



## REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 24 July some moderately negative external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed with a slight decrease in the range of 0.15%, on Monday the composite index of the Asia-Pacific region MSCI Asia Pacific demonstrated comparable losses. The markets were pressured by weaker than investors expected quarterly statements and forecasts of a number of large companies, as well as lower oil prices, which made shares of companies from the oil and gas industry and the oil processing industry leaders of the decline. A positive exception in the Asian session was the Chinese CSI300, which added 0.4%, including thanks to impressive injections of liquidity into the financial system from the Central Bank of China. September Brent futures traded near the mark of \$48.2 per barrel, \$0.4 below the closing level on Friday, 21 July. Negative background for quotations was the media's information that the production of oil in the OPEC countries could exceed the record since last December 33 million barrels per day due to the recovery of production in Nigeria and Libya.

In the first half of the trading session on Monday, the MICEX Index was in a small minus within half a percent in the face of growing concerns about the introduction of new US sanctions. As reported by the media, US congressmen agreed a bill on new restrictive measures against Iran, the DPRK and Russia, and now on Tuesday, 25 July, a vote will be taken in the House of Representatives. According to the representative of the White House, the presidential administration supports the adoption of the bill after it has been amended. From the point of view of economic sanctions, Kommersant writes, the document has been seriously softened in comparison with the original January version, but in general the proposed measures are much broader than the sanctions imposed by Barack Obama, which makes their package the most radical since the Cold War. In the second half of the day, the MICEX Index went into positive territory due to the growth of Brent quotations above \$48.5 per barrel on the statement of the head of the Ministry of Energy of Saudi Arabia that the kingdom from 1 August will limit oil exports with the level of 6.6 million barrels – 1 million barrels lower than a year ago, and also contribute to better implementation of the agreement by other representatives of the cartel. At the same time, the growth of the Russian market was hampered both by the growth of geopolitical risks and by the negative changes of the western markets under pressure of weak statistics: according to IHS Markit preliminary data, the combined indices of business activity in the Eurozone and Germany in July fell to a minimum in six months, the secondary housing market in the US in June fell to a minimum since February.

During the day, the changes of the MicexPWR Sector Index on the whole corresponded to the MICEX Index. The main contribution to the small final rise of the sector indicator was made by shares of three IDGCs (in total) - Centre, Volga, Centre and Volga Region, and shares of Inter RAO. In particular, IDGC of Volga's shares added more than 7% on strong RAS financials for the first half of the year – net profit increased by 14.5 times compared to the same period last year.

## ELECTRIC POWER INDUSTRY NEWS

**The government approved a plan to stimulate the development of micro-generation based on renewable energy sources**

Read full text: <http://www.bigpowernews.ru/markets/document78488.phtml>

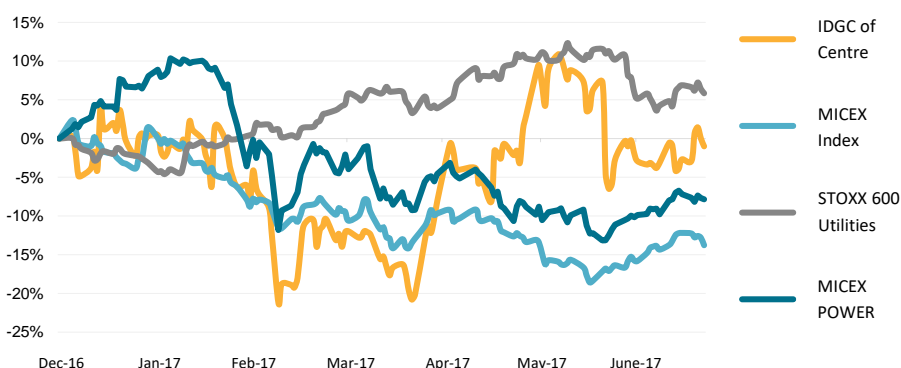
## COMPANY NEWS

### IDGC of Centre implements an effective environmental policy

IDGC of Centre summarized the implementation of the Environmental Policy Program (hereinafter the Program) in the first half of the year. In the Year of Ecology in Russia, the company realizes more than 50 environmental measures in the regions of its activity (11 subjects of the Central Federal District), more than 40 million rubles are planned to be allocated for this purpose.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/60741/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 931,75	0,34%	-13,48%
S&P 500	2 469,91	-0,11%	10,32%
FTSE 100	7 377,73	-1,01%	3,29%
DAX	12 208,95	-0,25%	6,34%
DJStoxx 600	379,23	-0,24%	4,93%
STOXX Utilities	290,90	-0,70%	5,11%
Nikkei	19 975,67	-0,62%	4,51%
Sensex	32 245,87	0,68%	21,10%
CSI300	3 743,47	0,40%	13,09%
Bovespa	65 099,55	0,64%	8,09%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,16	-0,21%	10,66%
USD/RUB	58,93	-0,25%	-2,84%
Euro/RUB	68,66	0,97%	7,60%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 255,30	0,03%	9,39%
Brent*, USD/bbl	48,60	1,12%	-17,40%

\* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4670
Capitalisation**, billion RUB	19,72
Capitalisation**, million USD	334,55

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,09%	-7,78%
Shares of IDGC of Centre**	5,54%	4,47%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-0,69%	-27,31%
FGC UES	-1,04%	-17,96%
IDGC of Volga	7,16%	52,32%
MOESK	-1,07%	-7,24%
IDGC of Northern Caucasus	4,42%	-19,73%
IDGC of Centre and Volga Reg	4,62%	39,26%
IDGC of North-West	-0,80%	-10,00%
IDGC of Urals	-0,33%	-7,90%
IDGC of Siberia	5,36%	-1,43%
IDGC of South	1,49%	-22,14%
Lenenergo, ordinary shares	-0,61%	-10,81%
TRK, ordinary shares	0,00%	-18,07%
Kubanenergo	0,00%	-16,55%

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