

## REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 21 August some neutral external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 fell 0.7-0.8%, on Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.4%. The markets were mainly pressured by the worsening prospects of the US-China trade deal. On Tuesday Donald Trump said that he was forced to counteract China in trade, even if it caused short-term harm to the American economy, because Beijing has been deceiving Washington for decades. In turn, the US Secretary of State once again called Huawei a threat to national security, and the US Department of Commerce included in the "black list" another 46 subsidiaries of the Chinese holding. In addition, Reuters writes, the prospect of negotiations is overshadowed by the increasingly aggressive US stance against China, which was manifested in the sale of arms to Taiwan and harsh rhetoric regarding Hong Kong's problems. October Brent futures traded around \$60.4 per barrel, \$0.9 higher than our close on 20 August. The market was supported by the report of the American Petroleum Institute about a decrease in oil reserves in the US last week by 3.5 million barrels.

On Wednesday, the MOEX Russia Index was trading sideways near the zero mark – the growth of Brent quotes and the improvement of sentiment on the western exchanges were offset by a sharp appreciation of the ruble, which put pressure on shares of Russian exporters. The dollar-ruble pair lost more than a percent on Donald Trump's statements about the advisability of Russia joining the G7 and returning the G8 format. According to media reports, the first step in this direction will be the invitation of Russia to the G7 summit, which will be held in the US in 2020. According to CNN, such a decision was made during a telephone conversation between the presidents of France and the US. The positive changes of Western markets – the main US and European indices in the afternoon added more than a percent – was mainly due to expectations of continued easing of the Fed's policy. According to investors, new signals in this regard can be presented either in the July FOMC minutes, which will be published on Wednesday, or in a speech by the head of the Fed at the end of the week at the Jackson Hole Economic Symposium. These expectations are also reflected in the information of the Chicago Stock Exchange – traders are confident in the reduction of the interest rate in September by 0.25 percentage points and with a probability of 80% expect two more such actions before the end of the year.

During the trading session, the electric utilities sector index outperformed. The main contribution to the MOEXEU outperformance in comparison with the MOEX Russia Index was made by shares of Rosseti, recovering after a 30% collapse from June's highs.

## ELECTRIC POWER INDUSTRY NEWS

### The Ministry of Energy proposed to increase the size of the government quota for thermal power plant modernization projects for 2025 to 2.5 GW

The Ministry of Energy proposed increasing the size of the government quota as part of the selection of thermal power plant modernization projects for 2025 to 2.5 GW, follows from the draft government resolution.

Read full text: <http://www.bigpowernews.ru/markets/document89488.phtml?1&q=>

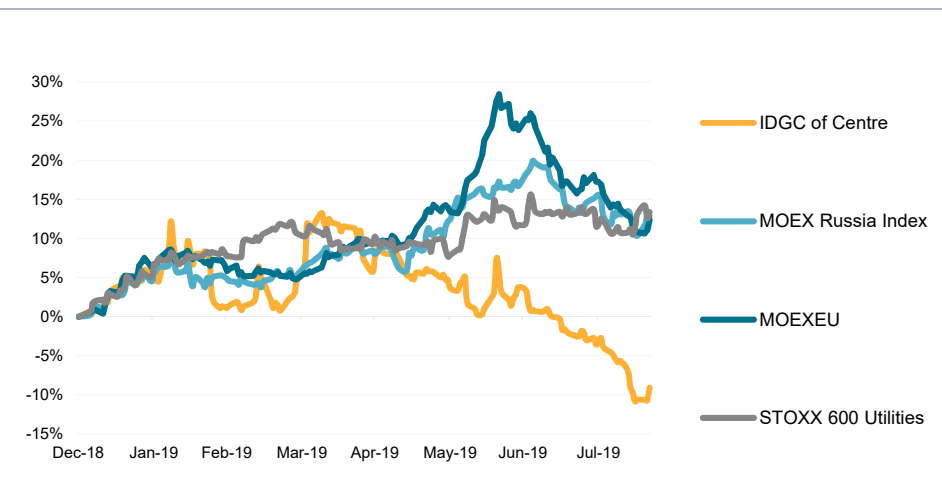
## COMPANY NEWS

### Kostromaenergo since the beginning of the year revealed about 300 cases of electricity theft

The branch "Rosseti Centre Kostromaenergo" summed up the results of work to identify facts of electricity theft for six months of 2019. During this period, the branch's specialists identified 212 cases of non-metered consumption in the amount of 7.5 million kWh and 81 cases of non-contractual electricity consumption worth more than 6.4 million rubles. In relation to offenders, acts on non-metered electricity consumption were drawn up and applications were sent to law enforcement agencies.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/69374/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2673,95	0,04%	12,86%
S&P 500	2926,03	0,88%	16,72%
FTSE 100	7203,97	1,11%	7,07%
DAX	11802,85	1,30%	11,78%
DJStoxx 600	375,8	1,21%	11,30%
Nikkei	20618,57	-0,28%	3,02%
Sensex	37060,37	-0,72%	2,75%
CSI300	3781,76	-0,16%	25,61%
Bovespa	100438,1	1,23%	14,28%

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

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	66,784	0,26%	-3,67%
EURO/RUB	73,9766	0,04%	-6,90%

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

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1504,41	-0,18%	17,31%
Brent*, USD/bbl	60,82	1,32%	13,05%

\* - October futures

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

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2439	27,49	411,58

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,69%	13,40%
MOEXEU	1,24%	12,43%
IDGC of Centre**	1,80%	-9,09%
IDGC of Centre and Volga Region**	1,84%	-7,96%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	3,89%	43,60%
FGC UES	0,77%	16,54%
IDGC of Volga	0,61%	-6,89%
MOESK	2,98%	15,15%
IDGC of Northern Caucasus	0,84%	124,14%
IDGC of North-West	0,41%	10,36%
IDGC of Urals	-0,12%	-7,69%
IDGC of Siberia	-2,08%	134,54%
IDGC of South	-0,43%	6,70%
Lenenergo, ordinary shares	0,18%	6,81%
TRK, ordinary shares	0,00%	-4,22%
Kubanenergo	-0,67%	20,90%

Source: MOEX, Company calculations

\*\* - at the price of last transaction at MOEX

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**Tickers**  
 Moscow Exchange (MOEX)  
 Bloomberg  
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**MRKC**  
**MRKC:RM**  
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