

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 5 September some moderately positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed trading with an increase of 0.9-1.1% after weakening global geopolitical risks. Hong Kong authorities withdrew the extradition bill, provoking months of large-scale protests. The House of Commons of the British Parliament voted in favour of the Brexit bill for a three-month suspension for additional negotiations with the European Union. Italy ended the political crisis after the new ruling coalition agreed to form a government. On Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific and futures on the S&P500 added 1.0% and 0.7%, respectively. Investors were optimistic about the message from the Chinese Ministry of Commerce about the resumption of trade negotiations with the US in early October – an agreement was reached in a telephone conversation between heads of delegations. November Brent futures were trading around \$60.5 per barrel, \$0.1 below our close on 4 September.

On Thursday, buyers dominated the global stock markets – in the middle of the day, the European Stoxx Europe 600 Index and futures on the S&P500 added on average three quarters of a percent. Improving investors' sentiment was mainly driven by news of the imminent resumption of negotiations between the US and China, which revived hopes for a possible end to the ongoing trade war lasting more than a year. However, writes The Wall Street Journal, US officials evaluate the upcoming negotiations with cautious optimism and intend to take a wait and see attitude to evaluate the proposals prepared by China. In the afternoon, the rise of the western markets accelerated after the publication of strong American statistics, which greatly weakened investors' concerns about a possible recession in the US economy. In August, the index of business activity in the service sector, which accounts for almost 90% of the US GDP, grew contrary to expectations and reached a three-month high, the number of jobs, according to ADP, increased by 195 thousand – 30% higher than forecasts. At the same time, experts say, strong statistical data led to a revision of forecasts on monetary policy easing by the Federal Reserve – according to the Chicago Stock Exchange, expectations for keeping interest rates in September unchanged returned to the market. The MOEX Russia Index underperformance, whose growth during the day basically did not exceed half a percent, was mainly due to the correction of Surgutneftegas's shares. The reason for the 5% fall of these securities was the statement by the head of the company about the speculative nature of the recent rally.

During the trading session, the electric utilities sector index outperformed. The main contribution to the final MOEXEU outperformance in comparison with the MOEX Russia Index was made by shares of Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

Rosseti's new strategy has been prepared, is being approved by the Ministry of Energy - Mr. Novak

Rosseti's new strategy until 2035 has been prepared and is being approved by the Ministry of Energy of the Russian Federation, the Ministry Head Alexander Novak told journalists on the sidelines of the Eastern Economic Forum.

Read full text: <http://www.bigpowernews.ru/news/document89705.phtml>

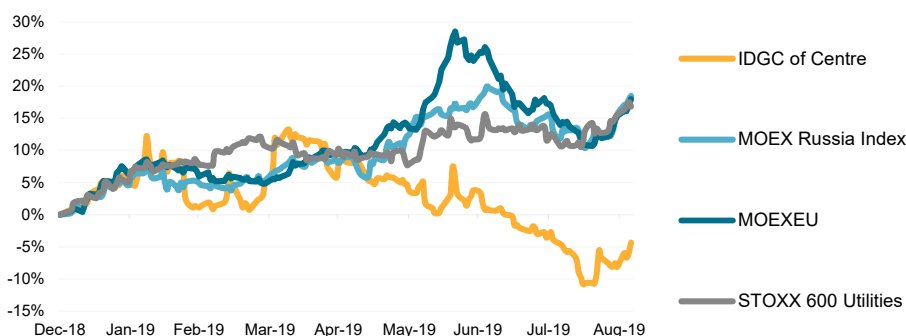
COMPANY NEWS

The corporate governance rating of IDGC of Centre, PJSC - NCGR 7+ "Developed Corporate Governance Practice" was confirmed

The Russian Institute of Directors confirmed the corporate governance rating of IDGC of Centre, PJSC at the level of NCGR 7+ "Developed Corporate Governance Practice". During the monitoring of corporate governance practices of IDGC of Centre, PJSC, experts noted positive changes that could lead to an actual increase in the rating of the Company to the level of NCGR 7++.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/69534/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 807,06	0,49%	18,47%
S&P 500	2 976,00	1,30%	18,71%
FTSE 100	7 271,17	-0,55%	8,07%
DAX	12 126,78	0,85%	14,85%
DJStoxx 600	385,92	0,72%	14,30%
Nikkei	21 085,94	2,12%	5,35%
Sensex	36 644,42	-0,22%	1,60%
CSI300	3 925,32	1,01%	30,38%
Bovespa	102 243,00	1,03%	16,33%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	66,50	-0,61%	-4,28%
EURO/RUB	73,06	-0,19%	-8,05%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 519,05	-2,16%	18,45%
Brent*, USD/bbl	60,95	0,41%	13,29%

* - November futures

Source: Bloomberg, Company calculations

Shares	Price**, ₹	MCap**, ₹ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2613	29,45	442,82

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,58%	16,83%
MOEXEU	0,88%	17,98%
IDGC of Centre**	1,71%	-4,34%
IDGC of Centre and Volga Region**	0,04%	-1,40%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,25%	53,84%
FGC UES	0,32%	25,49%
IDGC of Volga	0,00%	-4,39%
MOESK	1,82%	18,86%
IDGC of Northern Caucasus	3,01%	168,71%
IDGC of North-West	0,58%	9,55%
IDGC of Urals	-0,56%	-3,90%
IDGC of Siberia	-1,90%	146,93%
IDGC of South	1,07%	12,67%
Lenenergo, ordinary shares	-0,71%	6,43%
TRK, ordinary shares	0,00%	-2,60%
Kubanenergo	0,16%	27,05%

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