

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 13 November some moderately negative external background formed on the Russian market. The US indices DJIA and S&P500 closed Tuesday near zero on Donald Trump's contradictory statements made during a speech at the Economic Club of New York. On the one hand, the US president said that Washington and Beijing are close to concluding an agreement and its signing "could happen in the near future." On the other hand, contrary to expectations, Donald Trump did not clarify the situation with the abolition of import duties on Chinese goods and, moreover, warned that if there was no deal, then the tariffs would be raised "very significantly." On Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific was down 0.8% on weakening optimism about the US-China trade negotiations. Additional pressure on the Asian markets was put by the growing unrest in Hong Kong – after the protesters blocked the transport, the city authorities closed bank branches and shops. January Brent futures were trading around \$61.7 per barrel, \$0.9 below our close on 12 November. Oil quotes declined as investors' interest weakened in risky assets.

On Wednesday, global stock markets were under pressure from the growing uncertainty about the outcome of the US-China trade negotiations. For most of the day, the losses of the MOEX Russia Index, the consolidated European Stoxx Europe 600 and S&P500 futures were on average about half a percent. According to experts, investors reacted negatively to the lack of positive signals for a trade deal in Donald Trump's speech, as well as the threat he voiced of further increasing duties on Chinese goods. At the same time, according to WSJ, it is precisely the question of cancelling the tariffs introduced in September that becomes the main obstacle to an intermediate trade deal – the States want to leave them among other high duties as an instrument of pressure on Beijing to carry out structural reforms. In addition, analysts drew attention to the fact that the harsh rhetoric of the US president also affected the trade policy of the European Union, which, in turn, increased the concern of investors regarding the prospects of introducing duties on cars from Europe by the White House. According to officials of the European Union, who Reuters cites, although the introduction of tariffs may be delayed, Trump's actions are unpredictable, and he will probably leave in his arsenal the threat of introducing tariffs for European auto products in light of the continuation of trade negotiations between the US and the EU.

During the day, the electric utilities sector index outperformed – sellers' activity was mainly concentrated in the first-tier stocks. The main contribution to the final MOEXEU growth in antiphase with the MOEX Russia Index was made by OGK-2 and FGC UES. From the sector news, one can note the Interfax report that the Ministry of Economic Development did not include Rosseti and RusHydro in the privatization plan for 2020-2022 submitted to the government.

ELECTRIC POWER INDUSTRY NEWS

The Ministry of Energy of the Russian Federation proposes to introduce from 2020 a fee for reserve grid capacity

The Ministry of Energy of the Russian Federation proposes next year to introduce a phased introduction of payment for the reserve of grid capacity, according to the column of Deputy Minister of Energy of the Russian Federation Yuri Manevich in the journal "Energy Policy".

Read full text: <http://www.bigpowernews.ru/markets/document90644.phtml>

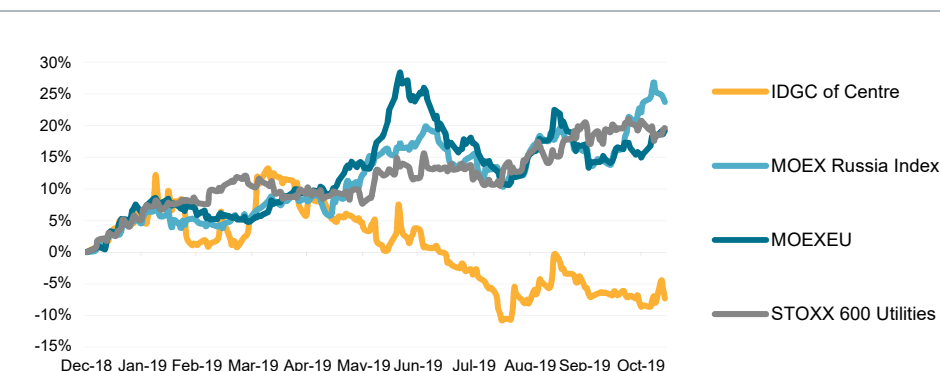
COMPANY NEWS

More than 700 million rubles allocated for labour protection and ensuring the industrial safety of employees of Rosseti Centre and Rosseti Centre and Volga Region since the beginning of the year

Rosseti Centre and Rosseti Centre and Volga Region pay great attention to labour protection and ensuring the industrial safety of their employees. For 9 months of 2019, the companies allocated 748 million rubles for these purposes. The bulk of the funds, 575.6 million rubles, is aimed at providing workers with overalls, personal protective equipment and devices that reduce the risk of injury during work. Compared to the same period last year, this amount increased by 2 million rubles.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/70160/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2933,89	-0,59%	23,83%
S&P 500	3092,31	0,02%	23,35%
FTSE 100	7353,15	-0,17%	9,29%
DAX	13231,68	-0,39%	25,31%
DJStoxx 600	405,86	-0,26%	20,20%
Nikkei	23319,87	-0,85%	16,51%
Sensex	40116,06	-0,57%	11,22%
CSI300	3899,98	-0,10%	29,54%
Bovespa	105708,9	-0,98%	20,28%

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

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	63,853	-0,09%	-8,09%
EURO/RUB	70,4235	-0,07%	-11,37%

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

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1465,68	0,64%	14,29%
Brent*, USD/bbl	62,33	0,44%	15,86%

* - January futures

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

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2073	23,36	365,88

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,23%	19,68%
MOEXEU	0,42%	19,20%
IDGC of Centre**	-1,71%	-7,34%
IDGC of Centre and Volga Region**	-0,34%	-21,77%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,31%	51,68%
FGC UES	1,31%	29,95%
IDGC of Volga	0,12%	-16,43%
MOESK	-0,54%	53,26%
IDGC of Northern Caucasus	-0,12%	138,14%
IDGC of North-West	-2,07%	-6,13%
IDGC of Urals	-2,16%	-11,48%
IDGC of Siberia	-1,68%	99,51%
IDGC of South	0,26%	7,81%
Lenenergo, ordinary shares	0,29%	32,89%
TRK, ordinary shares	-1,55%	24,03%
Kubanenergo	-1,65%	22,13%

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