

## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 22 May some moderately negative external background formed on the Russian market. On Thursday, the US indices DJIA and S&P500 fell 0.4-0.8% on weak statistics and increased tensions between the US and China. In April, sales in the secondary housing market collapsed to the highest in a decade, 17.8% mom, the Philadelphia business activity index in May turned out to be worse than expected. The reason for new disputes between Washington and Beijing was information that China is preparing a bill on national security in Hong Kong. Donald Trump has already said that Washington will strongly react to the law, the leader of the Republican majority in the Senate has warned of a revision of US-Chinese relations if China continues to put pressure on Hong Kong. On this piece of news, Hong Kong's Hang Seng stock index fell 5.6% on Friday, making the main contribution to the nearly 2% drop in the composite index of the Asia-Pacific region MSCI Asia Pacific. Additional pressure on Asian markets was put by a statement by the Premier of the State Council of the PRC that China (for the first time since 1994) will not set a target for GDP growth rates for 2020 due to the high degree of uncertainty of consequences of the coronavirus epidemic. According to experts, the abandonment of the GDP target frees the government from the need for excessive buildup of incentives and is a negative factor for the whole world, given that China has long been the main engine of global economic growth. July Brent futures were trading around \$34.4 per barrel, \$1.7 below our close on 21 May. According to analysts, the decline in oil prices provoked an escalation of tension between the US and China, reminding investors of risks of trade wars, and fears of a decline in demand in China after the abolition of the benchmark for GDP for 2020.

On Friday, pessimistic sentiment prevailed on world stock markets. In the morning, the rate of decline in the consolidated MSCI ACWI exceeded a percent amid growing tensions between Beijing and Washington. Media reported that US senators have drafted a bill imposing sanctions against Chinese officials and organizations that monitor compliance with national security laws in Hong Kong, as well as introducing fines for banks that do business with these organizations. In general, analysts say that the intensification of political confrontation with Beijing is on Washington's current political agenda – criticism of China may become the central element of Donald Trump's election campaign. In the afternoon, the markets were able to play back most of the losses after the White House chief infectious disease expert said he was "cautiously optimistic" about the vaccine for the new coronavirus being developed by Moderna, an American biotechnology company.

During the trading session, the electric utilities sector index outperformed. The main contribution to the final MOEXEU growth in antiphase with the MOEX Russia Index was made by shares of Rosseti, Inter RAO and FGC UES.

## ELECTRIC POWER INDUSTRY NEWS

### A list of instructions from Vladimir Putin following a meeting on energy development on 29 April

Russian President Vladimir Putin approved a list of instructions following a meeting on energy development held on 29 April 2020.

Read full text: <http://www.bigpowernews.ru/news>

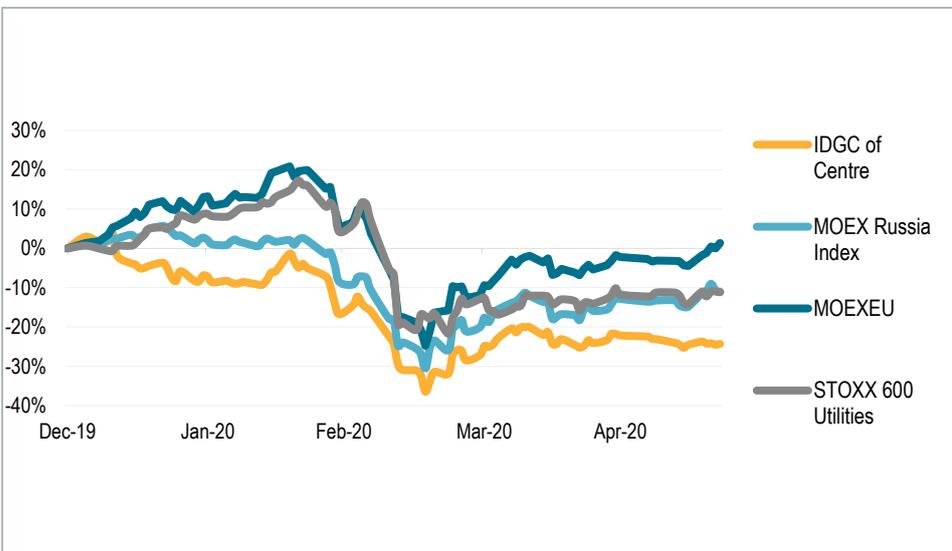
## COMPANY NEWS

### This year "Rosseti Centre Belgorodenergo" to provide lighting to 11 regional motor roads

In 2020, within the framework of concluded contracts, "Rosseti Centre Belgorodenergo" will construct and upgrade 48.5 kilometres of outdoor lighting grids in the region along 11 sections of the road network. In total, 1,049 new lighting fixtures, including 508 LED ones, will be installed to illuminate the roads.

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	fr 31.12.19
MOEX Russia	2709,38	-0,34%	-11,05%
S&P 500	2940,26	-0,28%	-8,99%
FTSE 100	5993,28	-0,37%	-20,54%
Nikkei	20388,16	-0,80%	-13,82%
Sensex	30672,59	-0,84%	-25,65%
CSI300	3824,06	-2,29%	-6,65%
Bovespa	82331,5	-0,84%	-28,81%

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

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	70,924	-1,95%	14,57%
EURO/RUB	77,7965	-1,75%	12,19%

Source: Central Bank of Russia, Company calculations

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
	Number of transactions, pcs.	404
Trading volume, ₺ mln	4,2	6,7
Trading volume, mln pcs.	17,7	39,0
Average trading volume over the last 30 days, mln pcs.	23,8	90,1
% of the authorized capital	0,04%	0,03%

Source: MOEX, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
		IDGC of Centre	0,24
IDGC of Centre & Volga Reg	0,1715	19,33	272,51

Source: MOEX, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	-0,21%	-11,19%
MOEXEU	1,41%	1,37%
IDGC of Centre**	0,25%	-24,29%
IDGC of Centre & Volga Region**	0,47%	-28,24%

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

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	3,62%	4,67%
FGC UES	1,97%	-2,42%
IDGC of Volga	1,09%	-26,59%
MOESK	1,03%	-5,29%
IDGC of Northern Caucasus	0,00%	-13,00%
IDGC of North-West	-0,30%	-7,67%
IDGC of Urals	4,18%	-3,27%
IDGC of Siberia	-0,23%	-30,58%
Rosseti South	-1,18%	-19,05%
Lenenergo, ordinary shares	-0,81%	-13,49%
TRK, ordinary shares	-0,54%	-14,65%
Kubanenergo	0,62%	2,20%

Source: MOEX, Company calculations

\*\* - at the price of last transaction at MOEX

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### Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

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