



REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 08 July some moderately negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 lost 0.1%, on Friday the decline in the composite Asia-Pacific region index MSCI Asia Pacific exceeded 0.5%. The markets were pressured mainly by a fall in oil prices. September futures for Brent traded near the mark of \$46.8 per barrel, or \$0.6 less than our closing level on 07 July. On Thursday Brent quotes lost a total of 5% after the release of the weekly US Department of Energy statistics. At the same time, analysts note that the price of oil did not correspond to the data presented. Last week the decrease in US oil inventories continued for the seventh week in a row, the production reduction by 200 thous. barrels was the highest since October 2013. According to some experts, the oil rally is coming to an end, and good data was used by some large players in order to reduce long positions. In particular, analysts note that Brexit could undermine the oil market rise, the consequence of which would be the weakening of the European economy and increasing uncertainty for other regions of the world.

In the morning the Russian market was under pressure of negative changes in oil prices. The loss of the MICEX Index exceeded a percent after Brent quotes dropped to \$46.5 per barrel. At the same time, European markets felt much more confident, the Stoxx Europe 600 Index in anticipation of the US labour market added about 0.5%. Investors' sentiment improved significantly after the publication of strong US data – in June the number of jobs increased by 287 thousand, at a record pace since October 2015. According to experts, these data indicate a good condition of the US economy, but is unlikely to make the Fed more determined to raise interest rates in conditions of sharply increased uncertainty about the global economy due to Brexit. According to Bloomberg, based on the quotations of futures on the level of the basic interest rate, the probability of its increase in the current year is now estimated by traders at 24%, whereas prior to the publication of the report the Department of Labor, the chances were estimated at 15%. Against this background the MICEX Index was able to close trades rising by 0.6%, the increase in the Stoxx Europe 600 Index exceeded 1.5%.

During the trading session the MicexPWR Sector Index underperformed mainly due to shares of FGC UES, which on the day lost 4.8% after the ex-dividend date.

ELECTRIC POWER INDUSTRY NEWS

Sellers and generators of electric energy demand from law enforcement agencies to pay bills

By the year end, the structures, subordinate law enforcement agencies, will owe them almost 7 billion rubles.

Read full text: <http://www.vedomosti.ru/business/articles/2016/07/11/648652-energii-silovih-struktur>

Subordination of SO UES to "Reliability Board" is negative for energy security

Subordination of "System Operator of Unified Energy System" of Russia (SO UES) to non-profit partnership "Reliability Board", which the Ministry of Economic Development wants to create, will take control from the state and this has a negative impact on the energy security of the country, commented the press-service of the Ministry of Energy the RIA Novosti.

Read full text: <http://www.bigpowernews.ru/markets/document71446.phtml>

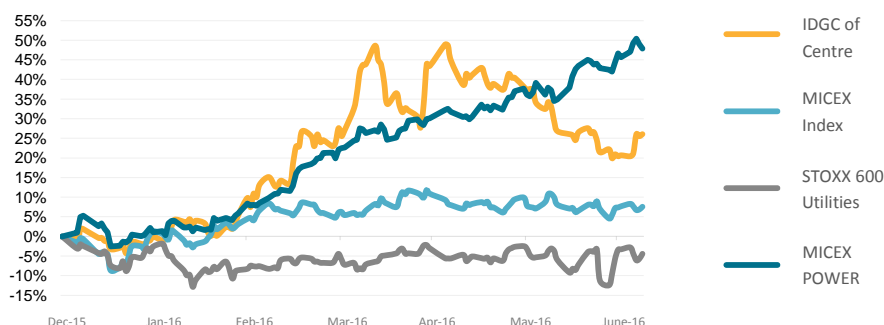
COMPANY NEWS

Orelenergo develops scientific and practical cooperation with specialized universities

IDGC of Centre - Orelenergo division held a scientific-practical conference "Young professionals - to the production", organized by IDGC of Centre - Orelenergo division and the department "Power supply" of Orel State Agrarian University (OrelSAU).

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/56379/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 894,35	0,63%	7,55%
S&P 500	2 129,90	1,53%	4,21%
FTSE 100	6 590,64	0,87%	5,58%
DAX	9 629,66	2,24%	-10,36%
DJStoxx 600	327,35	1,62%	-10,51%
STOXX Utilities	292,57	1,33%	-4,43%
Nikkei	15 106,98	-1,11%	-20,63%
Sensex	27 126,90	-0,27%	3,86%
CSI300	3 192,28	-0,55%	-14,44%
Bovespa	53 140,74	2,16%	22,59%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,11	-0,12%	-9,10%
USD/RUB	64,05	-0,90%	-12,12%
Euro/RUB	70,95	-0,79%	-10,98%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 366,33	0,43%	28,77%
Brent*, USD/bbl	46,76	0,78%	10,00%

* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2460
Capitalisation**, billion RUB	10,39
Capitalisation**, million USD	162,15

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	-0,79%	47,85%
Shares of IDGC of Centre**	0,41%	26,09%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	0,06%	50,98%
FGC UES	-4,84%	161,75%
IDGC of Volga	-0,16%	64,27%
MOESK	-0,23%	17,07%
IDGC of Northern Caucasus	1,07%	13,60%
IDGC of Centre and Volga Reg	2,94%	28,03%
IDGC of North-West	1,59%	63,14%
IDGC of Urals	0,00%	35,79%
IDGC of Siberia	0,79%	4,51%
IDGC of South	0,80%	21,15%
Lenenergo	2,14%	35,37%

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.RX
MRKC.MM