

## REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 26 August some moderately negative external background formed on the Russian market. On Friday the US indices DJIA and S&P500 fell 2.4-2.6% under the pressure of a new round of escalation in the tariff war of the US and China. In response to the decision of Donald Trump to introduce from 1 September and 15 December duties on Chinese imports with a total volume of \$300 billion, the Chinese authorities announced the introduction of additional duties on US imports for a total amount \$75 billion a year. Fees, according to media reports, by analogy with American actions, will also be introduced in two stages on the same dates. In addition, Beijing will introduce a 5% supply duty from 1 September for soybeans and oil from the US, from 15 December it will return a 25% duty on American cars. In turn, Donald Trump promised to retaliate by making tough statements regarding China. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 1.6%. After the closure of the US market, the US president announced the decision to increase duties on Chinese imports. From 1 October, duties on goods for \$250 billion, which now make up 25%, will rise to 30%, duties on goods for \$300 billion, which were supposed to be set at 10% from 1 September and 15 December, will increase to 15%. October Brent futures traded around \$59.2 per barrel, \$0.3 below our close on Friday, 23 August.

After a half-percent decline at the beginning of the day, the MOEX Russia Index and the European Stoxx Europe 600 Index spent most of Monday in a small plus within a third of a percent following the recovery of US futures after Friday's collapse. The reason for cautious optimism was Donald Trump's statements about calls by the Chinese side with a proposal to resume trade negotiations. At the same time, the potential for corrective market movements was limited by investors' doubts about the possibility of a quick reduction of tension between the US and China after an exchange of such sensitive blows. This was confirmed by statements by representatives of the Chinese Foreign Ministry about the lack of information about such calls and Chinese media reports that the insignificant communications between China and the US were of a technical nature. In turn, the Washington Post did not rule out that the need for optimistic rhetoric of Donald Trump is caused by growing pressure from American voters and G7 partners. At the end of the day, the MOEX Russia Index fell below zero following a decline in Brent quotes to \$59 per barrel on media information about the upcoming meeting between the US and Iranian presidents.

At the end of the trading session, the electric utilities sector index outperformed. The main contribution to the small MOEXEU growth in antiphase with the MOEX Russia Index was made by shares of grid companies - FGC UES, MOESK, Lenenergo (preference shares) and Rosseti, supported by good statements of FGC UES, MOESK and Lenenergo under IFRS for the first half of the year.

## ELECTRIC POWER INDUSTRY NEWS

**The Ministry of Economic Development disagreed with Rosseti and the Ministry of Energy in assessing the burden on business from differentiating FGC tariffs and introducing fees for the reserve of grid capacity, – the newspaper**

The Ministry of Energy and Rosseti believe that innovations will not create a serious burden on business. Moreover, in the end, they will lead to lower energy tariffs. According to the Ministry of Economic Development, the annual expenses of enterprises only for the payment of a reserve of grid capacity may range from 44 billion to 79 billion rubles.

Read full text: <http://www.bigpowernews.ru/markets/document89524.phtml>

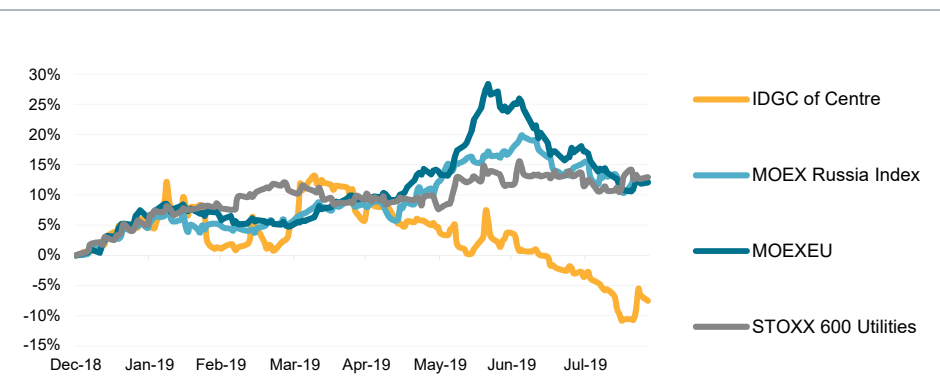
## COMPANY NEWS

**Since the beginning of the year Tambovenergo collected more than 87 million rubles from debtors**

The branch "Rosseti Centre Tambovenergo" continues claim-related work aimed at repaying receivables for electricity consumed. From January to June 2019, 113 cases initiated by Tambovenergo, totalling 891 million rubles, were in the production of courts of various instances. In 40 cases, decisions have already been made in favour of the enterprise, the total amount brought against them for recovery was 87 million rubles.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/69423/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 658,24	-0,09%	12,19%
S&P 500	2 878,38	1,10%	14,82%
FTSE 100	7 094,98	0,00%	5,45%
DAX	11 658,04	0,40%	10,41%
DJStoxx 600	371,28	-0,02%	9,96%
Nikkei	20 261,04	-2,17%	1,23%
Sensex	37 494,12	2,16%	3,95%
CSI300	3 765,91	-1,44%	25,09%
Bovespa	96 429,60	-1,27%	9,72%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,60	-0,02%	-5,56%
EURO/RUB	72,62	-0,28%	-8,60%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 527,31	0,02%	19,09%
Brent*, USD/bbl	58,7	-1,08%	9,11%

\* - October futures

Source: Bloomberg, Company calculations

Shares	Price**, ₹	MCap**, ₹ bln	MCap**, \$ mln	
			per day	fr 31.12.18
IDGC of Centre	0,2644	11,16	170,15	
IDGC of Centre & Volga Reg	0,246	27,72	422,59	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,25%	13,02%
MOEXEU	0,21%	12,16%
IDGC of Centre**	-0,97%	-7,55%
IDGC of Centre and Volga Region**	-1,40%	-7,17%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,69%	43,96%
FGC UES	0,41%	14,84%
IDGC of Volga	-1,13%	-6,58%
MOESK	3,67%	17,80%
IDGC of Northern Caucasus	-1,63%	115,00%
IDGC of North-West	-0,67%	7,21%
IDGC of Urals	-1,02%	-5,63%
IDGC of Siberia	0,51%	131,61%
IDGC of South	-0,93%	7,99%
Lenenergo, ordinary shares	0,18%	6,43%
TRK, ordinary shares	0,00%	-4,22%
Kubanenergo	1,16%	24,80%

Source: MOEX, Company calculations

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

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**Tickers**  
 Moscow Exchange (MOEX)  
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