

DAILY MARKET REVIEW

13 June, Thursday

2019



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 11 June some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 rose by 0.3-0.5%. At the same time, on daily highs, the indices added on average about one percent due to the decision of the White House to abandon the introduction of duties on imports of goods from Mexico. The indices turned around after Donald Trump's statements about the intention to increase duties on Chinese imports in the amount of \$300 billion, if at the forthcoming G20 summit his negotiations with the chairman of the PRC are not held. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.7% following the rise in the Chinese market. The CSI300 index jumped 3% on expectations that the country's authorities would extend measures to stimulate the economy. Experts discussed this possibility on Monday, when weak statistics on imports was published, indicating a significant weakening of domestic demand – the fall in imports in May was the maximum for two years. On Tuesday, investors' confidence in this regard was reinforced by information from Bloomberg that local municipalities would be allowed to place bonds in order to finance infrastructure projects to support economic growth. August Brent futures traded around \$62.6 per barrel, \$0.3 below our closing level on 10 June. Quotes are still under pressure from the uncertainty to renew the OPEC+ deal, which, according to the Minister of Energy of Saudi Arabia, is mainly due to the lack of a clear-cut position of Russia on this issue.

The MOEX Russia Index started trading with an almost percent gap down due to a more than 5% drop in Sberbank's shares after the ex-dividend date. However, by the middle of the day, the Russian market played back all the losses and the MOEX Russia Index, adding about a third of a percent, showed comparable changes with the MSCI All Country World index. Positive sentiment in global markets was due to both expectations of an increase in Chinese authorities' support for the economy and hopes for a reduction in the severity of the US-PRC trade conflict. The US Treasury Secretary called a constructive meeting with the head of the People's Bank of China over the weekend and confirmed that restrictions on Huawei's activities could be softened. In turn, Donald Trump, in an interview with CNBC, expressed confidence that he would be able to come to an agreement on trade issues with the PRC leader at the G20 summit.

At the end of the trading session, the electric utilities sector index looked slightly better than the market. The main contribution to the MOEXEU outperformance in comparison with the MOEX Russia Index was made by shares of Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

The share of renewable energy in Russia not to exceed 1%

In 2022–2024 Russia will commission three last power plants based on renewable energy sources (RES) with a total installed capacity of 84.95 MW, selected for construction under power supply agreements (they guarantee energy companies a return on investment with a 12% yield). The selection results were reported on Tuesday by the Market Council regulating the electricity and capacity market.

Read full text: <https://www.vedomosti.ru/business/articles/2019/06/11/804033-dolya-vozobnovlyaemoi-energetiki-previsit-1>

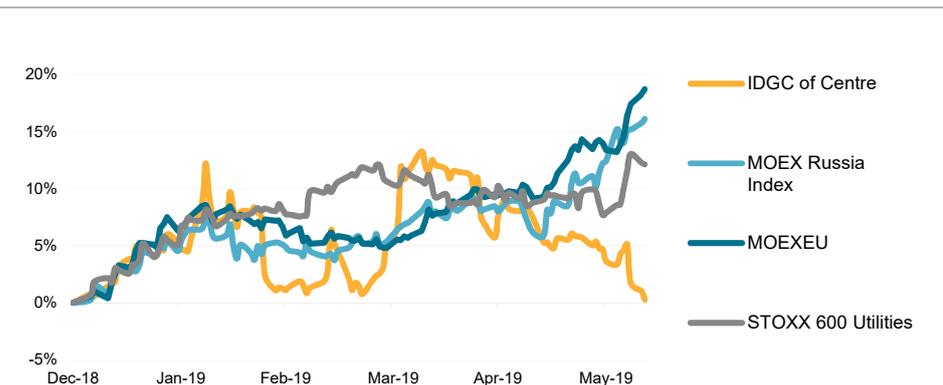
COMPANY NEWS

Rosseti Centre - the managing organization of Rosseti Centre and Volga Region for four months executed about 18 thousand contracts of connection of consumers to power grids

Rosseti Centre - the managing organization of Rosseti Centre and Volga Region summed up the work on connection to electric grids for four months of 2019. In the reporting period, the Company concluded 22,698 grid connection agreements, executed 17,958 contracts. The total connected capacity under the executed contracts amounted to 343 MW, the total revenue from the grid connections - 602 million rubles.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/68608/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 751,75	0,33%	16,14%
S&P 500	2 885,72	-0,03%	15,11%
FTSE 100	7 398,45	0,31%	9,96%
DAX	12 155,81	0,92%	15,12%
DJStoxx 600	380,89	0,69%	12,81%
Nikkei	21 204,28	0,33%	5,94%
Sensex	39 950,46	0,42%	10,76%
CSI300	3 719,28	3,01%	23,54%
Bovespa	98 960,00	1,53%	12,60%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,79	-0,38%	-6,73%
EURO/RUB	73,21	-0,06%	-7,86%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 326,84	0,09%	3,46%
Brent*, USD/bbl	62,29	0,00%	15,78%

* - August futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2965	33,41	515,73

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,15%	12,16%
MOEXEU Index	0,42%	18,75%
IDGC of Centre**	-0,76%	0,28%
IDGC of Centre and Volga Region**	0,17%	11,89%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,50%	72,50%
FGC UES	-0,69%	23,68%
IDGC of Volga	-0,63%	-3,27%
MOESK	2,88%	13,48%
IDGC of Northern Caucasus	1,47%	106,57%
IDGC of North-West	1,29%	13,33%
IDGC of Urals	-0,99%	-2,60%
IDGC of Siberia	-1,03%	199,12%
IDGC of South	3,27%	42,24%
Lenenergo, ordinary shares	0,17%	9,45%
TRK, ordinary shares	-4,32%	0,65%
Kubanenergo	0,00%	26,23%

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