



REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 8 August some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P 500 rose by 0.3-0.5% on good reporting of a number of companies and strong statistics. According to the US Department of Labor, the number of open vacancies in June reached 6.7 million – the third highest in the list of record values for this indicator during the calculation, which began in 2000. On Wednesday the composite index of the Asia-Pacific region, MSCI Asia Pacific, added 0.2%. Out of the general trends of the main country indices, a 1.6% fall in the Chinese CSI300 was reported on the news of increased trade contradictions in the US-PRC relations. According to media reports, on 23 August, Washington will activate the second part of 25% duties on goods from China in the amount of \$16 billion, thus bringing the total volume of Chinese exports subject to increased duties to \$50 billion per year. Experts believe that the confrontation will only gain momentum – Donald Trump repeatedly stated that the US is willing to impose duties on Chinese imports for hundreds of billions of dollars, if Beijing does not give in to Washington's demands and will continue to take retaliatory measures. October Brent futures traded near \$74.5 per barrel, \$0.3 higher than our closing on 7 August. The market was supported by the report of the American Petroleum Institute on the fall of oil reserves in the country by 6 million barrels – twice the forecast.

On Wednesday the Russian market was dominated by sellers – on daily lows, the loss of the MOEX Russia Index reached 1.6%. The domestic market was pressured by fears of the expansion of US economic sanctions against the Russian Federation. In the media, details of the US bill on new restrictions appeared, including a proposal to block dollar payments of Russian banks (including Sberbank, VTB), prohibit operations to US residents with a new Russian national debt, and create a national centre to combat the Russian threat. In addition, the bill has a proposal to consider recognizing Russia as a "state sponsoring terrorism," which can put Russia on a par with Iran and lead to increased sanctions. In particular, with respect to Iran, the US imposed a ban on oil exports, the media recall. In this scenario, Interfax writes, the issue of banning the purchase of Russian oil and gas may become an edge, and this is indeed a serious blow to the Russian economy. The driver of the MOEX Russia Index decline was shares of Sberbank, which fell 4.3% – proxy securities of our market for Western investors.

As a result of the trading session the MicexPWR Sector Index underperformed. The main contribution to the advancing negative changes of MicexPWR in comparison with the MOEX Russia Index was made by shares of FGC UES and Unipro.

ELECTRIC POWER INDUSTRY NEWS

The Ministry of Energy of Russia summed up the monthly results of monitoring the readiness of the electric power industry entities for the heating season of 2018-2019

From 1 July 2018, new rules for assessing the readiness of entities of the electric power industry to work in the heating season came into effect, approved by Resolution of the Government of the Russian Federation of 10.05.2017 No. 543.

Read full text: <https://glasnarod.ru/vlast/192736-minenergo-rossii-podvelo-ezhemesyachnye-rezultaty-monitoringa-gotovnosti-subektov-elektroenergetiki-k-otopitelnomu-sezonu-2018-2019-godov>

COMPANY NEWS

IDGC of Centre in the first half-year exceeded the planned indicators of net supply of electricity to consumers

IDGC of Centre summed up the results of production activities for the first half of 2018. During this period, the company exceeded the plan for a number of key indicators.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/65269/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 293,01	-0,83%	8,69%
S&P 500	2 857,70	-0,03%	6,89%
FTSE 100	7 776,65	0,75%	1,16%
DAX	12 633,54	-0,12%	-2,20%
DJStoxx 600	389,69	-0,20%	0,13%
Nikkei	22 644,31	-0,08%	-0,53%
Sensex	37 887,56	0,59%	11,25%
CSI300	3 314,51	-1,61%	-17,77%
Bovespa	79 151,70	-1,49%	3,60%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	63,54	0,07%	10,26%
EURO/RUB	73,56	0,21%	6,94%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 213,88	0,24%	-6,83%
Brent*, USD/bbl	72,28	-3,17%	12,25%

* - October futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.17
IDGC of Centre	0,3205	13,53		212,94
IDGC of Centre & Volga Reg	0,2910	32,80		516,11

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,37%	-0,33%
MICEX POWER Index	-1,56%	-3,99%
IDGC of Centre**	-0,77%	-9,97%
IDGC of Centre and Volga Region**	-2,35%	-3,55%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-1,37%	-8,61%
FGC UES	-1,98%	-2,07%
IDGC of Volga	-1,43%	-2,63%
MOESK	-1,92%	-20,24%
IDGC of Northern Caucasus	0,32%	-17,19%
IDGC of North-West	-3,97%	34,81%
IDGC of Urals	0,00%	-11,69%
IDGC of Siberia	0,49%	-9,61%
IDGC of South	-1,36%	21,40%
Lenenergo, ordinary shares	-1,52%	21,77%
TRK, ordinary shares	0,00%	-12,67%
Kubanenergo	-0,34%	-25,51%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, PJSC
127018, Moscow, 2nd Yamskaya, 4
+7 (495) 747 92 92
<http://mrsk-1.com/en/investors/>

IR Division
+7 (495) 747 92 92, ext. 33-34
ir@mrsk-1.ru

Tickers
Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC:RM
MRKC:MM