



REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 05 July some neutral external background formed on the Russian market. On Tuesday the US exchanges were closed in connection with the celebration of Independence Day. On Wednesday the main country indices of the Asia-Pacific region showed a predominantly positive trend, despite the publication of weaker than predicted statistics on business activity in China. So, according to Markit/Caixin, the PRC's service sector grew at a slow pace in June due to falling demand and new orders. Analysts note that the downward trend in China's economy remains stable. September Brent futures traded near the mark of \$49.7 per barrel, slightly below the closing level on 04 July. In the absence of American traders, oil prices could not overcome the key resistance level of \$50 per barrel and stabilized after almost the 11% growth for eight days of the continuous rally. An additional constraint on the market was the announcement by sources of the Bloomberg agency that Russia does not support any new production cuts and intends to adhere to the current agreement within the framework of the OPEC+ countries deal.

On Wednesday the MICEX Indices and the European Stoxx Europe 600 Index spent the trading session in with low volatile flat changes near zero. The drop in Brent oil prices to \$48 per barrel was compensated by the growth of futures for US indices and the weakening of domestic and European currencies that supported shares of exporters. The statistics published during the day were mostly expected and had no significant effect on the trends of trading. The consolidated index of business activity in the Eurozone although slowed the rise in June, nevertheless the pace of job creation was among the highest in the last ten years due to steady growth of new orders and business optimism. Retail sales in the Eurozone in May rose as part of the forecast of economists, while the data for April were revised upwards.

During the trading session, the MiceXPWR Sector Index looked somewhat worse than the broad market. The main contribution to the final small decrease in the sector indicator in antiphase with the MICEX Index was made by shares of FGC UES.

ELECTRIC POWER INDUSTRY NEWS

The energy market loses the price ceiling

The Ministry of Energy proposed amendments to the rules of the wholesale energy market, which, in effect, cancel the ceiling of the price of capacity that has been in effect for many years. The mechanism can work in the event of a generation deficit, which has not yet occurred in practice. But, according to the Ministry of Energy, this situation is real in the autumn, when the price of capacity in Siberia is determined for 2021, and in the future the mechanism will raise the price of capacity to a level sufficient for investment in modernization. Consumers, on the other hand, believe that changing the rules will give generators super profits.

Read full text: <https://www.kommersant.ru/doc/3343452>

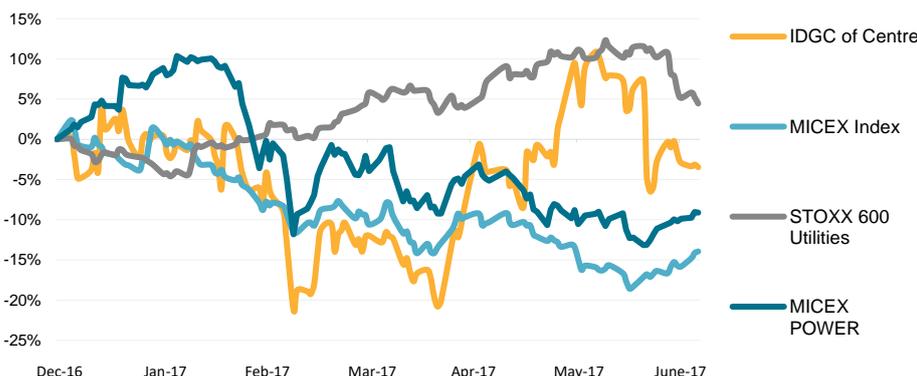
COMPANY NEWS

IDGC of Centre for five months achieved a decrease in receivables by more than 2 billion rubles

IDGC of Centre summed up the work to reduce the receivables for electricity transmission services for five months of 2017. In this period the company achieved a reduction in the total amount of debt by 2.236 billion rubles. The amount of the debt of electricity suppliers of last resort in the regions was reduced by 1.965 billion rubles, and energy sales companies by 150 million rubles.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/60549/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 921,38	0,21%	-13,94%
S&P 500	2 430,19	0,05%	8,55%
FTSE 100	7 367,60	0,14%	3,15%
DAX	12 453,68	0,13%	8,47%
DJStoxx 600	382,99	0,18%	5,97%
STOXX Utilities	289,10	-0,71%	4,45%
Nikkei	20 081,63	0,25%	5,06%
Sensex	31 245,56	0,11%	17,35%
CSI300	3 659,68	1,10%	10,56%
Bovespa	63 170,75	-0,10%	4,89%

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

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,13	0,00%	7,88%
USD/RUB	59,23	0,44%	-1,73%
Euro/RUB	67,30	0,14%	6,78%

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

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 223,42	0,00%	6,17%
Brent*, USD/bbl	49,61	0,00%	-12,69%

* - September futures

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

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4315
Capitalisation**, billion RUB	18,22
Capitalisation**, million USD	307,57

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-0,08%	-9,11%
Shares of IDGC of Centre**	-0,35%	-3,47%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	0,00%	-29,10%
FGC UES	-0,56%	-13,39%
IDGC of Volga	-0,94%	22,95%
MOESK	-1,25%	-11,92%
IDGC of Northern Caucasus	1,52%	-24,04%
IDGC of Centre and Volga Reg	1,56%	27,70%
IDGC of North-West	1,21%	-24,00%
IDGC of Urals	0,34%	-9,73%
IDGC of Siberia	1,36%	-19,59%
IDGC of South	2,67%	-26,72%
Lenenergo, ordinary shares	0,77%	-16,80%
TRK, ordinary shares	0,00%	-23,74%
Kubanenergo	0,67%	-13,91%

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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