

# Russian Equities Weekly

## September 23 – 27, 2019

	Week	YTD
<b>RTS Total return (TR) in USD</b>	-1.9%	33.5%
<b>MOEX index TR in RUB</b>		
Composite	-1.1%	23.2%
Blue chip	-1.0%	25.3%
Small and mid-cap	-0.6%	10.1%
<b>MOEX sector indices TR in RUB</b>		
Consumer Goods	-0.4%	9.5%
Oil & Gas	-1.0%	19.5%
Financial Services	-1.1%	23.7%
Metals & Mining	-1.2%	10.7%
Power Utilities	-2.0%	24.1%
<b>FX</b>		
RUB/USD	-1.0%	7.0%
RUB/EUR	-0.7%	11.9%

Data as of September 27, 2019

TKB Investment Partners (JSC) calculations; Bloomberg

## Brent down

### Russian equity market dynamics

**Last week, the Russian equity market performed in the line with other emerging markets (EM).** Both the RTS index and the MSCI EM index fell by 1.9% (all figures in USD terms). The Russian market contracted on the back of the rouble weakening and oil prices dropping. Brent crude prices fell as Saudi Arabia announced it had largely restored its disrupted production output following the recent drone attack and as broader Middle East tensions eased.

**The consumer goods sector outperformed the market.** This was mainly due to Ros Agro's shares, which rose by 3.4% in rouble terms on rumours that the company was about to initiate an SPO last week, although this did not materialise.

**The power utilities sector was the worst performer of the week,** dragged down mainly by OGK-2 and Inter RAO shares. There was no particular news to justify the sector's poor performance, so we assume there was some profit-taking after the sector's relatively good performance over the preceding weeks.

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## To watch...

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Rosstat is due to publish inflation figures for September 2019.

Sources: Vedomosti, Bloomberg, TKB Investment Partners (JSC); September 2019

## Quarterly results: actual vs. consensus for EPS

(earnings per share), adjusted, (US dollars) \*

Major RTS index constituents	Q3 '18	Q4 '18	Q1 '19	Q2 '19
Lukoil	22.3%	18.8%	-9.6%	32.4%
Gazprom	29.2%	-	1.2%	2.3%
Sberbank	4.5%	14.1%	6.4%	0.5%
Novatek	20.5%	-	-	-0.9%
Tatneft	41.2%	-18.8%	2.0%	-1.3%
Magnit	12.4%	7.8%	-49.5%	-
MTS	13.6%	-46.1%	21.3%	-7.8%
VTB	-90.7%	0.0%	0.0%	-
Alosa	-10.9%	-12.2%	14.3%	-
Severstal	0.0%	-10.7%	-1.9%	-11.2%
NLMK	12.3%	-	238.9%	0.3%
Moscow Exchange	4.2%	10.6%	0.0%	12.8%
Magnitogorsk Iron & Steel	0.0%	-20.0%	18.2%	-83.2%
Phosagro	-8.0%	-41.5%	-20.9%	-

\* based on Bloomberg consensus

	Actual figure is better than consensus by more than 5%
	Actual figure is worse than consensus by more than 5%
	The deviation of actual results from consensus is between -5% and +5%

Source: Bloomberg, TKB Investment Partners; data as of September 27, 2019

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