

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 15 May some moderately positive external background formed on the Russian market. The US indices DJIA and S&P500, which lost about 2% at the beginning of Thursday due to weak statistics – the number of applications for unemployment benefits, exceeding forecasts by 20%, amounted to almost 3 million – closed the day with an increase of 1.2-1.6%. The market turn was also facilitated by media reports that the House of Representatives of the US Congress could vote on Friday to approve another package of economic assistance worth about \$3 trillion. On Friday, the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.2% on mixed news. On the one hand, industrial production in China in April grew for the first time since December – by 3.9% y/y, reflecting the gradual recovery of the second economy in the world. On the other hand, the instability of this process was evidenced by the continued decline in retail sales, signalling weak demand – in April, the indicator fell 7.5% after a collapse of 15.8% in March. In addition, the markets were pressured by concerns over increased tensions between the US and China. On the eve Donald Trump said that in case of problems with China, we could cut off the whole relationship – this, according to him, would allow the country to “save \$500 billion.” July Brent futures were trading around \$32.2 per barrel, \$2.1 higher than our close on 14 May. The market was supported by an improvement in the IEA forecast for oil demand in the second quarter and in 2020 as a whole, and statistics from China, which recorded an increase in oil refining in April by 11% compared to March and by 0.8% – by April last year.

On Friday morning, the MOEX Russia Index and the consolidated European Stoxx Europe 600 Index showed a steady rise of an average of about 1.5% on production statistics from China and media information about the ongoing opening of European economies. In the second half of the trading session, the market growth slowed after the publication of the US statistics and the emergence of information about the deepening contradictions between Washington and Beijing. In April, retail sales and industrial production in the US collapsed to all-time highs of 16.4% YoY and 11.2% MoM, respectively, due to quarantine measures introduced by the government to contain the Covid-19 pandemic. Reuters reported that the Trump administration has taken steps to block global chip shipments for Chinese Huawei. In response, the Chinese media wrote, Beijing is ready to take countermeasures against a number of American technology companies such as Apple, Cisco, Qualcomm, as well as to suspend the purchase of Boeing aircraft. Against this background, the US market opened with a more than half-percent decline, the MOEX Russia Index reduced the rate of rise to 0.1%.

At the end of the trading session, the electric utilities sector index underperformed. The main contribution to the MOEXEU decline in antiphase with the MOEX Russia Index was made by shares of FGC UES and Rosseti.

ELECTRIC POWER INDUSTRY NEWS

Rosseti allowed a reduction in the investment plan and profits due to a pandemic

In April, the Russian electric grid state monopolist Rosseti developed two stress scenarios for the current year amid a pandemic, expecting in both cases a fall in profits, a reduction in the investment plan by 19%, an increase in debt burden and financial support, says a copy of the presentation, the data of which were confirmed to Reuters by three sources familiar with its content.

Read full text: <https://ru.reuters.com/article/businessNews/>

Federal Grid Company transferred control to Rosseti

The shareholders of Federal Grid Company (FGC UES) at the annual meeting approved the decision of the board of directors on the transfer of authority of the sole executive body to the management company Rosseti, reports FGC UES.

Read full text: <https://www.vedomosti.ru/business/>

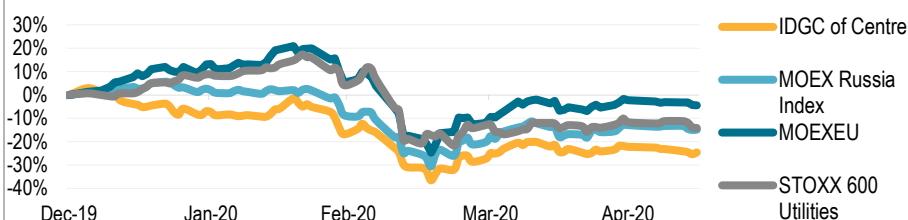
COMPANY NEWS

Igor Makovskiy: over 80 facts of theft of electrical equipment from power facilities have been identified and suppressed since the beginning of the year by specialists of the security unit of Rosseti Centre and Rosseti Centre and Volga Region

Rosseti Centre and Rosseti Centre and Volga Region are conducting systematic work to prevent theft of power equipment and its elements from electric grid facilities. Since the beginning of the year, security experts at the energy companies have identified more than 80 facts of theft, the total amount of damage has been over 9 million rubles.

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	2593,91	0,14%	-14,84%
S&P 500	2832,15	-0,71%	-12,34%
FTSE 100	5799,77	1,01%	-23,10%
Nikkei	20037,47	0,62%	-15,30%
Sensex	31097,73	-0,08%	-24,62%
CSI300	3912,82	-0,32%	-4,49%
Bovespa	77932,5	-1,36%	-32,61%

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

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	73,9298	0,47%	19,42%
EURO/RUB	79,9033	0,16%	15,23%

Source: Central Bank of Russia, Company calculations

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
	Number of transactions, pcs.	340
Trading volume, ₺ mln	1,9	14,0
Trading volume, mln pcs.	7,9	82,2
Average trading volume over the last 30 days, mln pcs.	27,9	115,1
% of the authorized capital	0,02%	0,07%

Source: MOEX, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
		IDGC of Centre	0,2392
IDGC of Centre & Volga Reg	0,17	19,16	259,15

Source: MOEX, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	-0,33%	-14,19%
MOEXEU	-0,20%	-4,50%
IDGC of Centre**	1,01%	-24,54%
IDGC of Centre & Volga Region**	0,00%	-28,87%

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

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	-1,02%	-7,00%
FGC UES	-2,62%	-9,27%
IDGC of Volga	1,04%	-28,96%
MOESK	3,37%	-11,08%
IDGC of Northern Caucasus	-0,08%	-13,00%
IDGC of North-West	1,66%	-8,23%
IDGC of Urals	0,66%	-7,52%
IDGC of Siberia	0,47%	-30,26%
Rosseti South	0,30%	-19,45%
Lenenergo, ordinary shares	0,00%	-19,60%
TRK, ordinary shares	1,69%	-15,81%
Kubanenergo	0,64%	-1,73%

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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