

DAILY MARKET REVIEW

6 August, Monday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 3 August some moderately negative external background formed on the Russian market. On Thursday the major US indices closed in different directions: the DJIA declined 0.03% on fears of tightening of the US-China trade conflict, the S&P 500 rose by 0.5% after the rise in shares of high-tech companies led by Apple, whose capitalization exceeded \$1 trillion after the release of strong reporting. On Friday the composite index of the Asia-Pacific region, MSCI Asia Pacific, lost 0.3% mainly due to the continued decline in the value of Chinese securities – the CSI300 fell 1.6%. October Brent futures traded near \$73.1 per barrel, \$0.5 lower than our closing on 2 August. On Thursday Brent quotes rose by 1.5% on media reports that the Iranian Armed Forces are preparing to launch large-scale exercises in the Persian Gulf that can demonstrate to observers the capabilities of Iran to block the Strait of Hormuz. As the media remind, Iran threatened to close the Strait of Hormuz, through which about 30% of all world oil supplies via the sea pass, if international restrictions on oil export are imposed on Tehran.

Losses of the MOEX Russia Index in the first half of the day reached 0.8% due to increased risks of new US sanctions. The media reported on Thursday that a group of senators from both parties had drafted a bill on new sanctions against Russia, accusing it of continuing interference in US elections, creating tension in Syria, and aggression in Ukraine. The proposed measures, according to media reports, include a ban on transactions on the new state debt of the Russian Federation, sanctions on transactions related to investments in energy projects, "supported by Russian state or quasi-state structures," sanctions against politicians, oligarchs and members of their families. At the same time, the activity of sellers was limited to a half-percentage increase in the European Stoxx Europe 600 Index as part of the correction after the percentage drop on Thursday and the stability of the Brent quotes at around \$73 per barrel. Statistics published in the US was ambiguous and had no significant impact on the mood of investors. On the one hand, in July unemployment in the US declined to 3.9%, the lowest level since 1969, the growth in the number of jobs, given the revision of data for May-June, was higher than expected. On the other hand, the drop in the business activity index in the services sector in July significantly exceeded forecasts – the indicator fell to an 11-month low. The MOEX Russia Index was able to close trading in a small plus due to a half-percentage increase in the closing auction.

During the trading session the MicexPWR Sector Index underperformed, the main contribution to the final MicexPWR decline in antiphase with the MOEX Russia Index was made by shares of FGC UES and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

Mr. Putin signed a law on reducing costs of land registration for grid facilities

President of the Russian Federation Vladimir Putin signed a law aimed at reducing the material and time costs of registering rights to land for the purpose of construction, reconstruction and operation of line facilities, the relevant document was published at the official Internet portal of legal information.

Read full text: <http://www.bigpowernews.ru/news/document84057.phtml>

COMPANY NEWS

Since the beginning of the year, Tambovenergo recovered more than 68 million rubles from debtors

IDGC of Centre - Tambovenergo division continues the claim-related work aimed at paying off receivables for consumed electricity.

Read full text: <http://www.energostrana.ru/news/powerindustry/27078.html>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 297,99	0,12%	8,92%
S&P 500	2 840,35	0,46%	6,24%
FTSE 100	7 659,10	1,10%	-0,37%
DAX	12 615,76	0,55%	-2,34%
DJStoxx 600	389,16	0,65%	-0,01%
Nikkei	22 525,18	0,06%	-1,05%
Sensex	37 556,16	1,05%	10,27%
CSI300	3 315,28	-1,65%	-17,75%
Bovespa	81 434,98	2,26%	6,59%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	63,14	0,92%	9,56%
EURO/RUB	73,42	0,43%	6,74%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 214,90	0,59%	-6,75%
Brent*, USD/bbl	73,21	-0,33%	13,70%

* - October futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3250	13,72	217,32
IDGC of Centre & Volga Reg	0,3010	33,92	537,29

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,76%	-0,43%
MICEX POWER Index	-0,24%	-1,79%
IDGC of Centre**	-1,22%	-8,71%
IDGC of Centre and Volga Region**	-0,33%	-0,23%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,65%	-7,11%
FGC UES	-0,91%	1,30%
IDGC of Volga	0,39%	-0,49%
MOESK	-0,96%	-20,02%
IDGC of Northern Caucasus	0,00%	-16,67%
IDGC of North-West	3,35%	42,31%
IDGC of Urals	2,47%	-10,74%
IDGC of Siberia	-1,45%	-10,92%
IDGC of South	0,54%	24,08%
Lenenergo, ordinary shares	0,76%	24,06%
TRK, ordinary shares	0,00%	-9,97%
Kubanenergo	-1,01%	-24,74%

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