

# DAILY MARKET REVIEW

27 June, Wednesday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 26 June some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 fell 1.3-1.4% on fears of a new round of tension between the US and major trading partners. In addition to imposing duties on products from China in the amount of \$50 billion, the US plans to limit the opportunities of Chinese firms to invest in US technology companies. In addition, Donald Trump promised to introduce duties for another \$200 billion of Chinese imports, if Beijing answers with mirror measures to the first restrictions. According to economists, this threat, once realized, could reduce China's economic growth by half a percentage point and hit the US economy. Regarding the European Union, the US president announced a possible increase in duties for imports of cars and automotive components, whose volume last year was €58 billion. In response, China and the EU promised to resist trade protectionism and said that unilateral US actions could lead to a global recession. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific was near zero with mixed changes of the main country indices. Chinese exchanges are still among the outsiders: the Shanghai Composite index entered the "bear market", having lost 20% of the annual maximum, the CSI300 index is also close to this milestone. August Brent futures traded near \$75 per barrel, \$0.6 higher than the closing level on 25 June. The sector's experts attributed the small rise in oil prices to the weakening of the dollar in the world foreign exchange market, the expectations of a reduction in fuel stocks in the US and the uncertainty regarding the export of Libyan oil due to the unstable situation in this country.

The MOEX Russia Index spent most of the trading session with low volatile changes near zero. Positive background of recovery of European exchanges after active sales on Monday and growth of Brent crude quotations above \$75 per barrel was offset by overall deterioration in the attitude of investors to assets of emerging markets. So, a number of the largest investment banks, including Goldman Sachs and Citigroup, pointed to the vulnerability of emerging markets due to the worsening prospects for the growth of the world economy due to trade wars. In particular, according to the Netherlands Bureau of Economic Policy Analysis, the rate of change of the world trade fell in April to a minimum since 2015. At the end of the day the rise of oil prices above \$76 per barrel was promoted by the US demand from its allies to stop importing oil from Iran by 4 November.

As a result of the trading session the MicexPWR Sector Index underperformed mainly due to shares of RushHydro.

## ELECTRIC POWER INDUSTRY NEWS

### The Ministry of Energy of Russia improves the standards for the digital energy transformation

In the State Duma of the Federal Assembly of the Russian Federation, within the framework of a roundtable organized by the Energy Committee, a discussion was held on the legislative support for the development of digital power engineering in Russia.

Read full text: <http://www.energyland.info/analitic-show-173571>

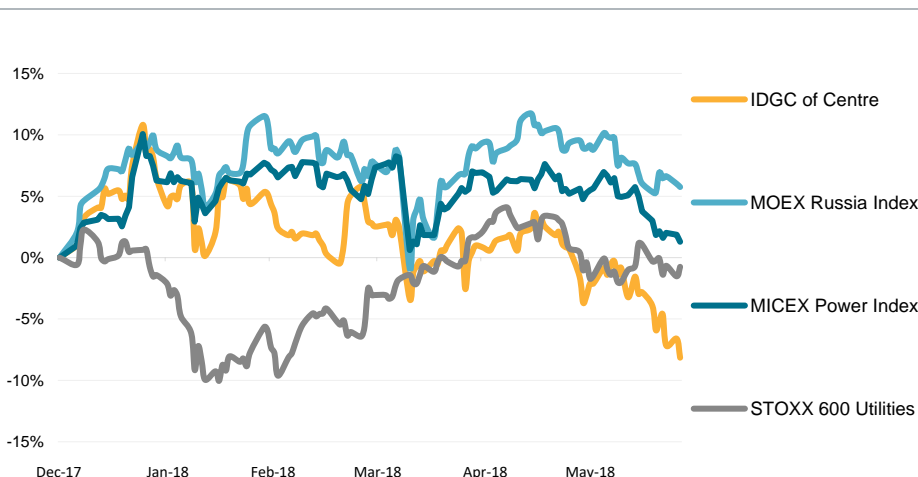
## COMPANY NEWS

### Smolenskenergo since the beginning of the year connected 12 socially significant facilities to the electricity grid

IDGC of Centre - Smolenskenergo division for 4 months of 2018 fulfilled 808 agreements on grid connection for a total capacity of 15 MW. Among them there are 658 individuals (connected capacity of up to 15 kW) for a total capacity of 7.9 MW.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/64449/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2231,03	-0,25%	5,75%
S&P 500	2724,13	0,26%	1,89%
FTSE 100	7537,92	0,37%	-1,95%
DAX	12234,34	-0,29%	-5,29%
DJStoxx 600	377,25	0,02%	-3,07%
Nikkei	22342	0,02%	-1,86%
Sensex	35490,04	0,06%	4,21%
CSI300	3531,11	-0,82%	-12,40%
Bovespa	70759,27	-0,27%	-7,39%

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

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	62,9497	-0,46%	9,23%
EURO/RUB	73,3112	-0,56%	6,58%

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

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1260,61	-0,40%	-3,26%
Brent*, USD/bbl	76,14	1,89%	13,86%

\* - August futures

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

Shares	Price**, ₺	MCap**, ₺ bln	
		MCap**, \$ mln	MCap**, \$ mln
IDGC of Centre	0,327	13,81	219,31
IDGC of Centre & Volga Reg	0,285	32,12	510,23

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,78%	-0,75%
MICEX POWER Index	-0,55%	1,30%
IDGC of Centre**	-1,65%	-8,15%
IDGC of Centre and Volga Region**	-3,39%	-5,54%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	1,52%	-2,61%
FGC UES	-0,38%	13,24%
IDGC of Volga	-2,00%	7,36%
MOESK	-0,87%	-24,36%
IDGC of Northern Caucasus	-1,52%	-15,36%
IDGC of North-West	6,67%	20,00%
IDGC of Urals	-3,95%	-18,85%
IDGC of Siberia	0,48%	-9,17%
IDGC of South	-2,03%	-3,34%
Lenenergo, ordinary shares	-0,53%	17,40%
TRK, ordinary shares	2,24%	-14,02%
Kubanenergo	-0,86%	-26,28%

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**