

# DAILY MARKET REVIEW

3 August, Friday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 2 August some moderately negative external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 fell 0.1-0.3% – good reporting by some companies, including Apple, was offset by reports of the US intention to increase the second-wave additional duty on Chinese imports worth \$200 billion a year to 25% instead of the planned 10%. The expected decision by the Fed at the past meeting to keep the benchmark interest rate in the range of 1.75-2% did not have a significant impact on the trends of trading. On Thursday the composite index of the Asia-Pacific region, MSCI Asia Pacific, lost 1.2%. On fears of new trade restrictions of the US against China, the Chinese market continues to fall ahead of schedule – on Thursday the CSI300 lost 2.3%. The Japanese Nikkei225 fell 0.9%, including due to the strengthening of the yen after the intervention of the Bank of Japan in the government bond market, designed to contain the growth in yields. October Brent futures traded near \$72.5 per barrel, at the level of our closing on 1 August. On Wednesday Brent quotes lost 2.5% on news about the growth of oil reserves in the US by 3.8 million barrels per week and increased oil production in Russia and Saudi Arabia. According to Bloomberg, some traders and analysts expect that the increase in supplies of OPEC+, including Russia and Saudi Arabia, along with the increase in production in the US can interrupt the long rally in the oil market. In addition, some experts believe that the plans of the administration of the US president regarding duties on Chinese goods can reduce the demand for oil and oil products.

World stock markets remain under pressure from the escalation of the US-China trade conflict. In the middle of the day, futures for US indices lost 0.5%, the European Stoxx Europe 600 Index – about a percent, the index of emerging markets MSCI EM – more than a percent. Against the backdrop of the growing risks of unleashing a full-scale trade war, the current news and statistics went into the background, besides, they were not a surprise for investors. The Bank of England, as predicted, raised the key interest rate to the maximum since 2009, 0.75%, in the US data on orders of industrial enterprises in June and applications for unemployment benefits were released at the level of expectations. The pace of the MOEX Russia Index decline for most of the day was limited to half of a percent, the support of the market was provided by the turn of Brent quotes from \$72 per barrel and the weakening of the ruble. At the end of the day, sales in our market intensified after the appearance of Interfax information that US senators had submitted a bill significantly tightening sanctions against the Russian Federation.

As a result of the trading session the MicexPWR Sector Index underperformed due to active sales of shares of FGC UES, RusHydro and Inter RAO.

## ELECTRIC POWER INDUSTRY NEWS

### Electricity consumption in Russia in January-July 2018 increased by 2%, while in July - by 3% because of the heat

According to operational data, electricity consumption in the Unified Energy System of Russia in July 2018 amounted to 79.4 billion kWh, which is 3.2% more than the volume of consumption for July 2017. The total electricity consumption in Russia in July 2018 was 80.8 billion kWh, which is 3.3% more than in the same period in 2017, according to SO UES.

Read full text: <http://www.bigpowernews.ru/markets/document84044.phtml?1&q=>

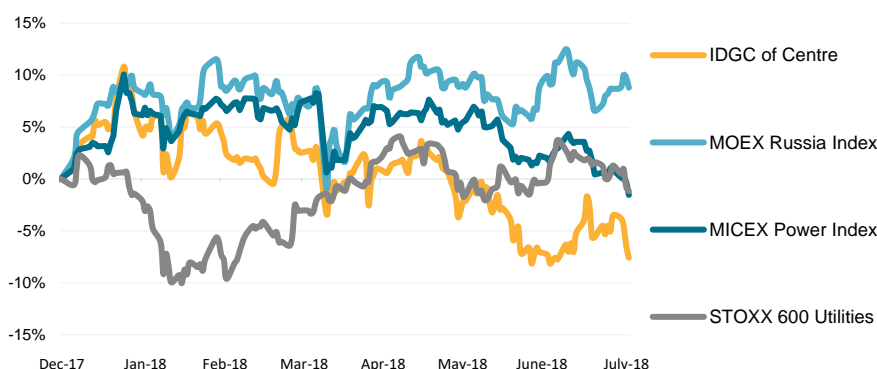
## COMPANY NEWS

### In the first half of the year, IDGC of Centre's specialists stopped more than 3,500 cases of power theft totalling more than 100 million kilowatt-hours

IDGC of Centre continues systematic work to identify and suppress non-metered and non-contractual electricity consumption.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/65164/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 295,15	-0,87%	8,79%
S&P 500	2 827,22	0,49%	5,75%
FTSE 100	7 575,93	-1,01%	-1,45%
DAX	12 546,33	-1,50%	-2,87%
DJStoxx 600	386,64	-0,82%	-0,65%
Nikkei	22 512,53	-1,03%	-1,11%
Sensex	37 165,16	-0,95%	9,13%
CSI300	3 370,96	-2,22%	-16,37%
Bovespa	79 636,69	0,42%	4,23%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	62,56	0,34%	8,55%
EURO/RUB	73,11	0,04%	6,28%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 207,83	-0,67%	-7,29%
Brent*, USD/bbl	73,45	1,46%	14,07%

\* - October futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre	0,3290	13,89	222,03
IDGC of Centre & Volga Reg	0,3020	34,03	544,04

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,41%	-1,18%
MICEX POWER Index	-1,30%	-1,55%
IDGC of Centre**	-1,20%	-7,58%
IDGC of Centre and Volga Region**	-2,27%	0,10%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,16%	-6,50%
FGC UES	-2,13%	2,22%
IDGC of Volga	-1,45%	-0,88%
MOESK	0,00%	-19,24%
IDGC of Northern Caucasus	-0,93%	-16,67%
IDGC of North-West	1,27%	37,69%
IDGC of Urals	0,55%	-12,89%
IDGC of Siberia	-1,90%	-9,61%
IDGC of South	0,41%	23,41%
Lenenergo, ordinary shares	0,25%	23,13%
TRK, ordinary shares	0,00%	-9,97%
Kubanenergo	0,34%	-23,98%

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**