



## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 23 August some moderately negative external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 fell on average within a third of a percent, on Thursday the composite index of the Asia-Pacific region, MSCI Asia Pacific, showed the comparable changes. The markets were pressured by the publication of the minutes of the last meeting of the Federal Reserve, which fixed the readiness of the leadership of the US Central Bank to further tighten monetary policy amid the steady growth of the economy. According to Bloomberg, the probability of an increase in the interest rate of the Fed in September is more than 90%, another in December – more than 60%. An additional negative factor, though expected, for investors in the Asian session was the information about the entry into force of increased US tariffs for Chinese exports worth \$16 billion and Beijing's announcement of a similar step with regard to imported American goods. At the same time, analysts noted that the US did not abolish decisions on new tariffs despite the fact that negotiations are currently underway in Washington to resolve trade disputes. October Brent futures traded near \$74.5 per barrel, \$0.3 below our closing level on 22 August. Oil prices were adjusting after a 3% rise on Wednesday on the statistics of the US Department of Energy, which recorded a reduction in oil reserves for the week by 5.84 million barrels, while experts expected an average drop of 3 million barrels.

On Thursday the Russian market was dominated by sellers, in the second half of the day the loss of the MOEX Russia Index exceeded a percent. The driver of the decline of our market was again shares of Sberbank, whose decline, despite the strong IFRS financials for 1H2018, was 4.8% due to persistent sanctions risks. In addition, a significant contribution to the decline in the MOEX Russia Index was made by shares of exporters, who lost support of the weak ruble. The dollar-ruble pair, which tested at the beginning of the day the level of RUB 69/\$1 – the maximum since April 2016, retreated from these levels by 2% after the Central Bank announced its suspension of currency purchases until the end of September. "This decision was made in order to increase the predictability of the actions of monetary authorities and reduce the volatility of financial markets," the regulator said in a statement. At the end of the day, the drop in the MOEX Russia Index accelerated to 1.6% after the negative start of trading in the US, where investors continue to follow developments around Donald Trump. In particular, experts note the intensification of the debate about the possibility of impeachment to the US president after his former lawyer pleaded guilty to crimes related to tax evasion and violation of financial discipline.

As a result of the trading session the MicexPWR Sector Index outperformed – the main sales were concentrated in the first-tier shares.

## ELECTRIC POWER INDUSTRY NEWS

### Ministry of Energy of Russia and large energy companies consider premature launch of unified power market of the EAEU in 2019 - says the newspaper

The industry fears that neighbouring countries with undeveloped energy markets will use the Russian energy system to sell surplus of their output. This may reduce the loading of Russian facilities, and revenues of Russian generating companies, according to various estimates, will fall by 110-135 billion rubles a year.

Read full text: <http://www.bigpowernews.ru/markets/document84266.phtml?1&q=>

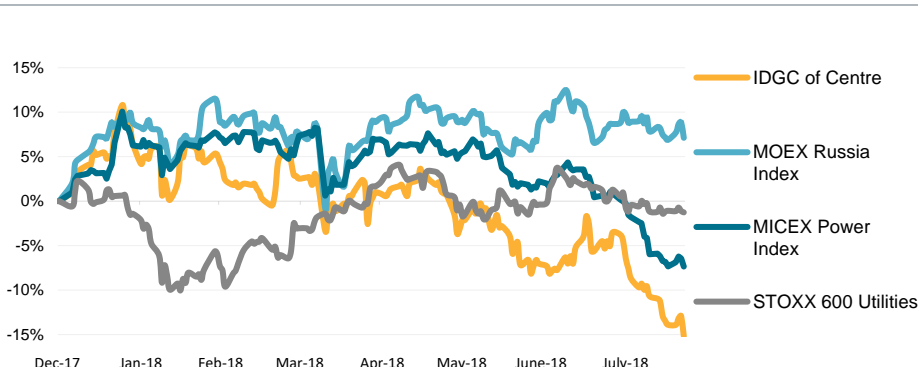
## COMPANY NEWS

### IDGC of Centre has published its performance results for 6 months of 2018 under IFRS, profit for the period is RUB 2.2 bln

IDGC of Centre has published its unaudited interim condensed consolidated financial statements for 3 and 6 months of 2018 in accordance with International Financial Reporting Standards (IFRS), as well as the Management Discussion and Analysis of the Company, including its financial condition and performance results (MD&A).

Read full text: <https://www.mrsk-1.ru/press-center/news/company/65448/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2260,04	-1,61%	7,12%
S&P 500	2857,31	-0,16%	6,87%
FTSE 100	7563,22	-0,15%	-1,62%
DAX	12365,58	-0,16%	-4,27%
DJStoxx 600	383,38	-0,17%	-1,49%
Nikkei	22410,82	0,22%	-1,56%
Sensex	38336,76	0,13%	12,57%
CSI300	3320,03	0,37%	-17,63%
Bovespa	76233,49	-0,87%	-0,22%

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

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	67,6163	0,65%	17,33%
EURO/RUB	78,1983	1,10%	13,68%

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

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1187,84	-0,67%	-8,84%
Brent*, USD/bbl	74,64	-0,19%	11,62%

\* - October futures

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

Shares	Price**, ₽	MCap**, \$ mln	
		₽ bln	\$ mln
IDGC of Centre	0,302	12,75	188,56
IDGC of Centre & Volga Reg	0,289	32,57	481,68

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,15%	-1,26%
MICEX POWER Index	-0,99%	-7,35%
IDGC of Centre**	-2,58%	-15,17%
IDGC of Centre and Volga Region**	0,00%	-4,21%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-2,39%	-16,83%
FGC UES	-0,85%	-5,95%
IDGC of Volga	0,26%	-4,53%
MOESK	-1,70%	-22,69%
IDGC of Northern Caucasus	-6,09%	-23,70%
IDGC of North-West	-0,43%	32,12%
IDGC of Urals	0,00%	-12,41%
IDGC of Siberia	-1,63%	-20,96%
IDGC of South	-2,52%	16,56%
Lenenergo, ordinary shares	-0,25%	22,92%
TRK, ordinary shares	0,64%	-14,82%
Kubanenergo	-2,36%	-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**