

## REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 25 September some moderately negative external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 fell 0.5-0.8%, on Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.6%. The political crisis in the US put pressure on the markets – the speaker of the lower house of Congress announced the beginning of an investigation as part of the official impeachment procedure, and the weakening of hopes for success in the US-PRC trade negotiations. Speaking at the UN General Assembly, Donald Trump, accusing Beijing of manipulating the exchange rate, stealing intellectual property and dumping, said that the US did not intend to put up with China's trade practices anymore and Washington would not accept a "bad agreement" with Beijing on trade. In turn, the Foreign Minister of China said that China supports the development of cooperation relations with the US, but is not afraid of threats, including those related to trade relations. November Brent futures were trading around \$62.6 per barrel, \$1.3 below our close on 24 September. Oil prices fell both within the framework of investors' general avoidance of risks and the statistics of the American Petroleum Institute, which, contrary to expectations, recorded an increase in oil reserves in the US last week – by 1.4 million barrels.

The focus of global financial markets on Wednesday was the political crisis in the US. According to experts, the main risk of launching the official impeachment procedure is not in immediate danger for Donald Trump to lose his post – the Senate will most likely not support the initiative of the lower house of Congress, but in the possible significant impact of this process on the US policy. In particular, analysts believe that this investigation can greatly reduce Donald Trump's chances for re-election in 2020 and, as a result, lead to a tightening of his rhetoric about China and other trading partners. If this scenario is realized, Beijing may take a wait-and-see attitude and return to discussing a trade deal with the new US president. Against this background, the European Stoxx Europe 600 Index most of the day was trading in a percent minus. The losses of the MOEX Russia Index during the trading session averaged about a third of a percent, despite active sales in Europe and a drop in Brent quotes below \$61.5 per barrel, according to media reports about faster rates of recovery in oil production in Saudi Arabia. Our market was supported by zero changes of American futures and investors' doubts about the validity of more than a percentage drop in the MOEX Russia Index on Tuesday. At the end of the day, sentiment in the Russian and European markets improved after the start of trading in the US with a slight increase in the main indices – the European Stoxx Europe 600 Index cut the losses by half, the MOEX Russia Index closed trading with a growth of 0.2%.

At the end of the trading session, the electric utilities sector index underperformed. Shares of OGC-2 and RusHydro made the main contribution to the MOEXEU decline in antiphase with the MOEX Russia Index.

## ELECTRIC POWER INDUSTRY NEWS

### Head of Rosseti commented on the growth prospects of the company's shares and dividends

According to the head of the holding, the fundamental value of Rosseti based on a comparison of multipliers with Russian companies is three times higher than the market estimate. Mr. Livinskiy named the average market level of the largest Russian companies, which can be reached by 2023, as a target for the return on shares.

Read full text: <https://bcs-express.ru/novosti-i-analitika/glava-rossetei-prokomentiroval-perspektivy-rosta-aktsii-kompanii-i-dividendy>

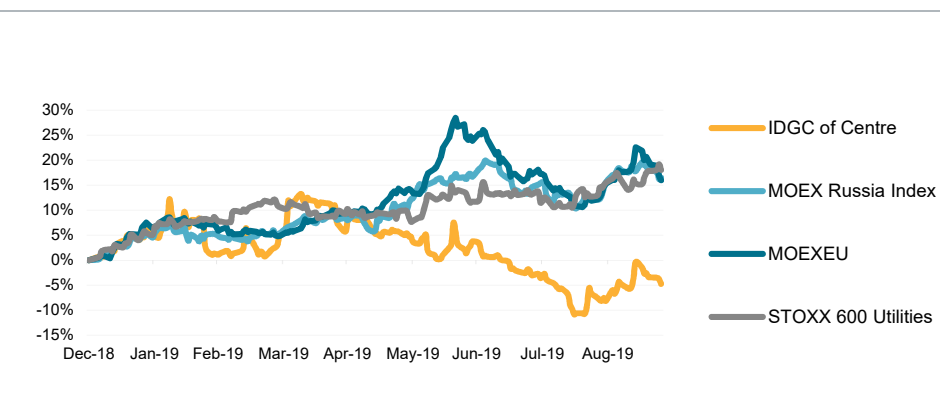
## COMPANY NEWS

### Joint exercises were held at Rosseti Centre Voronezhenergo ahead of the heating season

Joint exercises were held at the branch "Rosseti Centre Voronezhenergo" to test interaction of operating personnel of the region's electric power industry during emergency response at low temperatures. The event involved the regional headquarters for ensuring power supply security, a branch of JSC "SO UES Voronezh Transmission Control Centre", "TNS energo Voronezh", JSC "Voronezh Gorelektroset", the Department of Housing and Energy of the Voronezh Region, and local government bodies.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/69700/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2760,29	0,21%	16,50%
S&P 500	2972,18	0,19%	18,56%
FTSE 100	7289,99	-0,02%	8,35%
DAX	12234,18	-0,59%	15,87%
DJStoxx 600	387,59	-0,58%	14,79%
Nikkei	22020,15	-0,36%	10,02%
Sensex	38593,52	-1,29%	7,00%
CSI300	3870,98	-0,77%	28,58%
Bovespa	103806,1	-0,07%	18,11%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	63,706	-0,37%	-8,30%
EURO/RUB	70,0193	-0,37%	-11,88%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1506,67	-1,65%	17,48%
Brent*, USD/bbl	61,95	-1,82%	15,15%

\* - November futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2527	28,48	447,03

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,97%	18,07%
MOEXEU	-0,71%	16,02%
IDGC of Centre**	-1,02%	-4,76%
IDGC of Centre and Volga Region**	-1,40%	-4,64%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,15%	53,45%
FGC UES	0,56%	22,32%
IDGC of Volga	-0,70%	-5,87%
MOESK	-2,06%	29,47%
IDGC of Northern Caucasus	-2,39%	150,57%
IDGC of North-West	-1,43%	11,53%
IDGC of Urals	-1,12%	-4,77%
IDGC of Siberia	-3,12%	114,93%
IDGC of South	-0,84%	8,63%
Lenenergo, ordinary shares	-0,31%	23,25%
TRK, ordinary shares	-4,86%	14,29%
Kubanenergo	-1,12%	26,84%

Source: MOEX, Company calculations

\*\* - at the price of last transaction at MOEX

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