



REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 19 December some moderately negative external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed with a slight increase in the range of 0.4%. The markets were supported by strong statistics – the number of new buildings in the USA unexpectedly increased in November. In addition, the head of the US Treasury said that the US and China plan to hold trade negotiations in January. According to him, the parties want to agree on a wider trade truce in order to prepare documents for signing by 1 March, when the truce on duty expires. Papers of the commodity sector underperformed following a fall in prices for oil and metals. On Wednesday the composite stock index in the Asia-Pacific region MSCI Asia Pacific added 0.2% with multidirectional changes of the country indices, futures for US indices grew by 0.5%. Negative background for traders in the Asian session was weak data from Japan, indicating a sharp slowdown in export growth in November amid weakening demand in Asian countries, including China. This heightened investors' anxiety due to the fact that the trade dispute between the US and China has a negative effect on the Japanese economy. February Brent futures traded around \$56.6 per barrel, \$1.7 below our 18 December close. Brent quotes fell 5.6% on Wednesday on fears of oversupply in the face of rising US production and reserves. So, the statistics of the American Petroleum Institute recorded an unexpected increase in oil reserves in the US last week.

The MOEX Russia Index spent most of the day in a small minus within half a percent, playing back the decline in oil prices. The activity of sellers in the domestic market was restrained by moderately positive sentiments in European and emerging markets – the European Stoxx Europe 600 Index and the MSCI EM Index added about 0.5%. Investors were supported by media reports that Italy reached an agreement with the EU on the country's budget for 2019. The compromise budget, writes the Financial Times, provides for a deficit of just over 2% of the GDP compared to the original 2.4%, which violated the EU rules and could lead to disciplinary measures by the European Commission. In general, the attention of traders focused on the decision of the Fed at the rate on Wednesday evening and the announcement of future plans to tighten monetary policy. According to the Chicago Stock Exchange, the probability of the fourth Fed rate hike this year is over 66%. At the same time, many experts believe that the US Central Bank may signal an earlier end of the monetary tightening cycle amid financial market volatility and growing concerns about a recession. At the end of the trading session, the MOEX Russia Index moved to positive territory due to the rise in Brent quotes to \$57.4 per barrel and the growth of US indices by more than 0.8% on strong statistics – sales of houses on the secondary market in the US unexpectedly rose in November.

At the end of the day the MicexPWR Index underperformed mainly due to a fall in shares of RusHydro and Unipro.

ELECTRIC POWER INDUSTRY NEWS

Alexander Novak, Minister of Energy of the Russian Federation, met with members of the State Duma of the Russian Federation, members of the United Russia inter-faction group

The Minister expressed the hope that with the start of the new tariff cycle on 1 July 2019 long-term tariffs would be introduced in the electric power industry.

Read full text: <https://minenergo.gov.ru/node/13504>

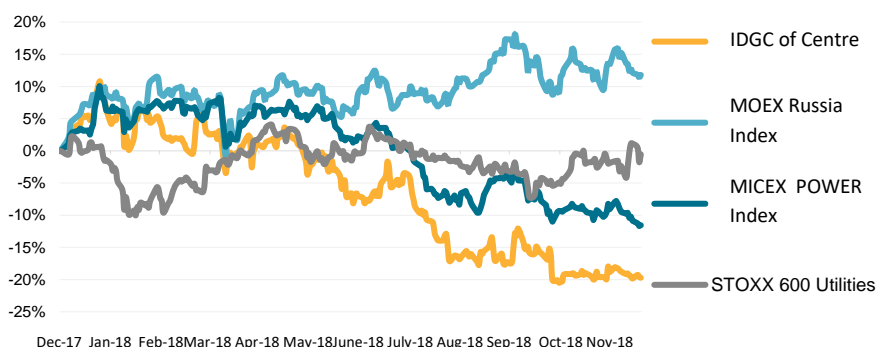
COMPANY NEWS

IDGC of Centre for ten months delivered 38.5 billion kWh of electricity to consumers

IDGC of Centre summed up the production activities for ten months of 2018. The amount of boiler electricity supply amounted to 38.5 billion kWh, having increased over the same period last year by 0.05 billion kWh. Revenue from electricity transmission services increased by 2.0 billion rubles and amounted to 73.6 billion rubles.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66845/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 358,58	0,35%	11,79%
S&P 500	2 506,96	-1,54%	-6,23%
FTSE 100	6 765,94	0,96%	-11,99%
DAX	10 766,21	0,24%	-16,65%
DJStoxx 600	341,52	0,31%	-12,25%
Nikkei	20 987,92	-0,60%	-7,81%
Sensex	36 484,33	0,38%	7,13%
CSI300	3 091,13	-1,19%	-23,31%
Bovespa	85 673,52	-1,08%	12,14%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	66,75	0,19%	15,82%
EURO/RUB	75,78	0,52%	10,16%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 243,08	-0,51%	-4,58%
Brent*, USD/bbl	57,24	1,74%	-14,40%

* - February futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.17
IDGC of Centre	0,2858	12,07		180,77
IDGC of Centre & Volga Reg	0,2703	30,46		456,39

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	1,26%	-0,53%
MICEX POWER Index	0,13%	-11,57%
IDGC of Centre**	-0,14%	-19,72%
IDGC of Centre and Volga Region**	-0,26%	-10,41%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	2,55%	-6,01%
FGC UES	0,09%	-6,34%
IDGC of Volga	-0,70%	-3,85%
MOESK	0,98%	-25,47%
IDGC of Northern Caucasus	-1,11%	-25,83%
IDGC of North-West	1,34%	2,12%
IDGC of Urals	-3,35%	-14,56%
IDGC of Siberia	-1,10%	-13,28%
IDGC of South	-0,72%	-7,86%
Lenenergo, ordinary shares	0,55%	15,21%
TRK, ordinary shares	1,82%	-9,43%
Kubanenergo	2,85%	-35,46%

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
MRKC:RM
MRKC:MM