

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 19 July some moderately positive external background formed on the Russian market. The US indices DJIA and S&P500, at the beginning of the trading session on Thursday, losing an average of about 0.5%, closed the day with an increase of 0.4%. On Friday the Asia-Pacific Index MSCI Asia Pacific added 1.3%. The markets were supported by the statement by the head of the Federal Reserve Bank of New York, John Williams, on the need to reduce the interest rate. "When there are not so many stimulating measures at your disposal, it is worthwhile to act quickly and reduce the rates at the first signs of problems in the economy," the media quoted him as saying. After the statement by the chairman of the New York Fed, the likelihood of reducing the key interest rate at the July meeting by 50 bps at once, according to the Chicago stock exchange, jumped from 30% to 70%. The Japanese market continues to show increased volatility – the Nikkei225 index after a 2% fall on Friday rose by the same 2%. An additional driver for Japanese investors was expectations of easing of the monetary policy of the Bank of Japan after the publication of statistics, indicating a slowdown in the country's main inflation rate in June to a minimum of two years. September Brent futures traded around \$62.9 per barrel, \$1.1 above our closing level on 18 July. After a nearly 3% drop on Thursday, oil quotes recovered on the US statements about the destruction of the Iranian drone in the Strait of Hormuz, which raised concerns about the disruption of raw material supplies from the Middle East.

In the first half of the trading session, the MOEX Russia Index, like most of the major world indices, traded in a small plus, on average, about half a percent. The statements by the head of the Federal Reserve Bank of New York raised expectations for the Fed to take active steps to stimulate the economy and improve investors' attitudes toward risky assets. However, experts point out that increased optimism in financial markets may be premature – representatives of the New York Federal Reserve Bank clarified that the statements of the head of the bank were purely academic in nature, and were not signals about the Fed's actions at the next meeting. Buyers' activity was also limited by the absence of any signs of a revival of the negotiation process on a trade deal between the USA and China. On Thursday, the head of the US Treasury Department announced a telephone conversation between delegations and announced that he is awaiting a transition to the next round of personal talks in Beijing. However, the next day, both sides declined to comment, and the Chinese Foreign Minister recalled the "difficult issues" in trade matters. In the afternoon, the MOEX Russia Index began to retreat from session highs and finished trading in negative territory following a slowdown in Brent quotes growth after the IEA reduced its forecast for oil demand in 2019 due to the slowing global economy in the context of the US-China trade war.

At the end of the trading session, the electric utilities sector index underperformed. The main contribution to the MOEXEU underperformance compared to the MOEX Russia Index was made by shares of RusHydro.

ELECTRIC POWER INDUSTRY NEWS

The Ministry of Energy of the Russian Federation plans to launch the first phase of the state information system of the fuel and energy complex in early October

The Ministry of Energy of the Russian Federation expects to put into operation the first phase of the state information system of the fuel and energy complex in early October of this year, the ministry said.

Read full text: <http://www.bigpowernews.ru/news/document89044.phtml>

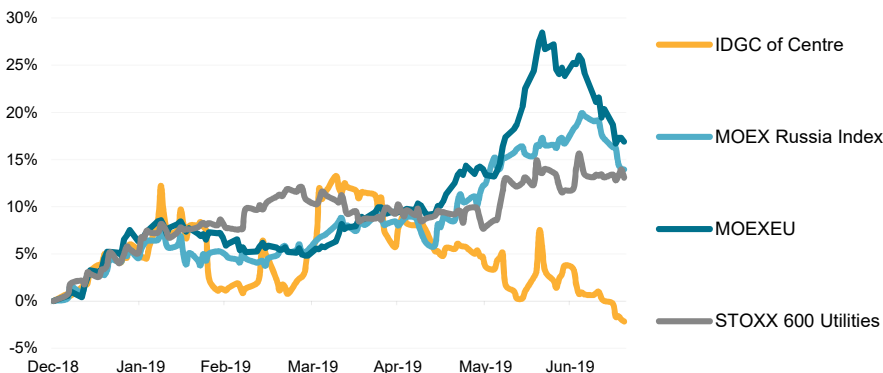
COMPANY NEWS

Rosseti Centre's annual report won gold at the international LACP competition

The annual report of IDGC of Centre (since June it has been operating under the brand "Rosseti Centre") for 2018 won the gold award of the international LACP 2018 Vision Awards competition among printed reports in the sector "Utilities – Electric".

Read full text: <https://www.mrsk-1.ru/press-center/news/company/69062/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 700,57	-0,07%	13,98%
S&P 500	2 976,61	-0,62%	18,74%
FTSE 100	7 508,70	0,21%	11,60%
DAX	12 260,07	0,26%	16,11%
DJStoxx 600	387,25	0,12%	14,69%
Nikkei	21 466,99	2,00%	7,26%
Sensex	38 337,01	-1,44%	6,29%
CSI300	3 807,95	1,05%	26,48%
Bovespa	103 451,90	-1,21%	17,71%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	62,63	-0,19%	-9,56%
EURO/RUB	70,61	0,07%	-11,14%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 425,37	-1,43%	11,14%
Brent*, USD/bbl	62,47	0,87%	16,12%

* - September futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2695	30,37	483,41

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,77%	13,10%
MOEXEU	-0,33%	16,94%
IDGC of Centre**	-0,21%	-2,17%
IDGC of Centre and Volga Region**	-0,41%	1,70%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,74%	55,22%
FGC UES	-0,37%	20,97%
IDGC of Volga	0,05%	-3,52%
MOESK	0,56%	9,47%
IDGC of Northern Caucasus	3,85%	135,14%
IDGC of North-West	-1,17%	14,23%
IDGC of Urals	0,90%	-2,71%
IDGC of Siberia	-1,04%	169,85%
IDGC of South	-0,46%	19,19%
Lenenergo, ordinary shares	-0,35%	7,18%
TRK, ordinary shares	0,00%	-0,97%
Kubanenergo	-1,90%	27,05%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers
 Moscow Exchange (MOEX)
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