's announcement of a sharp decline in oil and gasoline over the past week – by 9.6 and 4.6 million barrels, respectively.

The MOEX Russia Index spent most of the Thursday's trading session around zero – the improvement of investors' attitude to emerging markets after the unexpected softening of the Fed's rhetoric was offset by reduction on European exchanges. In the second half of the day, the loss of the Stoxx Europe 600 Index exceeded 0.5% – as in the US, the shares of banks under pressure from a decrease in yields of government eurobonds became the driving force behind the decline in the European markets. In particular, the yield of 10-year German bonds, the benchmark for the Eurozone, approached the zero mark – the lowest since October 2016. An additional negative factor for the markets was the increased risk of "tough" Brexit – according to media reports, the EU countries insist on Brexit before the European Parliament elections – no later than 22 May. Earlier, London referred to the EU with the request to postpone the Brexit from 29 March to 30 June 2019. At the end of the day, the MOEX Russia Index was able to consolidate in the positive area after the start of trading in the US with more than half-percent increase in the main indices on good statistics – data on applications for unemployment benefits and the business index in Philadelphia in March were better than expected.

The electric utilities sector index closed trading at the market level. The main contribution to a small increase in the MOEXEU Index was made by shares RusHydro.

## ELECTRIC POWER INDUSTRY NEWS

### ROSSETI attracted more than 30 metering device manufacturers as part of grid digitalization

ROSSETI has attracted more than 30 Russian manufacturers of smart metering devices as part of the digitalization program for the power grid complex in Russia, Pavel Livinskiy, Director General of ROSSETI, told TASS.

Read full text: <http://www.bigpowernews.ru/news/document87433.phtml>

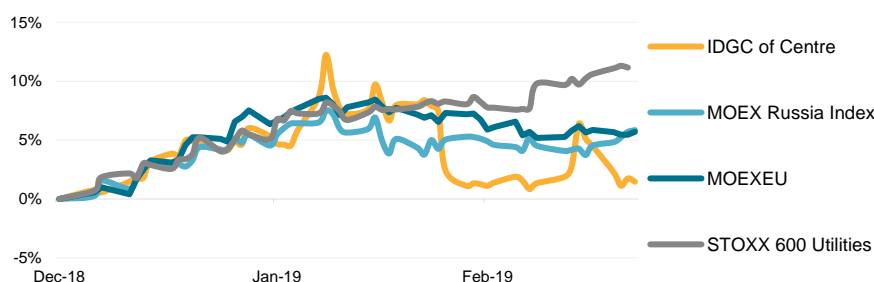
## COMPANY NEWS

### Igor Makovskiy: "The new format of the Annual Production Meeting of IDGC of Centre - the managing organization of IDGC of Centre and Volga Region will allow for the most effective discussion of topical issues of the Company's activities"

On 22-23 March in Moscow under the chairmanship of General Director of IDGC of Centre - the managing organization of IDGC of Centre and Volga Region, the Annual Production Meeting will be held, where the results of the Company's activities in 2018 will be summarized and priorities for 2019 will be determined.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/67715/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 507,81	0,14%	5,84%
S&P 500	2 854,88	1,09%	13,88%
FTSE 100	7 355,31	0,88%	9,32%
DAX	11 549,96	-0,46%	9,39%
DJStoxx 600	380,69	-0,04%	12,75%
Nikkei	21 608,92	0,00%	7,96%
Sensex	38 386,75	0,00%	6,43%
CSI300	3 836,89	0,04%	27,44%
Bovespa	96 729,08	-1,34%	10,06%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,28	-0,06%	-7,47%
EURO/RUB	72,94	-0,08%	-8,21%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 309,36	-0,24%	2,10%
Brent*, USD/bbl	67,86	-0,93%	26,13%

\* - May futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	Change	
		₺ bln	MCap**, \$ mln
IDGC of Centre	0,2902	12,25	190,60
IDGC of Centre & Volga Reg	0,2699	30,42	473,20

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,41%	11,61%
MOEXEU Index	0,22%	5,70%
IDGC of Centre**	-0,27%	1,47%
IDGC of Centre and Volga Region**	0,71%	1,85%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,08%	25,21%
FGC UES	-0,18%	12,21%
IDGC of Volga	-0,10%	3,06%
MOESK	-0,52%	1,59%
IDGC of Northern Caucasus	-1,65%	2,14%
IDGC of North-West	-2,66%	-7,57%
IDGC of Urals	-1,07%	0,22%
IDGC of Siberia	-9,06%	201,66%
IDGC of South	-4,87%	29,02%
Lenenergo, ordinary shares	-0,34%	10,02%
TRK, ordinary shares	-2,40%	5,84%
Kubanenergo	-4,31%	45,49%

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**