

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 12 July some neutral external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 added 0.2-0.8% and updated their historical highs after the head of the Federal Reserve, speaking at the Senate Banking Committee, reaffirmed the Central Bank's readiness to lower the rate in July to support the economy in the context of weakening global growth and uncertainties associated with trade disputes. On Friday the composite index of the Asia-Pacific region MSCI Asia Pacific declined by 0.1%. A negative factor for the markets was Donald Trump's statement that China is violating agreements to increase purchases of American agricultural products. This statement reminded investors of the uncertainty about the prospects for a US-China trade deal and the risks to the global economy associated with the trade conflict of these countries. September Brent futures traded near the mark of \$67.0 per barrel, at the level of our closure on 11 July. On the one hand, quotes were supported by media reports that the hurricane in the Gulf of Mexico has already led to the suspension of more than half of its oil capacity and a reduction in oil production by 1 million barrels per day (b/d). On the other hand, the OPEC forecasts, according to which, with an increase in the demand for oil in 2020 by 1.14 b/d, the growth in supply from non-OPEC countries will increase by 2.44 million b/d, of which 70% will be in the US, became a cause for concern for investors.

On Friday, the Russian market for the second day in a row has been under pressure from sellers. After active profit-taking on Thursday, on the last day of the week, reminders of sanctions risks became the reason for sales. According to media reports, the US House of Representatives supported the amendment to the country's defense budget bill for 2020, which provides for the introduction of new sanctions on Russian sovereign debt due to Russia's alleged interference in the 2016 US presidential election. However, investors' reaction to this piece of news was rather restrained – as Reuters writes, for the launch of the new sanctions mechanism, the budget must be approved by both houses of Congress and signed by the US president, which takes a long period of time. In addition, analysts recalled that this is not the first initiative of US lawmakers on restrictive measures in relation to the Russian national debt – a number of such bills for a long time lay in Congress without movement. Against this background, the MOEX Russia Index, which began trading with a percentage drop, reduced the loss to 0.4% by the end of the day.

At the end of the day, 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 RusHydro and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

British National Grid proposed using electric vehicles as energy storage batteries

The British energy company National Grid has launched an initiative to use electric vehicles as batteries for storing renewable energy, TASS reports, citing The Guardian.

Read full text: <http://www.bigpowernews.ru/news/document88963.phtml>

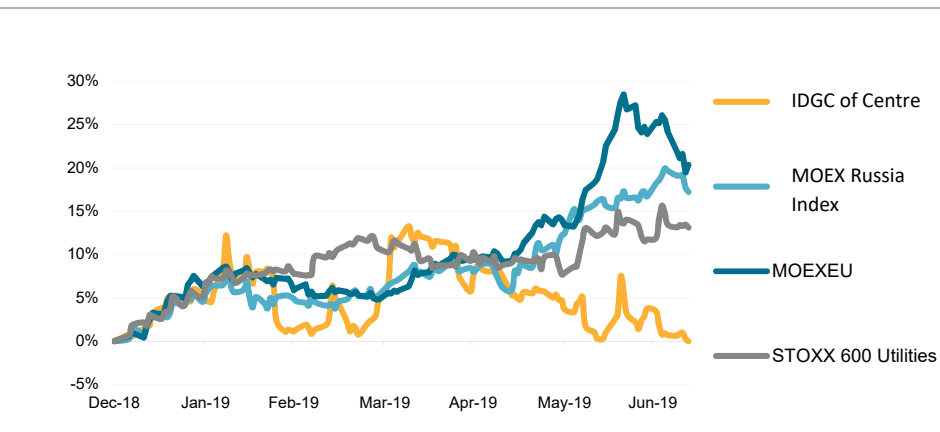
COMPANY NEWS

Grid connection of business facilities helps the development of the Smolensk region

In May 2019, the branch "Rosseti Centre Smolenskenergo" completed the work on grid connection of three major business facilities at once. Thus, temporary power supply was provided to a construction site for building the Leroy Merlin shopping centre at the request of the construction company Monolitstroy-Plus LLC in the city of Smolensk. The maximum power was 235 kW. In addition, the capacity of electrical equipment of production premises of Veles LLC in the village of Ugra was increased. The facility received 150 kW of power. Also, in May, the capacity of the production base of the processing production of OJSC "Khebprom" in Yartsevo was increased (up to 952.2 kW). The contract provided for the design and construction of cable and overhead lines with a length of 2.65 km.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/68991/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 777,58	-0,43%	17,23%
S&P 500	3 013,77	0,46%	20,22%
FTSE 100	7 505,97	-0,05%	11,56%
DAX	12 323,32	-0,07%	16,71%
DJStoxx 600	386,85	0,04%	14,57%
Nikkei	21 685,90	0,20%	8,35%
Sensex	38 736,23	-0,22%	7,40%
CSI300	3 808,73	0,62%	26,51%
Bovespa	103 906,00	-1,18%	18,23%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	62,99	-1,26%	-9,32%
EURO/RUB	71,01	-0,78%	-10,64%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 415,75	0,85%	10,39%
Brent*, USD/bbl	66,72	0,30%	24,01%

* - September futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2860	12,07	191,67
IDGC of Centre & Volga Reg	0,2705	30,48	483,93

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,28%	13,13%
MOEXEU	0,77%	20,39%
IDGC of Centre**	-0,28%	0,00%
IDGC of Centre and Volga Region**	0,19%	2,08%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-1,12%	59,25%
FGC UES	2,66%	36,54%
IDGC of Volga	-0,32%	-3,47%
MOESK	0,14%	10,23%
IDGC of Northern Caucasus	-6,02%	143,14%
IDGC of North-West	-0,08%	13,42%
IDGC of Urals	0,22%	-3,47%
IDGC of Siberia	0,53%	177,56%
IDGC of South	-0,15%	21,83%
Lenenergo, ordinary shares	-0,52%	7,75%
TRK, ordinary shares	-2,63%	-3,90%
Kubanenergo	-1,26%	28,69%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

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Bloomberg

Reuters

MRKC

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