



REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 26 July some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed with an increase of 0.3-0.5% following shares of commodity companies that reacted to rising oil and metals prices. Additional support to the market was provided by strong quarterly reports of a number of large American companies and good statistics – the index of consumer confidence in the US rose in July to a maximum since March. On Wednesday the main country indices of the Asia-Pacific region showed a predominantly positive trend – shares of mining and oil companies rose in price thanks to the continuation of the rally in commodity markets, including the US dollar weakening. Negative exception in the Asian session was the Chinese CSI300, which lost about half a percent due to continuing fears of further tightening of financial regulation. September Brent futures traded near \$50.6 per barrel, \$0.6 above our closing level on 25 July. The rise in quotations, which added more than 3% on Tuesday and consolidated above \$50 per barrel, was supported by data of the American Petroleum Institute on reduction of oil reserves in the country by 10.2 million barrels – four times higher than forecasts.

Most of the trading session, the MICEX Index was in a small plus within half a percent – the consolidation of Brent quotations above \$50.5 per barrel and positive sentiment on European markets outweighed the negative background of the threat of new US sanctions. On the eve the House of Representatives of the US Congress almost unanimously adopted a bill on new sanctions against Russia. Now the document will go to the Senate for approval, after which it will be sent for signature to the president. At the same time, political scientists do not exclude that the final version of the document may be amended, given Europe's concern over consequences of the introduction of new sanctions. In particular, the European Commission's statement says that the American bill jeopardizes European interests, including energy security, and the European Commission is ready to take retaliatory measures. At the same time, a representative of the German Foreign Ministry doubted that new sanctions against Russia would be accepted, adding that in Berlin "they cannot accept" the American practice of protecting the interests of their industry under the guise of sanctions. The MICEX Index closed the trading session near daily highs – the Russian market was supported by the rise in oil prices to \$51 per barrel after the announcement by the US Department of Energy of a significant reduction in oil and gasoline reserves in the country last week.

During the trading session, the MicexPWR Sector Index looked significantly better than the broad market. The main contribution to the MicexPWR outperformance in comparison with the MICEX Index was made by shares of Gazprom's generation companies, shares of Inter RAO and Rosseti, continuing rally in shares of several IDGCs. The main driver of the rise in the quotations of these securities are either the publication already made, or the expectation of strong financial results for the first half of the year.

ELECTRIC POWER INDUSTRY NEWS

The government approved the procedure for setting sales markups of suppliers of last resort using the comparison method of analogues

Read full text: <http://www.bigpowernews.ru/markets/document78493.phtml>

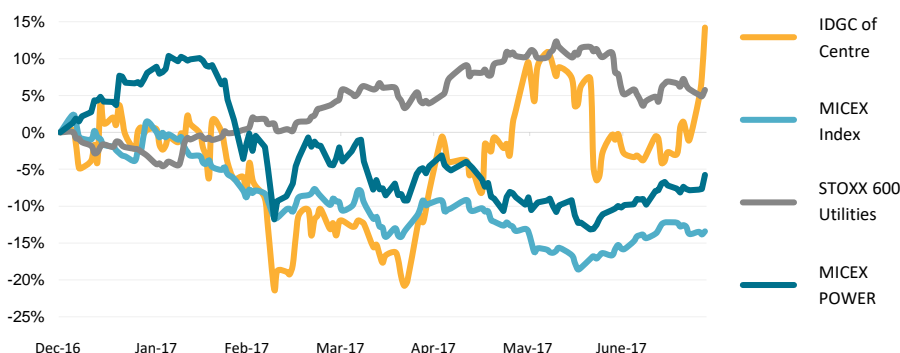
COMPANY NEWS

IDGC of Centre in the first half-year repaired 8 thousand kilometres of power lines and more than 2.5 thousand transformer substations

IDGC of Centre summed up the implementation of the repair program for the first half of 2017. A number of key actions of the document were carried out by the company with exceeding of planned targets. About 976 million rubles were allocated for the implementation of these measures.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/60862/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 933,10	0,49%	-13,42%
S&P 500	2 477,83	0,03%	10,68%
FTSE 100	7 452,32	0,24%	4,33%
DAX	12 305,11	0,33%	7,18%
DJStoxx 600	382,74	0,52%	5,90%
STOXX Utilities	292,68	0,83%	5,75%
Nikkei	20 050,16	0,48%	4,90%
Sensex	32 382,46	0,48%	21,62%
CSI300	3 705,39	-0,38%	11,94%
Bovespa	65 010,57	-1,00%	7,94%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,16	-0,22%	10,55%
USD/RUB	59,82	0,27%	-1,38%
Euro/RUB	69,70	0,33%	9,23%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 260,53	0,84%	9,85%
Brent*, USD/bbl	50,97	1,53%	-13,38%

* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,5105
Capitalisation**, billion RUB	21,55
Capitalisation**, million USD	360,29

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	2,09%	-5,75%
Shares of IDGC of Centre**	6,24%	14,21%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	2,60%	-23,75%
FGC UES	0,06%	-17,69%
IDGC of Volga	7,56%	72,86%
MOESK	2,93%	-2,23%
IDGC of Northern Caucasus	2,14%	-13,38%
IDGC of Centre and Volga Reg	4,80%	60,81%
IDGC of North-West	7,45%	-0,36%
IDGC of Urals	2,81%	0,00%
IDGC of Siberia	5,70%	13,02%
IDGC of South	4,40%	-9,35%
Lenenergo, ordinary shares	1,13%	-10,63%
TRK, ordinary shares	4,87%	-14,08%
Kubanenergo	2,45%	-13,45%

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