

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 25 July some moderately positive external background formed on the Russian market. On Wednesday the major US indices closed mixed: the S&P500 and Nasdaq Composite indices, updating their historical records, added 0.5-0.9% on expectations of the resumption of the US-China talks and good reporting by technology companies, the DJIA index fell 0.3% due to weak financial results of "heavy" index papers of Boeing and Caterpillar. In general, analysts point out that in the current corporate reporting season, the financial performance of a number of companies with a significant share of global sales, and especially in the Asian region, tend to disappoint the market. This is due to growing tensions in world trade, as evidenced by current statistics – according to preliminary data from Markit, the industrial PMI in the US fell to 10-year lows in July, mainly due to a decrease in export orders. On Thursday, the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.2% following the update of records by the US broad market indicator – the S&P500 index. September Brent futures traded around \$63.5 per barrel, \$0.3 lower than our 24 July close. The market was under pressure from weak July statistics on manufacturing activity in the US and Eurozone countries, which raised concerns about the decline in global fuel demand.

In the first half of the trading session, the MOEX Russia Index showed a steady rise – at daily highs, the indicator added about 1.5%. Gazprom's shares boosted the growth of the Russian market, reaching 8% on the company's information on the upcoming sale of 2.9% of the 6.6% quasi-treasury block of shares under an accelerated procedure. According to VTB Capital, if the index providers classify sold Gazprom's shares as free float, the potential passive inflow to these securities in the FTSE and MSCI indices will be about \$85 million and \$370 million, respectively. In the afternoon, the growth rate of the Russian market slowed down amid worsening sentiment in western markets, where investors were disappointed with the statement by Mario Draghi that at the last meeting of the ECB, the issue of reducing rates and using other stimulus measures to support the Eurozone economy was not discussed in detail. However, the regulator instructed to explore various options for maintaining the European economy, including a change in the forecast for rates and the possibility of resuming the purchase of assets. All key interest rates at the end of the last meeting of the ECB were kept at the same level, including the rate on loans – at zero.

During the trading session, the electric utilities sector index outperformed. The main contribution to the MOEXEU outperformance compared with the MOEX Russia Index was made by Unipro's shares, which jumped 4% on the company's message that RusAl and Unipro are considering the possibility of a peaceful settlement of the dispute on the dissolution of the Capacity Supply Agreement for the third power unit of Berezovskaya GRES.

ELECTRIC POWER INDUSTRY NEWS

The State Duma adopted a bill prohibiting the regions to exceed the limits of power grid tariffs

The State Duma adopted a law prohibiting the regions to exceed the limits of the electric grid tariffs established by the Federal Antimonopoly Service (FAS) of Russia.

Read full text: <http://www.bigpowernews.ru/markets/document89125.phtml>

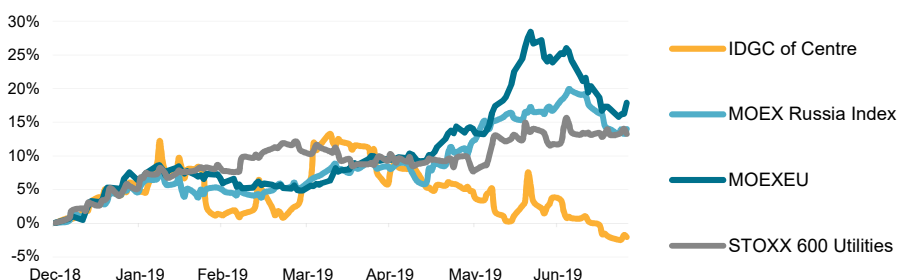
COMPANY NEWS

Rosseti Centre published its financial statements for 1H 2019 under RAS, EBITDA was 8,7 bln RUB

According to the prepared in accordance with the Russian Accounting Standards statements for 1H 2019, Rosseti Centre's revenue (the public name IDGC of Centre, PJSC, the ticker - MRKC) was 46,5 bln RUB, including from electric energy transmission – 45,1 bln RUB, from grid connections – 0,5 bln RUB, from resale of electric energy and power – 0,3 bln RUB and other revenue – 0,6 bln RUB. Sales profit was 3,3 bln RUB. Earnings before interest, taxes, depreciation and amortization (EBITDA) reached 8,7 bln RUB. Net profit was 0,8 bln RUB.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/69116/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 701,02	0,68%	14,00%
S&P 500	3 003,67	-0,53%	19,82%
FTSE 100	7 489,05	-0,17%	11,31%
DAX	12 362,10	-1,28%	17,08%
DJStoxx 600	389,52	-0,56%	15,36%
Nikkei	21 756,55	0,22%	8,70%
Sensex	37 830,98	-0,04%	4,89%
CSI300	3 851,07	0,82%	27,91%
Bovespa	102 654,60	-1,41%	16,80%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	63,12	-0,02%	-9,15%
EURO/RUB	70,32	-0,44%	-11,50%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 414,58	-0,79%	10,30%
Brent*, USD/bbl	63,39	0,33%	17,83%

* - September futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2645	29,81	472,28

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,68%	13,27%
MOEXEU	1,36%	17,89%
IDGC of Centre**	-0,28%	-2,10%
IDGC of Centre and Volga Region**	0,34%	-0,19%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	1,10%	52,66%
FGC UES	2,08%	23,21%
IDGC of Volga	0,05%	-3,83%
MOESK	0,27%	11,82%
IDGC of Northern Caucasus	0,32%	125,00%
IDGC of North-West	-0,54%	17,21%
IDGC of Urals	0,55%	-1,63%
IDGC of Siberia	-2,00%	167,71%
IDGC of South	-0,23%	19,10%
Lenenergo, ordinary shares	0,00%	6,81%
TRK, ordinary shares	0,00%	-3,90%
Kubanenergo	3,18%	26,43%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, PJSC

127018, Moscow, 2nd Yamskaya, 4
+7 (495) 747 92 92

www.mrsk-1.ru/en/investors/

IR Division

+7 (495) 747 92 92, ext. 33-34
ir@mrsk-1.ru

Tickers

Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC:RM
MRKC.MM