REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 15 June some moderately negative external background formed on the Russian market. The composite index of the Asia-Pacific region MSCI Asia Pacific and the S&P500 futures lost 2.8% and 2.5%, respectively, under pressure from growing fears of a new pandemic wave of Covid-19 after reports of increased infections in the United States and a new outbreak in China. According to CNBC, the growth of new infections has been recorded in several US states, including Alabama, California, Florida and North Carolina. In addition, the number of hospital admissions in Texas and North Carolina on Saturday was a record. In Beijing's Fengtai district, a "wartime regime" was declared over the weekend due to new cases of coronavirus that have not been reported in the capital of China for almost two months. Ambiguous Chinese statistics could not provide support to investors. In May, industrial production growth accelerated to 4.4% yoy, retail sales slowed down to the lowest level since December 2.8%, investment in fixed assets declined 6.3% over five months after falling 10.3% in January-April. Moreover, all indicators were worse than analysts' expectations. August Brent futures were trading around $37.5 per barrel, $1.3 below our close on Thursday, 11 June.

On Monday, sellers dominated global stock markets – new infections in China and the US raised concerns about the second wave of coronavirus and the long-term negative effects on the economy. Analysts warn that the scenario of the V-shaped recovery, taken into account in the current quotes, will not be possible if the surge in the incidence observed now is indeed a sign of the beginning of the second wave of the pandemic. Against this background, the rates of decline of the MOEX Russia Index and the consolidated MSCI ACWI Index at daily lows were approaching 2%. In the second half of trading, the markets were able to play back more than half of the losses, including due to good statistics from the USA, where the New York manufacturing activity index jumped 48 points in June and turned out to be better than the market expectations – the indicator reached minus 0.2 points with forecasts for a total rise to minus 29.8 points.

During the day, the electric utilities sector index looked significantly better than the market. The main contribution to the final MOEXEU growth in antiphase with the MOEX Russia Index was made by Rosseti's shares. Kommersant said that the Ministry of Energy proposes to include in the grid tariff expenses for the purchase of grids that do not have the status of a territorial grid company. At the same time, writes Kommersant, Rosseti, which has repeatedly announced plans to acquire competitors, are considered the main beneficiary of the program to consolidate the electric grid complex on the market.

ELECTRIC POWER INDUSTRY NEWS

Evgeniy Grabchak: "The high reliability of the electricity industry in a pandemic has become yet another confirmation of the importance of digitalization"

Deputy Minister of Energy of the Russian Federation Evgeniy Grabchak in an interview with the journal "Regional Energy and Energy Saving" spoke about the functioning of the electric power industry in the context of measures taken to curb the coronavirus.

Read full text: https://minenergo.gov.ru

COMPANY NEWS

"Rosseti Centre Yarenergo" expands the use of artificial intelligence technologies

The branch "Rosseti Centre Yarenergo" has launched pilot production of technologies for automatically recognizing information from electricity meters and monitoring the availability of protective equipment for duty personnel using artificial intelligence. The work is carried out as part of projects that are jointly developed by Yarenergo, the Point of View company and the Centre for Artificial Intelligence and Digital Economy of P.G. Demidov Yaroslavl State University.

Read full text: https://www.mrsk-1.ru/press-center/news/

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY
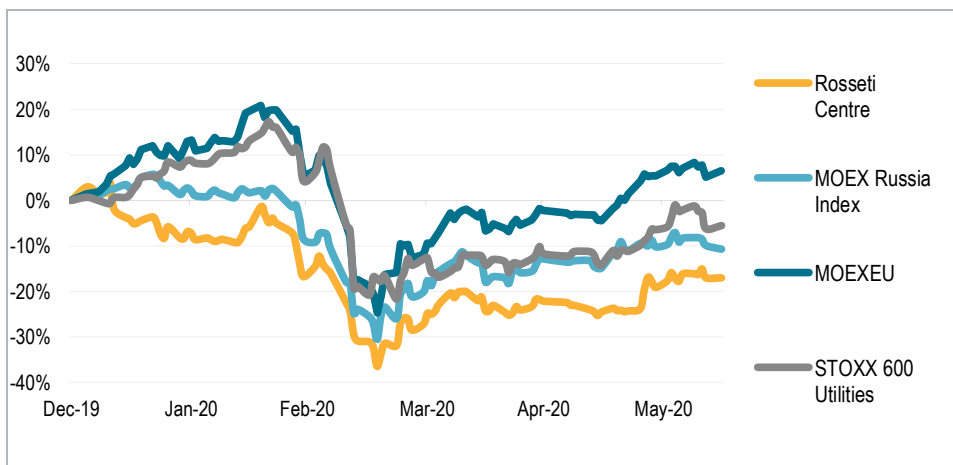
World indexes	Value	Change per day	Change fr 31.12.19
MOEX Russia	2719,06	-0,90%	-10,73%
S&P 500	3033,45	-0,26%	-6,11%
FTSE 100	6064,7	-0,66%	-19,59%
Nikkei	21530,95	-3,47%	-8,99%
Sensex	33228,8	-1,63%	-19,45%
CSI300	3954,99	-1,20%	-3,46%
Bovespa	91375,4	-1,53%	-20,99%

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

Currency rates	Value	Change per day	Change fr 31.12.19
USD/RUB	69,1219	0,00%	11,66%
EURO/RUB	78,5225	0,00%	13,24%

Source: Central Bank of Russia, Company calculations

Liquidity	Rosseti Centre	Rosseti Center & Volga Region
Number of transactions, pcs.	1323	1620
Trading volume, ₽ mln	8,6	19,9
Trading volume, mln pcs.	33,3	105,6
Average trading volume over the last 30 days, mln pcs.	36,7	106,2
% of the authorized capital	0,08%	0,09%

Source: MOEX, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, $ mln
Rosseti Centre	0,263	11,10	160,63
Rosseti Center & Volga Reg	0,1901	21,42	309,94

Source: MOEX, Company calculations

Comparison with indexes	Change per day	Change fr 31.12.19
STOXX 600 Utilities	-0,06%	-5,55%
MOEXEU	1,27%	6,44%
Rosseti Centre**	0,00%	-17,03%
Rosseti Center & Volga Region**	0,64%	-20,46%

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

Grid companies	Change** per day	Change** fr 31.12.19
Rosseti	6,53%	12,52%
Rosseti FGC UES	-0,59%	-8,09%
Rosseti Volga	0,07%	-19,72%
Rosseti Moscow Region	0,54%	-6,34%
Rosseti Northern Caucasus	0,61%	-12,27%
Rosseti North-West	-2,11%	-8,79%
Rosseti Ural	-2,01%	-5,21%
Rosseti Siberia	0,00%	-24,60%
Rosseti South	-1,37%	-18,72%
Rosseti Lenenergo	-0,16%	-13,92%
Rosseti Tomsk	-2,30%	-10,93%
Rosseti Kuban	-0,99%	10,22%

Source: MOEX, Company calculations
*** - at the price of last transaction at MOEX*

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Tickers
Moscow Exchange (MOEX)   MRKC
Bloomberg   MRKC RM
Reuters   MRKC.MM