

DAILY MARKET REVIEW

18 June, Monday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 15 June some moderately negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed in different directions with changes within 0.2%. Strong statistics – in May retail sales rates exceeded forecasts of analysts by two times – was levelled by sharp strengthening of the dollar after the announcement of the ECB about the preservation of the zero rate until the summer of 2019 and expectations of accelerating the pace of the exit strategy implementation by the Fed. According to the Chicago Stock Exchange, the likelihood that the Fed will double the key rate this year exceeded 50%. On Friday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.2% in the absence of a unified trend of the main country indices. The markets were pressured by media reports that the US president in principle approved the introduction of an additional 25% duty on Chinese goods for a total of about \$50 billion. August Brent futures traded near \$76 per barrel, slightly below the closing level on 14 June. Negative background for oil quotations was strengthening of the US dollar and information about the readiness of key OPEC+ participants to increase oil production. In particular, the Saudi Energy Minister stated the inevitability of a smooth increase in oil production from the current level.

On Friday the Russian market was dominated by sellers – the MOEX Russia Index lost 0.7% under the pressure of falling oil prices and worsening sentiment on global financial markets on fears of escalating world trade disputes. The decision of the CBR to keep the key interest rate at the level of 7.25% was expected by the overwhelming majority of economists and did not have a significant impact on trends of the Russian stock market and the ruble. On Friday Brent quotes fell below \$73.5 per barrel on expectations of an increase in OPEC+ production. According to most analysts, this issue has actually been resolved, only the rates of increase in production remain unknown. At the same time, some experts fear that uncoordinated actions of the OPEC+ countries can cause panic in the market. As for the risks of trade wars, firstly, the US officially introduced 25% extra-duty dues for 1,100 titles of Chinese goods for a total of \$50 billion, and secondly, according to media reports, Washington prepared a list of Chinese exports for a total cost of about \$100 billion, which will enter the second wave of tariff increases. In turn, Beijing said that the Chinese government will immediately respond to the introduction of duties on the import of Chinese goods into the US by similar measures.

As a result of the trading session, the MicexPWR Sector Index underperformed mainly due to a fall in shares of RusHydro and Mosenergo (after the ex-dividend date).

ELECTRIC POWER INDUSTRY NEWS

"Rosseti" and SGCC discussed new directions of cooperation

15 June, in Moscow, a working meeting of representatives of the company "Rosseti" and State Grid Corporation of China (SGCC) was held. From the Russian side the delegation was headed by Pavel Livinsky, Director General of Rosseti, and from the Chinese side - Chairman of the Board of Directors of SGCC Shu Inbao.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=33297

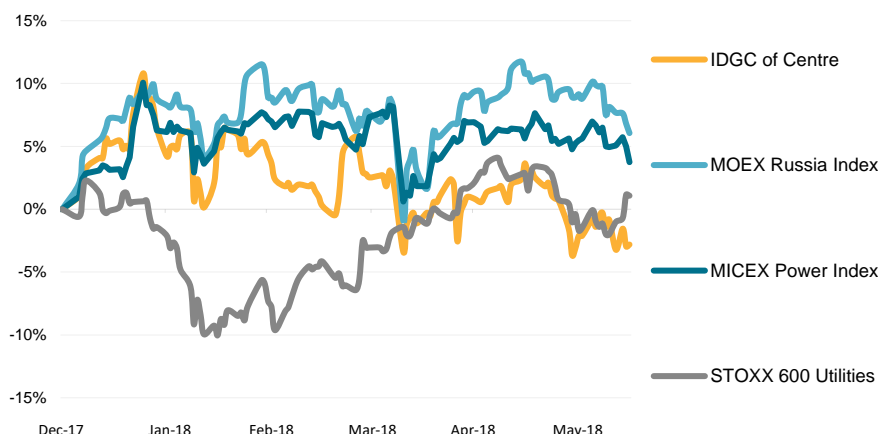
COMPANY NEWS

Bryanskenergo for four months saved about 800 thousand kilowatt-hours of electricity

IDGC of Centre - Bryanskenergo division summed up the results of implementation of the energy saving and energy efficiency program for 4 months of 2018. The total effect of the program was 762.496 thousand kWh.

Read full text: <https://bryansktoday.ru/article/73241>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change per day	fr 31.12.17
MOEX Russia	2 237.53	-0.71%	6.06%
S&P 500	2 779.66	-0.10%	3.97%
FTSE 100	7 633.91	-1.70%	-0.70%
DAX	13 010.55	-0.74%	0.72%
DJStoxx 600	389.13	-0.99%	-0.01%
Nikkei	22 851.75	0.50%	0.38%
Sensex	35 622.14	0.06%	4.60%
CSI300	3 753.43	-0.53%	-6.88%
Bovespa	70 757.73	-0.93%	-7.39%

Source: Bloomberg, Company calculations

Currency rates	Value	Change per day	fr 31.12.17
USD/RUB	62.25	-1.37%	8.02%
EURO/RUB	73.56	-0.77%	6.94%

Source: Bloomberg, Company calculations

Raw	Value	Change per day	fr 31.12.17
Gold, USD/oz	1 278.94	-1.79%	-1.83%
Brent*, USD/bbl	73.44	-3.29%	12.78%

* - August futures

Source: Bloomberg, Company calculations

Shares	Price**, P	MCap**, P bln	MCap**, \$ mln
IDGC of Centre	0.3460	14.61	234.65
IDGC of Centre & Volga Reg	0.3015	33.98	545.83

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change per day	fr 31.12.17
STOXX 600 Utilities	-0.07%	1.08%
MICEX POWER Index	-1.18%	3.76%
IDGC of Centre**	0.14%	-2.81%
IDGC of Centre and Volga Region**	-0.66%	-0.07%

Source: Bloomberg, Company calculations

Grid companies	Change** per day	fr 31.12.17
Rosseti, ordinary shares	-1.60%	0.13%
FGC UES	-1.12%	11.76%
IDGC of Volga	-0.29%	16.27%
MOESK	-3.32%	-22.25%
IDGC of Northern Caucasus	-1.52%	-15.89%
IDGC of North-West	-0.51%	11.73%
IDGC of Urals	-3.30%	-9.07%
IDGC of Siberia	1.89%	-5.68%
IDGC of South	0.46%	10.54%
Lenenergo, ordinary shares	-0.51%	22.60%
TRK, ordinary shares	0.00%	-10.78%
Kubanenergo	-1.66%	-24.36%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

MRKC
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