

# DAILY MARKET REVIEW

15 August, Wednesday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 14 August some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 lost 0.4-0.5% following the general decrease in investors' appetite for risky assets due to the financial crisis in Turkey. On Tuesday the composite index of the Asia-Pacific region, MSCI Asia Pacific, and futures for US indices rose by 0.3-0.5% thanks to the restoration of the Turkish lira in the foreign exchange market. The Japanese Nikkei225 topped the rise, adding 2.3%, including on a weakening of the yen due to the exit of traders from defensive assets. At the same time, the Chinese index CSI300 lost 0.5% on statistics, indicating a weakening of business activity in the country. In January-July, the pace of investment in the PRC was minimal since 1999, the growth of retail sales and industrial production in July was weaker than expected. October Brent futures traded near \$72.9 per barrel, \$1.0 higher than our closing on 13 August. Oil quotations are supported by a decrease in Turkish risks and expectations of a reduction in oil reserves in the US for the second week in a row.

The MOEX Russia Index and the European Stoxx Europe 600 Index spent most of Tuesday flat near zero – the continuing concern over the Turkish problems was offset by good western statistics. In the second quarter, Germany's GDP growth accelerated to 0.5%, the Eurozone's GDP increased to 0.4% from 0.3%, unemployment in the UK renewed the minimum of 43 years. In the US the value of the optimism index in small business in July was the second time highest for the calculation period of the index – the index approached the historic maximum, which was recorded in 1983. Additional pressure on the Russian market was put by sharp appreciation of the ruble, which triggered a decline in the majority of shares of exporters.

As a result of the trading session the MicexPWR Sector Index looked somewhat worse than the market, mainly due to reduction of Unipro's shares.

## ELECTRIC POWER INDUSTRY NEWS

### Utility tariffs may grow by 1.7% from 1 January and by 2.4% from 1 July 2019

The Ministry of Economic Development proposed indexing utility tariffs in 2019 in two stages: from 1 January tariffs may grow by 1.7%, and from 1 July – by another 2.4%, the press service of the ministry reported.

Read full text: <http://www.bigpowernews.ru/markets/document84170.phtml>

### Suppliers of last resort and energy sales companies support the two-stage indexing of utility tariffs

The Association of Suppliers of Last Resort and Energy Sales Companies supports the proposal of the Ministry of Economic Development on the two-stage indexing of utility tariffs, Chair of the Management Board of the Association Natalia Nevmerzhitskaya said to RIA Novosti.

Read full text: <http://www.bigpowernews.ru/markets/document84173.phtml>

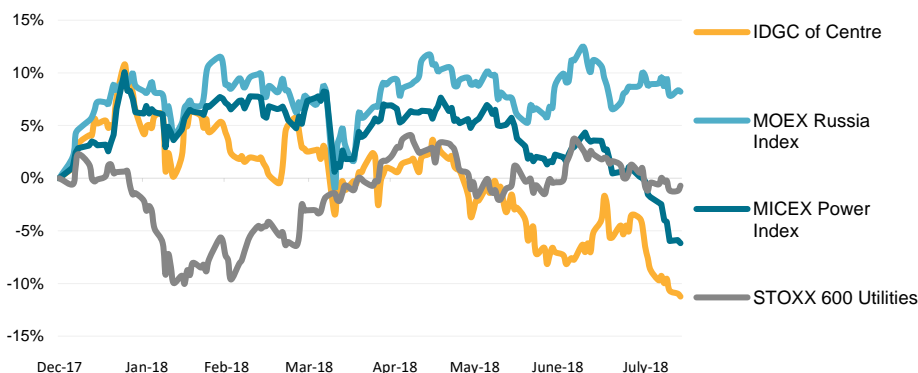
## COMPANY NEWS

### IDGC of Centre spent over 300 million rubles on labour protection and ensuring occupational safety of employees for half a year

During the first half of 2018, IDGC of Centre spent 299.1 million rubles on implementation of a set of measures aimed at protecting labour and ensuring production safety of its personnel. The bulk of the funds, 236.3 million rubles, is aimed at providing workers with overalls, personal protective equipment and devices that reduce risks of injury during work. Compared to the same period last year, this amount increased by 22 million rubles.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/65335/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2282,88	-0,12%	8,21%
S&P 500	2840,57	0,66%	6,24%
FTSE 100	7611,64	-0,40%	-0,99%
DAX	12358,87	0,00%	-4,33%
DJStoxx 600	384,92	0,00%	-1,09%
Nikkei	22356,08	2,28%	-1,80%
Sensex	37852	0,55%	11,14%
CSI300	3372,91	-0,51%	-16,32%
Bovespa	77878,4	0,49%	1,93%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	68,2234	1,97%	18,38%
EURO/RUB	77,6519	1,27%	12,89%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1196,3	0,23%	-8,19%
Brent*, USD/bbl	72,69	0,11%	8,70%

\* - October futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares	Price**, ₹	MCap**, ₹ bln	
		MCap**, \$ mln	MCap**, \$ mln
IDGC of Centre	0,316	13,34	195,55
IDGC of Centre & Volga Reg	0,284	32,01	469,14

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,50%	-0,71%
MICEX POWER Index	-0,31%	-6,17%
IDGC of Centre**	-0,32%	-11,24%
IDGC of Centre and Volga Region**	-0,18%	-5,87%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,83%	-12,97%
FGC UES	1,10%	-3,18%
IDGC of Volga	-0,97%	-5,65%
MOESK	-0,28%	-22,14%
IDGC of Northern Caucasus	0,65%	-19,79%
IDGC of North-West	-3,30%	29,81%
IDGC of Urals	0,54%	-11,46%
IDGC of Siberia	-1,53%	-15,72%
IDGC of South	-1,07%	23,24%
Lenenergo, ordinary shares	-0,85%	20,94%
TRK, ordinary shares	-0,62%	-13,75%
Kubanenergo	1,38%	-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**