



## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 14 July some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed with a slight increase of 0.1-0.2%. The DJIA index once again updated the historical maximum, the S&P500 stopped several points from its record, the global MSCI All-Country World Index, adding 0.2% on Thursday, also reached its record high. On Friday similar changes were demonstrated by the main country indices of the Asia-Pacific region. The main driver of the rise of markets is still growth of expectations of a more cautious approach of the Federal Reserve to tightening monetary policy after the speeches of the head of the Central Bank in the US Congress. In particular, investors drew attention to the statement of Janet Yellen that the Fed will raise the rate gradually and can adjust the approach to the policy if inflation is steadily below the target of 2%. September Brent futures traded near the mark of \$48.4 per barrel, at the closing level on 13 July. Quotes continue to consolidate near the levels of November last year, when the OPEC+ countries agreed to limit production. The market is still pressured by information on growth of production in countries that are not parties to the agreement. At the same time, support for oil prices was provided by the June report of the IEA, in which experts improved estimates of the increase in world oil demand this year and reported a reduction in fuel stocks in developed countries.

The MICEX Index and the European Stoxx Europe 600 Index spent the trading session on Friday with low volatile changes near zero. Weak statistics from the US, testifying to the uncertain state of the US economy, was compensated by growth of market expectations in maintaining the Fed's soft policy for a longer time than previously forecast. The pace of annual inflation (Core CPI) in June slowed to a minimum since February 2015, retail sales in June fell against expectations, the consumer confidence index in July fell to a minimum since October 2016. The publication of this data provoked a decline in the dollar – the DXY index fell to the lows since September 2016, and the price rise of government bonds of developed countries. At the same time, the chances for a third increase in the Fed's key interest rate in 2017, according to traders' estimates, fell to less than 50%.

During the trading session the MicexPWR Sector Index looked worse than the broad market. The main contribution to the final decline in the sector indicator in the antiphase with the MICEX Index was made by shares of Rosseti and OGC-2.

## ELECTRIC POWER INDUSTRY NEWS

### Consumers ask to keep the "ceiling" for power prices

The Community of Energy Consumers offers the Ministry of Energy of the Russian Federation to withdraw from consideration the draft government resolution that essentially abolishes the maximum level of prices for the capacity of power plants, explaining that in 2014-2020 the volume of payments for capacity will almost triple without changing the level of demand, up to 984 billion rubles.

Read full text: <http://www.bigpowernews.ru/markets/document78319.phtml>

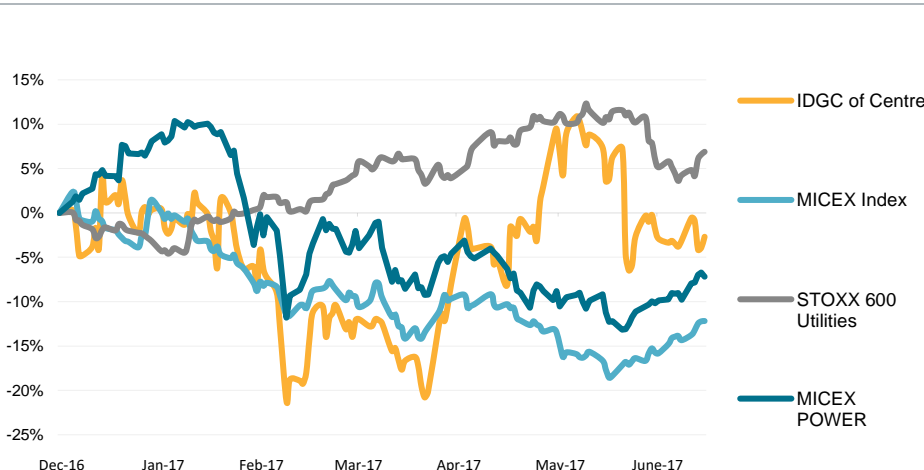
## COMPANY NEWS

### More than 17 thousand consumers requested Kurskenergo's services in the first half of the year

IDGC of Centre – Kurskenergo division summed up the work with customers for the first half of 2017. During the reporting period, 17,148 applications were registered in customer service offices. 96% of them have already been executed.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/60651/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 960,69	0,04%	-12,18%
S&P 500	2 459,27	0,47%	9,85%
FTSE 100	7 378,39	-0,47%	3,30%
DAX	12 631,72	-0,08%	10,02%
DJStoxx 600	386,84	0,18%	7,03%
STOXX Utilities	295,84	0,28%	6,89%
Nikkei	20 118,86	0,09%	5,26%
Sensex	32 020,75	-0,05%	20,26%
CSI300	3 703,09	0,44%	11,87%
Bovespa	65 436,18	0,40%	8,65%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,15	0,69%	9,06%
USD/RUB	60,18	-0,72%	-0,78%
Euro/RUB	68,81	-0,92%	7,84%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 228,70	0,91%	7,08%
Brent*, USD/bbl	48,91	1,01%	-16,88%

\* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4350
Capitalisation**, billion RUB	18,36
Capitalisation**, million USD	305,15

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-0,50%	-7,20%
Shares of IDGC of Centre**	1,28%	-2,68%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-2,77%	-24,03%
FGC UES	-0,53%	-11,42%
IDGC of Volga	3,47%	33,04%
MOESK	1,20%	-5,90%
IDGC of Northern Caucasus	-0,94%	-28,12%
IDGC of Centre and Volga Reg	0,95%	29,26%
IDGC of North-West	1,36%	-18,55%
IDGC of Urals	1,35%	-8,81%
IDGC of Siberia	-1,62%	-19,95%
IDGC of South	0,00%	-23,85%
Lenenergo, ordinary shares	-1,30%	-10,08%
TRK, ordinary shares	5,56%	-20,17%
Kubanenergo	0,40%	-12,76%

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