



REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 19 September some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 increased by 0.1-0.3%, while both indices again updated their historical highs. At the same time, on Tuesday most of the main Asian Pacific country indices traded in a small minus, with the exception of the Japanese Nikkei225, which added 2%. The Japanese market played back the global recovery the day before after its long weekend – on Monday Japanese exchanges were closed for the holiday, a weakening of the yen and information on possible early parliamentary elections. In general, expectant attitudes prevail in the markets ahead of the Fed's two-day meeting. Analysts do not expect a change in the monetary policy of the US Central Bank, but it is expected that the Fed will announce the beginning of asset reduction on its balance sheet, whose volume after stimulating programs is about \$4.5 trillion. November Brent futures traded near \$55.5 per barrel, \$0.4 higher than the closing level on 18 September. The rise in quotations was promoted by statements of the Iraqi oil minister that his country and several other OPEC countries offer to cut production by another 1%. As analysts note, if the idea is supported by all participants in the OPEC+ deal, then additional 18 thousand barrels of oil per day, or 6.6 million barrels per year, will leave the market.

The MICEX Index was most of the trading session on Tuesday in a small minus in the range of half a percent within the general trend of profit-taking in the emerging markets ahead of the Fed's monetary policy decision to be announced tonight. Stock indices of the countries of Western Europe did not demonstrate a single trend – as MarketWatch writes, traders behave cautiously on the eve of the US Central Bank's benchmark meeting. Market participants expect that in October the Federal Reserve will reduce the volume of reinvestment of bond revenues by \$10 billion a month, which, in fact, analysts say, will mean the completion of stimulating policies on a global scale and may put pressure on all risky assets. The published statistics were ambiguous and did not have a significant impact on investors' sentiment: the German ZEW index of confidence in the German economy increased more than expected in September, the number of new buildings in the US unexpectedly declined in August, but turned out to be higher than expected due to the revision of the indicator for July in the bigger direction.

As a result of the trading session the MicexPWR Sector Index underperformed mainly due to a decrease in securities of Rosseti and FGC UES. Shares of Rosseti on Tuesday lost more than 5% on Kommersant's information that Rosseti can conduct an additional share issue for 9 billion rubles in favour of the state to finance projects in the Crimea. "Increase of share capital by 9.0 billion rubles corresponds to 4% of the current market capitalization of Rosseti (excluding preferred shares). In this regard, we expect a negative market reaction, given that the market generally does not like any issue of new shares," Aton's analysts commented the piece of news.

ELECTRIC POWER INDUSTRY NEWS

MED plans indexation of tariffs based on target inflation of 4%

The Ministry of Economic Development did not change the approaches to indexing tariffs of natural monopolies on the basis of inflation minus, despite the slowdown in the inflation rate in the country, the head of the Ministry of Economic Development Maxim Oreshkin told reporters on Monday.

Read full text: <http://www.bigpowernews.ru/markets/document79686.phtml>

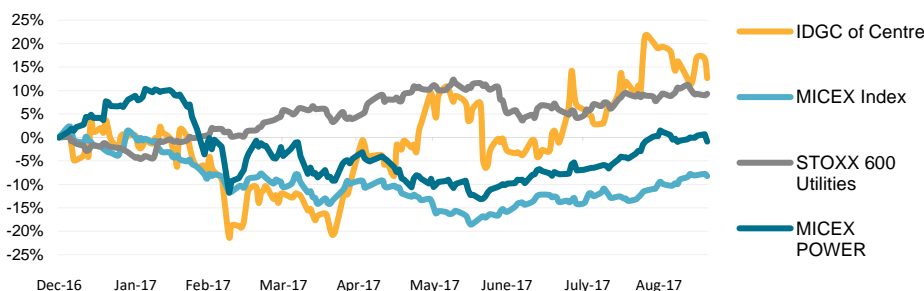
COMPANY NEWS

IDGC of Centre showed journalists power facilities that ensure the reliability of the power grid complex in the Kursk region

On 15 September, a press-tour "Partnership aimed at energy security of Russia" was organized by IDGC of Centre, System Operator of the Unified Energy System and Kursk NPP for regional mass media at power facilities of the Kursk region.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/61405/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 048,99	-0,49%	-8,23%
S&P 500	2 506,65	0,11%	11,96%
FTSE 100	7 275,25	0,30%	1,85%
DAX	12 561,79	0,02%	9,41%
DJStoxx 600	382,12	0,04%	5,73%
STOXX Utilities	302,52	0,29%	9,30%
Nikkei	20 299,38	1,96%	6,20%
Sensex	32 402,37	-0,07%	21,69%
CSI300	3 832,12	-0,29%	15,77%
Bovespa	75 974,18	-0,02%	26,15%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,20	0,34%	13,85%
USD/RUB	57,62	0,16%	-5,00%
Euro/RUB	68,75	0,25%	7,74%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 311,15	0,28%	14,26%
Brent*, USD/bbl	55,14	-0,61%	-6,18%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,5035
Capitalisation**, billion RUB	21,26
Capitalisation**, million USD	368,89

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-1,54%	-0,89%
Shares of IDGC of Centre**	-3,54%	12,64%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-5,28%	-7,42%
FGC UES	-1,81%	-16,04%
IDGC of Volga	-0,79%	101,79%
MOESK	-0,67%	-1,00%
IDGC of Northern Caucasus	1,58%	-12,47%
IDGC of Centre and Volga Reg	-0,78%	122,23%
IDGC of North-West	-2,08%	11,45%
IDGC of Urals	-2,32%	15,20%
IDGC of Siberia	-2,57%	54,12%
IDGC of South	0,88%	-12,79%
Lenenergo, ordinary shares	-0,72%	-0,45%
TRK, ordinary shares	0,00%	-14,92%
Kubanenergo	0,14%	-16,44%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

MRKC
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