



REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 16 July some moderately negative external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed with an increase of 0.1-0.4% on statements by the US Treasury that Washington and Beijing can resume trade negotiations if the PRC wants to make significant changes. The US markets were kept from a larger upsurge by the publication of mixed reports from the four largest US banks. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.2% on weak statistics from China. China's GDP growth slowed in the second quarter, as expected, to 6.7% y/y, while industrial output increased by 6% yoy in the previous month, which was lower than expected. According to economists, the Wall Street Journal reports that a trade conflict with the US could reduce China's GDP by 0.2-0.5 percentage points in the next 12 months. The Japanese exchanges are closed on Monday in connection with the celebration of the Sea Day. September Brent futures traded near \$74.7 per barrel, \$0.4 below our closing level on Friday, 13 July. Oil quotations were pressured by media reports about Saudi Arabia's increase in supplies to individual consumers, and also that the US does not exclude the possibility of using strategic oil reserves to contain price increases.

For the most part of the day, the MOEX Russia Index was in a small minus within half a percent in anticipation of the outcome of the meeting of the Russian and US presidents in Helsinki. In the second half of the trading session, the decline of the Russian market accelerated to 1% following the 4% drop in Brent quotations to \$72.2 per barrel on fears of an increase in the supply of oil from Saudi Arabia and the US and moderately negative sentiment on world markets. The European Stoxx Europe 600 Index and the index of emerging markets MSCI EM lost about half a percent on the threat of proliferation of protectionism after D. Trump called the European Union "an adversary", referring to trade tensions. At the end of the day, the MOEX Russia Index reduced losses to 0.5% on the first reports from the joint press conference of V. Putin and D. Trump, in which both leaders called the negotiations successful. The main contribution to the final decline in the MOEX Russia Index was made by a 6% decline in Norilsk Nickel's shares after the ex-dividend date.

As a result of the trading session the MicexPWR Sector Index outperformed mainly due to a 3% increase in Rosseti's shares in the absence of significant news background.

ELECTRIC POWER INDUSTRY NEWS

Shortfall in income of Rosseti due to discounted grid connections for 9 years – 112 billion rubles

The shortfall in income of Rosseti in 2009-2017 due to discounted connection of customers to electric grids amounted to 112 billion rubles, Energy Minister Alexander Novak said on 13 July, speaking at the Federation Council.

Read full text: <http://electricalnet.ru/blog/vypadauschie-dohody-rossetei-iz-za-lgot-na-tehprisoedinenie-za-9-let-112-mlrd-rublei>

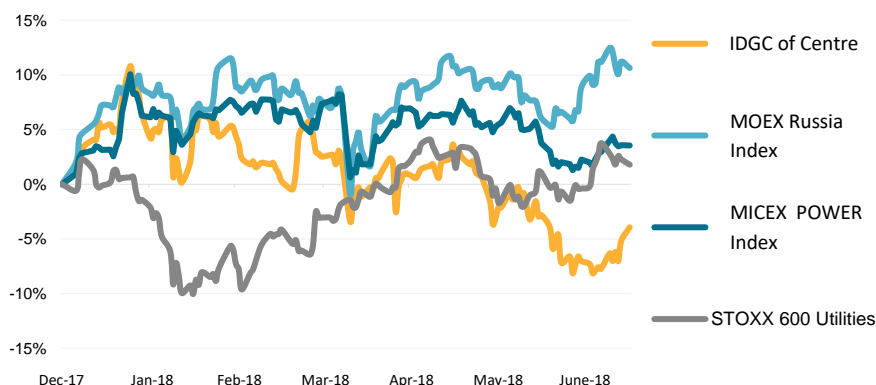
COMPANY NEWS

IDGC of Centre provided power supply to a large agro-industrial facility in the Kursk region

Specialists of the Kursk branch of IDGC of Centre completed the project on connection to the power grid of a large high-tech meat-processing facility with a production capacity of 185 thousand tons per year, which is being built by the company "AgroPromkomplektatsiya-Kursk" in Zheleznogorsky district of the Kursk region. The total connected capacity of the facility is 4.9 MW.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/64763/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 334,18	-0,52%	10,64%
S&P 500	2 798,43	-0,10%	4,67%
FTSE 100	7 600,45	-0,80%	-1,14%
DAX	12 561,02	0,16%	-2,76%
DJStoxx 600	384,05	-0,25%	-1,32%
Nikkei	22 597,35	0,00%	-0,74%
Sensex	36 323,77	-0,60%	6,66%
CSI300	3 472,09	-0,59%	-13,86%
Bovespa	76 652,58	0,08%	0,33%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	62,29	0,14%	8,09%
EURO/RUB	72,47	-0,30%	5,35%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 240,93	-0,27%	-4,75%
Brent*, USD/bbl	71,84	-4,63%	10,93%

* - September futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,3010	33,92	544,55

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,48%	1,79%
MICEX POWER Index	-0,01%	3,56%
IDGC of Centre**	1,33%	-3,93%
IDGC of Centre and Volga Region**	0,00%	-0,23%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	3,07%	-3,00%
FGC UES	-0,08%	16,63%
IDGC of Volga	0,30%	14,61%
MOESK	3,48%	-20,58%
IDGC of Northern Caucasus	0,32%	-17,45%
IDGC of North-West	-1,25%	21,92%
IDGC of Urals	0,00%	-11,22%
IDGC of Siberia	0,00%	-7,42%
IDGC of South	0,16%	4,35%
Lenenergo, ordinary shares	0,53%	19,48%
TRK, ordinary shares	1,27%	-13,75%
Kubanenergo	0,00%	-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