



## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 28 September some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 rose by 0.2-0.3%, on Friday the composite index of the Asia-Pacific region, MSCI Asia Pacific, increased by 0.4%. The markets were supported by strong US statistics: the final estimate of the US GDP growth in the second quarter was confirmed at 4.2% – the maximum of four years, data on orders for durable goods in August and applications for unemployment benefits were better than expectations. Japanese stocks became the driver of the MSCI Asia Pacific rise – the Nikkei225 index added 1.4% and updated the highest level since 1991 on good statistics: inflation and unemployment in September, as well as retail sales in August were better than economists' forecasts. November Brent futures traded near \$81.8 per barrel, slightly above our 27 September close. Oil quotes for the second day have been consolidating near the four-year highs in the absence of drivers for further growth.

On Friday the Russian market recorded profit after a 2% rise in the MOEX Russia Index on the eve. The reason for sales was the worsening of moods on world markets due to problems in Italy. In the middle of the day, the MOEX Russia Index and the index of emerging markets MSCI EM lost on average about 0.5%, the European Stoxx Europe 600 Index – 1.5%, the Italian index FTSE MIB – more than 4%. The government of Italy on Thursday set a benchmark for the budget deficit for the next three years at 2.4% of the GDP after the ruling populist parties demanded that the finance minister allocate more funds for fulfilling election promises. At the same time, reminds Bloomberg, earlier the Italian authorities made it clear that they would seek a deficit of 1.9%. As analysts say, this decision will lead to increased tensions in relations with the European Commission and could lead to a decrease in the credit ratings of Italy. The size of the budget deficit in Italy, writes MarketWatch, raises serious concerns among investors, as the country's economy is systemically important for the Eurozone and the European Union. At the end of the day, the MOEX Russia Index was able to recover all the daily losses after the resumption of oil price growth – Brent prices rose to around \$82.8 per barrel.

During the trading session the MicexPWR Sector Index underperformed. The main contribution to the final MicexPWR decline in antiphase with the MOEX Russia Index was made by shares of Inter RAO and RusHydro.

## ELECTRIC POWER INDUSTRY NEWS

### Oil producers spoke for the right to reserve

As "Kommersant" has found out, oil producers joined the metallurgical companies to fight against the reform of electric grid tariffs approved by the prime minister. Gazprom Neft, LUKOIL and Surgutneftegaz asked Dmitry Medvedev to cancel one of the most hard-hitting points of the energy reform - the initiative of the Ministry of Energy to introduce payment for the unused reserve of grid capacity. The companies believe that the project has not been worked out and unnecessarily presses on the business. In addition, the list of enterprises that require not to introduce the payment for the reserve was supplemented by the GAZ group of Oleg Deripaska.

Read full text: <https://www.kommersant.ru/doc/3753643>

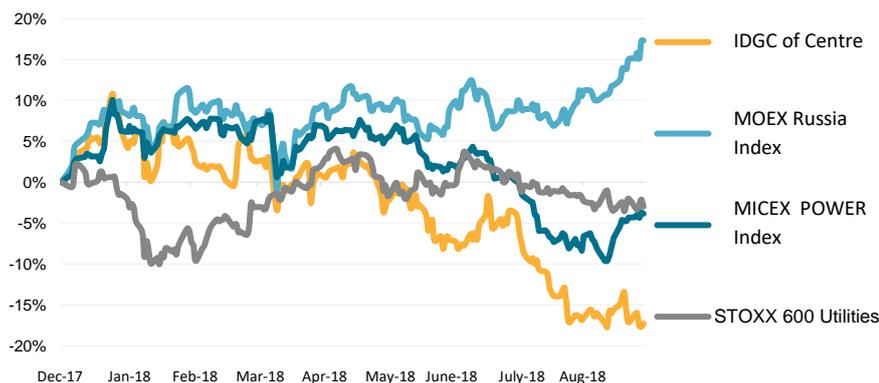
## COMPANY NEWS

### Smolenskenergo's power engineers opened the doors of Yartsevsky Distribution Zone for students

On the Open Doors Day for students of the 1st and 2nd year of the Yartsevo industrial technical school, employees of Yartsevsky Distribution Zone of IDGC of Centre - Smolenskenergo division held an event timed to the All-Russian Energy Saving Festival #VmesteYarche.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/65876/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 475,36	0,03%	17,33%
S&P 500	2 913,98	0,00%	8,99%
FTSE 100	7 510,20	-0,47%	-2,31%
DAX	12 246,73	-1,52%	-5,19%
DJStoxx 600	383,18	-0,83%	-1,54%
Nikkei	24 120,04	1,36%	5,95%
Sensex	36 227,14	-0,27%	6,37%
CSI300	3 438,86	1,04%	-14,69%
Bovespa	79 342,42	-0,82%	3,85%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	65,84	0,12%	14,24%
EURO/RUB	77,04	-0,44%	12,00%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 190,88	0,68%	-8,59%
Brent*, USD/bbl	82,73	1,66%	30,00%

\* - November futures

Source: Bloomberg, Company calculations

Shares	Price**, P	MCap**, P bln	MCap**, \$ mln
IDGC of Centre	0,2945	12,43	188,85
IDGC of Centre & Volga Reg	0,2800	31,56	479,31

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,86%	-2,98%
MICEX POWER Index	-0,21%	-3,85%
IDGC of Centre**	0,51%	-17,28%
IDGC of Centre and Volga Region**	-0,18%	-7,19%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,29%	-12,42%
FGC UES	-0,81%	2,50%
IDGC of Volga	-0,61%	-4,34%
MOESK	1,01%	-22,02%
IDGC of Northern Caucasus	6,69%	-25,26%
IDGC of North-West	0,00%	27,50%
IDGC of Urals	0,84%	-14,32%
IDGC of Siberia	-1,65%	-21,83%
IDGC of South	0,91%	29,26%
Lenenergo, ordinary shares	0,00%	31,25%
TRK, ordinary shares	0,00%	-13,21%
Kubanenergo	-0,36%	-30,36%

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**