

## REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 8 July some moderately negative external background formed on the Russian market. The US indices DJIA and S&P500 at trades on Friday fell 0.2% after the publication of a strong report on the US labour market in June, which weakened expectations of lowering interest rates by the Fed. At the same time, at the beginning of the day, the loss of the indices was approaching a percent, the recovery of the market was promoted by the growth in shares of banks that responded to the rally in US government bond yields. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 1.2% after a more than 2% drop in the markets of China and South Korea, which was led by technology companies. In China, the pressure on the papers of this sector was put by fears that the launch in the country of a counterpart of the American Nasdaq would lead to an outflow of funds from investors in securities of new companies that will be placed on this exchange. Negative background for technology papers in South Korea, Reuters writes, was information about Japan's tightening of restrictions on export to South Korea of materials used in the production of displays and semiconductors. September Brent futures traded around \$64.4 per barrel, \$0.3 above our closing level on Friday, 5 July. Oil quotes were supported by geopolitical tensions in the Middle East, triggered by Iran's claims that it is beginning to enrich uranium above the limit set by the formally valid 2015 nuclear deal. In response, Donald Trump said that Tehran should be "careful", and the US Secretary of State promised to introduce new sanctions.

On Monday, moderately negative trends prevailed on world stock exchanges – the MSCI All Country World Index for the most part of the day was trading in a small minus within a third of one percent. The markets are still pressured by reduction of the expectations of aggressive easing of monetary policy by the Federal Reserve at the July meeting after the release of unexpectedly strong statistics on the labour market. Nevertheless, according to MarketWatch, a modest increase in salaries and other data indicating that the world's largest economy is losing growth momentum can still convince the regulator to lower the rate by 0.25 percentage points. Further market expectations on the rate, according to experts, will be adjusted after upcoming speeches of the Fed chairman during the week with a semi-annual report on monetary policy in the Congress. A more active decline in the MOEX Russia Index, which lost an average of about 0.6% during the trading session, was mainly due to the fall in shares of LUKOIL and MTS after the past ex-dividend date.

During the day, the electric utilities sector index underperformed. The main contribution to the final MOEXEU underperformance compared to the MOEX Russia Index was made by shares of RusHydro (after the ex-dividend date) and shares of Rosseti. Against the background of a general deterioration in the market sentiment, active profit taking is still with shares of Rosseti, while sales of ordinary shares increased after a strong support breakthrough of RUB 1.35.

## ELECTRIC POWER INDUSTRY NEWS

### The Ministry of Energy of the Russian Federation prepared bills that clarify the security system of fuel and energy companies

The Ministry of Energy of the Russian Federation submitted to the government two bills that clarify the security system of enterprises of the fuel and energy complex, said State Secretary - Deputy Minister of Energy of the Russian Federation Anastasia Bondarenko.

Read full text: <http://www.bigpowernews.ru/news/document88867.phtml?1&q=>

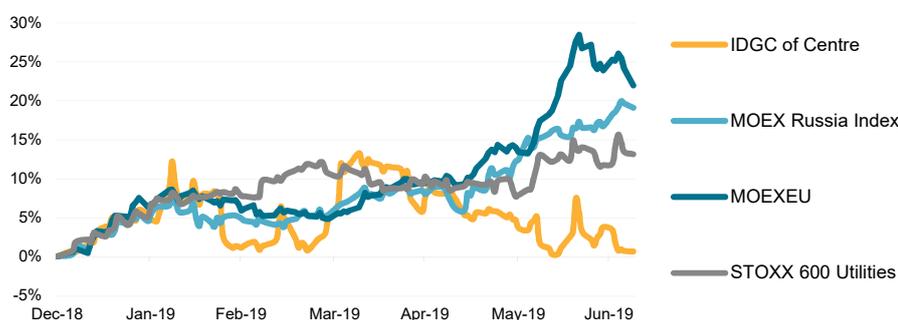
## COMPANY NEWS

### Voronezhenergo opened a modern customer service centre

A new customer service centre (the Centre) of the branch "Rosseti Centre Voronezhenergo" began its work in the city of Voronezh at Arzanskaya Street 2. At the opening ceremony, which took place on 4 July 2019, guests of the event - Voronezhenergo's customers and representatives of the Voronezh region government - were able to evaluate the modern office, which fully meets the Uniform standards of quality of service for customers of services of grid companies, approved by the order of the Ministry of Energy of Russia.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/68952/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 822,55	-0,45%	19,13%
S&P 500	2 975,95	-0,48%	18,71%
FTSE 100	7 549,27	-0,05%	12,20%
DAX	12 543,51	-0,20%	18,79%
DJStoxx 600	389,9	-0,05%	15,47%
Nikkei	21 534,35	-0,98%	7,59%
Sensex	38 720,57	-2,01%	7,35%
CSI300	3 802,79	-2,32%	26,31%
Bovespa	104 530,20	0,42%	18,94%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	63,58	0,29%	-8,47%
EURO/RUB	71,66	0,16%	-9,82%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 395,53	-0,28%	8,81%
Brent*, USD/bbl	64,11	-0,19%	19,16%

\* - September futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	
		MCap**, \$ mln	MCap**, \$ mln
IDGC of Centre	0,2878	12,15	191,09
IDGC of Centre & Volga Reg	0,2644	29,80	468,63

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,27%	13,15%
MOEXEU Index	-1,78%	21,97%
IDGC of Centre**	-0,07%	0,63%
IDGC of Centre and Volga Region**	0,84%	-0,23%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-4,21%	66,77%
FGC UES	-0,34%	37,73%
IDGC of Volga	-0,16%	-3,47%
MOESK	0,20%	11,74%
IDGC of Northern Caucasus	2,35%	173,29%
IDGC of North-West	0,71%	14,77%
IDGC of Urals	0,23%	-4,01%
IDGC of Siberia	-1,41%	173,17%
IDGC of South	-1,11%	23,05%
Lenenergo, ordinary shares	-0,17%	8,88%
TRK, ordinary shares	2,06%	-3,57%
Kubanenergo	-1,56%	29,10%

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  
[www.mrsk-1.ru/en/investors/](http://www.mrsk-1.ru/en/investors/)

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

**Tickers**  
 Moscow Exchange (MOEX)  
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**MRKC**  
**MRKC:RM**  
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