



REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 22 October some moderately positive external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed in different directions with changes within 0.3%. The positive quarterly statements of a number of large American companies, including Procter&Gamble, PayPal and American Express, were offset by weak statistics – in the US, home sales in the secondary market in September fell to a minimum of 3 years. On Monday the composite stock index of the Asia-Pacific region, MSCI Asia Pacific, added 0.5% after the confident rise in the Chinese market. The CSI300 index jumped 4.3% thanks to statements by the authorities about supporting the economy in the context of a trade war with the US. In particular, the Chinese regulators announced a preliminary plan to reduce the tax burden for Chinese citizens from 1 January 2019. This measure, writes Bloomberg, will help support the consumer sector in China, which is the main engine of the country's economy, and will help protect it from external shocks. In addition, as the economy slows down, Nomura's analysts expect other stimulus measures in the coming months, including easing monetary policy. December Brent futures traded near \$80.4 per barrel, at the level of our close on Friday, 19 October.

The MOEX Russia Index spent the first half of the trading session in a small plus within half a percent due to moderately positive sentiment on world markets. The index of emerging markets MSCI EM and the Stoxx Europe 600 Index added more than half a percent on expectations of stimulating the Chinese economy. In addition, the resold last week shares of Yandex and Sberbank were supported by Yandex's contradiction of the rumours about a possible purchase of a large stake in the company by the state represented by Sberbank. In the second half of the day the MOEX Russia Index moved to negative territory following the decline in Brent quotes to \$79 a barrel. The negative background for the oil market was the statements of Saudi Arabia about plans to increase production to 11 million barrels per day and a message from Baker Hughes about an increase in existing oil drilling rigs in the US to a record number from 2015. Additional pressure on the domestic export-oriented market was put by half a percent appreciation of the ruble against the dollar.

At the end of the trading session the MicexPWR Sector Index outperformed – the main sales were concentrated in liquid securities of the first tier.

ELECTRIC POWER INDUSTRY NEWS

The government approved the amendments necessary for the indexation of utility tariffs in Russia in 2019 in two stages

The Russian government has made changes to the regulatory framework that will allow for an increase in utility tariffs in 2019 in two stages due to the planned increase in the value-added tax (VAT) from 18% to 20%, follows from the resolution of the Cabinet of Ministers published on the official legal information portal.

Read full text: <http://www.bigpowernews.ru/markets/document85023.phtml>

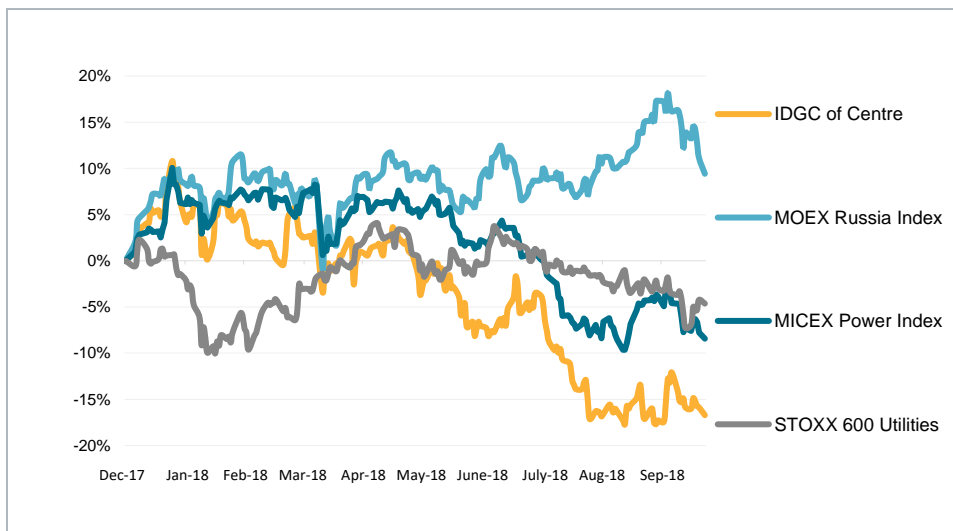
COMPANY NEWS

More than 4,000 hectares of more than 6 thousand km of ROWs of overhead lines in the Tver region cleared - Igor Makovskiy

"More than 4,468 hectares of more than 6,000 km of ROWs of overhead lines in the Tver region were cleared from bushes and trees," said Igor Makovskiy, General Director of IDGC of Centre - the managing organization of IDGC of Centre and Volga Region. According to the head of the company, the expansion was also carried out in the amount of 595.9 hectares along 346.8 km of overhead lines of the main grid.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66213/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 308,56	-1,55%	9,42%
S&P 500	2 755,88	-0,43%	3,08%
FTSE 100	7 042,80	-0,10%	-8,39%
DAX	11 524,34	-0,26%	-10,79%
DJStoxx 600	359,74	-0,42%	-7,56%
Nikkei	22 614,82	0,37%	-0,66%
Sensex	34 134,38	-0,53%	0,23%
CSI300	3 270,27	4,32%	-18,87%
Bovespa	85 596,69	1,63%	12,03%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	65,81	0,14%	14,20%
EURO/RUB	75,32	-0,32%	9,50%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 222,10	-0,36%	-6,19%
Brent*, USD/bbl	79,83	0,06%	19,38%

* - December futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	Change	
		₺ bln	MCap**, \$ mln
IDGC of Centre	0,2965	12,52	190,20
IDGC of Centre & Volga Reg	0,2850	32,12	488,03

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,43%	-4,63%
MICEX POWER Index	-0,69%	-8,42%
IDGC of Centre**	-1,00%	-16,71%
IDGC of Centre and Volga Region**	-0,18%	-5,54%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	1,47%	-10,95%
FGC UES	-0,65%	-5,58%
IDGC of Volga	-1,02%	-0,68%
MOESK	-0,14%	-22,91%
IDGC of Northern Caucasus	0,70%	-24,74%
IDGC of North-West	-1,50%	25,96%
IDGC of Urals	0,29%	-18,14%
IDGC of Siberia	0,00%	-24,45%
IDGC of South	-1,84%	25,08%
Lenenergo, ordinary shares	-3,92%	22,71%
TRK, ordinary shares	-1,88%	-15,36%
Kubanenergo	0,40%	-35,71%

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