

DAILY MARKET REVIEW

1 July, Monday



2019

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 28 June some neutral external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed with multidirectional changes within 0.4%, on Friday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.2%, the S&P500 futures added 0.1%. The markets remained cautious in the run-up to the meeting of the US President and the PRC Chairman at the G20 summit. As analysts noted, few investors expect the parties to sign an agreement ending a trade war lasting for more than a year, but now Washington and Beijing will refuse to introduce new restrictive measures and return to negotiations. At the same time, experts warn that the agreement on a truce is likely to be temporary, since the disagreements of the parties, because of which the almost ready deal collapsed in May, remained at the same level. August Brent futures traded around \$66.2 per barrel, at the level of our closure on 27 June. Two important meetings can determine Further trends of oil prices. On Saturday in Japan, the leaders of the US and China discussed trade problems, and this week the OPEC+ countries will decide the fate of an agreement on limiting oil production. The current consensus forecast implies an extension of the agreement for six months, until the end of 2019.

Most of the day, the MOEX Russia Index, like most global stock indicators, showed a sideways trend around zero. In general, all investors' attention was focused on the G20 summit held in Japan, the key event of which is the meeting of the leaders of the US and China scheduled for Saturday. On the eve of this meeting, Donald Trump said that he does not promise not to introduce new duties, but "at least" is waiting for productive negotiations. Experts note that the state of the world economy will depend to a significant extent on the outcome of the US-China negotiations – according to Fitch agency, in the case of the introduction of new duties on Chinese goods in the amount of \$300 billion, the decline in the world GDP growth will be 0.4 percentage points next year. In this context, analysts believe, the result of the US-China summit will be decisive for the further actions of the world's leading central banks, which previously stated the need for additional measures to support the economy to mitigate the effects of global trade wars. At the end of the day, selling pressure on the Russian market intensified – traders preferred to cut long positions on fears that the outcome of the meeting between the US and Chinese leaders might disappoint investors. The MOEX Russia Index closed with a 0.5% decline, despite a slight increase in Western stock indices, and the stability of Brent quotes above \$66.5 per barrel.

During the trading session, the electric utilities sector index underperformed. The main contribution to the final MOEXEU underperformance in comparison with the MOEX Russia Index was made by Lenenergo's preference shares (after the ex-dividend date) and Inter RAO's shares.

ELECTRIC POWER INDUSTRY NEWS

Dmitry Medvedev had a working meeting with Pavel Livinsky, Director General of Rosseti

The Head of PJSC Rosseti informed the Chairman of the Government on the results of work in 2018 and the current activities of the company.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=35422

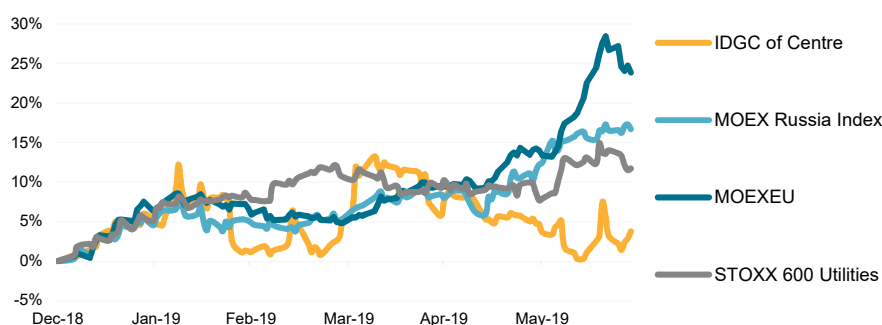
COMPANY NEWS

The management of Rosseti Centre - the managing organization of Rosseti Centre and Volga Region met with representatives of the investment community in the framework of the 23rd Annual Russia Investor Conference of IC Renaissance Capital in Moscow

The management of Rosseti Centre - the managing organization of Rosseti Centre and Volga Region, as part of the 23rd Annual Russia Investor Conference of IC Renaissance Capital, held a meeting in Moscow with experts and analysts of the stock market specializing in investments into electric utilities. Rosseti Centre at the event was represented by Acting Deputy General Director for Economy and Finance Artem Aleshin, Acting Deputy General Director for Corporate and Legal Activities Olga Danshina.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/68794/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 765,85	-0,50%	16,74%
S&P 500	2 941,76	0,58%	17,35%
FTSE 100	7 425,63	0,31%	10,37%
DAX	12 398,80	1,04%	17,42%
DJStoxx 600	384,87	0,70%	13,98%
Nikkei	21 275,92	-0,29%	6,30%
Sensex	39 394,64	-0,48%	9,22%
CSI300	3 825,59	-0,24%	27,07%
Bovespa	100 967,20	0,24%	14,88%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	63,05	0,38%	-9,25%
EURO/RUB	71,66	0,39%	-9,81%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 409,55	0,02%	9,91%
Brent*, USD/bbl	66,55	0,00%	23,70%

* - August futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.18
IDGC of Centre	0,2968	12,53	198,75	
IDGC of Centre & Volga Reg	0,2644	29,80	472,63	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,18%	11,74%
MOEXEU Index	-0,69%	23,91%
IDGC of Centre**	0,88%	3,78%
IDGC of Centre and Volga Region**	-1,27%	-0,23%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,36%	77,95%
FGC UES	-0,33%	36,71%
IDGC of Volga	-0,21%	-3,27%
MOESK	-1,23%	9,39%
IDGC of Northern Caucasus	-6,05%	195,29%
IDGC of North-West	0,00%	22,52%
IDGC of Urals	-0,23%	-4,55%
IDGC of Siberia	-4,42%	172,10%
IDGC of South	-0,22%	24,98%
Lenenergo, ordinary shares	0,00%	8,32%
TRK, ordinary shares	-0,35%	-6,49%
Kubanenergo	0,00%	34,84%

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