



## REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 29 August some neutral external background formed on the Russian market. On Tuesday major US indices closed with a slight increase in the range of 0.2%, while the S&P500 and high-tech Nasdaq indices updated their historical records. On Wednesday the composite index of the Asia-Pacific region, MSCI Asia Pacific, added 0.2%. Positive background for the markets were strong data on consumer confidence in the US, which rose in August to a maximum of 18 years, and media reports on the resumption of trade talks between the US and Canada. October Brent futures traded near \$75.7 per barrel, \$0.6 below our closing level on 28 August. The quotations were pressured by a report from the American Petroleum Institute on the growth of oil and gasoline reserves in the country last week.

On Wednesday the Russian market was dominated by buyers, in the second half of the day the growth of the MOEX Russia Index exceeded a percent. The driver of the rise was shares of the oil and gas sector due to strong reporting for the first half of the year, higher oil prices and the weakening of the ruble. Brent quotes rose to \$76.7 per barrel on information that Iran has already begun to reduce oil exports, the ruble was pressured by the growth of the dollar in the world foreign exchange market and the resumed fall of the Turkish lira. As a result, the ruble value of Brent oil has risen to a new historic high, which, according to analysts, will help continue the growth of profits of oil and gas companies in the third quarter. At the end of the day, investors were supported by the growth of the US market with the next update of the historical highs of the S&P500 and Nasdaq on good statistics. Estimation of the GDP growth in the II quarter, contrary to forecasts, was increased from 4.1% to 4.2%. Thus, the media note, in April-June the US economy grew at the maximum rate over the past four years.

During the trading session the MicexPWR Sector Index looked significantly worse than the market. In the context of the continued weakening of the ruble, securities of sectors, focused on domestic demand, still do not have the interest of investors. Rosseti's shares were pressured, which together with papers of Inter RAO made the main contribution to the lagging MicexPWR changes in comparison with the MOEX Russia Index, by weak IFRS statements for the second quarter – EBITDA decreased by 8.7%, to 66.9 billion rubles, net profit – by 21%, to 24 billion rubles. An additional negative factor for Rosseti's shares was Kommersant's information that the government is considering the possibility of allowing a number of natural monopolies (RZD, Rosseti, Transneft) to replace dividend payments for an increase in investment programs. According to analysts of Sberbank, the very fact of discussion of this problem creates additional risk factors for Rosseti and FGC UES.

## ELECTRIC POWER INDUSTRY NEWS

### Experts: for digitalization of energy in the Russian Federation, it is necessary to change the model of electricity consumption

Transformation of the Russian energy sector and the implementation of digital solutions in this area will require great efforts and investments, while changing the model of electricity consumption, in particular, introducing a system of its regulation at various times of the day. This conclusion was reached by experts of the round table "Distributed Energy", which was held on Tuesday at the forum "Technoprom" in Novosibirsk.

Read full text: <http://tass.ru/ekonomika/5499923>

## COMPANY NEWS

### Power engineers of IDGC of Centre develop cooperation skills for elimination of consequences of failures at power grid facilities

Power engineers of IDGC of Centre within the framework of preparation for the season of peak loads take part in large-scale exercises to eliminate consequences of failures at power grid facilities caused by unfavourable weather phenomena in low-temperature conditions. The exercises take place in each region that is part of the company's service area.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/65498/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 348,44	1,39%	11,31%
S&P 500	2 914,04	0,57%	8,99%
FTSE 100	7 563,21	-0,71%	-1,62%
DAX	12 561,68	0,27%	-2,76%
DJStoxx 600	386,58	0,29%	-0,67%
Nikkei	22 848,22	0,15%	0,37%
Sensex	38 722,93	-0,45%	13,70%
CSI300	3 386,57	-0,40%	-15,98%
Bovespa	78 388,83	1,18%	2,60%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	67,39	-0,01%	16,94%
EURO/RUB	78,76	0,68%	14,50%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 206,60	0,47%	-7,38%
Brent*, USD/bbl	77,14	1,57%	19,80%

\* - October futures

Source: Bloomberg, Company calculations

Shares	Price**, P	MCap**, P bln	MCap**, \$ mln
IDGC of Centre	0,2975	12,56	186,37
IDGC of Centre & Volga Reg	0,2830	31,89	473,26

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,20%	-1,52%
MICEX POWER INDEX	0,05%	-7,65%
IDGC of Centre**	-0,17%	-16,43%
IDGC of Centre and Volga Region**	0,35%	-6,20%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-1,46%	-17,55%
FGC UES	0,07%	-5,89%
IDGC of Volga	-0,26%	-7,26%
MOESK	0,28%	-21,69%
IDGC of Northern Caucasus	-0,66%	-21,88%
IDGC of North-West	0,60%	30,00%
IDGC of Urals	-1,73%	-18,85%
IDGC of Siberia	-0,56%	-22,27%
IDGC of South	-0,15%	12,21%
Lenenergo, ordinary shares	0,25%	23,02%
TRK, ordinary shares	-1,73%	-8,36%
Kubanenergo	0,72%	-28,32%

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