

DAILY MARKET REVIEW

30 July, Monday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 27 July some neutral external background formed on the Russian market. On Thursday the major US indices closed in different directions – the DJIA grew by 0.4% due to good reporting, the S&P500 lost 0.3% due to falling papers of the technology sector led by Facebook's shares. Papers of the world's largest social network collapsed by 19%, having lost more than \$120 billion of capitalization for one day, which became a historic record for the US market. The capitalization of Facebook, whose shares this year led the rise of securities of leading technology companies, collapsed due to a reassessment by investors of the company's prospects, which reported a significant slowdown in the rate of revenue growth and growing regulatory pressure. On Friday the composite stock index of the Asia-Pacific region, MSCI Asia Pacific, added 0.4% with multidirectional changes of the main country indices. September Brent futures traded near \$74.5 per barrel, at the level of our closing on 26 July. The oil market, Bloomberg writes, is still supported by the suspension of oil supplies from Saudi Arabia through the Bab-al-Mandeb Strait in the Red Sea after attacks by Yemeni Husit rebel at oil tankers and the drop in US oil reserves to a minimum since 2015.

The MOEX Russia Index spent most of the trading session in a minus on average about half a percent under pressure from the threat of new US sanctions – as the head of the Senate Foreign Relations Committee said on Thursday, the US Congress can approve new sanctions against Russia in the next two months before the November midterm elections in the USA. The CBR's decision to keep the key interest rate at the level of 7.25% was expected and had no significant impact on the trends of the Russian stock market and the ruble. At the same time, the activity of sellers was restrained by moderately positive sentiments on global markets, where strong US statistics provided support to investors, according to preliminary data, the US GDP growth accelerated in the second quarter to a maximum of 4.1% since 2014. Against this background, the MOEX Russia Index at the end of the day was able to play back almost all daily losses.

During the trading session changes of the MicexPWR Sector Index in general corresponded to the MOEX Russia Index. The main contribution to the final MicexPWR decline was made by shares of FGC UES, which were pressured by ambiguous RAS financials for the first half of the year. FGC UES's revenue increased by 14% y/y, to 105.85 billion rubles, cost price – by 17.5%, to 82.1 billion rubles, while the adjusted EBITDA did not change, the adjusted net profit increased by 0.4%, to 20.4 billion rubles.

ELECTRIC POWER INDUSTRY NEWS

Tariffs remain with the FAS, their transfer to the MED can be discussed again in six months, says Mr. Siluanov

The Federal Antimonopoly Service (FAS) of Russia will continue to regulate the tariffs of infrastructure monopolies, the issue of transferring this function to the Ministry of Economic Development can be reviewed again if necessary in six months, stated First Deputy Prime Minister and Finance Minister Anton Siluanov.

Read full text: <http://www.bigpowernews.ru/markets/document83976.phtml>

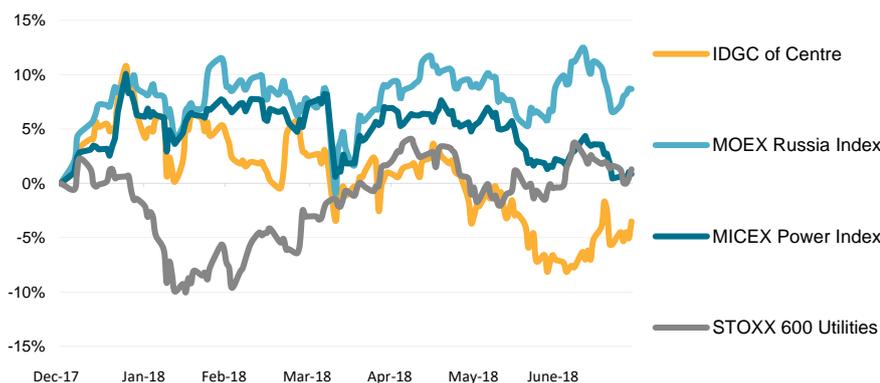
COMPANY NEWS

S&P confirmed IDGC of Centre's ratings at the "BB/B" level

The international rating agency S&P Global Ratings confirmed the long-term ratings of IDGC of Centre, PJSC in national and foreign currencies at the level of "BB", according to a press release of the agency. The short-term rating is left at the "B" level. The outlook for further changes in long-term ratings is "stable".

Read full text: <http://www.finmarket.ru/news/4820806>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 292,72	-0,02%	8,67%
S&P 500	2 818,82	-0,66%	5,43%
FTSE 100	7 701,31	0,50%	0,18%
DAX	12 860,40	0,40%	-0,44%
DJStoxx 600	392,08	0,40%	0,75%
Nikkei	22 712,75	0,56%	-0,23%
Sensex	37 336,85	0,95%	9,63%
CSI300	3 521,23	-0,42%	-12,64%
Bovespa	79 866,10	0,58%	4,53%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	62,95	-0,22%	9,23%
EURO/RUB	73,82	0,09%	7,32%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 224,22	0,13%	-6,03%
Brent*, USD/bbl	74,29	-0,34%	14,72%

* - September futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,3090	34,82	553,22

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,82%	1,29%
MICEX POWER Index	-0,18%	0,87%
IDGC of Centre**	1,63%	-3,51%
IDGC of Centre and Volga Region**	1,64%	2,42%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,41%	-4,50%
FGC UES	-1,72%	5,65%
IDGC of Volga	-0,19%	2,58%
MOESK	0,41%	-18,46%
IDGC of Northern Caucasus	-0,90%	-14,32%
IDGC of North-West	4,25%	36,92%
IDGC of Urals	-2,39%	-12,17%
IDGC of Siberia	-0,48%	-9,61%
IDGC of South	-0,66%	25,42%
Lenenergo, ordinary shares	2,12%	25,52%
TRK, ordinary shares	0,30%	-8,89%
Kubanenergo	1,19%	-24,23%

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