



REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 13 August some moderately negative external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed with a decrease of 0.7-0.8%, on Monday the composite index of the Asia-Pacific region, MSCI Asia Pacific, lost 1.6%. The markets were pressured by a deepening financial crisis in Turkey. The Turkish lira has renewed the next historical minimum against the dollar after Donald Trump announced a double increase in import duties on aluminum and steel for Turkey, and the White House administration announced its readiness to review the terms of Turkey's participation in the system of preferences for imports into the US. Although participation of American companies in Turkey is limited, MarketWatch writes, a sharp weakening of the lira is seen as one of the signals of panic in foreign markets, especially in emerging markets. In addition, investors fear the spread of the Turkish crisis to the related markets – according to the Bank for International Settlements, the liabilities of Turkish borrowers to European banks are about \$140 billion, to Japanese ones – about \$11 billion. October Brent futures traded near \$72.6 per barrel, \$0.2 below our closing level on Friday, 10 August. Negative background for the quotations was a sharp strengthening of the dollar in the foreign exchange market and a message from Baker Hughes about growth of the number of operating oil production facilities in the US to a maximum level for more than three years.

The MOEX Russia Index spent most of the trading session in a small plus within half a percent due to correction of resold shares of Sberbank and companies from the "Belousov list" (Norilsk Nickel, ALROSA, metallurgical companies) last week. At the same time, the activity of buyers on the Russian market was hampered by negative sentiments on global markets because of the Turkish problems: the index of emerging markets MSCI EM lost about 2% in the middle of the day, the European Stoxx Europe 600 Index and futures for US indices were about 0.5% minus. The outperformance of the MSCI EM Index, according to experts, is connected with fears of spreading the currency crisis in Turkey to other emerging markets, followed by capital outflow from these markets. As analysts say, the promise of the Central Bank of Turkey to provide liquidity to the financial system in the conditions of the currency crisis has not yet been able to support financial markets: the lira's rate continued to fall, the Turkish stock indexes declined sharply on Monday.

As a result of the trading session the MicexPWR Sector Index underperformed mainly due to a decrease in shares of Rosseti, RusHydro and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

The Ministry of Economic Development proposed to increase utility tariffs in 2019 in two stages

The increase in utility tariffs in 2019 should be carried out in two stages, the Ministry of Economic Development believes. And the growth should not exceed the inflation target: the industry received 60 billion rubles of additional revenues due to rapid growth in tariffs in 2017.

Read full text: <https://www.rbc.ru/economics/14/08/2018/5b7181539a794763ca5af231?from=main>

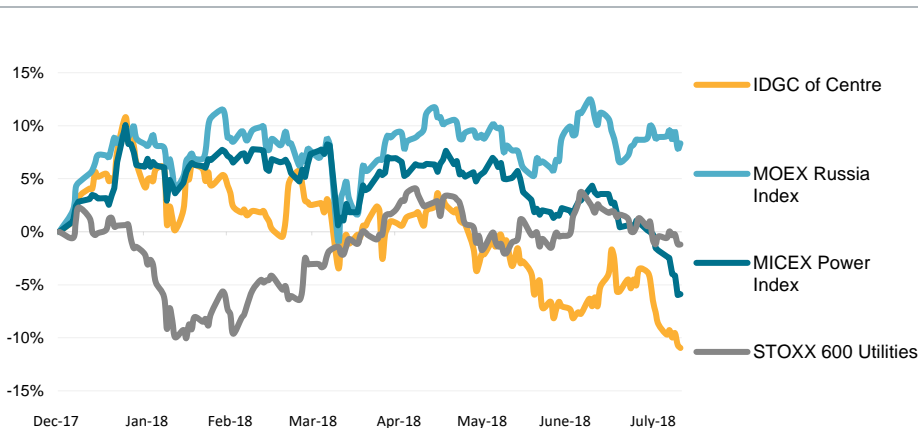
COMPANY NEWS

Grouping of IDGC of Centre and IDGC of Centre and Volga Region: work in Dagestan is carried out with overfulfilment of the plan

The grouping of IDGC of Centre and IDGC of Centre and Volga Region summed up the results of three weeks of exercises in Dagestan. The zone of its responsibility is Karabudakhkent'sky district. The energy companies continue to work, seeking to outstrip the calendar plan for a number of key indicators. As of 10 August, the plan for installing overhead power lines was 117% complete, and for the installation of self-supporting insulated wire it was 102% complete. All other works are carried out in full and in accordance with the established deadlines.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/65319/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2285,61	0,46%	8,34%
S&P 500	2830,79	-0,09%	5,88%
FTSE 100	7642,45	-0,32%	-0,59%
DAX	12358,74	-0,53%	-4,33%
DJStoxx 600	384,91	-0,25%	-1,10%
Nikkei	21857,43	-1,98%	-3,99%
Sensex	37644,9	-0,59%	10,54%
CSI300	3390,34	-0,43%	-15,89%
Bovespa	76555,73	0,05%	0,20%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	66,9075	0,94%	16,10%
EURO/RUB	76,676	-0,19%	11,47%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1195,67	-1,32%	-8,24%
Brent*, USD/bbl	71,68	-1,55%	7,19%

* - October futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares	Price**, ₽	MCap**, \$ mln	
		MCap**, \$ mln	MCap**, \$ mln
IDGC of Centre	0,317	13,38	200,02
IDGC of Centre & Volga Reg	0,2845	32,06	479,21

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,05%	-1,20%
MICEX POWER Index	0,09%	-5,88%
IDGC of Centre**	-0,31%	-10,96%
IDGC of Centre and Volga Region**	0,00%	-5,70%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-2,56%	-12,24%
FGC UES	-0,77%	-4,23%
IDGC of Volga	0,51%	-4,72%
MOESK	-0,85%	-21,91%
IDGC of Northern Caucasus	-2,24%	-20,31%
IDGC of North-West	-1,13%	34,23%
IDGC of Urals	0,82%	-11,93%
IDGC of Siberia	-1,01%	-14,41%
IDGC of South	4,05%	24,58%
Lenenergo, ordinary shares	4,09%	21,98%
TRK, ordinary shares	2,55%	-13,21%
Kubanenergo	2,48%	-26,28%

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