



REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 6 September some moderately negative external background formed on the Russian market. On Wednesday the major US indices closed in different directions: the DJIA grew by 0.1%, the S&P500 decreased by 0.3%. The S&P500 index underperformance was due to a sharp drop in shares of the technology sector from record levels on increased regulatory risks. On Thursday the composite index of the Asia-Pacific region, MSCI Asia Pacific, lost 0.8% on fears of escalating trade contradictions. Firstly, by the end of the week, the US can announce new import duties on Chinese goods worth \$200 billion. Secondly, according to experts, the increase in the US foreign trade deficit by 7% y/y in January-July could toughen the US position on trade negotiations. November Brent futures traded near \$77.3 per barrel, at the level of our closing on 5 September – the weakening of the dollar in the foreign exchange market was levelled by the report of the American Petroleum Institute about the growth of oil reserves in Cushing, where oil traded on NYMEX is stored.

The MOEX Russia Index spent most of the trading session in a half-percentage plus due to rising shares of exporters, supported by the continued weakening of the ruble under the pressure of sanctions risks. On Thursday the dollar-ruble pair tested for the first time since March 2016 the mark of 69.5 P/\$ after the US, Germany, France and Canada supported the UK's conclusions about Russia's involvement in the chemical attack in Salisbury. Against this background, the ruble value of Brent crude once again updated the historical record. At the end of the day, the MOEX Russia Index dropped to zero, following a 2% decrease in Sberbank's shares, which are traditionally active in responding to sanctions. In addition, a negative factor for our market was decline in oil prices and worsening sentiment on the western markets. Brent quotes dropped to around \$76 per barrel on data from the US Department of Energy, which recorded a larger than predicted growth in gasoline and distillate stocks. The European Stoxx Europe 600 Index and major US indices lost about a third of a percent on fears of intensifying trade disputes and ambiguous statistics. On the one hand, in the US the index of business activity in the services sector increased in August more than expected, applications for unemployment benefits updated their minimum since 1969. On the other hand, the ADP data indicated a 10-month minimum increase in the number of jobs in the private sector in the US in August, a decrease in the volume of orders for US industrial enterprises was the maximum for six months, data on orders of industrial enterprises in Germany were worse than expectations.

During the day the MicexPWR Sector Index underperformed. The main contribution to the final MicexPWR underperformance in comparison with the MOEX Russia Index was made by shares of Inter RAO, Enel Russia and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Economic Development supports the transition to long-term tariffs of "Rosseti"

The Ministry of Economic Development of the Russian Federation supports the transition to a long-term tariff setting for Rosseti. Deputy Minister of Economic Development Mikhail Rasstrigin told reporters on the sidelines of the third Moscow Financial Forum.

Read full text: <http://www.bigpowernews.ru/markets/document84454.phtml>

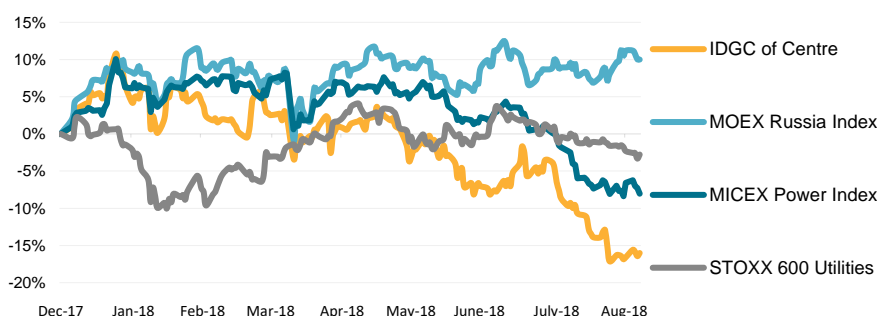
COMPANY NEWS

IDGC of Centre organized in the Kostroma region exercises to eliminate mass outages during the autumn-winter period

In the Kostroma region, command and staff exercises were conducted on the site of the Grid Control Centre of the Kostroma branch of IDGC of Centre. Joint actions to eliminate large-scale power outages at the region's grid facilities in the autumn-winter period were worked out by representatives of Kostromaenergo, the EMERCOM of Russia for the Kostroma region, branches of SO UES Kostroma Regional Dispatch Office and FGC UES Vologda PMES, other energy companies operating in the region, as well as a number of municipalities.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/65574/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 320,65	-0,03%	10,00%
S&P 500	2 878,05	-0,37%	7,65%
FTSE 100	7 318,96	-0,87%	-4,80%
DAX	11 955,25	-0,71%	-7,45%
DJStoxx 600	373,47	-0,59%	-4,04%
Nikkei	22 487,94	-0,41%	-1,22%
Sensex	38 242,81	0,59%	12,29%
CSI300	3 262,88	-1,07%	-19,05%
Bovespa	76 416,01	1,76%	0,02%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	68,46	0,28%	18,80%
EURO/RUB	79,14	0,15%	15,05%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 199,98	0,27%	-7,89%
Brent*, USD/bbl	76,50	-1,00%	19,49%

* - November futures

Source: Bloomberg, Company calculations

Shares	Price**, P	MCap**, P bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2875	32,40	473,26

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,57%	-2,77%
MICEX POWER Index	-0,83%	-8,02%
IDGC of Centre**	0,50%	-16,01%
IDGC of Centre and Volga Region**	-0,35%	-4,71%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,65%	-17,72%
FGC UES	-0,92%	-4,01%
IDGC of Volga	-0,10%	-5,31%
MOESK	-1,29%	-23,25%
IDGC of Northern Caucasus	-0,66%	-22,14%
IDGC of North-West	-0,30%	28,85%
IDGC of Urals	-0,29%	-16,95%
IDGC of Siberia	1,14%	-22,71%
IDGC of South	-0,31%	6,69%
Lenenergo, ordinary shares	-0,91%	24,17%
TRK, ordinary shares	0,00%	-11,05%
Kubanenergo	-1,81%	-30,61%

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