



REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 28 August some moderately positive external background formed on the Russian market. On Monday major US indices closed with an increase of 0.8-1.0% on investors' optimism regarding the gradual resolution of the US trade contradictions with partners, while the S&P500 and high-tech Nasdaq indices updated their historic records. 27 August, Donald Trump announced the signing of the US and Mexico bilateral trade agreement after the talks, which lasted more than a year. In addition, an adviser to the US president on economy said that Donald Trump wants to conclude a "good agreement" with Canada, and the US is also "preparing something" for the European Union. As for the trade dispute with the PRC, Bloomberg writes, the US president said that now is not the best time for trade negotiations with China, thus destroying hopes for reaching agreements in the near future. As a result, on Tuesday the composite index of the Asia-Pacific region, MSCI Asia Pacific, added 0.3% with mixed changes of the main country indices. October Brent futures traded near \$76.3 per barrel, \$0.5 higher than our closing on 27 August. The sector experts attributed a small rise in oil prices to the weakening of the dollar in the world foreign exchange market.

For the most part of the day, the MOEX Russia Index had low volatile changes near zero. On the one hand, buyers were supported by the global demand of investors for risky assets due to the reduction of fears of a full-scale trade war. As noted by analysts, reaching an agreement with Mexico is a testament to the ability of the administration of Donald Trump to make compromises, which can be useful in negotiations with China and the EU. On the other hand, the growth potential of the MOEX Russia Index was limited by a decrease in state banks' shares due to persisting sanctions risks and shares of companies focused on domestic demand due to the weakening of the ruble. In turn, the ruble was pressured, in addition to sanctions, by the resumption of the fall of the Turkish lira and the growth of geopolitical risks around Syria. According to the Russian Defense Ministry, Syrian military facilities may be attacked by the Western coalition armed forces led by the US, which may be triggered by a provocation with chemical weapons. The MOEX Russia Index managed to stay in positive territory thanks to moderately positive sentiments in the US market, where the S&P500 and Nasdaq indices continued to update historical highs at the beginning of trading, including on strong statistics – the consumer confidence index in the US rose to a maximum in 18 years in August.

During the trading session the MicexPWR Sector Index looked significantly worse than the market. Shares in the sector, like other Russian companies focused on domestic consumption, were under pressure from the weakening of the ruble.

ELECTRIC POWER INDUSTRY NEWS

The Ministry of Energy of the Russian Federation expects in the near future the decision on postponement of the dates of competitive power take-off

The Ministry of Energy of the Russian Federation in the near future is waiting for the government's decision to postpone the timing of competitive power take-off from September to December, so that the selection for the modernization program could take place earlier, told RIA Novosti Deputy Minister of Energy Vyacheslav Kravchenko.

Read full text: <http://www.bigpowernews.ru/markets/document84340.phtml?1&q=>

COMPANY NEWS

IDGC of Centre - among winners of the intermediate stage of the All-Russian contest "MediaTEK-2018"

5 projects of branches of IDGC of Centre are marked by members of the jury of the regional stages of the All-Russian Media Contest, press services of companies of the fuel and energy complex and regional administrations, which is held with the support of the Ministry of Energy of Russia.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/65492/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY

World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 316,28	0,14%	9,79%
S&P 500	2 897,52	0,03%	8,37%
FTSE 100	7 617,22	0,52%	-0,92%
DAX	12 527,42	-0,09%	-3,02%
DJStoxx 600	385,46	-0,03%	-0,96%
Nikkei	22 813,47	0,06%	0,21%
Sensex	38 896,63	0,52%	14,21%
CSI300	3 400,17	-0,19%	-15,65%
Bovespa	77 473,18	-0,59%	1,40%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	67,40	-0,58%	16,95%
EURO/RUB	78,23	-0,23%	13,72%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 201,00	-0,86%	-7,81%
Brent*, USD/bbl	75,95	-0,34%	17,95%

* - October futures

Source: Bloomberg, Company calculations

Shares	Price**, P	MCap**, P bln	MCap**, \$ mln
IDGC of Centre	0,2980	12,58	186,67
IDGC of Centre & Volga Reg	0,2820	31,78	471,55

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,17%	-1,72%
MICEX POWER Index	-0,81%	-7,70%
IDGC of Centre**	0,00%	-16,29%
IDGC of Centre and Volga Region**	-1,05%	-6,53%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-1,69%	-16,33%
FGC UES	-1,20%	-5,95%
IDGC of Volga	-0,52%	-7,01%
MOESK	-0,28%	-21,91%
IDGC of Northern Caucasus	1,00%	-21,35%
IDGC of North-West	-0,44%	29,23%
IDGC of Urals	-1,70%	-17,42%
IDGC of Siberia	-2,19%	-21,83%
IDGC of South	0,60%	12,37%
Lenenergo, ordinary shares	-1,01%	22,71%
TRK, ordinary shares	0,00%	-6,74%
Kubanenergo	-0,36%	-28,83%

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

