

DAILY MARKET REVIEW

13 May, Monday

2019



REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 8 May some moderately negative external background formed on the Russian market. On Tuesday major US indices fell 1.7-2.0% on concerns about the further course of the US-PRC trade negotiations. According to media reports, Donald Trump's tough statements on tariffs were triggered by attempts by the Chinese party to introduce a number of revisions to the agreements already reached. At the same time, US Trade Representative Robert Lighthizer noted that the changes proposed by China were so significant that they could be equated to cancellation of agreements. Nevertheless, most experts still believe that Donald Trump's demarche is similar to the element of his traditional negotiation tactics. In particular, analysts, polled by CNBC Goldman Sachs, Citi and UBS, unanimously assessed the threats of the US president as a bluff and said that they did not expect the introduction of higher tariffs on Friday. On Wednesday, following the US market, the composite index of the Asia-Pacific region MSCI Asia Pacific was decreasing by a percent. Additional pressure on Asian markets was put by statistics from China, where exports in April, contrary to expectations, fell 2.7% in annual terms, due to falling supplies to the US, according to Reuters. July Brent futures traded around \$70.4 per barrel, \$0.2 above our 7 May close. Oil prices were supported by the increase in the US Department of Energy estimates of the average Brent oil price for 2019 from \$65 to \$70 per barrel. Among the main reasons for the growth of forecasts, the Department points to possible temporary delays in covering the falling volumes of Iranian exports and geopolitical risks associated with the exacerbation of the situation in Venezuela and Libya.

In the first half of the day, the MOEX Russia Index, the index of emerging markets MSCI EM, the European Stoxx Europe 600 Index, and futures for the S&P500, were in the red at an average of 0.5%. Global stock markets continue declining amid global pessimism due to fears of disrupting the US-China trade agreement, which could lead to an escalation of trade conflicts and have a negative impact on the global economy. In the second half of the trading session, the main Western stock indicators moved to the positive area after another "Twitter" statement by Donald Trump that the Chinese delegation is going to Washington to conclude a trade deal. This surge of Western optimism did not impress the Russian market – investors chose to exercise caution before long weekends.

During the trading session, the electric utilities sector index outperformed. The main contribution to the final MOEXEU outperformance compared to the MOEX Russia Index was made by shares of ROSSETI.

ELECTRIC POWER INDUSTRY NEWS

Electricity generation in Russia increased by half a percent

Electricity generation in the UES of Russia for four months of 2019 amounted to 381.9 billion kWh, which is 1.0% more than the same period last year. According to the operational data of JSC SO UES, electricity consumption in the Unified Energy System of Russia in April 2019 amounted to 85.4 billion kWh, which is 0.8% more than consumption in April 2018. Electricity consumption in April 2019 in Russia as a whole amounted to 86.7 billion kWh, which is 0.4% more than in 2018.

Read full text: <http://www.energyland.info/news-show-tek-electro-185817>

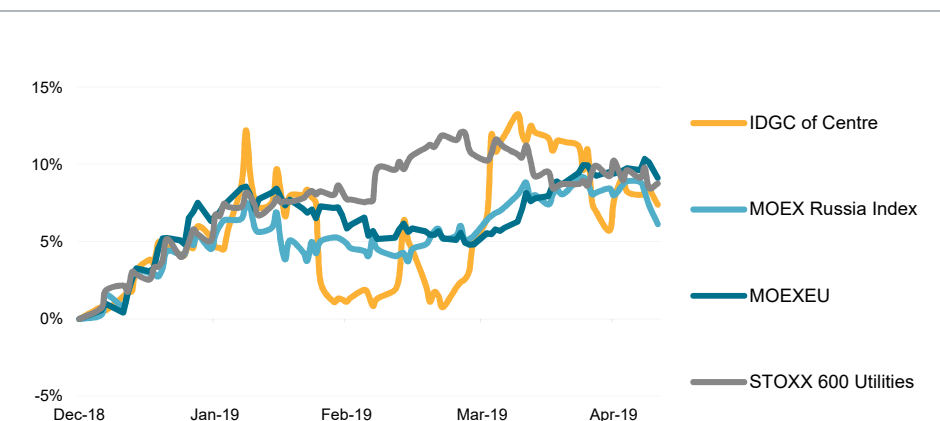
COMPANY NEWS

Voronezhenergo successfully implements the repair program - 2019

IDGC of Centre - Voronezhenergo division summed up the results of the implementation of the repair program in 1Q 2019. All measures planned for the reporting period were completed in full and on time, which contributed to the trouble-free passage of the heating period of 2018-2019.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/68313/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 514,87	-1,16%	6,14%
S&P 500	2 881,40	0,07%	14,94%
FTSE 100	7 203,29	-0,93%	7,06%
DAX	12 059,83	-0,99%	14,21%
DJStoxx 600	377,14	-1,33%	11,70%
Nikkei	21 344,92	-1,19%	6,65%
Sensex	37 462,99	-0,86%	3,87%
CSI300	3 730,45	1,72%	23,91%
Bovespa	94 257,56	-1,40%	7,25%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,23	0,02%	-6,11%
EURO/RUB	73,09	0,01%	-8,02%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 286,05	0,40%	0,28%
Brent*, USD/bbl	70,62	0,36%	31,26%

* - July futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre	0,3072	12,97	198,83
IDGC of Centre & Volga Reg	0,2846	32,07	491,71

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,27%	8,79%
MOEXEU Index	-0,93%	9,15%
IDGC of Centre**	-0,90%	7,41%
IDGC of Centre and Volga Region**	-0,07%	7,40%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	1,96%	43,86%
FGC UES	-0,13%	12,41%
IDGC of Volga	0,14%	7,86%
MOESK	1,21%	8,11%
IDGC of Northern Caucasus	0,08%	78,57%
IDGC of North-West	-0,09%	2,16%
IDGC of Urals	-1,48%	-5,96%
IDGC of Siberia	-4,63%	109,07%
IDGC of South	1,38%	35,17%
Lenenergo, ordinary shares	-0,70%	6,81%
TRK, ordinary shares	0,00%	9,74%
Kubanenergo	1,03%	41,19%

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