

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 8 August some moderately positive external background formed on the Russian market. The US indices DJIA and S&P500, which lost 2.0-2.3% at the beginning of the day, closed Wednesday with mixed changes within 0.1%. The recovery of the markets was facilitated by the stabilization of the Chinese yuan around 7 yuan/\$, which, according to analysts, may indicate China's readiness to show restraint in its response in anticipation of similar counter-steps by Washington. On Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.3% after the rebound in the US indices. Additional support for investors in the Asian session was provided by statistics from China, where in July, contrary to expectations, exports grew, and the reduction in imports was less sharp than predicted. October Brent futures traded around \$57.9 per barrel, \$1.5 higher than our close on 7 August. The oil quotes were supported by media reports that representatives of Riyadh began consultations with their OPEC colleagues on a possible reaction to the recent drop in fuel prices. According to Bloomberg, Saudi Arabia will not suffer a prolonged decline in the oil market and is ready to consider all possible measures to support prices.

On Thursday, buyers dominated the global stock markets – in the middle of the day, the growth rates of the MOEX Russia Index, the European Stoxx Europe 600 Index and the index of emerging markets MSCI EM averaged about a percent. Improved investors' sentiment was helped by a decrease in anxiety regarding the uncontrolled escalation of the US-China trade conflict. Analysts note that the RMB reference rate set by the Central Bank of China on Thursday turned out to be higher than forecasts, which somewhat eased concerns about Beijing's use of the currency as a weapon in a trade war with the US. At the same time, experts drew attention to the fact that despite the establishment by the Central Bank of China of the yuan reference rate at 7.0039 per \$1, at the trades in Hong Kong, the yuan strengthened compared to Monday, when the reference rate was lower. Another driver of the market growth was the expectation that the world's leading central banks at the next meeting will take the necessary measures to support the economy. In particular, investors drew attention to the statement by the head of the Federal Reserve Bank of Chicago that the Federal Reserve may need more incentives to maintain economic growth if it is restrained by increasing trade tension.

During the trading session, the electric utilities sector index underperformed – the activity of buyers was mainly concentrated in the first-tier shares. The main contribution to the final MOEXEU growth was made by shares of Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

FAS intends to introduce elements of artificial intelligence in the field of tariff regulation

Elements of artificial intelligence are planned to be introduced in the sphere of tariff regulation. This is said in a statement released on Thursday by the Federal Antimonopoly Service (FAS) of Russia.

Read full text: <https://tass.ru/ekonomika/6745704>

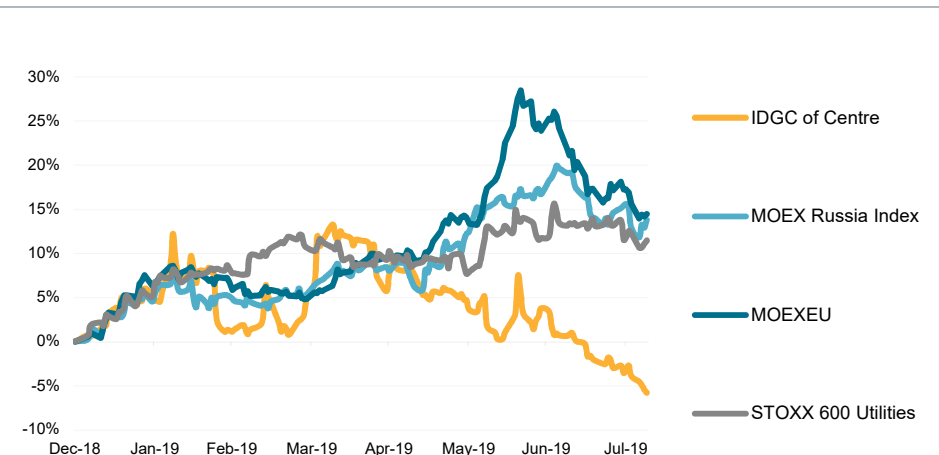
COMPANY NEWS

Igor Makovskiy: further expansion of the dialogue between management and shareholders of Rosseti Centre and Rosseti Centre and Volga Region will improve the quality of management decisions

General Director of IDGC of Centre - the managing organization of IDGC of Centre and Volga Region (the companies operate under the brands Rosseti Centre and Rosseti Centre and Volga Region) Igor Makovskiy met with representatives of minority shareholders of both Companies. The meeting was also attended by representatives of the management of the energy companies.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/69239/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 696.69	0,81%	13,82%
S&P 500	2 938.09	1,88%	17,20%
FTSE 100	7 285.90	1,21%	8,29%
DAX	11 845.41	1,68%	12,18%
DJStoxx 600	374.71	1,66%	10,98%
Nikkei	20 593.35	0,37%	2,89%
Sensex	37 327.36	1,74%	3,49%
CSI300	3 669.29	1,32%	21,88%
Bovespa	104 115.20	1,30%	18,46%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65.09	-0,17%	-6,30%
EURO/RUB	72.89	-0,25%	-8,27%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 500.95	-0,01%	17,03%
Brent*, USD/bbl	57,38	2,05%	6,65%

* - October futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln	
			per day	fr 31.12.18
IDGC of Centre	0,2694	11,37	174,73	
IDGC of Centre & Volga Reg	0,2528	28,49	437,68	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,35%	11,48%
MOEXEU	0,24%	14,46%
IDGC of Centre**	-0,37%	-5,80%
IDGC of Centre and Volga Region**	1,69%	-4,60%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,74%	50,23%
FGC UES	-0,39%	21,93%
IDGC of Volga	0,16%	-5,46%
MOESK	1,28%	14,09%
IDGC of Northern Caucasus	0,94%	144,29%
IDGC of North-West	0,31%	16,13%
IDGC of Urals	-0,44%	-2,82%
IDGC of Siberia	-3,38%	150,73%
IDGC of South	1,15%	13,31%
Lenenergo, ordinary shares	0,70%	9,07%
TRK, ordinary shares	0,00%	-3,25%
Kubanenergo	0,83%	25,20%

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