

## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 13 July some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 rose by 0.9%, on Friday the composite stock index of the Asia-Pacific region MSCI Asia Pacific increased by 0.7%. The driver of the rise in the markets was shares of the technological sector – the American index Nasdaq has updated the historical record. Analysts say that the calm period in the trade confrontation between the US and China and the signals that both sides are open to the resumption of negotiations allowed traders to focus on good statistics of the two largest economies of the world. In the US consumer prices in June rose at a maximum rate since 2012, the number of applications for unemployment benefits fell more than expected. In turn, in China in June exports increased more than forecast, the trade surplus peaked since December. September Brent futures traded near \$74.0 per barrel, \$0.6 above our closing level on 12 July. Oil prices are adjusting after a 7% drop on Wednesday, triggered by the escalation of the US-China trade war and expectations of an increase in supplies from Libya by 700,000 barrels per day.

On Friday the Russian market was dominated by buyers in the recovery of investors' demand for risky assets – the MOEX Russia Index spent most of the day in more than half a percent plus. Additional support to our market was provided by the growth of Brent quotations to around \$75 per barrel and hopes for a constructive holding of the Russia-US summit. At the same time, buyers' activity was constrained by inexpressive changes of Western markets, which were pressured by mixed reports of the four largest US banks and worse-than-expected statistics on the US consumer confidence index in July. At the end of the day, the growth of the MOEX Russia Index accelerated to a percentage point, thanks to the rise in Brent to \$75.5 per barrel.

As a result of the trading session the MicexPWR Sector Index underperformed mainly due to a 2% drop in Unipro's shares. From the news of grid companies, one can note Interfax's message that former Deputy Prime Minister A. Khloponin can replace the head of the Ministry of Energy as a member of Rosseti's Board of Directors. According to Interfax's sources, the government's directive on the candidacy of A. Khloponin is already ready – he should become chairman of the board of directors of the holding, which is now headed by A. Novak.

## ELECTRIC POWER INDUSTRY NEWS

### Mr. Khloponin and Mr. Galushka can join the board of directors of Rosseti

Rosseti received a directive from the government to hold an extraordinary shareholders' meeting at which candidates for the board of directors of the power grid company - former Deputy Prime Minister Alexander Khloponin and former Minister for Development of the Far East Alexander Galushka - will be considered. However, the head of the Ministry of Energy Alexander Novak may leave the board of directors of Rosseti, Tass sources said.

Read full text: <http://tass.ru/ekonomika/5372354>

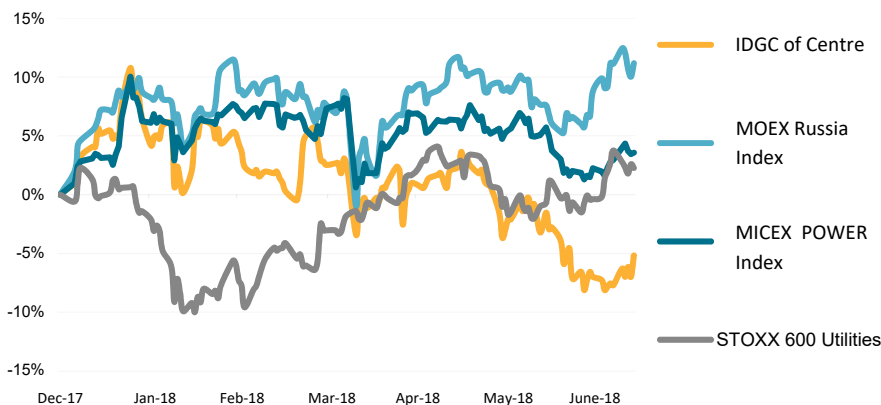
## COMPANY NEWS

### Belgorodenergo received a new installation for melting ice on power lines

A mobile installation for ice melting on wires of overhead power lines was delivered to IDGC of Centre - Belgorodenergo division. The device is designed to prevent and eliminate glaze formations on non-insulated wires and protective earth wires of overhead lines with voltage up to 110 kV inclusive.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/64754/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 346,43	1,05%	11,22%
S&P 500	2 801,31	0,11%	4,78%
FTSE 100	7 661,87	0,14%	-0,34%
DAX	12 540,73	0,38%	-2,92%
DJStoxx 600	385,03	0,17%	-1,07%
Nikkei	22 597,35	1,85%	-0,74%
Sensex	36 541,63	-0,02%	7,30%
CSI300	3 492,69	0,33%	-13,35%
Bovespa	76 594,35	0,97%	0,25%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	62,21	0,17%	7,94%
EURO/RUB	72,68	-0,23%	5,66%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 244,32	-0,25%	-4,49%
Brent*, USD/bbl	75,33	1,18%	16,32%

\* - September futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3375	14,25	229,05
IDGC of Centre & Volga Reg	0,3010	33,92	545,32

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,30%	2,28%
MICEX POWER Index	0,12%	3,58%
IDGC of Centre**	1,96%	-5,20%
IDGC of Centre and Volga Region**	0,67%	-0,23%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,57%	-5,89%
FGC UES	1,12%	16,72%
IDGC of Volga	0,21%	14,27%
MOESK	1,32%	-23,25%
IDGC of Northern Caucasus	0,00%	-17,71%
IDGC of North-West	2,88%	23,46%
IDGC of Urals	-0,27%	-11,22%
IDGC of Siberia	0,00%	-7,42%
IDGC of South	1,96%	4,18%
Lenenergo, ordinary shares	-1,64%	18,85%
TRK, ordinary shares	-3,95%	-14,82%
Kubanenergo	-5,60%	-24,74%

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**