



REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 6 August some moderately positive external background formed on the Russian market. On Friday the US indices DJIA and S&P 500 rose by 0.5% – good corporate reporting of a number of large companies levelled the ambiguity of statistical data. The growth rate of companies' profits from the S&P 500 index in the second quarter, writes The Wall Street Journal, have become some of the highest in recent years due to lower corporate tax rates and the rise of the US economy. With regard to statistics, on the one hand, in July unemployment in the US decreased to 3.9% – the lowest level since 1969, the growth in the number of jobs, given the revision of data for May-June, was higher than expected. On the other hand, the drop in the business activity index in the services sector in July significantly exceeded forecasts – the indicator fell to an 11-month low. On Monday the composite index of the Asia-Pacific region, MSCI Asia Pacific, was 0.1% down. The Chinese market is still under the pressure of active sales – the CSI300 index fell 1.3% due to the continuing tension in trade relations with the US. October Brent futures traded near \$73.4 per barrel, \$0.9 higher than our closing on Friday, 3 August. Oil quotes were supported by a message from Baker Hughes about a reduction in the number of operating oil production facilities in the US and Bloomberg's information about Saudi Arabia's production decline in July.

The MOEX Russia Index spent most of the trading session in a small plus within half a percent due to the growth of oil prices. Brent quotes exceeded \$74 per barrel, including due to the entry into force on Monday of the first part of the US sanctions against Iran. As analysts say, the restoration of US sanctions against this country will begin to affect the volume of Iran's oil exports in the coming months. At the same time, buyers' activity was tempered by moderately negative investors' sentiment in Europe. The European Stoxx Europe 600 Index lost about a third of a percent due to weak statistics – the drop in the volume of orders of industrial enterprises in Germany in June was the maximum since January 2017, and the tightening of rhetoric of the US and China in trade disputes. In particular, the Chinese authorities in the official media have made it clear that they will not give up their course, even if this leads to negative consequences for the economy.

During the trading session the MicexPWR Sector Index underperformed. The main contribution to the final MicexPWR decrease in antiphase with the MOEX Russia Index was made by shares of Unipro, Inter RAO and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

The RF Ministry of Economic Development proposed to index the tariffs from 1 January, synchronizing it with the growth of VAT

The Ministry of Economic Development proposed in 2019 to index the tariffs for services of natural monopolies not from 1 July, but from 1 January to synchronize it with the VAT increase, the press service of the ministry reported to RIA Novosti.

Read full text: <http://www.bigpowernews.ru/markets/document84071.phtml>

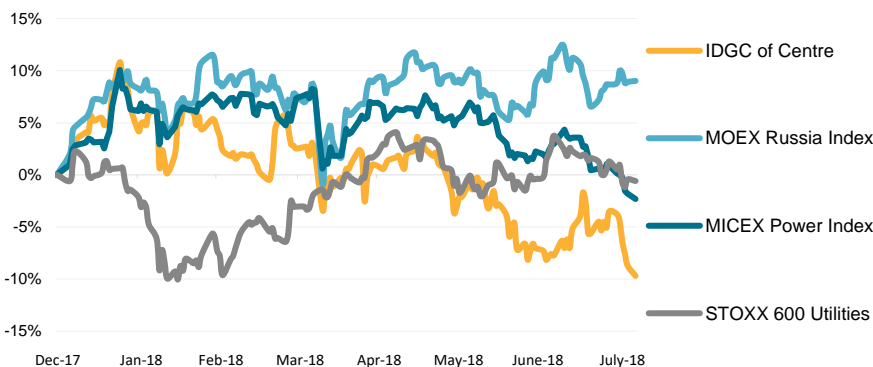
COMPANY NEWS

IDGC of Centre since the beginning of the year repaired about 2.5 thousand substations and more than 7.5 thousand kilometres of power lines, power engineers work ahead of schedule

IDGC of Centre summed up the results of the implementation of the repair program for the first half of the year. The company performs a number of its key actions ahead of schedule. 2,461 transformer substations with a voltage of 0.4/6-10 kV and 7,631 kilometres of 0.4-110 kV overhead and cable power lines were repaired, which is 105% and 106% of the plan with the cumulative total, respectively.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/65237/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 299,88	0,08%	9,01%
S&P 500	2 850,40	0,35%	6,61%
FTSE 100	7 663,78	0,06%	-0,31%
DAX	12 598,21	-0,14%	-2,47%
DJStoxx 600	388,66	-0,13%	-0,13%
Nikkei	22 507,32	-0,08%	-1,13%
Sensex	37 691,89	0,36%	10,67%
CSI300	3 273,27	-1,27%	-18,79%
Bovespa	81 050,76	-0,47%	6,08%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	63,45	0,51%	10,11%
EURO/RUB	73,47	0,07%	6,82%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 207,64	-0,60%	-7,30%
Brent*, USD/bbl	73,75	0,74%	14,54%

* - October futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3215	13,57	213,90
IDGC of Centre & Volga Reg	0,3005	33,87	533,70

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,16%	-0,59%
MICEX POWER Index	-0,54%	-2,32%
IDGC of Centre**	-1,08%	-9,69%
IDGC of Centre and Volga Region**	-0,17%	-0,40%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,34%	-7,42%
FGC UES	-0,97%	0,31%
IDGC of Volga	0,10%	-0,39%
MOESK	0,83%	-19,35%
IDGC of Northern Caucasus	1,88%	-15,10%
IDGC of North-West	0,00%	42,31%
IDGC of Urals	0,00%	-10,74%
IDGC of Siberia	0,98%	-10,04%
IDGC of South	-0,81%	23,08%
Lenenergo, ordinary shares	-0,76%	23,13%
TRK, ordinary shares	0,00%	-9,97%
Kubanenergo	0,00%	-24,74%

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