



REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 28 August some neutral external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed with a slight increase of 0.2%, on Monday the composite index of the Asia-Pacific Region MSCI Asia Pacific showed similar changes. The optimism of investors regarding the prospects for tax reform and the decline in the dollar after the Fed Chair's comments were largely offset by weak US statistics – falling orders for durable goods became a record since August 2014. Economic advisor to US President Donald Trump Gary Cohn said in an interview with the Financial Times that the president expects to implement the tax reform before the end of this year. However, Chair of the Federal Reserve at the symposium of the world's Central Banks in Jackson-Hole did not begin to mention further steps to tighten monetary policy, focusing on banking regulation. And the head of the ECB, who in his speech preferred to talk about the risks of protectionism in the world economy, did not make clear the prospects for monetary policy to traders. October Brent futures traded near the mark of \$52.3 per barrel, at the closing level on Friday, 25 August. Quotations continue to consolidate near the maximum for three months with the support of Hurricane Harvey due to which the work of about 10% of US refineries was stopped, as well as data of the oilfield services company Baker Hughes on reduction for the second week in a row of the number of operating drilling rigs in the US.

Most of the trading session the MICEX Index was in a small plus within half a percent – the positive background from stable oil and increasing in price metals was offset by negative sentiment on European exchanges. The European Stoxx Europe 600 Index lost within half a percent, including due to the euro strengthening, which on Monday updated a maximum of two and a half years to the dollar. After Mario Draghi in Jackson-Hole refrained from commenting on the strong euro, market participants do not rule out that the ECB will begin to wind down incentives earlier than the Fed, given the state of the Eurozone's economy. The MICEX Index was able to close trading near the session highs thanks to investors' demand for emerging market shares and despite the drop in Brent oil prices at the end of the day to \$51 per barrel.

During the trading session the MicexPWR Sector Index looked better than the broad market. The main contribution to the rise of the sector indicator was made by shares of RusHydro, FGC UES and Rosseti. The securities of RusHydro and Rosseti may be supported by good expectations of IFRS statements – today both companies will present financial results for the first half of the year and hold a conference call.

ELECTRIC POWER INDUSTRY NEWS

The situation with the debts of enterprises of the Ministry of Defense for electricity continues to worsen, for January-May they increased by 26%, exceeding 15 billion rubles, says the newspaper

The reform of payment of housing and communal services in the enterprises subordinated to the Ministry of Defense did not solve the problem with their debts for electricity and heat. On the contrary, it continues to worsen: the debt for electricity for January-May increased by 25.8%, to 15.4 billion rubles. The established in April FSBI "Central Housing and Communal Services Administration", which received the authority to pay for services, also began to accumulate debts. The Ministry of Defense is not ready to directly influence the situation, treating it as a "dispute of economic entities".

Read full text: <http://www.bigpowernews.ru/markets/document79265.phtml>

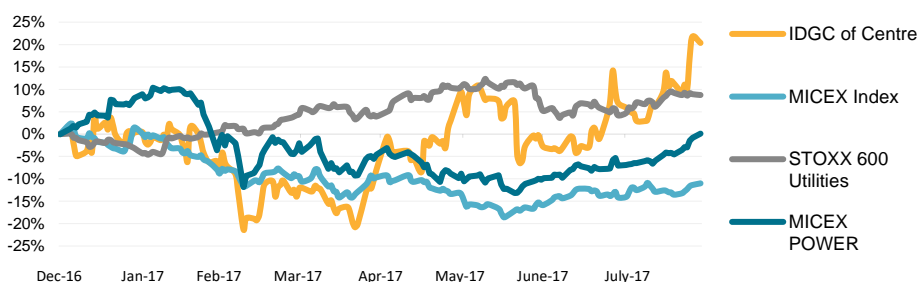
COMPANY NEWS

Kostromaenergo performed about two thousand grid connection contracts in the first half of the year

IDGC of Centre – Kostromaenergo division summed up the results of the work on connection to electric grids for the first half of 2017. During the reporting period, the company's specialists executed 1,890 grid connection contracts with a total connected capacity of 25.6 MW. More than 4,500 contracts are at the implementation stage.

Read full text: <http://www.elektroportal.ru/news/news-84669.html>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 987,15	0,40%	-11,00%
S&P 500	2 443,33	0,01%	9,13%
FTSE 100	7 401,46	0,00%	3,62%
DAX	12 123,47	-0,37%	5,60%
DJStoxx 600	372,29	-0,48%	3,01%
STOXX Utilities	300,93	-0,18%	8,73%
Nikkei	19 449,90	-0,01%	1,76%
Sensex	31 750,82	0,49%	19,25%
CSI300	3 842,71	1,24%	16,09%
Bovespa	71 248,38	0,25%	18,30%

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

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,19	0,00%	13,38%
USD/RUB	59,15	0,01%	-1,87%
Euro/RUB	69,70	-0,06%	10,60%

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

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 291,20	0,00%	12,06%
Brent*, USD/bbl	52,41	0,00%	-7,76%

* - October futures

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

Shares of IDGC of Centre	Value
Last transaction, RUB	0,538
Capitalisation**, billion RUB	22,71
Capitalisation**, million USD	384,01

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,98%	0,13%
Shares of IDGC of Centre**	-1,19%	20,36%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	2,41%	-11,61%
FGC UES	1,78%	-14,12%
IDGC of Volga	-2,17%	105,36%
MOESK	-2,04%	1,45%
IDGC of Northern Caucasus	-0,80%	-15,19%
IDGC of Centre and Volga Reg	-2,01%	124,05%
IDGC of North-West	-3,04%	15,82%
IDGC of Urals	-2,96%	19,45%
IDGC of Siberia	-1,02%	74,67%
IDGC of South	0,40%	-5,15%
Lenenergo, ordinary shares	-0,37%	-2,72%
TRK, ordinary shares	1,22%	-12,82%
Kubanenergo	0,15%	-20,92%

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