

DAILY MARKET REVIEW

26 June, Tuesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 25 June some moderately negative external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed with an increase of 0.2-0.5% due to growth of shares of commodity companies, following a sharp rise in oil prices. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.8%, futures for US indices were 0.6% down on fears of a new round of escalation of the US-China trade dispute. According to the media, the US Treasury is developing rules according to which companies that are more than 25% owned by Chinese property owners will not be able to purchase US businesses that have access to "important industry technologies". Another initiative of the US administration involves the introduction of additional restrictions on exports, to prevent the leakage of technology to China. August Brent futures traded near \$74.2 per barrel, \$0.4 below the closing level on Friday, 22 June. Oil quotes are adjusting after growth of 3.5% on Friday on arrangements of OPEC countries to increase production by 1 million barrels per day (b/d). Firstly, this increase turned out to be 1.5 times less than Russia and Saudi Arabia offered, and secondly, according to experts, production will actually grow by 600-700 thousand b/d, because not all OPEC+ countries are able to rapidly increase production.

The MOEX Russia Index spent most of the trading session in a small minus within half a percent, despite a significant deterioration in moods on world markets, triggered by fears of escalating the trade conflict between the two largest economies of the world. According to media reports, Washington's new steps against the PRC, whose need is motivated by considerations of national security, can be announced before the end of the week. Against this background, the European Stoxx Europe 600 Index and the index of emerging markets MSCI EM in the second half of the day lost more than 1.5%, the US indices showed similar changes at the beginning of the trading session. As a result of the day the MOEX Russia Index decreased by 0.6% – almost all losses were formed by almost a 6% drop in Sberbank's common shares after the ex-dividend date.

As a result of the trading session the MicexPWR Sector Index outperformed mainly due to growth of shares of Mosenergo and Unipro.

ELECTRIC POWER INDUSTRY NEWS

Rosseti due to the centralization of purchases in less than a year saved almost 500 million rubles

Rosseti due to the centralization of purchases for the period from April 1, 2017 to February 28, 2018 saved more than 493 million rubles for the purchase of equipment, said the head of the electric grid holding company Pavel Livinsky during a meeting with the head of the FAS Russia Igor Artemiev, says a press release of the company.

Read full text: <http://www.bigpowernews.ru/news/document83461.phtml>

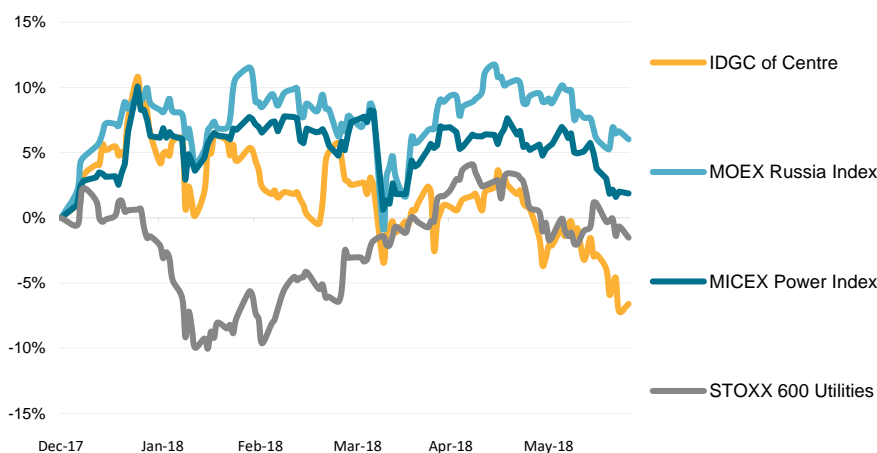
COMPANY NEWS

Smolenskenergo over 5 months of 2018 cleared more than 600 hectares of ROWs

Following the results of five months of 2018, IDGC of Centre - Smolenskenergo division carried out measures to clear ROWs on the territory of 616.02 ha. The work on clearing ROWs of overhead lines is a mandatory direction of the production program. This work is carried out annually in preparation for the autumn-winter period and with the aim of increasing the reliability of electric grids.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/64421/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 236,65	-0,58%	6,02%
S&P 500	2 717,07	-1,37%	1,63%
FTSE 100	7 509,84	-2,24%	-2,31%
DAX	12 270,33	-2,46%	-5,01%
DJStoxx 600	377,17	-2,04%	-3,09%
Nikkei	22 338,15	-0,79%	-1,87%
Sensex	35 470,35	-0,61%	4,15%
CSI300	3 560,48	-1,34%	-11,67%
Bovespa	70 952,97	0,44%	-7,13%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	63,24	-0,86%	9,74%
EURO/RUB	73,72	0,05%	7,18%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 265,64	-0,39%	-2,85%
Brent*, USD/bbl	74,73	-1,09%	14,76%

* - August futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre	0,3325	14,04	221,97
IDGC of Centre & Volga Reg	0,2950	33,25	525,71

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,86%	-1,52%
MICEX POWER Index	-0,16%	1,86%
IDGC of Centre**	0,61%	-6,60%
IDGC of Centre and Volga Region**	-1,50%	-2,22%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,79%	-4,07%
FGC UES	-0,27%	13,67%
IDGC of Volga	0,36%	9,55%
MOESK	0,44%	-23,69%
IDGC of Northern Caucasus	0,30%	-14,06%
IDGC of North-West	1,04%	12,50%
IDGC of Urals	-4,32%	-15,51%
IDGC of Siberia	0,49%	-9,61%
IDGC of South	2,79%	-1,34%
Lenenergo, ordinary shares	2,44%	18,02%
TRK, ordinary shares	-5,17%	-15,90%
Kubanenergo	-1,85%	-25,64%

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