



REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 20 July some moderately positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed with a rise of 0.3-0.5%, the S&P500 updated the historical maximum. On Thursday similar changes were demonstrated by the main country indices of the Asia-Pacific region. The markets were supported by an increase in oil prices, which brought energy companies into the leaders of growth, and strong data on the US real estate market, where the growth rate of new buildings in June exceeded expectations and was the maximum since October last year. An additional positive factor in the Asian session was the outcome of the meeting of the Central Bank of Japan, which kept the main parameters of the stimulating monetary policy and once again pushed the achievement of the inflation target at a later date – traders regarded this move as a signal that the soft monetary policy of the Bank of Japan would continue for a long time. September Brent futures traded near \$49.6 per barrel, \$0.2 higher than our closing on 19 July. The rise of quotations, which added 1.7% on Wednesday and came close to the resistance level at \$50, was facilitated by the data of the US Department of Energy about a significant reduction in oil and gasoline reserves in the country last week.

Most of the trading session on Thursday, the MICEX Index and the European Stoxx Europe 600 Index were flat near zero. The surge in volatility in financial markets was provoked by comments from the head of the ECB at a press conference following the meeting of the regulator, which, as expected, kept key interest rates at the same level, including zero interest rates on loans, and asset purchases. On the one hand, Mario Draghi said that the Eurozone's economy still needs significant incentives and the quantitative easing program will continue in the current volume at least until December. On the other hand, the head of the ECB noted that the statistics confirm the strengthening of the economy, and the core inflation will gradually increase in the medium term. These conclusions became the basis for a percent growth of the euro against the dollar, which put pressure on shares of European exporters and, in general, the European market – the Stoxx Europe 600 Index lost about half a percent. At the end of the day, sales in the Russian market intensified against the backdrop of the Brent price to \$49.4 per barrel after the failed testing of the \$50 mark, and the main contribution to the final decline in the MICEX Index was made by Norilsk Nickel's shares, which lost more than 3% on media information on the sale of 1.8% of the company's shares by Metalloinvest.

During the day, the changes of the MicexPWR Sector Index on the whole corresponded to the MICEX Index. The main contribution to a small final decline in the sector indicator was made by shares of Inter RAO and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

Grids tighten deadlines

Electricity losses in the South are reducing by simplifying the procedure for grid connection of facilities.

Read full text: <https://www.kommersant.ru/doc/3359863>

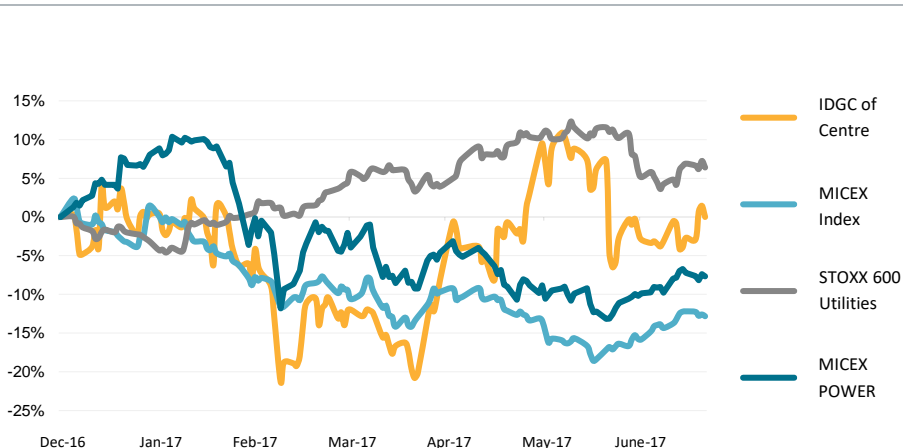
COMPANY NEWS

IDGC of the Centre for the safe operation of a highway under construction in the framework of the federal program reconstructs the grid in the Tambov region

IDGC of Centre – Tambovergo division is completing the work on the reconstruction of 10-110 kV grids in the micro-district "Novy Tambov" in the regional centre. The work is being done to ensure the safe operation of the motor road being built in Tambov under the federal program "Housing".

Read full text: <https://www.mrsk-1.ru/press-center/news/company/60706/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 946,51	-0,28%	-12,82%
S&P 500	2 473,45	-0,02%	10,48%
FTSE 100	7 487,87	0,77%	4,83%
DAX	12 447,25	-0,04%	8,42%
DJStoxx 600	384,07	-0,38%	6,27%
STOXX Utilities	294,46	-0,80%	6,39%
Nikkei	20 144,59	0,62%	5,39%
Sensex	31 904,40	-0,16%	19,82%
CSI300	3 747,88	0,49%	13,23%
Bovespa	64 938,02	-0,37%	7,82%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,16	0,98%	10,62%
USD/RUB	59,24	-0,22%	-2,33%
Euro/RUB	68,28	-0,18%	7,00%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 244,49	0,26%	8,45%
Brent*, USD/bbl	49,30	-0,80%	-16,21%

* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4470
Capitalisation**, billion RUB	18,87
Capitalisation**, million USD	318,55

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-0,34%	-7,67%
Shares of IDGC of Centre**	-1,43%	0,00%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-1,44%	-25,63%
FGC UES	-0,84%	-15,85%
IDGC of Volga	1,64%	44,29%
MOESK	0,60%	-7,35%
IDGC of Northern Caucasus	1,75%	-21,09%
IDGC of Centre and Volga Reg	2,44%	33,45%
IDGC of North-West	0,62%	-10,91%
IDGC of Urals	0,00%	-7,90%
IDGC of Siberia	3,00%	-5,73%
IDGC of South	1,49%	-22,14%
Lenenergo, ordinary shares	2,74%	-8,17%
TRK, ordinary shares	4,00%	-18,07%
Kubanenergo	-0,14%	-15,06%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

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Bloomberg

Reuters

MRKC

MRKC:RM

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