

DAILY MARKET REVIEW

6 November, Tuesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 2 November some positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 rose by 1.1% on expectations of reducing tensions in the US-PRC trade relations. Investors were supported by a statement by the US President about a fruitful telephone discussion of trade issues with the PRC Chairman. Already after the closure of the American stock exchanges, Bloomberg reported that Donald Trump wants to sign a trade agreement with China during a meeting with the PRC Chairman at the G20 summit in Argentina, which will be held from 30 November to 1 December. In this regard, according to Bloomberg, the US President instructed the cabinet to work out possible terms of the deal. On this news, on Friday, the composite index of the Asia-Pacific region, MSCI Asia Pacific, added 2.2%, the Chinese CSI300 jumped 3.5%, futures for US indices rose by 0.7%, the yuan increased to a maximum of three weeks. January Brent futures traded around \$73.2 a barrel, \$0.2 above our 1 November close. Oil prices stabilized after falling 3% on Thursday under pressure from fears of excess oil in the global market due to increased production by the US, Russia and OPEC and information about the US easing in relation to Iran's sanctions. According to Bloomberg, the US allowed eight countries, including Japan, India and South Korea, to continue buying Iranian oil after the second part of the sanctions against Iran came into force on 4 November.

On Friday global stock markets continued their synchronous rise on optimism regarding a potential trade agreement between the US and China. In the middle of the day, the MOEX Russia Index, the European Stoxx Europe 600 Index and futures for US indices added about a percent, the index of emerging markets MSCI EM – more than 3%. In the second half of the day, the growth rates of the Russian and European indices slowed down, the major US stock indices began to trade with a half-percentage decline. The markets were pressured by strong American statistics, which reminded investors of risks of tightening the monetary policy by the Fed. In October, the number of jobs in the US economy increased significantly more than the forecast, the unemployment remained at the minimum level of 3.7% since 1969, while the wage growth accelerated to a maximum of nine years. In addition, analysts say, while it is impossible to clearly judge whether Donald Trump's statements about the trade agreement with China are preparing for a real deal with Beijing or are caused by the desire to strengthen the positions of Republicans on the eve of the elections to the US Congress on 6 November.

During the trading session the MicexPWR Sector Index underperformed. The main contribution to the final MicexPWR lagging compared to the MOEX Russia Index was made by shares of Inter RAO and RusHydro.

ELECTRIC POWER INDUSTRY NEWS

"Market Council" brought the wholesale electricity and capacity market regulations in line with the draft government resolution on the selection of TPP modernization projects

The Supervisory Board of "Market Council" at its meeting on 24 October approved changes to the regulations of the wholesale electricity and capacity market (WECM), which bring them in line with the draft government resolution on the selection of projects for the modernization of thermal power plants (TPP), the regulator said.

Read full text: <http://www.bigpowernews.ru/markets/document85167.phtml?1&q=>

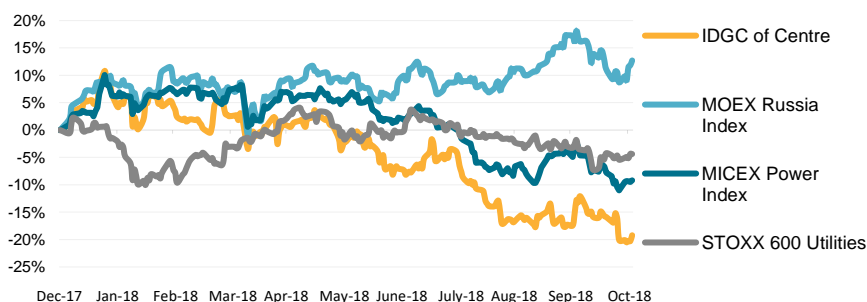
COMPANY NEWS

IDGC of Centre and IDGC of Centre and Volga Region sum up the results of 10 months, not slowing down the pace of work on prevention of children's electrical injuries

IDGC of Centre and IDGC of Centre and Volga Region summed up the results of work on prevention of children's electrical injuries for 10 months of 2018. More than 120,000 children and adolescents took part in more than 3,000 electrical safety events organized by the energy companies.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66376/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 377,95	0,79%	12,71%
S&P 500	2 723,06	-0,63%	1,85%
FTSE 100	7 094,12	-0,29%	-7,72%
DAX	11 518,99	0,44%	-10,83%
DJStoxx 600	364,08	0,28%	-6,45%
Nikkei	22 243,66	2,56%	-2,29%
Sensex	35 011,65	1,68%	2,80%
CSI300	3 290,25	3,56%	-18,37%
Bovespa	88 419,05	0,00%	15,73%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	65,65	0,08%	13,92%
EURO/RUB	74,58	0,22%	8,42%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 232,89	-0,04%	-5,37%
Brent*, USD/bbl	72,83	-0,08%	8,91%

* - January futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	Change	
		₺ bln	MCap**, \$ mln
IDGC of Centre	0,2876	12,14	184,94
IDGC of Centre & Volga Reg	0,2645	29,81	454,04

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,02%	-4,37%
MICEX POWER Index	0,32%	-9,19%
IDGC of Centre**	1,34%	-19,21%
IDGC of Centre and Volga Region**	-0,56%	-12,33%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,47%	-17,48%
FGC UES	-0,13%	-5,83%
IDGC of Volga	0,40%	-2,53%
MOESK	0,50%	-22,30%
IDGC of Northern Caucasus	-1,24%	-25,52%
IDGC of North-West	-2,10%	16,35%
IDGC of Urals	0,00%	-18,47%
IDGC of Siberia	0,97%	-27,60%
IDGC of South	1,22%	11,20%
Lenenergo, ordinary shares	-0,34%	20,83%
TRK, ordinary shares	8,33%	-8,89%
Kubanenergo	-0,78%	-35,46%

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