

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 26 June some moderately negative external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed with a fall of 0.7-1.0%, on Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.4%. MarketWatch writes that pressure was exerted on the market by comments by the Fed's representatives, who lowered expectations for a reduction in key interest rates in July by more than 25 bps. In particular, the head of the Federal Reserve Bank of St. Louis said that he did not consider the state of the US economy heavy enough to justify a rate cut of 0.5 p.p. at the next meeting, despite the fact that he insisted on reducing the cost of borrowing last week. In turn, the head of the Federal Reserve said that the Central Bank continues to monitor the economic situation for signs of weakening and is still waiting for lower rates. August Brent futures traded around \$66.1 per barrel, \$0.5 above our 25 June close. Positive background for the market was the message of the American Petroleum Institute about a sharp reduction in oil reserves in the US last week – by 7.6 million barrels.

On Wednesday, cautious optimism returned to global stock markets. In the middle of the day, the MOEX Russia Index, the main European indices and futures for the S&P500 added on average about half a percent on statements of the US Treasury Secretary Steven Mnuchin that the US and China are close to a trade deal and that he is waiting for progress in negotiations between the leaders of the countries in Japan. According to the head of the Treasury Secretary, 90% of the path to the deal has already been passed, and he hopes that the conclusion of a trade agreement with China will take place before the end of this year. At the same time, Bloomberg said, despite a slight improvement in sentiment, investors remain cautious and do not expect a breakthrough from the meeting of the leaders of the US and China, believing that at best, the parties can only agree to resume negotiations. In addition, buyers' activity was limited to lowering the expectations of the Fed's decisive action to ease the monetary policy in July. According to the data of the Chicago Stock Exchange, after the statements of the Fed's officials, the probability of a reduction in the interest rate by 50 bps dropped from 42% to 24%. At the end of the day, the growth rate of the MOEX Russia Index accelerated following the rise in Brent quotes to \$66.6 on the announcement by the US Department of Energy of a record fall in oil reserves last week by 12.8 million barrels.

At the end of the trading session, the electric utilities sector index looked significantly worse than the market. The main contribution to the MOEXEU reduction in antiphase with the MOEX Russia Index was made by shares of Inter RAO. These papers are still pressured by media information about insider sales. Firstly, the company announced the sale by the head of Inter RAO of all his shares, and secondly, according to Kommersant, and after Boris Kovalchuk the rest of top managers intend to sell their shares.

ELECTRIC POWER INDUSTRY NEWS

Common boiler: energy payments to be divided according to fairness

The Government's resolutions on the optimization of electricity transmission tariffs may be adopted this year, Izvestia was told in the office of Deputy Prime Minister Dmitry Kozak.

Read full text: <https://iz.ru/892101/nikolai-khrenkov/obshchii-kotel-energoplatezhi-razdeliat-po-spravedlivosti>

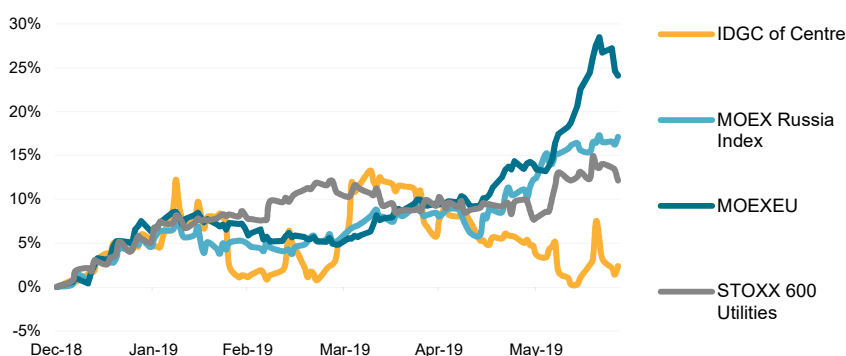
COMPANY NEWS

A meeting of chief engineers of branches of Rosseti Centre and Rosseti Centre and Volga Region took place in Lipetsk

The meeting began with an analysis of failures in grids of "Rosseti Centre and Rosseti Centre and Volga Region. In both companies, there is improvement of the technical condition of electrical equipment. This is facilitated by the competent preparation of repair programs, their thorough execution, as well as the implementation of innovative technologies.

Read full text: <http://www.prime.ru/2019/06/26/v-lipecke-sostoyalos-sovesch.html>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2775,14	0,77%	17,13%
S&P 500	2923,31	0,20%	16,61%
FTSE 100	7416,39	-0,08%	10,23%
DAX	12245,32	0,14%	15,97%
DJStoxx 600	382,2	-0,31%	13,19%
Nikkei	21086,59	-0,51%	5,36%
Sensex	39592,08	0,40%	9,77%
CSI300	3794,33	-0,18%	26,03%
Bovespa	100945,69	0,85%	14,86%

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

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	62,5229	-0,61%	-10,00%
EURO/RUB	71,2323	-0,51%	-10,36%

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

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1414,64	0,62%	10,31%
Brent*, USD/bbl	66,5	2,23%	23,61%

* - August futures

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

Shares	Price**, ₺	MCap**, ₺ bln	
		MCap**, \$ mln	MCap**, \$ mln
IDGC of Centre	0,2928	12,36	197,71
IDGC of Centre & Volga Reg	0,2677	30,17	482,53

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-1,05%	12,15%
MOEXEU Index	-0,43%	24,10%
IDGC of Centre**	0,97%	2,38%
IDGC of Centre and Volga Region**	-0,34%	1,02%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	2,52%	77,98%
FGC UES	0,42%	35,59%
IDGC of Volga	-0,16%	-3,21%
MOESK	0,21%	10,45%
IDGC of Northern Caucasus	-3,51%	206,43%
IDGC of North-West	1,03%	23,78%
IDGC of Urals	1,70%	-2,93%
IDGC of Siberia	0,57%	192,20%
IDGC of South	0,59%	26,17%
Lenenergo, ordinary shares	0,87%	9,07%
TRK, ordinary shares	0,34%	-3,90%
Kubanenergo	-0,74%	38,32%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, PJSC
127018, Moscow, 2nd Yamskaya, 4
+7 (495) 747 92 92
www.mrsk-1.ru/en/investors/

IR Division
+7 (495) 747 92 92, ext. 33-34
ir@mrsk-1.ru

Tickers
Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC:RM
MRKC:MM