

# DAILY MARKET REVIEW

27 July, Friday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 26 July some moderately positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 increased by 0.7-0.9% due to the achievement of an agreement between the US and the EU aimed at preventing the transatlantic trade war. According to media reports, the US president and the head of the European Commission agreed to take a break in the introduction of new duties and, in order to resolve the contradictions, to negotiate the lifting of trade barriers and subsidies, to agree on duties on steel and aluminum. According to Donald Trump, Europe agreed to buy from America "a lot of soybeans" and increase the import of American liquefied natural gas. The truce in the trade conflict with the EU, experts say, will allow the US to concentrate its efforts on China, which Washington considers the main violator of international trade rules. On Thursday the composite index of the Asia-Pacific region, MSCI Asia Pacific, added 0.3% with multidirectional changes of the main country indices. September Brent futures traded near \$74.5 per barrel, \$0.5 higher than our closing level on 25 July. Oil prices rose on the message of the US Department of Energy about the reduction of oil and gasoline reserves in the country more than forecasts and Saudi Arabia's suspension of oil supplies through the Bab-el-Mandeb Strait in the Red Sea after the attacks of Yemeni rebel Husitians on two tankers of the kingdom.

On Thursday the Russian market was dominated by buyers within the global demand of investors for risky assets after easing trade tensions in the US-EU relations. In the middle of the day, the MOEX Russia Index, the index of emerging markets MSCI EM and the European Stoxx Europe 600 Index added about half a percent. The results of the ECB meeting were for the most part expected and did not have a significant impact on the trends of the stock markets. The European regulator kept all key interest rates and asset purchases in the QE program at the same level. Also, the ECB leadership confirmed its intention to keep key rates unchanged, at least until the end of the summer of 2019, while reducing the monthly volume of redemption of bonds under the quantitative easing program from October to 15 billion euros from 30 billion euros and to complete the program in December 2018. Additional support for our market was provided by the prices for Brent crude, which were fixed above \$75 per barrel on media reports that Kuwait, following Saudi Arabia, is considering stopping oil exports through the Bab-al-Mandeb Strait.

As a result of the trading session the MicexPWR Sector Index outperformed mainly due to shares of companies of Gazprom generation and FGC UES.

## ELECTRIC POWER INDUSTRY NEWS

### FAS made changes in the methodology for calculating sales markups of suppliers of last resort using the comparison method of analogues

FAS Russia, by Order No. 678/18 of 22.05.2018, amended the Methodological Guidelines for calculating the sales mark-ups of suppliers of last resort using the comparison method of analogues approved by Order No. 1554/17 of the Federal Antimonopoly Service of Russia of 21.11.2017.

Read full text: <http://www.bigpowernews.ru/markets/document83941.phtml>

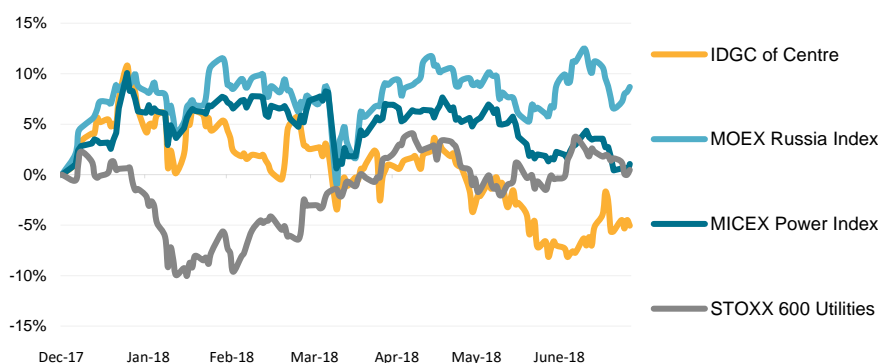
## COMPANY NEWS

### Kurskenergo for six months within the framework of the ongoing claim-related work made it possible to reduce the debt for electricity transmission services by 184 million rubles

IDGC of Centre - Kurskenergo division summed up the results of work to reduce receivables for electricity transmission services for 6 months of 2018. In the indicated period, the total debt for electricity transmission services decreased by 184 million rubles, including overdue debt by 29 million rubles. Penalty in the amount of 7.7 million rubles was collected.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/64889/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 293,07	0,45%	8,69%
S&P 500	2 837,44	-0,30%	6,13%
FTSE 100	7 663,17	0,06%	-0,32%
DAX	12 809,23	1,83%	-0,84%
DJStoxx 600	390,53	0,87%	0,35%
Nikkei	22 586,87	-0,12%	-0,78%
Sensex	36 984,64	0,34%	8,60%
CSI300	3 536,25	-1,16%	-12,27%
Bovespa	79 405,34	-1,01%	3,93%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	63,08	0,25%	9,46%
EURO/RUB	73,75	0,31%	7,22%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 222,69	-0,73%	-6,15%
Brent*, USD/bbl	74,54	0,83%	15,10%

\* - September futures

Source: Bloomberg, Company calculations

Shares	Price**, P	MCap**, P bln	Change	
			per day	fr 31.12.17
IDGC of Centre	0,3380	14,27	226,20	
IDGC of Centre & Volga Reg	0,3040	34,26	543,09	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,49%	0,47%
MICEX POWER Index	0,88%	1,05%
IDGC of Centre**	-0,59%	-5,06%
IDGC of Centre and Volga Region**	-0,82%	0,76%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,46%	-4,89%
FGC UES	2,11%	7,50%
IDGC of Volga	-0,47%	2,78%
MOESK	-0,68%	-18,80%
IDGC of Northern Caucasus	0,00%	-13,54%
IDGC of North-West	-0,15%	31,35%
IDGC of Urals	1,07%	-10,02%
IDGC of Siberia	0,48%	-9,17%
IDGC of South	-3,94%	26,25%
Lenenergo, ordinary shares	0,68%	22,92%
TRK, ordinary shares	0,00%	-9,16%
Kubanenergo	-0,34%	-25,13%

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**