

DAILY MARKET REVIEW

14 June, Friday

2019



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 13 June some moderately negative external background formed on the Russian market. The MSCI All Country World index declined by a third per cent on Wednesday; the composite index of the Asia-Pacific region MSCI Asia Pacific on Thursday lost 0.6%. The markets were pressured mainly by Donald Trump's statements about the prospects for a trade deal with China. According to him, the deal will not be until Beijing agrees to a number of conditions that the US president has not yet disclosed. In addition, Donald Trump said that there is no time limit for the agreement, all the deadlines are only in his head. The US, he said, will either conclude a "magnificent deal with China," or there will be no deal at all. At the same time, according to Reuters, the preparations for the meeting with the chairman of the PRC at the G20 summit are practically not conducted. August Brent futures traded around \$61.7 per barrel, \$0.6 below our closing level on Tuesday, 11 June. Brent quotes, which fell on Wednesday below \$60 per barrel on a report of the US Department of Energy about the growth of oil reserves to the maximum level since July 2007, on Thursday, played most of the losses back on the news of the attack on oil tankers in the Strait of Hormuz. According to Western media reports, two tankers were attacked – one was torpedoed, the second tanker was hit by a mine explosion.

The MOEX Russia Index spent most of the trading session on Thursday sideways near zero – the rise in oil prices levelled the persistence of pessimistic sentiment on global stock markets. Risks of escalation of the US-Chinese trade conflict still remain the main negative factor for investors. On Thursday, the Chinese Commerce Minister said that Beijing would not yield to any pressure from Washington, and any attempt by the US to force China to accept a bargain would fail. In addition, analysts are concerned that the exacerbation of the political situation in Hong Kong may have an impact on the relations of the two largest world economies. In particular, China has already demanded that the US stop interfering in the affairs of Hong Kong, where mass protests against the extradition bill continue. At the end of the day, the Russian market was supported by a moderately positive start of trading in the US – the MOEX Russia Index was able to close in a small plus.

During the trading session, the electric utilities sector index looked significantly better than the market. The main contribution to the MOEXEU outperformance compared to the MOEX Russia Index was made by Inter RAO's shares, which rose by 14% during the trading session. The reason for the jump in the value of the shares was the information that the board of directors of the company decided to send part of the funds received from the sale of a share in Irkutskenergo to pay dividends for 2018. Some market participants, analysts say, have interpreted this message as the power holding's willingness to pay special dividends. However, according to RIA Novosti, after a sharp rise in the shares, Inter RAO explained that the decision on the sources of financing payments would not increase the amount of dividends. "Thus, the reaction of the stock prices of the company was too fast and not based on the flow of news, therefore it is unjustified," VTB Capital summarized.

ELECTRIC POWER INDUSTRY NEWS

Rosseti to be a strategic partner of REW-2019.

Read full text: https://www.advis.ru/php/view_news.php?id=6B614E3F-A59A-AD48-B411-6B38798AE11F

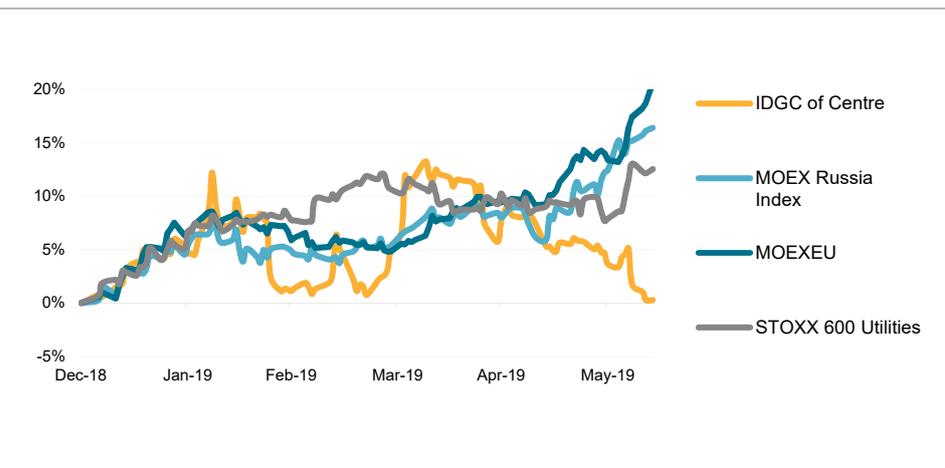
COMPANY NEWS

CJSC "Troparevo" has become the largest facility of connection to the grid of Smolenskenergo since the beginning of 2019

IDGC of Centre - Smolenskenergo division continues to provide electricity to consumers in the Smolensk region. For just 4 months of 2019, Smolenskenergo performed 869 contracts for grid connection. The total connected capacity was 16 MW. The overwhelming majority of grid connections (83%) are connections of customers with the maximum power up to 15 kW inclusively, whose payment for grid connection does not exceed 550 rubles.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/68632/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 758,36	0,24%	16,42%
S&P 500	2 891,64	0,21%	15,35%
FTSE 100	7 368,57	-0,40%	9,52%
DAX	12 169,05	0,11%	15,25%
DJStoxx 600	380,33	-0,15%	12,64%
Nikkei	21 032,00	-0,81%	5,08%
Sensex	39 741,36	-0,52%	10,18%
CSI300	3 685,39	-0,91%	22,41%
Bovespa	98 773,70	-0,19%	12,39%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,52	-0,43%	-7,13%
EURO/RUB	73,04	-0,23%	-8,07%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 342,31	1,17%	4,66%
Brent*, USD/bbl	61,31	-1,57%	13,96%

* - August futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2958	33,34	516,71

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,36%	12,55%
MOEXEU Index	1,60%	20,65%
IDGC of Centre**	0,00%	0,28%
IDGC of Centre and Volga Region**	-0,24%	11,62%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	1,62%	75,29%
FGC UES	1,90%	26,03%
IDGC of Volga	-0,16%	-3,42%
MOESK	2,00%	15,76%
IDGC of Northern Caucasus	11,69%	130,71%
IDGC of North-West	0,79%	14,23%
IDGC of Urals	-0,22%	-2,82%
IDGC of Siberia	0,95%	201,95%
IDGC of South	0,06%	42,33%
Lenenergo, ordinary shares	-0,69%	8,70%
TRK, ordinary shares	-5,16%	-4,55%
Kubanenergo	0,65%	27,05%

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