

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 6 May some moderately positive external background formed on the Russian market. On Tuesday, the US indices DJIA and S&P500 rose by 0.6-0.9% on expectations of accelerating the process of easing quarantine measures in the country and the subsequent economic recovery. Buyers' activity was restrained by concern about the depth of the current recession, which intensified after the release of statistics – the business activity index ISM Non-Manufacturing in the services sector in April fell to the lowest level for 11 years 41.8 points. On Wednesday, the composite index of the Asia-Pacific region MSCI Asia Pacific and the S&P500 futures added 0.5-0.8%. Support to the markets was also provided by Donald Trump's statements about the need to open the economy as soon as possible, the benefits of which, according to him, outweigh the possible risks. July Brent futures were trading around \$31.0 per barrel, \$0.6 higher than our close on 5 May. Brent quotes soared on the eve by almost 14% due to hopes for the restoration of demand for energy as more countries resume economic activity.

In the first half of the day, the MOEX Russia Index, the consolidated European Stoxx Europe 600 Index and the S&P500 futures were in a small plus, on average within 0.5%. Investors' optimism continued to be supported by media information about accelerating the process of lifting restrictive measures around the world introduced to counter the spread of coronavirus. The market sentiment worsened after the publication of weak statistics from Europe and the US, once again emphasizing the severity of the current economic crisis. The consolidated PMI in the Eurozone in April fell to a record low of 13.6 points, retail sales in the Eurozone in March fell to a record of 11.2%, in Germany the pace of decline in orders of industrial enterprises in March by 15.6% was the highest since 1975. According to ADP, the number of jobs in the US private sector in April decreased by 20.2 million. According to analysts, the suspension of business operations due to quarantine restrictions led to the worst crisis in the labour market in almost a hundred years. The MOEX Russia Index closed trading down 0.8% – an additional pressure on our market was put by a 6% drop in Brent quotes, which ignored good statistics from the US Department of Energy. Last week, the growth of oil reserves in the US was two times less than forecasts, gasoline stocks, contrary to expectations, have been declining for the second week in a row.

At the end of the trading session, the electric utilities sector index looked slightly better than the market, including due to preferred shares of Rosseti. These securities added 11% on the recommendations of the Board of Directors on dividends for 2019 – RUB 0.1893, which corresponds to the current dividend yield of 10%. In general, Rosseti plans to pay record dividends at the end of 2019 – RUB 23 billion, taking into account interim dividends in the amount of RUB 5 billion for the first quarter.

ELECTRIC POWER INDUSTRY NEWS

Titov suggests including transmission and distribution among the affected sectors

Boris Titov, Presidential Commissioner for Protection of Entrepreneurs' Rights, suggested that Russian President Vladimir Putin include the transmission and distribution of electricity in the list of activities affected by coronavirus.

Read full text: <https://emitent.1prime.ru/News>

Moody's assessed the impact of the epidemic on energy companies

Demand for electricity in Russia in 2020 will decrease by 3% with a projected decrease in the GDP of 5.5%, according to a report by Moody's agency on the impact of the COVID-19 pandemic on the Russian electricity industry.

Read full text: <https://www.vedomosti.ru/business/>

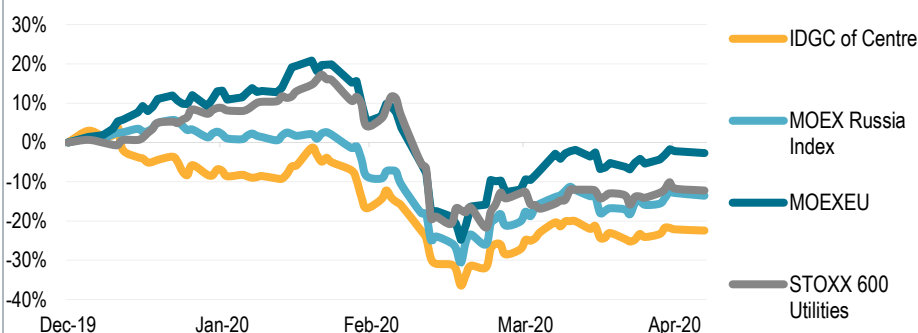
COMPANY NEWS

Lipetskenergo's specialists control the electricity balances in the grid

During the unfavourable epidemiological situation, power engineers of the branch "Rosseti Centre Lipetskenergo" pay special attention to measures aimed at ensuring reliable and high-quality energy supply to consumers in the Lipetsk region.

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

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	2632,1	-0,81%	-13,58%
S&P 500	2866,4	-0,07%	-11,28%
FTSE 100	5853,76	0,07%	-22,39%
Nikkei	19619,35	0,00%	-17,07%
Sensex	31685,75	0,74%	-23,19%
CSI300	3936,25	0,60%	-3,91%
Bovespa	78745,5	-0,91%	-31,91%

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

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	72,7263	0,00%	17,48%
EURO/RUB	79,1189	0,00%	14,10%

Source: Central Bank of Russia, Company calculations

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
Number of transactions, pcs.	498	753
Trading volume, ₺ mln	4,0	16,8
Trading volume, mln pcs.	16,2	96,8
Average trading volume over the last 30 days, mln pcs.	31,2	144,4
% of the authorized capital	0,04%	0,09%

Source: MOEX, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2458	10,38	142,69
IDGC of Centre & Volga Reg	0,1738	19,59	269,32

Source: MOEX, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	-0,59%	-12,26%
MOEXEU	-0,52%	-2,74%
IDGC of Centre**	-0,41%	-22,46%
IDGC of Centre & Volga Region**	0,00%	-27,28%

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

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	0,16%	-6,79%
FGC UES	-0,82%	-9,54%
IDGC of Volga	-0,30%	-25,97%
MOESK	1,15%	-14,94%
IDGC of Northern Caucasus	-0,15%	-12,07%
IDGC of North-West	-0,31%	-8,51%
IDGC of Urals	1,34%	-8,48%
IDGC of Siberia	-1,35%	-29,29%
Rosseti South	-0,10%	-18,32%
Lenenergo, ordinary shares	0,00%	-19,60%
TRK, ordinary shares	2,27%	-16,05%
Kubanenergo	-0,47%	0,16%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

[MRKC](#)

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