



REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 27 September some neutral external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed with a decline of 0.3-0.4%, on Thursday the composite index of the Asia-Pacific region, MSCI Asia Pacific, lost 0.4%. The markets were pressured by the outcome of the Fed's meeting on Wednesday, at which the US Central Bank confirmed its policy of tightening monetary policy. Firstly, the Fed expectedly raised the key rate by 0.25 percentage points, to 2-2.25%. The Fed's leaders explained their decision by the strong economic growth of the US economy, low unemployment and stable anchored inflation. Secondly, the median forecasts of the leaders of the Fed point to another increase in December, three rate hikes in 2019 and one in 2020, to a total of 3.25-3.5%. At the same time, analysts drew attention to the fact that Federal Reserve removed from its statement the phrase that the monetary policy is "accommodative", which, in the opinion of experts, may indicate the approximation of the interest rate to the neutral level and, accordingly, the completion of the current rate increase cycle. November Brent futures traded near \$82.2 per barrel, \$0.6 higher than our closing on 26 September. Oil prices are rising after the statement of the US Secretary of Energy that the US does not intend to resort to the sale of oil from strategic reserves to compensate for the potential negative consequences of the loss of Iranian exports to the world market.

On Thursday the Russian market was dominated buyers – in the second half of the day, the growth of the MOEX Russia Index exceeded 1.5%. Investors were supported by high oil prices and reduced sanctions risks. On Wednesday the US Treasury published on its website a report from which it follows that the White House cannot apply the same strict sanctions against Russia as against Iran and the DPRK, as the Russian economy is more ambitious and more integrated into the world economy, the international financial system and world supply chain. In addition, Bloomberg reported that before the November midterm elections, the US Congress is unlikely to approve any new sanctions against Russia, including on government bonds and energy projects, as the House of Representatives is likely to go on vacation by the end of this week and will return only after the November 6 elections. An additional positive factor for the Russian market was the improvement of sentiment on the western markets after the publication of good US statistics. In the US, the final estimate of the GDP growth in the second quarter was confirmed at 4.2% – a maximum of four years, data on orders for durable goods in August and applications for unemployment benefits were better than expectations. Against this backdrop, the MOEX Russia Index, once again having updated the historical record, closed trading with almost a 2% rise.

During the trading session the MICEXPWR Sector Index underperformed – the main purchases were concentrated in the first-tier securities.

ELECTRIC POWER INDUSTRY NEWS

Tariff discussion ended below inflation

Tariffs in the housing and communal services sector will be raised in 2019 by way of exception in two stages - by 1.7% at the beginning of the year and by 2.4% in July, while indexing will not take into account the increase in VAT by 2 percentage points. In 2019, the growth of tariffs of state monopolies will remain at the level of the target inflation rate of 4%, and the sustainability of this decision of the Government looks like the most underestimated structural reform of recent years.

Read full text: <https://www.kommersant.ru/doc/3753091>

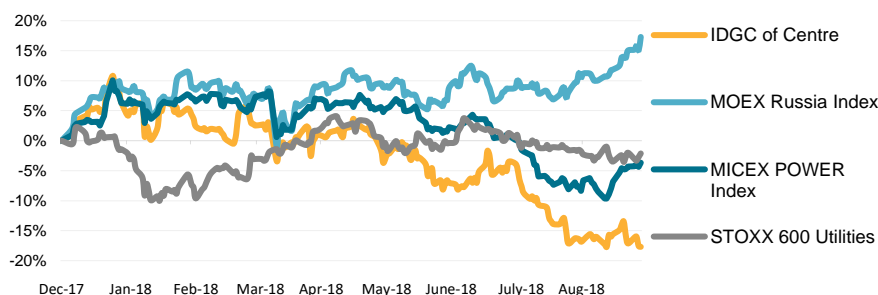
COMPANY NEWS

Kurskenergo performed the main activities of the repair program

IDGC of Centre - Kurskenergo division summed up preliminary results of readiness for the autumn-winter period. For eight months of this year, specialists of Kurskenergo fulfilled the basic measures for repair of electrical equipment provided for by the repair program for 2018.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/65849/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 474,57	1,95%	17,29%
S&P 500	2 914,00	0,28%	8,99%
FTSE 100	7 545,44	0,45%	-1,85%
DAX	12 435,59	0,40%	-3,73%
DJStoxx 600	386,38	0,35%	-0,72%
Nikkei	23 796,74	-0,99%	4,53%
Sensex	36 324,17	-0,60%	6,66%
CSI300	3 403,59	-0,40%	-15,56%
Bovespa	80 000,09	1,71%	4,71%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	65,76	-0,10%	14,11%
EURO/RUB	77,38	0,00%	12,50%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 182,83	-0,97%	-9,21%
Brent*, USD/bbl	81,72	0,47%	27,65%

* - November futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.17
IDGC of Centre	0,2930	12,37	188,11	
IDGC of Centre & Volga Reg	0,2805	31,61	480,72	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,61%	-2,13%
MICEX POWER Index	0,74%	-3,65%
IDGC of Centre**	-0,17%	-17,70%
IDGC of Centre and Volga Region**	2,37%	-7,03%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,32%	-12,68%
FGC UES	0,57%	3,33%
IDGC of Volga	0,76%	-3,75%
MOESK	0,14%	-22,80%
IDGC of Northern Caucasus	-7,88%	-29,95%
IDGC of North-West	-1,63%	27,50%
IDGC of Urals	0,00%	-15,04%
IDGC of Siberia	2,25%	-20,52%
IDGC of South	-4,13%	28,09%
Lenenergo, ordinary shares	-0,87%	31,25%
TRK, ordinary shares	0,00%	-13,21%
Kubanenergo	2,24%	-30,10%

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