

## REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 9 July some moderately negative external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed with a decrease of 0.4-0.5%, on Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific and futures for the S&P500 lost 0.3-0.4%. The markets remain under pressure from weakening expectations of active easing of the Fed's monetary policy at the July meeting and uncertainty about the prospects for renewed US-China trade negotiations. In addition, the upcoming season of corporate reporting in the second quarter is a cause for additional investors' concern. According to analysts, the total earnings per share of companies from the S&P500 index may be reduced by a percentage in annual terms. This will be the first annual decrease in EPS since 2016, stated in Goldman Sachs, which believes that the high technology sector, led by Apple, will make the main contribution to this trend. On Monday, Apple's shares became one of the drivers of a decline in the US stock market after analysts at Rosenblatt Securities worsened recommendations for these securities to "sell" – experts expect a significant reduction in Apple's business in the next 6-12 months, noting disappointing trends in the company's sales. September Brent futures traded around \$64.0 per barrel, \$0.5 below our 8 July closing level. Oil quotes were falling on rising concerns about the prospects for the global economic recovery, which, Bloomberg writes, still outweigh the preservation of geopolitical risks in the Middle East.

Most of the Tuesday's trading session, the MOEX Russia Index was sideways near zero – pessimistic sentiments on European markets were levelled by rising oil prices. In the middle of the day, the European Stoxx Europe 600 Index lost more than 0.7% under the pressure of negative factors from Germany, where the focus was on the corporate stories of BASF and Deutsche Bank, the fall in whose shares exceeded 5%. In the first case, the market was disappointed by the company's sharp decline in forecasts for revenues and profits, including due to the US-PRC trade conflict, in the second, investors doubt that the radical reorganization proposed by the management will be able to reanimate this bank. In turn, oil prices were supported by the persistence of tensions around Iran. According to media reports, the British BP deployed its tanker heading for the Iranian port of Basra, due to fears of its seizure by Iran in response to the detention of the Iranian tanker in Gibraltar. Against this background, Brent quotes in the middle of the trading session rose above \$64.7 per barrel.

During the trading session, majority of the most liquid and capitalized securities of the sector underperformed. The main contribution to the final MOEXEU decrease was made by OGC-2's shares, which lost 5.9%. Pressure on these papers was caused by the company's message of intent to sell almost a 4% treasury package. At some moment, the fall of OGC-2's shares reached 7.6%, the trading volume (in units) was the highest since February 2015.

## ELECTRIC POWER INDUSTRY NEWS

### The management of Rosseti held a meeting with independent directors - members of audit committees of boards of directors of subsidiaries

On 8 July 2019, a meeting with independent directors - members of audit committees of boards of directors of the holding's subsidiaries was held at Rosseti's headquarters under the guidance of Acting Deputy Director General - Chief of Staff Sergey Kiryukhin.

Read full text: [http://www.rosseti.ru/press/news/index.php?ELEMENT\\_ID=35528](http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=35528)

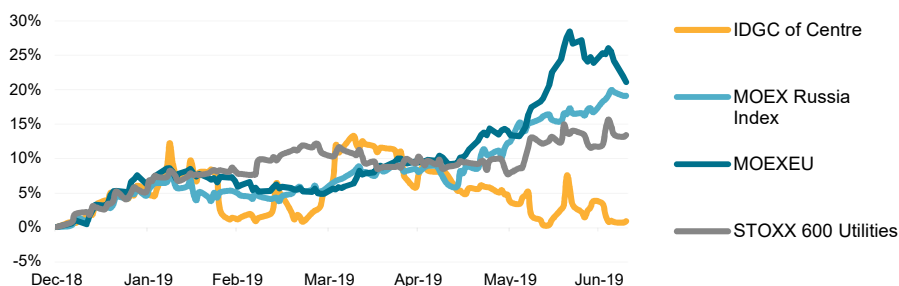
## COMPANY NEWS

### Kostromaenergo connects digital TV broadcasting facilities to grids of Chukhlomsky district of the region

Specialists of the branch "Rosseti Centre Kostromaenergo" completed work on providing power supply for digital television broadcasting facilities in Chukhlomsky district of the Kostroma region. The power engineers carried out a set of measures for connection to the grids of the Chukhloma radio and television station. For this, 0.105 km of a 10 kV overhead line was constructed. The connected facility was transferred to the second category of reliability.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/68971/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 822,66	0,00%	19,13%
S&P 500	2 979,63	0,12%	18,86%
FTSE 100	7 536,47	-0,17%	12,01%
DAX	12 436,55	-0,85%	17,78%
DJStoxx 600	387,92	-0,51%	14,89%
Nikkei	21 565,15	0,14%	7,75%
Sensex	38 730,82	0,03%	7,38%
CSI300	3 793,13	-0,25%	25,99%
Bovespa	104 530,20	0,00%	18,94%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	63,87	0,45%	-8,06%
EURO/RUB	71,71	0,07%	-9,76%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 397,61	0,15%	8,98%
Brent*, USD/bbl	64,16	0,08%	19,26%

\* - September futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	
		MCap**, \$ mln	MCap**, \$ mln
IDGC of Centre	0,2884	12,18	190,63
IDGC of Centre & Volga Reg	0,2696	30,38	475,71

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,24%	13,42%
MOEXEU Index	-0,68%	21,14%
IDGC of Centre**	0,21%	0,84%
IDGC of Centre and Volga Region**	1,97%	1,74%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-1,12%	64,90%
FGC UES	-0,87%	36,52%
IDGC of Volga	0,42%	-3,06%
MOESK	0,00%	11,74%
IDGC of Northern Caucasus	-1,52%	169,14%
IDGC of North-West	0,47%	15,32%
IDGC of Urals	0,68%	-3,36%
IDGC of Siberia	-1,43%	169,27%
IDGC of South	0,22%	23,32%
Lenenergo, ordinary shares	-0,87%	7,94%
TRK, ordinary shares	1,68%	-1,95%
Kubanenergo	-0,63%	28,28%

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**