

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 5 June some moderately positive external background formed on the Russian market. The US indices DJIA and S&P500 closed Thursday with mixed changes within 0.5%. Positive decision of the ECB to expand the asset repurchase program to €1.35 trillion was levelled by statistics that recorded an unexpected increase in the number of Americans continuing to receive unemployment benefits. As noted in Bloomberg, the market is looking for new incentives for growth in the absence of convincing evidence that restarting economies will ensure the recovery of companies' profits. On Friday, the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.5%. August Brent futures were trading around \$40.4 per barrel, \$0.9 higher than our close on 4 June. Oil prices were supported by media information that OPEC+ talks on a possible extension of reductions would nevertheless take place at the end of this week. Interfax writes, the fact itself that the OPEC+ meeting is scheduled, means that countries that did not fulfill the deal promised to compensate for the backlog, as Russia and Saudi Arabia insisted on this, that is, production in the near future should decrease even more.

On Friday, buyers dominated the Russian and European markets – in the middle of the day, the growth rates of the MOEX Russia Index and the consolidated Stoxx Europe 600 exceeded a percent. Support for our market was provided by the rise in oil prices, European investors continued to play back information on new stimulus measures by the ECB, which strengthened the hope for a more rapid recovery of the regional economy after the crisis. In the afternoon, the growth of western markets accelerated after the publication of strong statistics from the United States, where in May the number of jobs increased by 2.5 million, and unemployment fell to 13.3% from 14.7% in April. At the same time, analysts predicted a sharp deterioration in the situation on the US labour market – in particular, Bloomberg consensus implied a reduction in the number of jobs by 7.5 million and a jump in unemployment to 19%. According to experts, if these data reliably reflect the real state of the labour market, then the rate of post-crisis recovery of the American economy, which began after the abolition of quarantine restrictions and large-scale state support, exceeds forecasts, and as a result, the recession in the second quarter may turn out to be significantly less than current very pessimistic estimates. Against this background, the growth rate of the main US and European stock indices on average exceeded 3%. At the same time, the Russian market, ignoring the surge of Western optimism and the growth of Brent quotes to \$42 per barrel, completed the trades with a moderate percentage increase of the MOEX Russia Index.

During the day, changes of the electric utilities sector index generally corresponded to the market. The main contribution to the final MOEXEU growth was made by RusHydro's shares, which continue to be supported by strong IFRS statements for 1Q2020 and improved dividend prospects.

ELECTRIC POWER INDUSTRY NEWS

The Cabinet and Rosseti to work out a roadmap for development of technologies for smart energy systems

The Russian government and the Rosseti company will develop an action plan for development of electric power transmission technologies and distributed smart energy systems until 2025. This is stated in the order of the Russian government, the document is published on the official Internet portal of legal information.

Read full text: <https://tass.ru/ekonomika/>

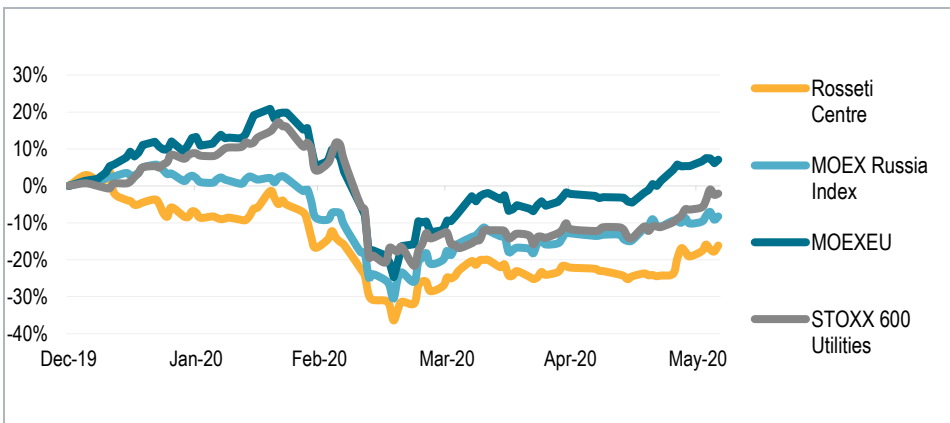
COMPANY NEWS

Rosseti organized the attraction of debt investors in bonds of subsidiaries for 13 billion rubles at historically low rates

On 29 May 2020, the Rosseti Centre and Rosseti Centre and Volga Region companies, with the organizational support of PJSC Rosseti, successfully closed the order books for exchange-traded bonds of series 001P-02 and 001P-01 with a total volume of 13 billion rubles. For the issue of Rosseti Centre in the amount of 5 billion rubles, the coupon rate was 5.60% per annum, Rosseti Centre and Volga Region in the amount of 8 billion rubles - 5.65% per annum. The bonds have a maturity period of three years.

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

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	2792,74	0,96%	-8,31%
S&P 500	3196,91	2,72%	-1,05%
FTSE 100	6484,3	2,25%	-14,03%
Nikkei	22863,73	0,74%	-3,35%
Sensex	34287,24	0,90%	-16,89%
CSI300	4001,25	0,48%	-2,33%
Bovespa	96139,6	2,46%	-16,87%

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

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	69,0151	0,99%	11,48%
EURO/RUB	77,3245	0,91%	11,51%

Source: Central Bank of Russia, Company calculations

Liquidity	Rosseti Centre	Rosseti Center & Volga Region
	Number of transactions, pcs.	778
Trading volume, ₺ mln	11,2	18,9
Trading volume, mln pcs.	42,2	99,6
Average trading volume over the last 30 days, mln pcs.	37,5	111,9
% of the authorized capital	0,10%	0,09%

Source: MOEX, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
Rosseti Centre	0,2658	11,22	162,60
Rosseti Center & Volga Reg	0,1908	21,50	311,57

Source: MOEX, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	0,33%	-2,12%
MOEXEU	0,92%	7,09%
Rosseti Centre**	2,00%	-16,15%
Rosseti Center & Volga Region**	-0,16%	-20,17%

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

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	0,69%	16,41%
Rosseti FGC UES	0,10%	-8,39%
Rosseti Volga	0,00%	-24,96%
Rosseti Moscow Region	0,09%	-3,65%
Rosseti Northern Caucasus	-0,23%	-12,53%
Rosseti North-West	-1,52%	-3,27%
Rosseti Ural	1,32%	2,67%
Rosseti Siberia	-1,27%	-24,76%
Rosseti South	-0,77%	-16,87%
Rosseti Lenenergo	-0,49%	-13,78%
Rosseti Tomsk	0,75%	-6,74%
Rosseti Kuban	-0,28%	11,95%

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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