

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 16 July some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 added in the range of 0.1%, updating their historical highs. Statistics supported investors – the business activity index in New York returned to positive territory after a collapse in June, and Citigroup's reporting surpassed analysts' expectations for revenue and profit. At the same time, experts say, the current potential for growth the US market is significantly limited by pessimistic forecasts for the second quarter – according to various estimates, the decline in earnings per share for companies from the S&P500 index in annual terms can be 0.5-3%. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific was losing 0.1%, including under the pressure of uncertainty about the prospects for a US-China trade deal. On Monday, Donald Trump linked the slowdown in the growth of the PRC economy in the second quarter to a minimum of 6.2% in 27 years with the "serious influence" of American duties and warned that there could be "much more". September Brent futures traded around \$66.5 per barrel, at the level of our closure on 15 July. The negative background of media reports about the gradual recovery of oil production in the Gulf of Mexico after the hurricane was levelled by expectations of continued decline in oil reserves in the US, where they had already reached a minimum level in three months.

On Tuesday, profits continued to be taken on the Russian market – the decline in the MOEX Russia Index in the second half of the day reached 0.7%. Among the main factors that reduce investors' interest in Russian stocks, analysts say passing the peak of the dividend season and returning sanctions risks to the agenda after the House of Representatives approved a draft law on the defense budget introducing restrictions on investments in the Russian government debt. In addition, experts draw attention to the fact that after the record date of the registers of Gazprom and Surgutneftegaz for the payment of dividends, the decline in the MOEX Russia Index today may amount to 1.5%. At the end of the day, the MOEX Russia Index was able to play back all the losses due to the rise in Brent quotes to \$67 per barrel and neutral sentiment on world markets. The composite index MSCI All Country World spent the trading session near zero: positive strong statistics from the US, where retail sales growth was twice as high as expected in June, was compensated by investors' anxiety regarding changes of profits of the world's largest companies. In particular, despite the fact that the statements of four financial giants – Citigroup, Goldman Sachs, JPMorgan and Wells Fargo – turned out to be better than expected, analysts warn about the pressure that banks will have on the interest income of the banks with the expected Fed's easing of monetary policy.

During the day, the electric utilities sector index underperformed. A fairly even contribution to the final MOEXEU underperformance compared to the MOEX Russia Index was made by all the most "heavy" index stocks – Rosseti, FGC UES, Inter RAO and RusHydro.

ELECTRIC POWER INDUSTRY NEWS

The Duma to ask the Cabinet for proposals to reduce the price of electricity for farmers

The State Duma voted in favour of the minutes instruction to the committees on agrarian issues, on control and regulations, and on energy, to request in the government of the Russian Federation proposals on identifying mechanisms for reducing the cost of electricity used by agricultural producers. The group of deputies from the United Russia faction headed by the leader of the faction Sergey Neverov became the initiators of the instruction.

Read full text: <http://www.bigpowernews.ru/markets/document88995.phtml>

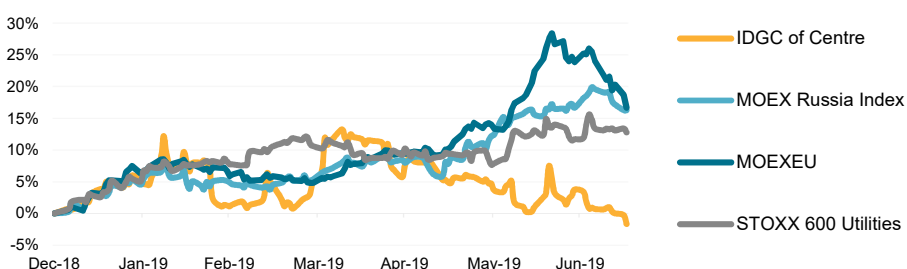
COMPANY NEWS

Voronezhenergo started trial operation of an electricity metering system in real time

Specialists of the branch "Rosseti Centre Voronezhenergo", within the framework of the implementation of the digital transformation concept, have begun the trial operation of a new smart data collection and transmission system. It combines the functions of automated metering of electrical energy and remote control and is intended for installation at transformer substations of 6-10/0.4 kV.

Read full text: <http://energo-news.ru/archives/152755>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2755,68	-0,02%	16,31%
S&P 500	3003,38	-0,36%	19,81%
FTSE 100	7577,2	0,60%	12,62%
DAX	12430,97	0,35%	17,73%
DJStoxx 600	389,1	0,35%	15,24%
Nikkei	21535,25	-0,69%	7,60%
Sensex	39131,04	0,60%	8,49%
CSI300	3806,84	-0,45%	26,45%
Bovespa	103756,7	-0,04%	18,06%

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

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	62,828	-0,31%	-9,56%
EURO/RUB	70,8574	-0,22%	-10,83%

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

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1407,91	-0,44%	9,78%
Brent*, USD/bbl	66,48	0,00%	23,57%

* - September futures

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

Shares	Price**, ₽	MCap**,	
		₽ bln	\$ mln
IDGC of Centre	0,2812	11,87	188,96
IDGC of Centre & Volga Reg	0,2709	30,53	485,93

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,54%	12,82%
MOEXEU	-1,70%	16,73%
IDGC of Centre**	-1,40%	-1,68%
IDGC of Centre and Volga Region**	-0,33%	2,23%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-4,21%	52,16%
FGC UES	-2,49%	18,82%
IDGC of Volga	-0,58%	-3,67%
MOESK	-1,03%	9,55%
IDGC of Northern Caucasus	0,71%	143,57%
IDGC of North-West	1,36%	14,23%
IDGC of Urals	1,01%	-2,49%
IDGC of Siberia	-0,96%	171,51%
IDGC of South	-1,75%	18,82%
Lenenergo, ordinary shares	0,18%	7,75%
TRK, ordinary shares	0,00%	-2,27%
Kubanenergo	2,73%	31,15%

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/

IR Division

+7 (495) 747 92 92, ext. 33-34
ir@mrsk-1.ru

Tickers

Moscow Exchange (MOEX)
Bloomberg
Reuters

[MRKC](#)
[MRKC:RM](#)
[MRKC.MM](#)