

# DAILY MARKET REVIEW

25 May, Friday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 24 May some neutral external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 increased by 0.2-0.3%. The markets were supported by the publication of minutes of the May meeting of the Fed, from which investors concluded that the regulator would not rush to tighten monetary policy. As analysts say, the next assurances of a calm and gradual normalization of monetary policy reduced the likelihood of three more rate hikes by the end of the year, including the June one. As a result, the yield of American ten-year bonds fell below the psychological mark of 3%. Another positive factor for traders was the announcement by Donald Trump that his administration is preparing an additional tax cut, which will be announced before November this year. On Thursday the composite stock index of the Asia-Pacific region MSCI Asia Pacific lost 0.3% following the sale of shares of automotive companies on media reports that the administration of the US president is preparing duties at a rate of 25% for the import of cars. July Brent futures traded near \$79.5 per barrel, slightly higher than the closing level on 23 May. Data of the US Department of Energy, which indicated a significant increase in oil and gasoline reserves in the country contrary to the forecast, were levelled by fears of imposing US sanctions against Iran and Venezuela.

Most of the trading session the MOEX Russia Index and the emerging markets index MSCI EM spent in a small plus within half a percent within the return of investors' interest in risky assets. At the same time, the activity of buyers in the domestic market was constrained by the decline in oil prices and the threat of new sanctions. Brent quotes fell to \$78.7 per barrel on the message of the head of the Ministry of Energy of the Russian Federation that the OPEC+ countries at the meeting in June will discuss the gradual recovery of production. On Wednesday the US Secretary of State said that the US administration intends to introduce even more sanctions against Russia than those currently in force. At the end of the day, moods on world markets deteriorated after the official cancellation by Donald Trump of the scheduled for June 12 meeting with the leader of the DPRK.

As a result of the trading session, the MicexPWR index looked somewhat better than the market. The main contribution to the MicexPWR rise in antiphase with the MOEX Russia Index was made by shares of RusHydro. From the current news of the sector, we can note the statement of the head of Rosseti that the company has the opportunity to pay interim dividends for the first quarter, while the volume of payments will be more than last year's 2 billion rubles.

## ELECTRIC POWER INDUSTRY NEWS

### "Rosseti" hopes to resolve the issue of long-term tariffs by the end of the year

"Rosseti" hopes to resolve the issue of long-term tariffs before the end of this year, said the head of the company Pavel Livinsky in an interview with the TV channel "Russia 24". "We expect long-term tariffs, we plan that by the end of the year they will be accepted. It depends on the fact that the law was adopted, the government introduced an initiative to the State Duma on long-term tariff agreements," Mr. Livinsky said, RIA Novosti reported.

Read full text: <http://www.bigpowernews.ru/markets/document83104.phtml>

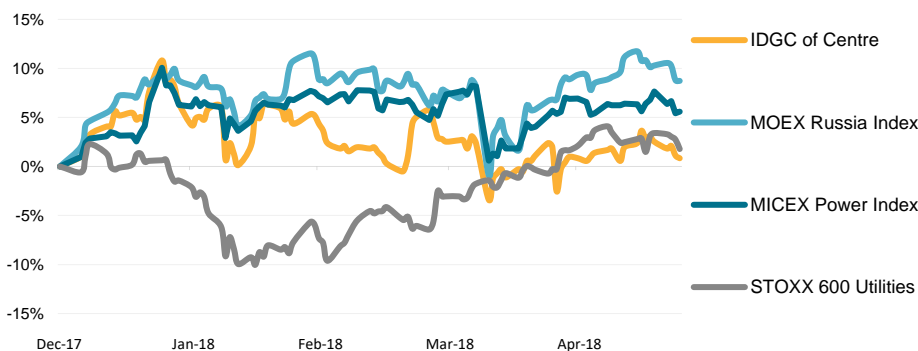
## COMPANY NEWS

### General Director of IDGC of Centre Oleg Isaev spoke at SPIEF within the framework of the session "Digital Transformation of Russia's Electric Utilities: Preparedness for Challenges, Openness to Opportunities"

On the first day of the St. Petersburg Economic Forum (SPIEF), at the session "Digital Transformation of Russia's Electric Utilities: Preparedness for Challenges, Openness to Opportunities" representatives of grid companies of PJSC "Rosseti" and heads of constituent entities of the Russian Federation discussed concrete steps to implement the strategy of digitalization of the country's electric grid complex.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/64060/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2294,01	-0,07%	8,73%
S&P 500	2721,89	-0,42%	1,81%
FTSE 100	7716,74	-0,92%	0,38%
DAX	12855,09	-0,94%	-0,48%
DJStoxx 600	390,54	-0,52%	0,35%
Nikkei	22437,01	-1,11%	-1,44%
Sensex	34663,11	0,93%	1,78%
CSI300	3827,22	-0,71%	-5,05%
Bovespa	79577,5	-1,59%	4,16%

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

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	61,5945	0,54%	6,88%
EURO/RUB	72,1826	-0,08%	4,94%

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

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1304,21	0,84%	0,09%
Brent*, USD/bbl	79,16	-0,80%	18,38%

\* - July futures

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

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,3535	39,84	646,79

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,94%	1,78%
MICEX POWER Index	0,17%	5,60%
IDGC of Centre**	-0,28%	0,84%
IDGC of Centre and Volga Region**	1,00%	17,17%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,04%	-2,52%
FGC UES	0,28%	12,00%
IDGC of Volga	0,28%	22,50%
MOESK	-0,83%	-19,91%
IDGC of Northern Caucasus	0,91%	-13,54%
IDGC of North-West	0,00%	7,88%
IDGC of Urals	-0,23%	5,73%
IDGC of Siberia	1,39%	-4,37%
IDGC of South	-0,46%	9,36%
Lenenergo, ordinary shares	-1,85%	16,15%
TRK, ordinary shares	0,00%	-12,94%
Kubanenergo	-0,30%	-14,92%

Source: MOEX, Company calculations

\*\* - at the price of last transaction at MOEX

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**Tickers**  
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