

# DAILY MARKET REVIEW

20 May, Monday

2019



## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 17 May some neutral external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed with a growth of 0.8-0.9% on strong Walmart and Cisco reporting and good statistics. In April, the number of new buildings increased for the second month in a row, the rate of decline in the number of applications for unemployment benefits was the highest since February, the Philadelphia manufacturing activity index in May rose to its highs since the beginning of the year. These pieces of news, analysts say, levelled concerns about the escalation of the US trade conflict with China after Donald Trump signed a decree allowing blocking access to foreign technology companies to the US market. On Friday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.1%. The Chinese CSI300 drop by 2.6% under pressure from the tightening of the rhetoric of the Chinese authorities regarding the US-PRC trade deal differed from the overall trends of the Asian exchanges. In particular, the representative of the Ministry of Commerce of China Gao Feng said that he did not see the point in the new visit to China of the American delegation, which had previously reported on such plans. According to him, the increase in US duties on Chinese goods in the amount of \$200 billion and the threat of an increase in duties on Chinese exports worth another \$300 billion a year led to a "substantial rollback in the negotiations." July Brent futures traded around \$72.6 per barrel, \$0.5 below our 16 May close. Brent quotes were adjusting after testing on Thursday the level of \$73 per barrel due to increased geopolitical risks in the Persian Gulf. The attack on oil tankers, the attack by the drones at oil pipelines, the strengthening of the US military presence in the region, the coalition airstrikes led by Saudi Arabia in the capital of Yemen - all this, according to analysts, increases the likelihood of military conflict in the Middle East and significantly increases the risk premium in the price of oil.

On Friday, global stock markets were dominated by sellers on reinforcing fears of disrupting the US-China trade deal after numerous skeptical publications in the official Chinese media, indicating Beijing's low interest in resuming the trade negotiations. In the middle of the day, the decline in the index of emerging market MSCI EM, the European Stoxx Europe 600 Index, and futures for US indices reached a percent. At the same time, losses of the MOEX Russia Index during the day were limited to 0.5% - the domestic market was kept from a larger decline by high oil prices. At the end of the day, global markets were able to regain some of the losses after the release of strong statistics in the US, where the consumer confidence index unexpectedly rose in May to a maximum value since 2014, surpassing the most optimistic forecasts of analysts.

At the end of the trading session, the electric utilities sector index outperformed. The main contribution to the MOEXEU growth in antiphase with the MOEX Russia Index was made by shares of ROSSETI and FGC UES.

## ELECTRIC POWER INDUSTRY NEWS

### Mr. Medvedev instructed to solve the issue of debt of utilities for consumed energy resources

Prime Minister of Russia Dmitry Medvedev at a meeting of the Cabinet on Thursday, 16 May, drew attention to the need to analyze the formation of debt of housing and public utilities enterprises for energy consumed, and to take measures to repay it, providing for funds in the budgets for cost recovery, the government press service said.

Read full text: <http://www.bigpowernews.ru/markets/document88143.phtml>

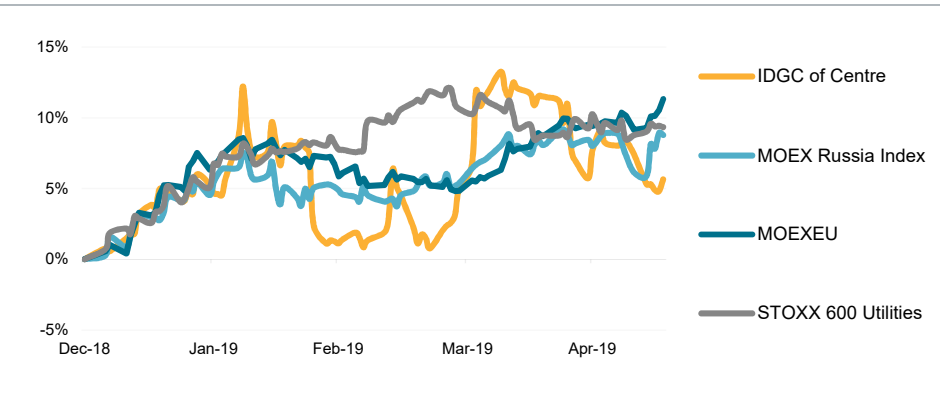
## COMPANY NEWS

### Rostekhnadzor positively assessed IDGC of Centre based on the results of an unscheduled on-site inspection

This information was announced at a meeting under the leadership of the head of the department Alexey Aleshin. The inspection of the Federal Service for Environmental, Technological and Nuclear Supervision (Rostekhnadzor) was held in all branches and the executive office of the company. During it, the state of the grid complex of IDGC of Centre was assessed.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/68361/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2577,48	-0,14%	8,79%
S&P 500	2874,97	-0,05%	14,68%
FTSE 100	7348,62	-0,07%	9,22%
DAX	12238,94	-0,58%	15,91%
DJStoxx 600	381,51	-0,36%	12,99%
Nikkei	21250,09	0,89%	6,17%
Sensex	37930,77	1,44%	5,16%
CSI300	3648,76	-2,54%	21,20%
Bovespa	90904,74	0,98%	3,43%

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

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,5598	-0,45%	-7,07%
EURO/RUB	72,3651	-0,45%	-8,93%

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

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1276,76	0,77%	0,44%
Brent*, USD/bbl	72,05	-0,78%	33,92%

\* - July futures

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

Shares	Price**, ₽	MCap**, \$ mln	
		₽ bln	\$ mln
IDGC of Centre	0,3022	12,76	197,62
IDGC of Centre & Volga Reg	0,286	32,23	499,25

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,09%	9,35%
MOEXEU Index	0,71%	11,34%
IDGC of Centre**	0,80%	5,66%
IDGC of Centre and Volga Region**	0,07%	7,92%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	5,18%	51,90%
FGC UES	3,54%	16,53%
IDGC of Volga	0,00%	9,39%
MOESK	0,50%	7,42%
IDGC of Northern Caucasus	0,08%	77,86%
IDGC of North-West	1,74%	-0,09%
IDGC of Urals	-0,48%	-10,73%
IDGC of Siberia	-3,90%	106,93%
IDGC of South	0,68%	35,17%
Lenenergo, ordinary shares	0,18%	7,94%
TRK, ordinary shares	0,00%	10,71%
Kubanenergo	1,38%	35,66%

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**  
**MRKC:RM**  
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