



REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 4 July some neutral external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed a shortened session with a 0.5% decline, on Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.2%. The driver of the decline in world markets was shares of the technology sector on news about the aggravation of trade contradictions between the US and the PRC. According to the media, the US telecommunications regulator recommended not to allow the Chinese company China Mobile to the US market "in the interests of national security". In turn, the Chinese court imposed a temporary ban on the sale of products of the American chip maker Micron in China because of a patent dispute with the Taiwanese United Microelectronics. In these conditions, the stock markets of developing countries became outsiders in the Asian session. As analysts say, the potential trade war and its consequences are still the greatest risk for emerging markets. September Brent futures traded near \$78 per barrel, \$0.7 higher than the closing level of 3 July. The growth of oil prices was due to a report of the American Petroleum Institute about a significant drop in oil and gasoline reserves in the country more than forecasts.

On Wednesday the MOEX Russia Index and the European Stoxx Europe 600 Index spent the trading session flat near zero. The activity of traders was low because of the US exchanges closed for the Independence Day celebrations. The focus of investors is still on world trade conflicts. According to the Financial Times, the EU authorities, trying to prevent the escalation of the dispute with the US in a full-scale trade war, are considering the possibility of negotiating to harmonize the general terms of trade with the states - major car manufacturers. In particular, writes the FT, the European Commission is studying the possibility of concluding a multilateral agreement on duties on certain products between the world's largest automakers, including the US, South Korea and Japan. Against this background, good European statistics - in June the index of business activity in the service sector of the Eurozone rose to a maximum in four months - could not provide significant support to buyers.

During the trading session the MicexPWR Sector Index outperformed mainly due to purchases in shares of Inter RAO and Unipro.

ELECTRIC POWER INDUSTRY NEWS

The State Duma adopted a law on reducing energy consumption by budget organizations

The State Duma adopted a law aimed at reducing the consumption of energy resources by budgetary organizations. The document, in order to reduce the financial burden on budgets of all levels, cancels compulsory energy inspections, and also introduces requirements for the provision of declarations on the use of energy resources for a reporting year to the Ministry of Energy of the Russian Federation for state authorities and local governments, state and municipal institutions.

Read full text: <http://www.bigpowernews.ru/markets/document83660.phtml>

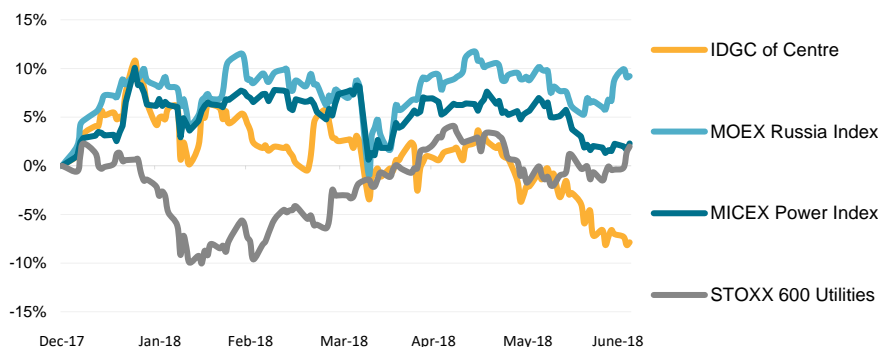
COMPANY NEWS

IDGC of Centre and IDGC of Centre and Volga Region participate in the project of creating a single digital communication network in the domestic power grid complex

Specialists of IDGC of Centre and IDGC of Centre and Volga Region, as part of the working group, created by Rosseti Group of Companies and leading producers of the telecommunications infrastructure, participate in the development of the concept of building a single digital communication network of the domestic power grid complex. The goal of the project is to create a highly automated data network that supports protocols of the IEC group of standards, managed in real time, monitoring parameters and operating modes of segments and supporting self-diagnostics and self-healing functions.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/64527/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 304,06	0,10%	9,21%
S&P 500	2 713,22	0,00%	1,48%
FTSE 100	7 573,09	-0,27%	-1,49%
DAX	12 317,61	-0,26%	-4,65%
DJStoxx 600	380,05	0,06%	-2,35%
Nikkei	21 717,04	-0,31%	-4,60%
Sensex	35 645,40	0,75%	4,66%
CSI300	3 363,75	-1,34%	-16,55%
Bovespa	74 743,11	1,46%	-2,17%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	63,22	0,13%	9,70%
EURO/RUB	73,70	0,32%	7,15%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 254,99	0,18%	-3,67%
Brent*, USD/bbl	78,24	0,62%	20,82%

* - September futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3280	13,85	219,04
IDGC of Centre & Volga Reg	0,2995	33,75	533,90

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,63%	1,98%
MICEX POWER Index	0,70%	2,31%
IDGC of Centre**	0,31%	-7,87%
IDGC of Centre and Volga Region**	-0,50%	-0,73%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,35%	-3,79%
FGC UES	0,24%	16,01%
IDGC of Volga	-1,09%	14,61%
MOESK	-0,29%	-23,69%
IDGC of Northern Caucasus	0,62%	-15,89%
IDGC of North-West	-1,56%	21,73%
IDGC of Urals	0,27%	-11,46%
IDGC of Siberia	0,00%	-6,11%
IDGC of South	2,48%	3,68%
Lenenergo, ordinary shares	0,96%	19,90%
TRK, ordinary shares	2,19%	-11,86%
Kubanenergo	-0,85%	-25,38%

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