

## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 21 May some neutral external background formed on the Russian market. On Wednesday, the US indices DJIA and S&P500 rose by 1.5-1.7% on good reporting by retailers and information on the gradual resumption of economic activity in the country. On Thursday, the composite index of the Asia-Pacific region MSCI Asia Pacific and the S&P500 futures lost 0.4-0.7% on growing tensions between the US and China. The US Senate approved the bill, which could ultimately deprive many Chinese companies of the opportunity to place their shares on US exchanges, attracting financing from US investors. Donald Trump, firstly, criticized China in connection with the pandemic situation, saying that hundreds of thousands of people around the world died due to the incompetence of the PRC, and secondly, accused Beijing of a large-scale disinformation campaign designed to undermine his chances of re-election. The statistics published in the Asian session were ambiguous, without significantly affecting the changes of the markets. The volume of Japanese exports in April collapsed by 21.9% yoy, the decline has continued for the 17th consecutive month in the face of weak global demand. At the same time, consolidated indices of business activity in Japan and Australia in May, reflecting the effect of the softening of quarantine restrictions that began, were able to move away from April lows due to an improvement in the services sector. July Brent futures were trading around \$36.4 per barrel, \$0.7 higher than our close on 20 May. The market was supported by a message from the US Department of Energy about a reduction in oil reserves in the country last week by 5 million barrels.

On Thursday, global stock markets were under pressure from fears of a tighter confrontation between Washington and Beijing – during the day, the consolidated MSCI ACWI was losing about 0.5%. In addition to the decision of the US Senate and harsh criticism of the Chinese authorities by Donald Trump, tensions between the parties were added by the statements of the US Secretary of State on Taiwan and Hong Kong. In turn, the Foreign Ministry of China, expressing a protest in response to a statement by Michael Pompeo on human rights in Hong Kong, threatened with countermeasures for “interference in the internal affairs of the PRC” and support for the separatist forces in Taiwan. Against this background, ambiguous statistics faded into the background. In the Eurozone in May, business activity showed signs of improvement – the consolidated PMI rose to 30.5 points from 13.6 points in April. Analysts from IHS Markit noted that these data indicate a probable bottom of the recession in April. In the US, the number of applications for unemployment benefits last week fell to a minimum of two months of 2.44 million, while the number of Americans continuing to receive unemployment benefits increased to a record of 25.07 million people. Sales in the secondary housing market in the US in April fell 17.8% compared with March – the highest rate since July 2010, the index of business activity in Philadelphia in May was worse than expected. In the context of the general risk-off, an additional negative factor for the Russian market was the reversal and decrease in Brent quotes to around \$35.8 per barrel – the MOEX Russia Index closed trading with a 1.9% decline.

During the trading session, the electric utilities sector index underperformed – the main sales were concentrated in the first-tier stocks.

## ELECTRIC POWER INDUSTRY NEWS

### Business payments for low tariffs for the population to rise again

As Kommersant found out, the energy market regulators are not able to fulfill the government's order to reduce cross-subsidization in electricity grids, when business pays extra for low tariffs of the population. At the suggestion of the Federal Antimonopoly Service, the amount of subsidy could increase by 10 billion rubles already in 2021. The initiative was criticized by the Ministry of Energy, the Ministry of Economic Development and market participants. The difficulty is that to eliminate cross-subsidization, it is necessary to raise prices for the population, analysts warn.

Read full text: <https://www.kommersant.ru/>

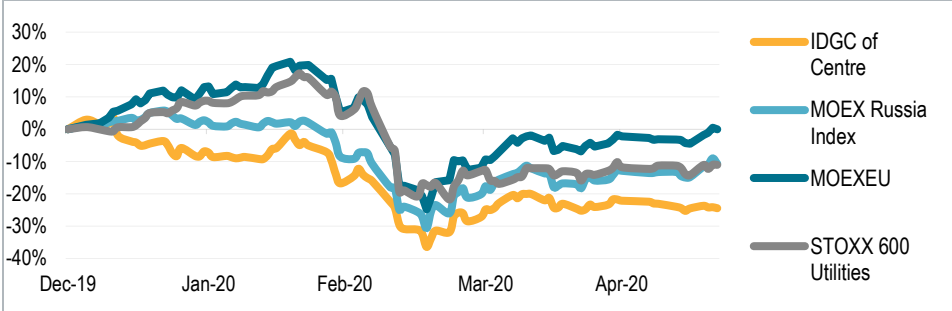
## COMPANY NEWS

### Igor Makovskiy: Rosseti Centre is completing the construction of the first fully digital substation “Sputnik” in the Voronezh region

Specialists of Rosseti Centre have completed the construction and installation works and the installation of the main power and auxiliary equipment at the 110 kV “Sputnik” substation being built in the Kominternovskiy district of the city of Voronezh.

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

## CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	2718,67	-1,88%	-10,74%
S&P 500	2958,32	-0,45%	-8,43%
FTSE 100	6015,25	-0,86%	-20,25%
Nikkei	20552,31	-0,21%	-13,12%
Sensex	30932,9	0,37%	-25,02%
CSI300	3913,8	-0,54%	-4,46%
Bovespa	82590,2	1,56%	-28,58%

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

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	72,3381	-0,07%	16,85%
EURO/RUB	79,1813	0,02%	14,19%

Source: Central Bank of Russia, Company calculations

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
Trading volume, ₺ mln	3,7	8,5
Trading volume, mln pcs.	15,5	49,5
Average trading volume over the last 30 days, mln pcs.	24,8	98,3
% of the authorized capital	0,04%	0,04%

Source: MOEX, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,1707	19,24	265,94

Source: MOEX, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	-0,03%	-11,01%
MOEXEU	-0,52%	-0,03%
IDGC of Centre**	-0,42%	-24,48%
IDGC of Centre & Volga Region**	-0,23%	-28,58%

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

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	0,66%	1,01%
FGC UES	-0,50%	-4,31%
IDGC of Volga	0,78%	-27,38%
MOESK	-0,53%	-6,25%
IDGC of Northern Caucasus	-0,68%	-13,00%
IDGC of North-West	0,81%	-7,39%
IDGC of Urals	0,26%	-7,15%
IDGC of Siberia	0,47%	-30,42%
Rosseti South	0,10%	-18,08%
Lenenergo, ordinary shares	-1,44%	-12,78%
TRK, ordinary shares	0,82%	-14,19%
Kubanenergo	-0,46%	1,57%

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