

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 12 August some neutral external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed with a decline of 0.3-0.7%. At the same time, at the beginning of the trading session, the loss of the indices exceeded a percent after Donald Trump's statements that trade negotiations with China in September may not take place, and also that the White House plans to ban cooperation with Huawei. Subsequent clarifications from officials somewhat improved the market sentiment. White House Trade Advisor Peter Navarro confirmed continued preparations for the arrival of the Chinese delegation. In turn, the US Department of Commerce said that the ban on doing business with Huawei will affect only the US government. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.1%. The growth of the Chinese CSI300 index by 1.8% on expectations of continued trade negotiations between the US and China was different from the general trends. October Brent futures traded around \$58.4 per barrel, \$0.4 below our close on Friday, 9 August. Brent quotes declined, including on the IEA report on weakening of the global oil demand – an increase in demand in January-May by 520 thousand barrels per day was the lowest for the same period since the crisis of 2008.

Increased volatility remains on global stock exchanges, and the trade dispute between the two largest economies in the world is still in the spotlight of investors. In the morning, European stock indices and the MOEX Russia Index added more than half a percent on rebuttals of Donald Trump's categorical statements by American officials. By the middle of trading on the financial markets, the negative changes again prevailed following the weakening of the Chinese yuan at trading in Hong Kong below Friday's levels. In general, experts believe that the tension in the US-PRC trade conflict will continue to increase and the situation in the world economy will worsen. In particular, Goldman Sachs believes that Donald Trump will fulfill his promise to introduce a 10% duty on Chinese imports worth \$300 billion a year, and a trade deal between the countries will not be concluded until the US presidential election in autumn 2020. In turn, the German Ifo Institute for Economic Research, according to a survey in more than 110 countries, said that trade expectations were the lowest since the start of the US-China conflict last year. In the afternoon, the loss of the MSCI World and MSCI EM indices amounted to 0.6% and 0.9%, respectively. Nevertheless, the Russian market was able to stay above zero, including due to the increase in the rating of the Russian Federation by Fitch to "BBB". According to a Fitch press release, Russia's consistent economic policy strengthens macroeconomic stability, reduces the impact of oil prices on the economy and increases resilience to external shocks.

During the day, the electric utilities sector index underperformed. The main contribution to the MOEXEU decline in antiphase with the MOEX Russia Index was made by shares of Rosseti and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

FAS to take tight control over electricity prices

Russian regions will no longer be able to set electricity tariffs above the minimum established by the Federal Antimonopoly Service. From 2023, electricity prices will become long-term, they will be set for a period of less than five years. Such amendments to the law "On the Electric Power Industry" enters into force on 13 August.

Read full text: <http://fedpress.ru/news/77/energetics/2289130>

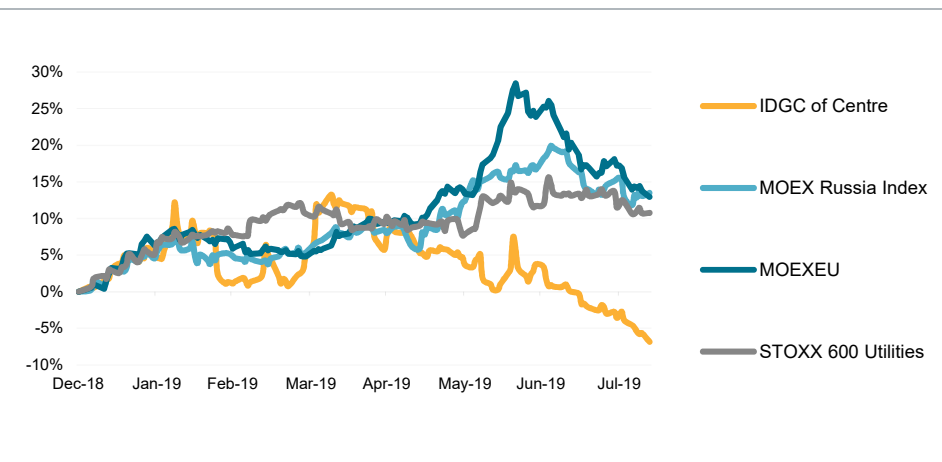
COMPANY NEWS

Rosseti Centre and Rosseti Centre and Volga Region summed up the implementation of investment programs in the first half of the year

The companies commissioned 5,347 kilometres of power lines and 1,209 MVA of capacity. The volume of financing of the investment programs will amount to 11.836 billion rubles, of which 1.073 billion rubles are allocated for the implementation of projects of the concept of digital transformation.

Read full text: <http://www.bigpowernews.ru/press/document89356.phtml?1&q=>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



| World indexes | Value | Change | |
|---------------|----------|---------|-------------|
| | | per day | fr 31.12.18 |
| MOEX Russia | 2689,93 | 0,38% | 13,53% |
| S&P 500 | 2898,12 | -0,70% | 15,61% |
| FTSE 100 | 7226,72 | -0,37% | 7,41% |
| DAX | 11679,68 | -0,12% | 10,61% |
| DJStoxx 600 | 370,41 | -0,31% | 9,70% |
| Nikkei | 20684,82 | 0,00% | 3,35% |
| Sensex | 37581,91 | 0,00% | 4,20% |
| CSI300 | 3699,11 | 1,80% | 22,87% |
| Bovespa | 101792,9 | -2,12% | 15,82% |

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

| Currency rates | Value | Change | |
|----------------|---------|---------|-------------|
| | | per day | fr 31.12.18 |
| USD/RUB | 65,2543 | 0,19% | -6,07% |
| EURO/RUB | 73,0196 | -0,03% | -8,11% |

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

| Raw | Value | Change | |
|-----------------|---------|---------|-------------|
| | | per day | fr 31.12.18 |
| Gold, USD/oz | 1505,31 | 0,87% | 17,38% |
| Brent*, USD/bbl | 58,57 | 0,07% | 8,87% |

* - October futures

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

| Shares | Price**, ₽ | MCap**, ₽ bln | MCap**, \$ mln |
|----------------------------|------------|---------------|----------------|
| | | | |
| IDGC of Centre & Volga Reg | 0,2465 | 27,78 | 425,72 |

Source: Central Bank of Russia, Company calculations

| Comparison with indexes | Change | |
|-----------------------------------|---------|-------------|
| | per day | fr 31.12.18 |
| STOXX 600 Utilities | 0,04% | 10,79% |
| MOEXEU | -0,69% | 12,96% |
| IDGC of Centre** | -1,26% | -6,85% |
| IDGC of Centre and Volga Region** | -1,32% | -6,98% |

Source: Bloomberg, Company calculations

| Grid companies | Change** | |
|----------------------------|----------|-------------|
| | per day | fr 31.12.18 |
| Rosseti, ordinary shares | -2,96% | 40,55% |
| FGC UES | -1,23% | 18,80% |
| IDGC of Volga | -0,05% | -5,36% |
| MOESK | -0,27% | 13,18% |
| IDGC of Northern Caucasus | 0,53% | 145,29% |
| IDGC of North-West | -1,64% | 13,51% |
| IDGC of Urals | -0,45% | -3,58% |
| IDGC of Siberia | -4,25% | 133,07% |
| IDGC of South | -1,23% | 10,38% |
| Lenenergo, ordinary shares | 0,00% | 8,70% |
| TRK, ordinary shares | 0,67% | -2,60% |
| Kubanenergo | 1,16% | 24,80% |

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](#)