

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 15 November some neutral external background formed on the Russian market. Major US indices closed Thursday with mixed changes within 0.1% amid uncertain prospects for a US-China trade agreement. According to media reports, the negotiations have reached an impasse due to the fact that the parties, despite the existence of preliminary agreements, are not ready to concede to each other on a number of fundamental points. In particular, discussions continue on Beijing's purchase of agricultural products from the US, the scale of Washington's abolition of duties on Chinese goods and the problems of protecting intellectual property in China. On Friday the composite index of the Asia-Pacific region MSCI Asia Pacific and futures for US indices added 0.6% and 0.3% respectively, according to statements by the White House economic adviser Larry Kudlow that the US and China are nevertheless approaching an intermediate trading agreement. January Brent futures were trading around \$62.5 per barrel, \$0.5 below our close on 14 November. The market was pressured by the message of the US Department of Energy about the growth of oil reserves above expectations and a new record for oil production in the country – 12.8 million barrels per day.

On Friday, the MOEX Russia Index, the consolidated Stoxx Europe 600 Index and futures for US indices for the most part of the day showed moderately positive changes, adding on average within a third of a percent. The reason for cautious optimism was the growth of investors' expectations regarding the successful outcome of trade negotiations. The positive statements of Larry Kudlow were somewhat strengthened by the statements of US Secretary of Commerce Wilbur Ross that the parties made progress in the details of the agreement on the first phase of the transaction and there is a very high probability that Washington and Beijing will sign this document. At the same time, Reuters writes, Wilbur Ross could not name the possible dates for this event and could not answer the question whether the deal would be concluded before 15 December, when the US plans to introduce additional duties on Chinese imports in the amount of about \$150 billion a year. Support for investors in the afternoon was provided by good statistics from the US, where retail sales in October increased more than expected. According to experts, consumer demand is one of the main drivers of the US economic growth this year, and new data make it possible to expect that these trends will continue at least until the end of the year. An additional positive factor for the Russian market was the return of Brent quotes above \$62.5 per barrel after a daily drawdown and media information about the December 9 Paris-style summit in the "Norman format" to resolve the situation in Donbass. As Reuters noted, this will be the first meeting of the leaders of France, Germany, Russia and Ukraine in more than three years after a breakthrough in negotiations between Russia and Ukraine in October.

At the end of the trading session, the electric utilities sector index underperformed. Shares of Unipro and Inter RAO made the main contribution to a slight decline of the MOEXEU in antiphase with the MOEX Russia Index.

ELECTRIC POWER INDUSTRY NEWS

The first two national standards on the electric power industry information model were approved

Rosstandart approved two national standards: GOST R 58651.1-2019 "Unified energy system and isolated energy systems. Information model of the electric power industry. Basic Provisions" and GOST R 58651.2-2019 "Unified Energy System and Isolated Power Systems. Information model of the electric power industry. Basic Profile Information Model".

Read full text: <http://www.bigpowernews.ru/markets/document90675.phtml>

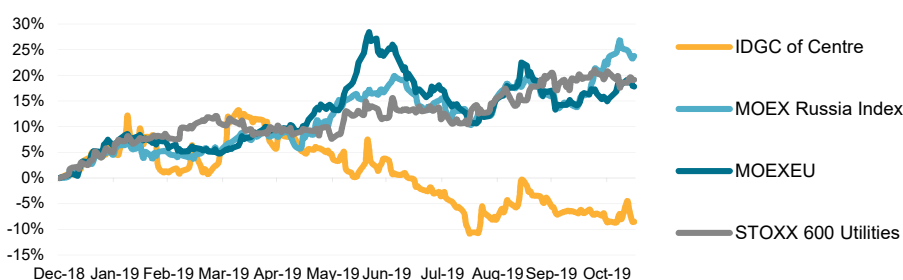
COMPANY NEWS

Rosseti Centre and Rosseti Centre and Volga Region transferred more than 23.5 billion rubles to budgets of various levels and extra-budgetary funds from the beginning of the year

The companies Rosseti Centre (IDGC of Centre, PJSC) and Rosseti Centre and Volga Region (IDGC of Centre and Volga Region, PJSC) are responsible taxpayers, promptly and faithfully fulfilling their tax obligations. For nine months, deductions of the companies to budgets of different levels amounted to 23.673 billion rubles.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/70199/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 934,82	0,42%	23,87%
S&P 500	3 120,46	0,77%	24,48%
FTSE 100	7 302,94	0,14%	8,54%
DAX	13 241,75	0,47%	25,41%
DJStoxx 600	406,04	0,40%	20,25%
Nikkei	23 303,32	0,70%	16,43%
Sensex	40 356,69	0,17%	11,89%
CSI300	3 877,09	-0,74%	28,78%
Bovespa	106 556,90	0,00%	21,24%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,21	0,01%	-7,57%
EURO/RUB	70,68	0,01%	-11,06%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 468,21	-0,22%	14,48%
Brent*, USD/bbl	63,3	1,64%	17,66%

* - January futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**,	
		₽ bln	\$ mln
IDGC of Centre	0,2616	11,04	172,00
IDGC of Centre & Volga Reg	0,2002	22,56	351,38

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,03%	19,21%
MOEXEU	-0,11%	17,87%
IDGC of Centre**	0,00%	-8,53%
IDGC of Centre and Volga Region**	-0,35%	-24,45%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,82%	51,52%
FGC UES	0,74%	28,61%
IDGC of Volga	-0,63%	-19,85%
MOESK	0,89%	54,32%
IDGC of Northern Caucasus	5,41%	142,14%
IDGC of North-West	0,20%	-8,38%
IDGC of Urals	0,00%	-10,08%
IDGC of Siberia	-0,74%	95,12%
IDGC of South	0,43%	7,53%
Lenenergo, ordinary shares	0,71%	33,27%
TRK, ordinary shares	-2,15%	18,18%
Kubanenergo	-7,23%	26,23%

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