

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 23 August some neutral external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 lost 0.1-0.4%, the DJIA index grew by 0.2% only due to the rise in Boeing's shares on the information that the company may get permission to resume 737 Max airplane flights within 4-6 weeks. In general, weak statistics put pressure on the market, which reminded investors of risks of recession – according to preliminary data from IHS Markit, the industrial PMI in the US in August for the first time since 2009 fell below the threshold of 50 points. On Friday the composite index of the Asia-Pacific index MSCI Asia Pacific and US index futures added on average about a third of a percent in anticipation of a speech by the head of the Federal Reserve at the Jackson Hole Economic Symposium. October Brent futures traded around \$60.2 per barrel, \$0.4 higher than our close on 22 August.

On Friday in the morning, the MOEX Russia Index traded sideways near zero, western stock indicators showed a slight increase within half a percent. The reason for cautious optimism in the world markets was the hope of clarifying the situation with the prospects of the monetary policy of the Federal Reserve after the speech of its chairman. In the second half of the trading session, the volatility on financial platforms increased sharply. Following the announcement by China of the imposition of retaliatory duties on US imports of \$75 billion, the MOEX Russia Index, the Stoxx Europe 600 Index, and the US futures indices fell on average about 0.5%. They could play back the losses on statements by the head of the Fed that the US Central Bank will act "properly" to support economic growth. At the same time, analysts drew attention to the fact that Jerome Powell did not repeat the phrase about lowering the interest rate as an adjustment to the monetary policy in the middle of the monetary cycle, which, according to experts, could mean the Fed is more willing to soften its monetary policy. At the end of the day, the stock markets again came under pressure from sales – this time on Donald Trump's promises to respond to China's duties on 23 August. The aggressive tone of statements by the US president provoked a new wave of flight to quality: the fall of the consolidated MSCI All Country World Index exceeded a percent, Brent quotes lost more than 2%, the Japanese yen and Swiss franc strengthened by almost a percent, gold prices jumped 2%. The Russian market, which has recently shown less volatility compared to the western markets, was limited by a decrease of 0.5% in the MOEX Russia Index.

During the day, changes of the electric utilities sector index generally corresponded to the market. The main contribution to the final MOEXEU decline was made by shares of Rosseti and RusHydro.

ELECTRIC POWER INDUSTRY NEWS

Electricity tariffs to change. What is the essence of the new calculation formula?

The electricity tariff system is planned to be reviewed. The Ministry of Energy together with the relevant State Duma committee and the company "Rosseti" developed a package of proposals. Discussions are at the final stage. A number of current regulations hinder the industry development.

Read full text: <https://www.vestifinance.ru/videos/50505>

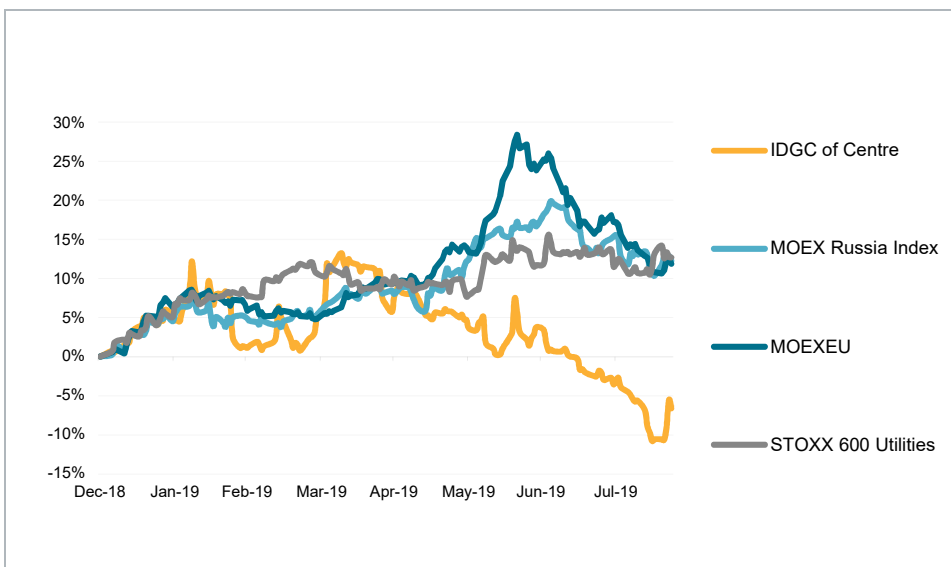
COMPANY NEWS

The company "Rosseti Centre" has published its performance results and management discussion and analysis (MD&A) to Interim Financial Statements for 6 months of 2019 under IFRS

Rosseti Centre has published its unaudited consolidated interim condensed financial statements for 6 months of 2019 in accordance with International Financial Reporting Standards (IFRS).

Read full text: <https://www.mrsk-1.ru/press-center/news/company/69401/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 660,74	-0,54%	12,30%
S&P 500	2 847,11	-2,59%	13,57%
FTSE 100	7 094,98	-0,47%	5,45%
DAX	11 611,51	-1,15%	9,97%
DJStoxx 600	371,36	-0,78%	9,98%
Nikkei	20 710,91	0,40%	3,48%
Sensex	36 701,16	0,63%	1,75%
CSI300	3 820,86	0,72%	26,91%
Bovespa	97 667,50	-2,34%	11,13%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,62	-0,97%	-5,54%
EURO/RUB	72,83	-0,91%	-8,34%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 526,96	1,93%	19,06%
Brent*, USD/bbl	59,34	-0,97%	10,30%

* - October futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln	
			per day	fr 31.12.18
IDGC of Centre	0,2670	11,27	171,78	
IDGC of Centre & Volga Reg	0,2495	28,12	428,50	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,07%	12,73%
MOEXEU	-0,60%	11,93%
IDGC of Centre**	-1,11%	-6,64%
IDGC of Centre and Volga Region**	0,12%	-5,85%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-2,73%	42,98%
FGC UES	-0,94%	14,37%
IDGC of Volga	-1,96%	-5,51%
MOESK	-0,33%	13,64%
IDGC of Northern Caucasus	-1,54%	118,57%
IDGC of North-West	-3,54%	7,93%
IDGC of Urals	2,33%	-4,66%
IDGC of Siberia	-1,46%	130,44%
IDGC of South	-0,34%	9,00%
Lenenergo, ordinary shares	-0,35%	6,24%
TRK, ordinary shares	0,00%	-4,22%
Kubanenergo	-1,79%	23,36%

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