

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 8 June some moderately positive external background formed on the Russian market. On Friday, the US indices DJIA and S&P500 jumped 2.6-3.2% on strong statistics – in May the number of jobs increased by 2.5 million, and unemployment fell to 13.3% from 14.7% in April. At the same time, analysts predicted a sharp deterioration in the situation on the labour market – in particular, Bloomberg consensus implied a decrease in the number of jobs by 7.5 million and a jump in unemployment to 19%. According to experts, these data may indicate that the speed of the post-crisis recovery of the US economy, which began after the abolition of quarantine restrictions and large-scale state support, significantly exceeds forecasts. On Monday, the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.7%. Buyers' activity was constrained by Chinese statistics on foreign trade – the volume of exports in dollar terms decreased by 3.3% y/y, imports collapsed to the maximum since January 2016 16.7% due to weakening domestic demand. August Brent futures were trading around \$42.8 per barrel, \$0.8 higher than our close on Friday, 5 June. The market was supported by information that OPEC+ countries extended the current level of production decline by another 9.7 million barrels per day for another month, and statistics from China, which recorded record levels of oil imports in May.

The consolidated MSCI ACWI spent most of the trading session on Monday in a small plus within a third of a percent – the inertial optimism of American investors was offset by a deterioration in sentiment in Europe. The consolidated European Stoxx Europe 600 during the day lost on average about a third of a percent on weak statistics. In Germany, in April, the fall in industrial production, exceeding forecasts, amounted to a record of 17.9% m/m. In addition, according to Sentix, the index of investors' confidence in the Eurozone's economy in June rose less than expected. As noted in the study, investors believe that despite all the stimulating measures of a fiscal and monetary nature, the region's economy will be able to recover only a little more than half of the recession in a year. The MOEX Russia Index, which added more than a percent in the first half of the day, completed trading near zero under pressure from turning oil prices. Brent quotes fell below \$41 per barrel after a statement by the Minister of Energy of Saudi Arabia that voluntary additional restrictions on oil production by Saudi Arabia, Kuwait and the United Arab Emirates by 1.2 million barrels per day will be valid only in June.

At the end of the day, the electric utilities sector index outperformed mainly due to a 6% jump in RusHydro's shares on renewed speculation regarding the conversion of RAO Energy Systems of the East, which manages the Far East generation, from a subsidiary of RusHydro to its parent company. The reason for this was the publication of Kommersant that the head of the company, who opposed such a regrouping of Far Eastern assets, would leave his post in September, and this issue could be raised again. According to analysts at VTB Capital, the implementation of such a reorganization scheme for RusHydro may increase the company's dividends to 50-70 billion rubles in comparison with 15.9 billion rubles in 2018-2019.

ELECTRIC POWER INDUSTRY NEWS

They search for excess power in the energy system

As Kommersant found out, regulators and participants in the energy market continue the discussion about the need to reduce the power reserve in the power system. Scientists believe that the power reserve in 2022 can be reduced almost threefold. This will reduce consumer payments by 73 billion rubles a year. Regulators believe that so far the calculation results are far from practical application. But consumers and experts call them much more realistic than the ones that are applied now.

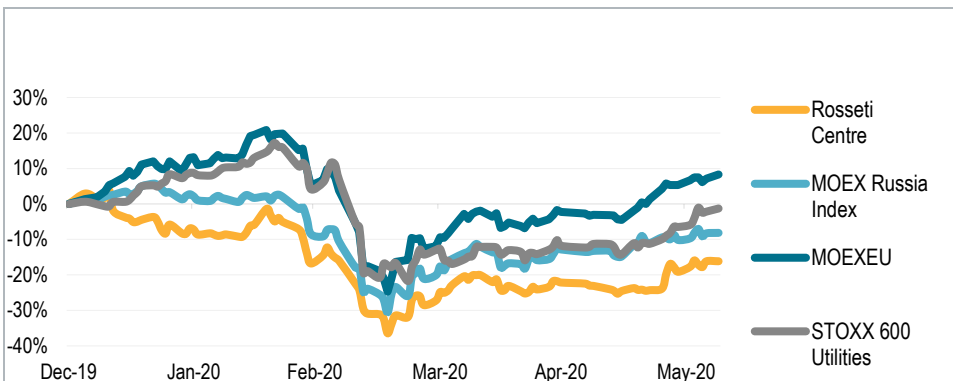
Read full text: <https://www.kommersant.ru/>

COMPANY NEWS

Rosseti Centre - managing organization of Rosseti Centre and Volga Region held a conference call and webcast dedicated to the consolidated performance results of the Companies for 3 months of 2020

Read full text: https://www.mrsk-1.ru/investors/presentations/ir_news/

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	2796,3	0,13%	-8,19%
S&P 500	3209,07	0,47%	-0,67%
FTSE 100	6472,59	-0,18%	-14,18%
Nikkei	23178,1	1,37%	-2,02%
Sensex	34370,58	0,24%	-16,68%
CSI300	4021,96	0,52%	-1,82%
Bovespa	96691,4	2,17%	-16,39%

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

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	68,6319	-0,56%	10,87%
EURO/RUB	77,9658	0,83%	12,44%

Source: Central Bank of Russia, Company calculations

Liquidity	Rosseti Centre	Rosseti Center & Volga Region
	Number of transactions, pcs.	635
Trading volume, ₺ mln	5,2	9,2
Trading volume, mln pcs.	19,6	48,2
Average trading volume over the last 30 days, mln pcs.	37,6	113,1
% of the authorized capital	0,05%	0,04%

Source: MOEX, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
Rosseti Centre	0,2658	11,22	163,50
Rosseti Center & Volga Reg	0,191	21,53	313,63

Source: MOEX, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	0,89%	-1,24%
MOEXEU	1,18%	8,35%
Rosseti Centre**	0,00%	-16,15%
Rosseti Center & Volga Region**	0,10%	-20,08%

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

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	-2,15%	13,90%
Rosseti FGC UES	0,11%	-8,29%
Rosseti Volga	-0,68%	-25,46%
Rosseti Moscow Region	-1,70%	-5,29%
Rosseti Northern Caucasus	0,30%	-12,27%
Rosseti North-West	-2,13%	-5,33%
Rosseti Ural	-4,84%	-2,30%
Rosseti Siberia	-0,43%	-25,08%
Rosseti South	0,87%	-16,14%
Rosseti Lenenergo	2,14%	-11,93%
Rosseti Tomsk	1,00%	-5,81%
Rosseti Kuban	3,51%	15,88%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

[MRKC](#)

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