

# DAILY MARKET REVIEW

22 August, Wednesday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 21 August some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed with an increase of 0.2-0.3% on optimism regarding the upcoming talks between Washington and Beijing on foreign trade issues. At the same time, the activity of buyers on the market was restrained by statements of Donald Trump, who, firstly, said that he was dissatisfied with the policy of raising interest rates by the head of the Federal Reserve, and, secondly, he accused China and Europe of manipulating their currencies. In addition, the US president said that he does not expect too much from the talks with China and "does not set a date" for completing the trade dispute. On Tuesday the composite index of the Asia-Pacific region, MSCI Asia Pacific, added 0.3%, with mixed changes of the main country indices. October Brent futures traded near \$72.1 per barrel, at the level of our closing on 20 August. On the one hand, the quotes are still supported by the weakening of the dollar. On the other hand, the rise in prices is hampered by media reports that the US plans to sell 11 million barrels of oil from the country's strategic reserve in order to compensate for Iran's falling production due to the US sanctions.

The MOEX Russia Index spent most of the trading session in a small minus within a third of a percent. Moderate positive background on world markets – the index of emerging markets MSCI EM added about a percent, the European Stoxx Europe 600 Index – about half a percent – was offset by fears of growing geopolitical risks. As experts say, traders took a wait-and-see approach to the hearings in the US Senate on Tuesday on the US-Russian relations and sanctions against the Russian Federation. In addition, analysts recall, on 22 August, the first part of the restrictive measures against Russia declared by the US in connection with the "Skripal case" comes into effect. And, the international legal company Debevoise & Plimpton warned, if the US does not limit itself to the starting round of sanctions and introduce a second package a few months later, Russia can officially go to the category of countries under sanctions, which can have significant consequences for business. In the second half of the day, the MOEX Russia Index managed to gain a foothold in the positive territory thanks to the rise of Brent quotations to \$73 per barrel and the beginning of trading in the US by a half-percentage increase in the major indices.

During the trading session the changes of the MicexPWR Sector Index in general corresponded to the MOEX Russia Index. The main contribution to the final growth of the sector indicator was made by shares of FGC UES and Unipro.

## ELECTRIC POWER INDUSTRY NEWS

### Large consumers were extra billed for light

The return to the "last mile" in the electric power industry - a mechanism in which large industry pays for other consumers - will increase the burden on large business by 38.25 billion rubles per year and will raise the grid tariff by 98%, as calculated by the Ministry of Energy. Officials and experts do not consider the extra burden excessive and do not expect that it will lead to mass change of large-scale industry to its own generation. However, companies do not agree with this, according to their version, the return of the "last mile" "will throw the industry into the past".

Read full text: <https://www.kommersant.ru/doc/3719198>

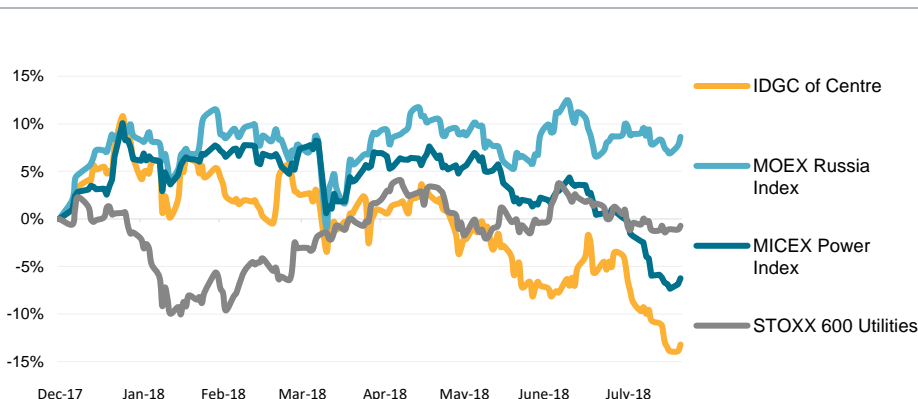
## COMPANY NEWS

### Tambovenergo in the first half of 2018 saved about six million kilowatt-hours of electricity

IDGC of Centre - Tambovenergo division summed up the results of the implementation of the energy saving and energy efficiency improvement program for the first half of 2018. The overall effect of its implementation was 5.942 million kWh.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/65412/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2291,76	0,85%	8,63%
S&P 500	2868,27	0,39%	7,28%
FTSE 100	7565,7	-0,34%	-1,59%
DAX	12384,49	0,43%	-4,13%
DJStoxx 600	384,15	0,24%	-1,29%
Nikkei	22219,73	0,09%	-2,39%
Sensex	38285,75	0,02%	12,42%
CSI300	3326,65	1,82%	-17,47%
Bovespa	75874,12	-0,59%	-0,69%

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

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	67,1807	0,46%	16,57%
EURO/RUB	76,7204	0,70%	11,53%

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

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1189,76	-0,06%	-8,69%
Brent*, USD/bbl	72,6	0,54%	8,57%

\* - October futures

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

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre	0,309	13,05	194,18
IDGC of Centre & Volga Reg	0,286	32,23	479,77

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,41%	-0,72%
MICEX POWER Index	0,67%	-6,23%
IDGC of Centre**	0,82%	-13,20%
IDGC of Centre and Volga Region**	2,14%	-5,20%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,82%	-14,41%
FGC UES	2,24%	-4,35%
IDGC of Volga	2,98%	-5,60%
MOESK	1,13%	-20,13%
IDGC of Northern Caucasus	0,00%	-20,31%
IDGC of North-West	-1,00%	33,27%
IDGC of Urals	-1,08%	-12,65%
IDGC of Siberia	-1,06%	-18,78%
IDGC of South	0,56%	19,90%
Lenenergo, ordinary shares	0,94%	23,65%
TRK, ordinary shares	0,00%	-15,36%
Kubanenergo	0,00%	-23,47%

Source: MOEX, Company calculations

\*\* - at the price of last transaction at MOEX

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**Tickers**  
Moscow Exchange (MOEX)  
Bloomberg  
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**MRKC**  
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