



## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 07 July some negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 fell 0.7-0.9%, the composite stock index of the Asia-Pacific region MSCI Asia Pacific lost more than half a percent on Friday. Following the publication of the June's minutes of the meeting of the Fed and the ECB, Bloomberg writes, investors have increased concern about the expected tightening of monetary policy around the world, primarily in the US and the Eurozone. The potential reduction in global financial liquidity limits the ability of market participants to invest in both bonds and equities. Against this background, traders continue to sell bonds, and their growing returns in turn reduce the attractiveness of shares. In addition, the cost of debt servicing is being increased, which reduces the corporate profits of shareholders. September Brent futures traded near \$47.6 per barrel, \$1.3 lower than the closing level on 06 July. The main factor of pressure on prices was data from the US Department of Energy, which pointed to a significant increase in oil production in the country last week.

In the first half of the trading session the MICEX Index was in a percent minus. The drivers of the MICEX Index decrease were shares of LUKOIL and MTS, which lost on average about 5% after the ex-dividend date. In addition, securities of the oil and gas sector were under pressure from the continuing decline in oil – Brent quotes fell below \$47 per barrel during the day. In the second half of the day sentiment on the Russian market improved due to positive start of trading in the US on good statistics on the labour market – in June the number of new jobs significantly exceeded forecasts, the growth rate of this indicator became the highest for the past four months. At the same time, experts note, the growth in the unemployment rate by 0.1 percentage points, to 4.4%, and less than expected wage increase, will contribute to a more cautious approach of the Fed in making decisions to tighten the monetary policy. At the end of the trading session, the first personal meeting between the presidents of the Russian Federation and the US at the G-20 summit, from which political analysts are waiting for establishing a dialogue between the leaders to improve tense relations between the countries, provided additional support to the domestic market. Against this background the MICEX Index was able to reduce losses to 0.6%.

During the trading session the changes of the MicexPWR Sector Index generally corresponded to the broad market. The main contribution to the final decline in the sector indicator was made by RusHydro's shares, which lost about 5% after the ex-dividend date.

## ELECTRIC POWER INDUSTRY NEWS

### Ministry of Energy stopped sales of retailers of Rosseti because of the risk of underestimation of a number of assets, says Mr. Kravchenko

The Ministry of Energy of Russia has not yet returned to the issue of the sale of non-core assets of Rosseti, as it sees the risks of underestimated assets in the North Caucasus, said on Wednesday, 5 July, Deputy Energy Minister Vyacheslav Kravchenko.

Read full text: <http://www.bigpowernews.ru/markets/document78133.phtml>

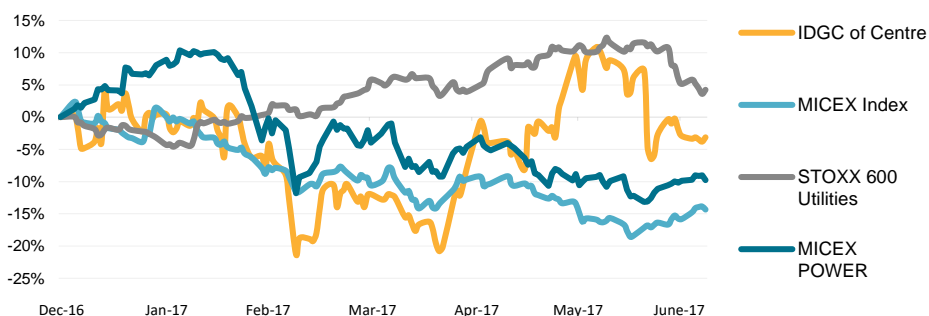
## COMPANY NEWS

### Belgorodenergo: the theft of 9.6 million kWh of electricity identified for the first half-year in the region

Power engineers of IDGC of Centre – Belgorodenergo division use raids as the most effective way to combat theft of electricity almost daily. As a result of the last two inspections in Belgorodsky and Korochansky districts, non-metered consumption of 26,000 kWh was confirmed by representatives of small businesses and owners of households. The total amount of non-metered electric power consumption for the first half of the year was 9.6 million kWh. Residential customers are leaders by the number of violations, in terms of volume – legal entities.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/60570/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 912,48	-0,56%	-14,34%
S&P 500	2 425,18	0,64%	8,32%
FTSE 100	7 350,92	0,19%	2,91%
DAX	12 388,68	0,06%	7,91%
DJStoxx 600	380,18	-0,07%	5,19%
STOXX Utilities	288,52	0,62%	4,25%
Nikkei	19 929,09	-0,32%	4,26%
Sensex	31 360,63	-0,03%	17,78%
CSI300	3 655,93	-0,11%	10,45%
Bovespa	62 322,40	-0,24%	3,48%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,14	-0,17%	8,41%
USD/RUB	60,24	1,11%	-0,68%
Euro/RUB	68,38	1,04%	7,16%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 212,46	-1,04%	5,66%
Brent*, USD/bbl	46,71	-2,91%	-20,62%

\* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4330
Capitalisation**, billion RUB	18,28
Capitalisation**, million USD	303,45

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-0,83%	-9,79%
Shares of IDGC of Centre**	0,70%	-3,13%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	0,10%	-29,82%
FGC UES	0,57%	-13,68%
IDGC of Volga	0,29%	23,75%
MOESK	2,63%	-8,80%
IDGC of Northern Caucasus	-2,08%	-25,17%
IDGC of Centre and Volga Reg	-0,93%	29,59%
IDGC of North-West	0,70%	-22,00%
IDGC of Urals	-0,34%	-11,25%
IDGC of Siberia	-1,04%	-20,07%
IDGC of South	2,08%	-25,00%
Lenenergo, ordinary shares	-0,84%	-14,35%
TRK, ordinary shares	0,00%	-24,16%
Kubanenergo	1,83%	-10,23%

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  
<http://mrsk-1.com/en/investors/>

**IR Division**  
 +7 (495) 747 92 92, ext. 33-34  
[ir@mrsk-1.ru](mailto:ir@mrsk-1.ru)

**Tickers**  
 Moscow Exchange (MOEX)  
 Bloomberg  
 Reuters

**MRKC**  
**MRKC:RM**  
**MRKC.MM**