

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 6 August some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 fell 2.9-3.0% – at the fastest rate since last December – on fears of a global currency war after the Central Bank of China set the yuan reference rate to a minimum level for the year, and at trades in Hong Kong the Chinese currency fell to its lowest level since 2008. In response, the US Treasury called China a currency manipulation country. According to the media, this largely formal step in the context of an escalation of the trade conflict may nevertheless become the basis for new protectionist measures against China. On Tuesday the main country indices of the Asia-Pacific region, which began trading on average by a fall of almost 3%, reduced losses to a percentage by the end of trading. Investors were supported by the People's Bank of China, which set the yuan against the dollar below the consensus forecast of analysts. This decision of the Chinese Central Bank eased the panic in the market – according to Bloomberg, this suggests that the country's authorities want to slow down the weakening of the national currency. October Brent futures traded around \$60.5 per barrel, \$0.1 below our close on 5 August. The oil quotes stabilized above the level of \$60 per barrel after the actions of the Central Bank of China, which somewhat reassured investors. At the same time, experts warn that a further increase in tensions between the US and China could lead to Beijing refusing oil sanctions against Iran. In this case, according to Bank of America Merrill Lynch, China may return to the market about 1.5 million barrels per day, which will lead to the collapse of Brent quotes to \$30-40 per barrel.

On Tuesday, world markets recovered after Monday's sales, the reason for the correction was the actions of the People's Bank of China, which eased investors' fears that exchange rates would be used as weapons in a trade war. In the middle of the day, the growth of the MOEX Russia Index, the European Stoxx Europe 600 Index and the S&P500 futures averaged about a percent. Nevertheless, analysts believe that the current mood in the markets is unstable: the escalation of the US-PRC trade conflict, opening up opportunities for tough steps by each of the parties, cast doubt on the conclusion of the deal in the medium term – until the US presidential election in 2020. Against this background, the western exchanges lost all optimism by the end of our trading session – the main European indices went to a half-percent minus, the rise of the American stock indicators DJIA and S&P500 fell to a third of a percent. Despite this, the MOEX Russia Index closed near daily highs – the mitigation of sanctions risks continues to support the Russian market.

During the day, the electric utilities sector index underperformed – the first-tier stocks were mainly in demand with buyers. RusHydro's shares made the main contribution to the MOEXEU underperformance in comparison with the MOEX Russia Index.

ELECTRIC POWER INDUSTRY NEWS

FAS categorically against a sharp increase in tariffs for any categories of consumers, - Mr. Korolev

The Federal Antimonopoly Service of the Russian Federation is opposed to a sharp increase in tariffs for the transmission of electricity during their differentiation, RIA Novosti was informed by the deputy head of the department Vitaly Korolev through a representative.

Read full text: <http://www.bigpowernews.ru/markets/document89240.phtml>

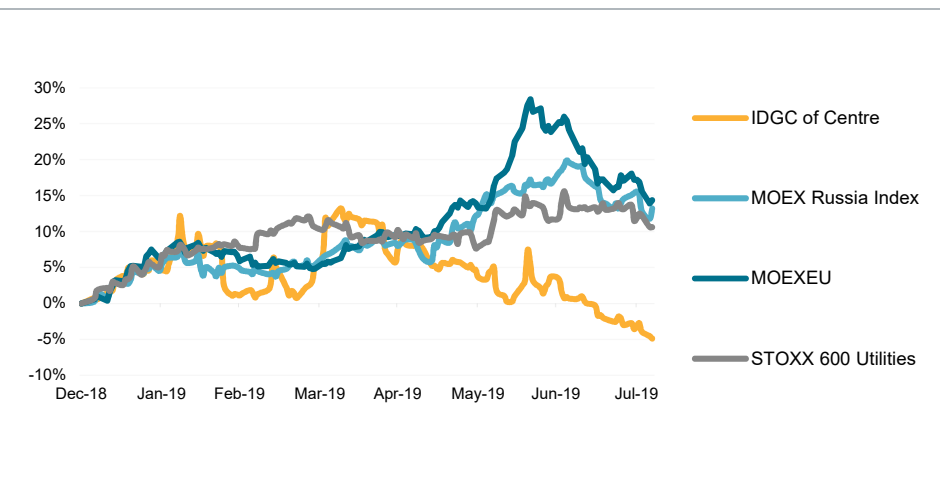
COMPANY NEWS

Power engineers of the Tver branch of Rosseti Centre inspect overhead power lines using quadcopters

Specialists of "Rosseti Centre Tverenergo" inspect overhead power lines by aerographic imaging as part of the branch's repair program to assess the volume and quality of work performed, as well as during emergency recovery operations to deal with consequences of power outages.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/69222/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 683,35	1,29%	13,25%
S&P 500	2 881,77	1,30%	14,96%
FTSE 100	7 171,69	-0,72%	6,59%
DAX	11 567,96	-0,78%	9,56%
DJStoxx 600	367,71	-0,47%	8,90%
Nikkei	20 585,31	-0,65%	2,85%
Sensex	36 976,85	0,75%	2,52%
CSI300	3 636,33	-1,07%	20,78%
Bovespa	102 163,70	2,06%	16,24%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,05	0,64%	-6,36%
EURO/RUB	72,37	0,93%	-8,92%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 474,42	0,73%	14,97%
Brent*, USD/bbl	58,94	-1,45%	9,55%

* - October futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2507	28,25	434,30

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,02%	10,66%
MOEXEU	0,38%	14,41%
IDGC of Centre**	-0,37%	-4,90%
IDGC of Centre and Volga Region**	0,00%	-5,40%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,08%	50,10%
FGC UES	1,67%	21,56%
IDGC of Volga	0,22%	-5,20%
MOESK	0,13%	13,11%
IDGC of Northern Caucasus	6,08%	124,29%
IDGC of North-West	-0,84%	17,21%
IDGC of Urals	-0,33%	-2,17%
IDGC of Siberia	-2,27%	164,10%
IDGC of South	1,74%	12,86%
Lenenergo, ordinary shares	-1,04%	7,75%
TRK, ordinary shares	0,00%	-3,25%
Kubanenergo	0,50%	23,98%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers
 Moscow Exchange (MOEX)
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