



REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 31 August some neutral external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed with an increase of 0.1-0.5%, on Thursday the main country indices of the Asia-Pacific region showed similar changes. Strong macroeconomic statistics from the USA became positive for the markets. Estimates of the US economic growth in the second quarter have been revised from 2.6% to 3%, a maximum since early 2015 due to a more marked increase in consumer spending, accounting for more than 70% of the US GDP. The number of jobs in the US, according to the industry organization ADP, increased in August by 237 thousand with the expected increase of 185 thousand. The lagging changes of the Chinese CSI300, which lost 0.3%, was due, including, to its own ambiguous statistics – in August business activity in the PRC industry continued to improve for the 13th month in a row, while PMI in the service sector dropped to the lowest level since May 2016. October Brent futures traded near \$50.7 per barrel, \$1.1 lower than our closing on 30 August. Quotations were pressured by a reduced demand for oil in the US, as a number of refineries remain closed after Hurricane Harvey. Published data from the US Department of Energy were mixed and did not support prices – oil reserves in the country last week fell more than expected, but production in the US and reserves at the terminal in Cushing, where oil traded on NYMEX is stored, increased.

The MICEX Index was most of the trading session in more than half a percent plus, thanks to an increase in Brent crude to \$52 per barrel and positive sentiment on the western markets. The European Stoxx Europe 600 Index added about a percent on good statistics: inflation in the Eurozone accelerated faster than forecast in August, to 1.5%, unemployment in the Eurozone in July remained at a minimum level for eight years – 9.1%, unemployment in Germany in August – at a historical low of 5.7%. On the daily highs the growth of the MICEX Index exceeded a percent, however, in the second half of the trading session, investors preferred to fix part of the profit after the uncertain start of trading in the US, due to ambiguous statistics – on the one hand, data on applications for unemployment benefits, income in July were better than expectations, on the other hand, the growth of the population's expenditures in July did not justify the forecasts.

As a result of the trading session the MicexPWR Sector Index looked better than the MICEX Index mainly due to the growth of shares in electric grid companies – FGC UES, Lenenergo and Rosseti.

ELECTRIC POWER INDUSTRY NEWS

Pavel Livinsky goes to Rosseti

Permanent director of "Rosseti" since the creation of the holding in 2013, nonetheless Oleg Budargin leaves his post. He is changed to the head of the Department of Housing and Communal Services of Moscow Pavel Livinsky, who had worked for many years in electric grid companies. According to analysts, Mr. Livinsky in the near future will refrain from changing the team. The development of Mr. Budargin's further career is still unknown.

Read full text: <https://www.kommersant.ru/doc/3398239>

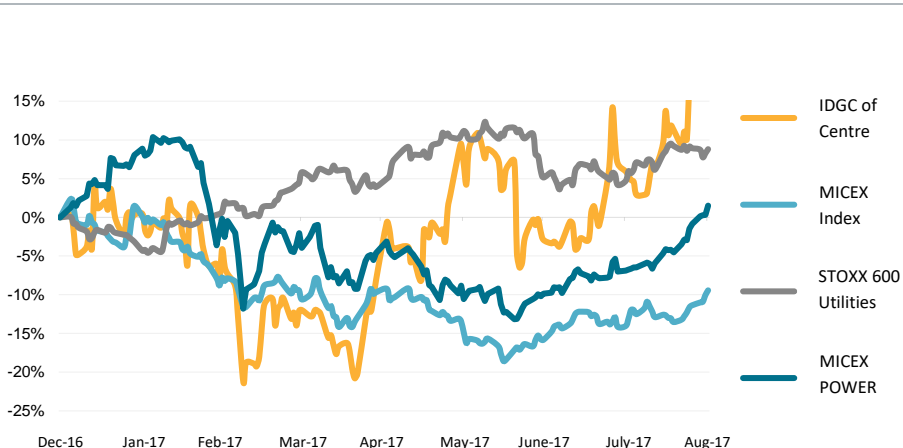
COMPANY NEWS

IDGC of Centre performed about 22 thousand grid connection contracts for seven months of 2017

IDGC of Centre summed up the results of work on connection to electric grids for seven months of 2017. In January-July, the company's specialists performed 21.9 thousand grid connection contracts. The total connected capacity under the executed contracts was 455 MW.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/61246/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 022,22	0,66%	-9,43%
S&P 500	2 471,65	0,57%	10,40%
FTSE 100	7 430,62	0,89%	4,03%
DAX	12 055,84	0,44%	5,01%
DJStoxx 600	373,88	0,77%	3,45%
STOXX Utilities	301,14	0,49%	8,81%
Nikkei	19 646,24	0,72%	2,78%
Sensex	31 730,49	0,27%	19,17%
CSI300	3 822,09	-0,32%	15,47%
Bovespa	70 835,05	-0,07%	17,61%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,19	-0,19%	12,97%
USD/RUB	58,73	0,34%	-3,18%
Euro/RUB	70,20	-0,33%	10,01%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 321,43	0,98%	15,16%
Brent*, USD/bbl	52,86	4,20%	-10,06%

* - October futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares of IDGC of Centre	Value
Last transaction, RUB	0,5330
Capitalisation**, billion RUB	22,50
Capitalisation**, million USD	383,14

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	1,22%	1,53%
Shares of IDGC of Centre**	0,19%	19,24%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	2,41%	-10,85%
FGC UES	2,43%	-12,89%
IDGC of Volga	0,83%	106,96%
MOESK	-1,54%	-0,22%
IDGC of Northern Caucasus	1,60%	-13,83%
IDGC of Centre and Volga Reg	0,80%	121,62%
IDGC of North-West	-0,95%	14,18%
IDGC of Urals	0,26%	16,72%
IDGC of Siberia	0,69%	73,48%
IDGC of South	-2,77%	-12,79%
Lenenergo, ordinary shares	17,27%	11,63%
TRK, ordinary shares	0,00%	-14,92%
Kubanenergo	0,28%	-18,39%

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