



REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 21 December some negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed with a decline of 1.6-2.0%, on Friday the consolidated stock index of the Asia-Pacific region MSCI Asia Pacific lost 0.7%. First of all, negative background for investors was concerns about the possible suspension of the work of the US government and government agencies since December 22. On the eve the US Senate approved a temporary budget until 8 February, but it does not include \$5 billion that Donald Trump demanded to build a wall on the border with Mexico. As a result, the American president announced that he would not sign the interim budget without funding the wall. Secondly, the administration of Donald Trump brought charges against two hackers, allegedly related to Chinese intelligence, who were conducting espionage actions against dozens of American companies. According to analysts, this could be the beginning of a new round of conflict between the US and China and adversely affect trade negotiations between countries. February Brent futures traded around \$54.9 per barrel, \$0.9 below our December 20 close. Oil prices continue updating annual lows on fears of a slowdown in global economic growth and lower fuel demand.

World equity markets remain under pressure from sales – investors are moving away from risk amid tightening of monetary policy by world central banks and fears that the peak of the world economy has already been passed and further deceleration is expected. In the middle of the trading session, the MOEX Russia Index and the European Stoxx Europe 600 Index lost about one percent, futures for US indices – about 0.5%. An additional negative factor for the domestic market was the fall of Brent quotes to the level of \$52.8 per barrel. At the end of the day, stock markets were supported by news from China and the US. Chinese authorities announced plans to increase support for the economy in 2019, including monetary and fiscal stimulus measures. The estimate of the US GDP growth in the third quarter was revised down to 3.4% from 3.5%; estimates of growth in consumer spending and a decrease in export volumes were revised for the worse. At the same time, the head of the Federal Reserve Bank of New York said that the Fed's signals about a smooth increase in the rate are not a promise, and that the Fed will correct them in accordance with economic statistics and forecasts.

At the end of the trading session changes of the MicexPWR Index as a whole corresponded to the market. The main contribution to the MicexPWR reduction was made by shares of Unipor and Inter RAO.

From the current news one can note statements of the head of ROSSETI. Firstly, ROSSETI plans to increase dividends in absolute terms for 2018 compared to 2017. Secondly, the energy holding expects net profit for the current year under IFRS at the level of 130-140 billion rubles, according to RAS – in the range of 30-50 billion rubles.

ELECTRIC POWER INDUSTRY NEWS

The Ministry of Energy rejected comments on the draft resolution on the introduction of fees for the grid capacity reserve and intends to submit it to the Government before the end of the year

According to the Ministry of Energy, the resolution may be taken in early 2019, the document will be sent to the Government by the end of December, after signing minutes of disagreements.

Read full text: <http://www.bigpowernews.ru/markets/document86094.phtml>

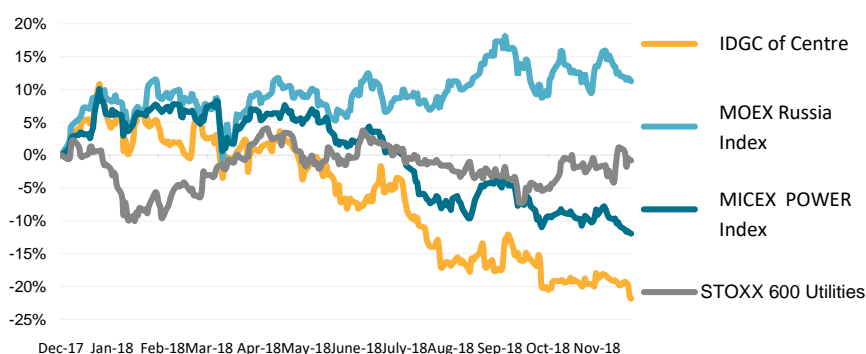
COMPANY NEWS

Governor of the Tver Region Igor Rudenya and General Director of IDGC of Centre - the managing organization of IDGC of Centre and Volga Region Igor Makovskiy reported on the results of the exercises to Minister of Energy of Russia Alexander Novak and Director General of ROSSETI Pavel Livinskiy

"All assigned tasks have been completed. As a result of the exercises, 1 million 200 thousand residents of the Tver region receive high-quality energy supply. The power engineers of IDGC of Centre and IDGC of Centre and Volga Region are ready for unconditional provision of reliable power supply to consumers," the head of IDGC of Centre and IDGC of Centre and Volga Region emphasized.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66868/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 347,17	-0,24%	11,25%
S&P 500	2 416,62	-2,06%	-9,61%
FTSE 100	6 721,17	0,14%	-12,57%
DAX	10 633,82	0,21%	-17,68%
DJStoxx 600	336,67	0,03%	-13,49%
Nikkei	20 166,19	-1,11%	-11,42%
Sensex	35 742,07	-1,89%	4,95%
CSI300	3 029,40	-1,24%	-24,84%
Bovespa	85 697,15	0,50%	12,17%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	67,37	0,39%	16,90%
EURO/RUB	76,94	0,61%	11,85%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 256,94	-0,23%	-3,52%
Brent*, USD/bbl	53,82	-0,98%	-19,52%

* - February futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,27	30,43	451,65

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,07%	-0,80%
MICEX POWER Index	-0,17%	-11,94%
IDGC of Centre**	-0,50%	-21,85%
IDGC of Centre and Volga Region**	0,37%	-10,51%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,55%	-6,00%
FGC UES	1,28%	-5,52%
IDGC of Volga	0,15%	-3,41%
MOESK	-0,30%	-26,53%
IDGC of Northern Caucasus	-0,14%	-26,56%
IDGC of North-West	-1,51%	0,38%
IDGC of Urals	-0,22%	-14,75%
IDGC of Siberia	3,66%	-13,45%
IDGC of South	-0,18%	-8,19%
Lenenergo, ordinary shares	-0,73%	13,54%
TRK, ordinary shares	0,00%	-9,43%
Kubanenergo	-1,19%	-36,22%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, PJSC

127018, Moscow, 2nd Yamskaya, 4

+7 (495) 747 92 92

<http://mrsk-1.com/en/investors/>

IR Division

+7 (495) 747 92 92, ext. 33-34

ir@mrsk-1.ru

Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

MRKC

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