

# DAILY MARKET REVIEW

25 June, Monday

2018



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 22 June some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed with a decrease of 0.6-0.8% on concerns related to trade disagreements between the US and other countries, and weak statistics. The index of business activity in Philadelphia in June fell to a minimum for 19 months, data on the index of leading economic indicators in May were worse than expectations. On Friday futures for US indices added about a third of a percent, the composite stock index of the Asia-Pacific region MSCI Asia Pacific was in a small plus. Improvement in investors' sentiment was fueled by a Bloomberg's report, citing informed sources that some representatives of the White House are making attempts to resume negotiations with China before the import duties on Chinese goods come into effect on 6 July. "August Brent futures traded near \$74 per barrel, \$0.4 above the closing level on 21 June. Oil rises in price in anticipation of an OPEC+ decision to mitigate oil production restrictions. According to media reports, the ministerial monitoring committee of OPEC+ reached a preliminary agreement on raising production by 1 million barrels per day. At the same time, one of the delegates expressed the opinion that the real increase would be about 600 thousand b/s, since many countries cannot increase production from the current level.

In the first half of the day the MOEX Russia Index traded on average in a half-percentage plus as part of the overall recovery of global investors' interest in risky assets – the European Stoxx Europe 600 Index and the index of emerging markets MSCI EM showed comparable changes. In the middle of the trading session sentiment on the Russian market significantly deteriorated – the MOEX Russia Index fell a percent from the daily highs and went in a small minus after reminding investors of sanctions risks. The media reported that in mid-May, Republican congressmen appealed to the heads of the US Treasury Department and State Department to conduct an investigation into the activities of V. Evtushenkov and the companies he owned and, if necessary, to impose sanctions against them. This piece of news in a moment knocked down the quotes of AFK Sistema and MTS by 8% and 13%, respectively, and put pressure on most of liquid securities of our market. Nevertheless, the MOEX Russia Index was able to close in positive area, including due to the growth of Brent quotations above \$74.5 per barrel on information that the OPEC countries agreed to increase oil production in general by 1 million barrels per day. At the same time, according to representatives of various OPEC countries, the real growth in production will be 600-800 thousand b/s.

As a result of the trading session the MicexPWR Sector Index outperformed mainly due to a confident growth of shares of RusHydro and FGC UES.

## ELECTRIC POWER INDUSTRY NEWS

### FAS Russia and Rosseti to develop Laws and Statutory Instruments that fix the formulas for a long-term tariff for a period of not less than 10 years on the basis of the "inflation minus" principle

Director General of the company "Rosseti" Pavel Livinsky and the head of the Federal Antimonopoly Service Igor Artemiev discussed the further strategy of developing an open and long-term tariff policy within the framework of the National Competition Development Plan in the Russian Federation for 2018 - 2020, said a press release of "Rosseti".

Read full text: <http://www.bigpowernews.ru/markets/document83454.phtml>

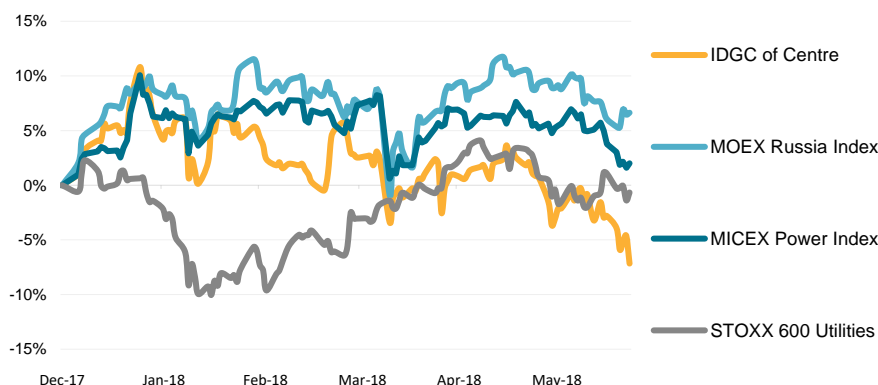
## COMPANY NEWS

### Tambovenergo implements digital communication channels in substations

IDGC of Centre - Tambovenergo division continues work on the creation of a backbone optical transport communication network and data transmission.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/64425/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 249,68	0,17%	6,63%
S&P 500	2 754,88	0,19%	3,04%
FTSE 100	7 682,27	1,67%	-0,07%
DAX	12 579,72	0,54%	-2,62%
DJStoxx 600	385,01	1,09%	-1,07%
Nikkei	22 516,83	-0,78%	-1,09%
Sensex	35 689,60	0,73%	4,79%
CSI300	3 608,91	0,44%	-10,47%
Bovespa	70 640,65	0,81%	-7,54%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	63,79	0,27%	10,69%
EURO/RUB	73,69	0,10%	7,12%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 270,56	0,27%	-2,47%
Brent*, USD/bbl	75,55	3,42%	16,02%

\* - August futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.17
IDGC of Centre	0,3305	13,95		218,74
IDGC of Centre & Volga Reg	0,2995	33,75		529,15

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,74%	-0,66%
MICEX POWER Index	0,41%	2,02%
IDGC of Centre**	-2,65%	-7,16%
IDGC of Centre and Volga Region**	-0,17%	-0,73%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,29%	-3,30%
FGC UES	1,54%	13,98%
IDGC of Volga	-1,45%	9,16%
MOESK	-0,87%	-24,03%
IDGC of Northern Caucasus	0,30%	-14,32%
IDGC of North-West	1,94%	11,35%
IDGC of Urals	-1,33%	-11,69%
IDGC of Siberia	-1,90%	-10,04%
IDGC of South	0,00%	-4,01%
Lenenergo, ordinary shares	-0,36%	15,21%
TRK, ordinary shares	0,00%	-11,32%
Kubanenergo	0,00%	-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