



REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 3 July some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed the volatile session with an increase of 0.1-0.3% due to growth of shares of technology companies and good statistics – the index of business activity in the industry in June rose to its highest level since February. On Tuesday the composite index of the Asia-Pacific region, MSCI Asia Pacific, lost 0.3% with mixed changes of the main country indices. The main risk for investors is still the prospect of a full-scale trade war between China and the US – this week, as the first step in this direction, the US duty on import of Chinese goods worth \$34 billion per year should come into effect. An additional negative factor for traders is the ongoing devaluation of the renminbi – the rate of the Chinese currency to the dollar has fallen to a minimum since August 2017. September Brent futures traded near \$78 per barrel, slightly above the closing level on 2 July. Quotations are supported by interruptions of oil supplies from Libya – on Monday the National Oil Corporation announced the onset of force majeure for loading tankers in two ports of the country due to a conflict between the authorities of Eastern and Western Libya.

On Tuesday the Russian market, like emerging markets in general, was under pressure from fears of worsening prospects for the world economy due to the threat of trade wars. For the most part of the day, the MOEX Russia Index and the index of emerging markets MSCI EM were in a small minus on average about half a percent. Activity of sellers on our market was restrained by positive moods on the western markets. In the middle of the day the European Stoxx Europe 600 Index added more than a percent thanks to the resolution of the political crisis in Germany. According to media reports, the Chancellor of Germany and the head of the Ministry of Internal Affairs of the country managed to come to an agreement on migration policy issues, thereby removing the threat of the collapse of the ruling coalition. At the end of the day, sales in the Russian market accelerated after the decline in Brent crude oil prices to \$76.9 per barrel on Saudi Arabian media reports that the kingdom agreed to increase oil production in response to the US president's request to increase production by 2 million barrels per day.

During the trading session the MicexPWR Sector Index looked somewhat better than the market. The main contribution to the final outperformance of the sector indicator in comparison with the MOEX Russia Index was made by shares of IDGC of Volga and preference shares of Lenenergo.

ELECTRIC POWER INDUSTRY NEWS

Consumption of electricity in Russia in January-June 2018 increased by 1.8%

According to operational data, electricity consumption in the Unified Energy System of Russia in June 2018 amounted to 76.5 billion kWh, which is 2.4% more than the volume of consumption in June 2017. Electricity consumption in June 2018 as a whole in Russia amounted to 77.9 billion kWh, which is also 2.4% more than in the same period of 2017, according to a statement by JSC SO UES.

Read full text: <http://www.bigpowernews.ru/news/document83637.phtml>

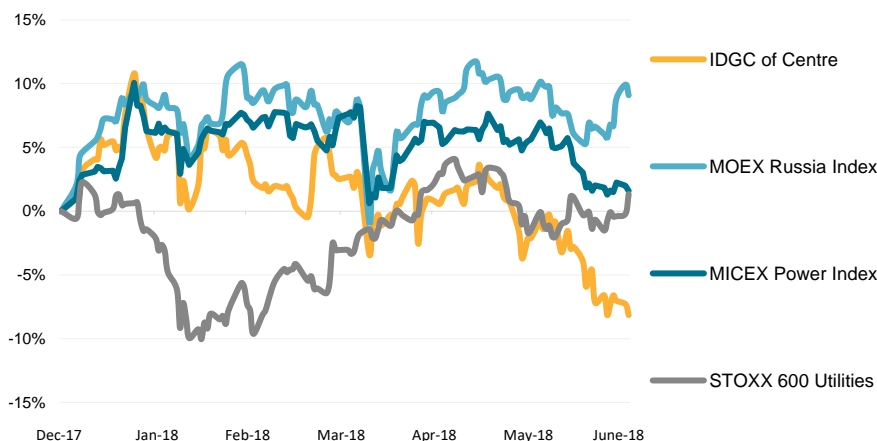
COMPANY NEWS

Kurskenergo pays great attention to occupational safety of employees

IDGC of Centre - Kurskenergo division systematically works to reduce occupational injuries and improve the Occupational Safety and Health management system. In total, 38 million rubles are planned to be spent on these activities in 2018.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/64494/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 301,65	-0,76%	9,10%
S&P 500	2 713,22	-0,49%	1,48%
FTSE 100	7 593,29	0,60%	-1,23%
DAX	12 349,14	0,91%	-4,40%
DJStoxx 600	379,81	0,81%	-2,41%
Nikkei	21 785,54	-0,12%	-4,30%
Sensex	35 378,60	0,32%	3,88%
CSI300	3 409,28	0,04%	-15,42%
Bovespa	73 667,75	1,14%	-3,58%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	63,14	0,61%	9,56%
EURO/RUB	73,47	0,65%	6,81%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 252,73	0,86%	-3,84%
Brent*, USD/bbl	77,76	0,60%	20,07%

* - September futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3270	13,81	218,65
IDGC of Centre & Volga Reg	0,3010	33,92	537,26

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	1,54%	1,34%
MICEX POWER Index	-0,37%	1,60%
IDGC of Centre**	-0,91%	-8,15%
IDGC of Centre and Volga Region**	-0,33%	-0,23%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,40%	-3,45%
FGC UES	-0,11%	15,74%
IDGC of Volga	1,36%	15,88%
MOESK	0,58%	-23,47%
IDGC of Northern Caucasus	-0,31%	-16,41%
IDGC of North-West	-0,31%	23,65%
IDGC of Urals	0,54%	-11,69%
IDGC of Siberia	-1,38%	-6,11%
IDGC of South	2,37%	1,17%
Lenenergo, ordinary shares	-0,70%	18,75%
TRK, ordinary shares	0,00%	-13,75%
Kubanenergo	1,03%	-24,74%

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
<http://mrsk-1.com/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