

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 3 September some moderately negative external background formed on the Russian market. On Monday the US stock exchanges were closed in connection with the celebration of Labor Day. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific and futures on the S&P500 lost 0.2% and 0.6%, respectively. Investors were alarmed by Bloomberg's announcement that the US and China could not yet agree on terms for resuming trade negotiations. According to the agency sources, the US offered China to set certain parameters for the next round of negotiations, but this proposal remained unanswered, while representatives of the PRC suggested Washington refuse to introduce new duties, but did not find support. November Brent futures were trading around \$58.6 per barrel, \$0.3 higher than our close on 2 September.

On Tuesday, sellers dominated global stock markets. The inability of the US and China to agree on a schedule for future negotiations reinforced investors' pessimism about the prospects for a trade deal in particular and the global economy as a whole. An additional negative factor for the markets was information about the growing political crisis in the UK. The British Prime Minister announced his intention to hold early parliamentary elections in the event that on Tuesday Parliament passes a bill aimed at preventing the country from leaving the European Union without an agreement. In the middle of the day, the MOEX Russia Index and the Stoxx Europe 600 Index lost about a third and a half percent, respectively, the MSCI EM emerging markets index and S&P500 futures lost about a percent. In Europe, the potential for lowering indices was limited by the weakening of the euro against the dollar, which supported exporters. The Russian market looked better than world markets thanks to the ongoing rally in Surgutneftegas's shares – on Tuesday the company's capitalization jumped 15%. The turnover (in pieces) in these securities was a record for the entire trading period on the Moscow Exchange; Surgutneftegas's shares on Tuesday accounted for 45% of the ruble volume of the main trading mode on the Moscow Exchange – 31.3 billion rubles. Analysts note that the changes of these securities in recent days have been exclusively speculative in nature – in particular, on the expectations that Surgutneftegas's gigantic financial "cushion" could be used to buy back its own shares. At the end of the day, the global markets were pressured by weak statistics from the US, where the index of business activity in industry in August fell below the threshold of 50 points for the first time in three years. However, this negative factor was partially offset by increased investors' confidence that the Fed at the September meeting would be forced to take more decisive steps to support the economy. Against this background, the rate of decline of the western markets slowed down slightly, the MOEX Russia Index was able to close in a conditional gain, mainly due to Surgutneftegas's shares.

At the end of the trading session, the electric utilities sector index showed zero changes – steady growth in shares of FGC UES and OGC-2 was offset by a decrease in Inter RAO and Rosseti.

ELECTRIC POWER INDUSTRY NEWS

Electricity consumption in the Russian Federation in January-August 2019 decreased by 0.2% - to 702.5 billion kWh

Electricity consumption in Russia as a whole in January-August 2019 decreased by 0.2% compared to the same period last year and amounted to 702.5 billion kWh, according to the data of the System Operator of the Unified Energy System of the country (SO UES).

Read full text: <http://www.bigpowernews.ru/markets/document89656.phtml>

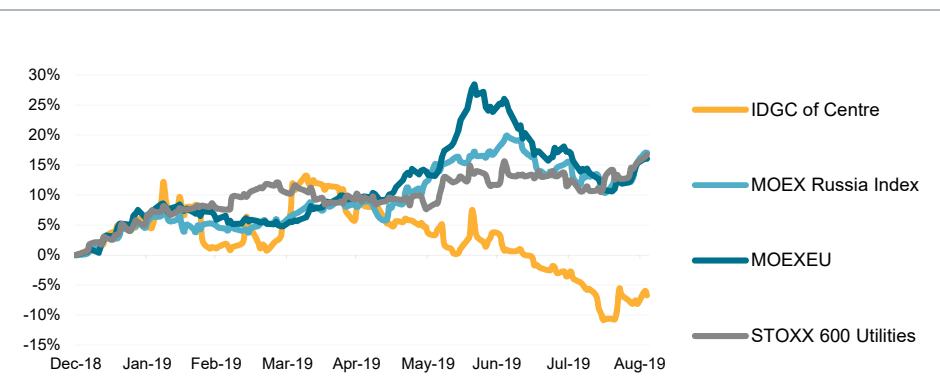
COMPANY NEWS

Roman Starovoit and General Director of Rosseti Centre - the managing organization of Rosseti Centre and Volga Region Igor Makovskiy held a working meeting

On 3 September 2019, a working meeting was held between Acting Governor of the Kursk Region Roman Starovoit and General Director of Rosseti Centre - the managing organization of Rosseti Centre and Volga Region Igor Makovskiy. The parties discussed the activities of the region's electric grid complex, as well as the implementation of digital transformation projects.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/69518/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 774,20	0,04%	17,09%
S&P 500	2 906,27	-0,69%	15,93%
FTSE 100	7 268,19	-0,19%	8,03%
DAX	11 910,86	-0,36%	12,80%
DJStoxx 600	379,81	-0,23%	12,49%
Nikkei	20 625,16	0,02%	3,05%
Sensex	36 562,91	-2,06%	1,37%
CSI300	3 853,61	0,14%	28,00%
Bovespa	99 680,80	-0,94%	13,42%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	66,62	0,20%	-4,10%
EURO/RUB	73,17	-0,29%	-7,91%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 547,10	1,16%	20,63%
Brent*, USD/bbl	58,26	-0,68%	8,29%

* - November futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln	
			per day	fr 31.12.18
IDGC of Centre	0,2668	11,26	169,07	
IDGC of Centre & Volga Reg	0,2625	29,58	444,04	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,39%	16,81%
MOEXEU	0,00%	16,10%
IDGC of Centre**	-0,74%	-6,71%
IDGC of Centre and Volga Region**	-0,53%	-0,94%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,78%	52,68%
FGC UES	1,36%	22,05%
IDGC of Volga	0,22%	-5,10%
MOESK	-0,39%	16,59%
IDGC of Northern Caucasus	12,45%	161,86%
IDGC of North-West	0,33%	9,10%
IDGC of Urals	1,82%	-3,03%
IDGC of Siberia	4,27%	154,73%
IDGC of South	0,25%	10,47%
Lenenergo, ordinary shares	-0,35%	6,81%
TRK, ordinary shares	0,00%	-2,60%
Kubanenergo	1,31%	26,84%

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
www.mrsk-1.ru/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