

## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 2 August some negative external background formed on the Russian market. Starting Thursday's trading with a percentage increase on good reporting and strengthening expectations of the Fed's more active actions to support the economy after the publication of statistics on production activity that did not meet forecasts in July, the US indices DJIA and S&P500 closed the session with a decline of 0.9-1.0%. On Friday the composite stock index of the Asia-Pacific region MSCI Asia Pacific lost 1.3%. Investors' sentiment sharply worsened after Donald Trump's statement that the US would start imposing 10% duties on Chinese imports of \$300 billion from 1 September, while Donald Trump did not rule out that the tariff rate could be raised in the future – even above 25% – depending on the course of negotiations. This decision came as a complete surprise to the markets, given that both parties had just described the completed trade negotiations in Shanghai as constructive. October Brent futures traded around \$61.7 per barrel, \$1.8 below our close on 1 August. Brent quotes recovered after a 7% drop, a record of four years ago, on Thursday, triggered by increased fears of declining global fuel demand on news of an escalation of the US-China trade conflict.

The Russian market began trading on Friday with a drop in the MOEX Russia Index by 1.3% amid a general flight of investors from risky assets provoked by the next round of the tariff war between the US and China. An additional negative factor for our market was information about a new stage of the US sanctions on the "Skripal case" – Donald Trump signed the corresponding decree on Thursday. And although analysts do not wait some tough new measures from this decree, another reminder of the sanctions risks put pressure on the proxy papers of the Russian market – shares of Sberbank and Gazprom, the ruble and government bonds. The attempt of the MOEX Russia Index to reduce losses following rising oil prices failed due to increased sales in European and emerging markets – the drop in the Stoxx Europe 600 and MSCI EM indices in the afternoon exceeded 2%. Against the background of an aggravation of the US-China trade conflict, statistics on the US labour market that came out at the expected level – the unemployment remained at 3.7% in July, the number of jobs increased by 164 thousand – receded into the background and did not significantly affect investors' sentiment. At the end of the day, sellers in the Russian market became more active after the start of trading in the US with a percentage reduction in the main indices.

During the trading session, the electric utilities sector index outperformed – active sales are concentrated in the first-tier stocks for the second day in a row.

## ELECTRIC POWER INDUSTRY NEWS

### Electricity generation in the Russian Federation in January - July 2019 increased by 0.6% with a decrease in electricity consumption by 0.3% - Central Central Despatch Office of the fuel and energy complex

Electricity generation in Russia in January - July 2019 increased by 0.6% compared to the same period in 2018 - up to 632.6 billion kWh. At the same time, electricity consumption in the reporting period decreased by 0.3% to 621 billion kWh, TASS reports citing data from the Central Despatch Office of the fuel and energy complex.

Read full text: <http://www.bigpowernews.ru/markets/document89225.phtml>

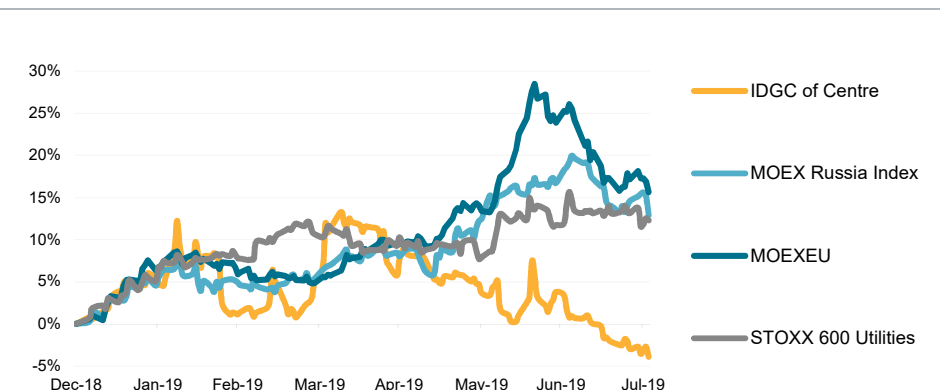
## COMPANY NEWS

### Igor Makovskiy: protecting the integrity of electric grid facilities is an important factor in ensuring the energy security of the regions

Rosseti Centre and Rosseti Centre and Volga Region conduct systematic work to prevent theft of power equipment and its elements from electric grid facilities. One of the most effective measures is raids, during which specialists of security subdivisions of branches of the companies inspect power grid facilities and check scrap collection points. Active preventive work brings results, according to identified facts of theft, measures are taken.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/69200/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 674,90	-2,00%	12,90%
S&P 500	2 932,05	-0,73%	16,96%
FTSE 100	7 407,06	-2,34%	10,09%
DAX	11 872,44	-3,11%	12,44%
DJStoxx 600	378,15	-2,46%	11,99%
Nikkei	21 087,16	-2,11%	5,36%
Sensex	37 118,22	0,27%	2,91%
CSI300	3 747,44	-1,47%	24,47%
Bovespa	102 673,70	0,54%	16,82%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	63,63	0,66%	-8,11%
EURO/RUB	70,47	-0,37%	-11,31%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 440,83	-0,30%	12,35%
Brent*, USD/bbl	61,89	2,30%	15,04%

\* - October futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2556	28,81	451,26

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,23%	12,29%
MOEXEU	-1,11%	15,65%
IDGC of Centre**	-1,22%	-3,92%
IDGC of Centre and Volga Region**	-1,35%	-3,55%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,04%	51,77%
FGC UES	-1,18%	21,64%
IDGC of Volga	-0,43%	-4,69%
MOESK	-0,79%	13,64%
IDGC of Northern Caucasus	1,62%	115,43%
IDGC of North-West	-0,15%	21,26%
IDGC of Urals	0,11%	-1,84%
IDGC of Siberia	-0,82%	171,41%
IDGC of South	-3,20%	11,11%
Lenenergo, ordinary shares	-0,51%	10,96%
TRK, ordinary shares	-1,01%	-4,22%
Kubanenergo	-0,66%	23,16%

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**  
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