



## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 5 July some moderately negative external background formed on the Russian market. On Wednesday the US exchanges were closed in connection with the celebration of Independence Day. On Thursday the composite stock index of the Asia-Pacific region MSCI Asia Pacific lost 0.7% on fears of the beginning of China's full-scale trade war with the US. Fees for the import of Chinese goods worth \$34 billion a year come into effect already on Friday, and earlier the US President Donald Trump announced his intention to do the same with the goods for another \$200 billion if Beijing responded to the first step. Fitch in its review wrote that the US trade policy could endanger global trade of \$2 trillion a year. The increase in trade tension in the world increases the risk of adopting new protectionist measures that will have a much greater impact on the economy and weaken its growth, the agency said in the report. September Brent futures traded near \$77.8 per barrel, \$0.2 below the closing level of 4 July. A small drop in oil quotations was due to a message of Donald Trump on Twitter, in which the US President accused OPEC of artificially inflating the cost of oil and demanded immediate cuts in prices.

On Thursday the Russian market was dominated by buyers in the global optimism of investors on expectations of resolving trade disputes between the US and the European Union. In the middle of the day, the MOEX Russia Index added more than a percent, the European Stoxx Europe 600 Index and futures for US indices grew by 0.7%. Positive background for the markets was information from Reuters referring to the statements of the US Ambassador in Germany that the US and the EU can come to an agreement on trade issues and avoid the introduction of American duties on the import of European cars in the event that Europe refuses tariffs for the import of American cars. According to the ambassador, Washington is ready for a "zero option", in which Europe, like the US, completely refuses automobile taxes. On this piece of news, shares of the largest German automakers (BMW, Mercedes, Volkswagen) jumped by 5%, leading the rally on the European markets. The statistics published during the day were ambiguous and did not have a significant impact on the trends of trading. In Germany orders for industrial enterprises in May grew stronger than forecasts, in the US the index of business activity in services unexpectedly increased to a maximum in June since February, according to the industry ADP, employment in the private sector in June grew less than forecasts, the number of applications for unemployment benefits rose despite expectations. As a result of the day, the MOEX Russia Index updated its maximum in 1.5 months and came close to the historical record – expectations for the reduction of geopolitical risks after the Russia-US summit provide additional support to our market.

During the trading session the MicexPWR Sector Index underperformed – the demand of buyers was mainly for the first-tier shares.

## ELECTRIC POWER INDUSTRY NEWS

### "Rosseti" forms the future

All over the country, in the partner organizations of Rosseti Group of Companies, solemn events were held dedicated to the start of the IX working season of students' crews of the power grid complex.

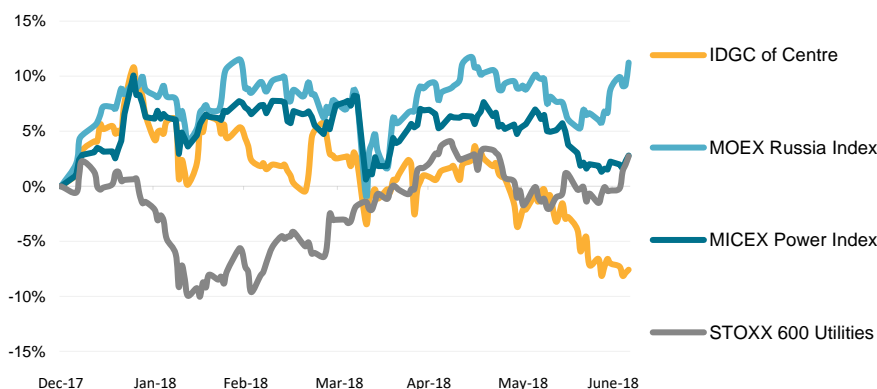
Read full text: [http://www.rosseti.ru/press/news/index.php?ELEMENT\\_ID=33542](http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=33542)

## COMPANY NEWS

**IDGC of Centre for five months delivered more than 260 megawatts of capacity to regions of the Central Federal District, provided power supply to dozens of new industrial enterprises, social and housing facilities**

Read full text: <https://www.mrsk-1.ru/press-center/news/company/64542/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 346,86	1,86%	11,24%
S&P 500	2 736,61	0,86%	2,36%
FTSE 100	7 603,22	0,40%	-1,10%
DAX	12 464,29	1,19%	-3,51%
DJStoxx 600	381,59	0,41%	-1,95%
Nikkei	21 546,99	-0,78%	-5,35%
Sensex	35 574,55	-0,20%	4,46%
CSI300	3 342,44	-0,63%	-17,08%
Bovespa	74 553,06	-0,25%	-2,42%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	63,23	0,01%	9,71%
EURO/RUB	73,71	0,01%	7,16%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 257,91	0,23%	-3,45%
Brent*, USD/bbl	77,39	-1,09%	19,50%

\* - September futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.17
IDGC of Centre	0,3290	13,89		219,68
IDGC of Centre & Volga Reg	0,3000	33,81		534,73

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,74%	2,73%
MICEX POWER Index	0,48%	2,80%
IDGC of Centre**	0,30%	-7,58%
IDGC of Centre and Volga Region**	0,17%	-0,56%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,29%	-3,51%
FGC UES	1,06%	17,25%
IDGC of Volga	-1,02%	13,44%
MOESK	0,58%	-23,25%
IDGC of Northern Caucasus	0,00%	-15,89%
IDGC of North-West	-3,48%	17,50%
IDGC of Urals	1,35%	-10,26%
IDGC of Siberia	1,40%	-4,80%
IDGC of South	-1,13%	2,51%
Lenenergo, ordinary shares	1,39%	21,56%
TRK, ordinary shares	0,00%	-11,86%
Kubanenergo	0,00%	-25,38%

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**