

## REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 16 October some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed with an increase of 0.9-1.0%. The reason for investors' optimism was good quarterly reporting of several large companies, including JPMorgan, Citigroup and Johnson & Johnson, and media reports that the UK and the EU are close to agreeing on a Brexit deal. On Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.7%, futures for the US indices lost 0.2%. The positive closure of the US market was partially offset by increased tensions between the US and China. On Tuesday the US House of Representatives passed a bill supporting protesters in Hong Kong. In turn, Beijing promised to take "decisive countermeasures" if this law comes into force. On this piece of news, the Chinese CSI was down 0.4%. December Brent futures were trading around \$59.0 per barrel, \$0.2 below our close on 15 October. The market is pressured by doubts about the ability of the US and China to resolve trade disputes, as well as fears of a decrease in demand for raw materials due to the deteriorating situation in the global economy. On Tuesday the IMF lowered its estimate of the global GDP growth in 2019 from previously expected 3.2% to 3%, the lowest level since the 2008-2009 crisis.

On Wednesday, buyers dominated the Russian market – the MOEX Russia Index traded most of the day in more than a half-percent plus. LUKOIL's shares became the driver of our market's growth, the increase of which exceeded 3.5% according to the company's reports on the approval of a new dividend policy and the payment of dividends for the first nine months. World stock markets during the day showed inexpressive changes under pressure from fears of a possible increase in tension in the US-China relations and growing doubts about the ability of the UK and the EU to agree on the parameters of the deal. According to analysts, even if the EU summit approves a compromise agreement on Brexit, there are high risks that the British parliament will refuse to ratify it, as it has already happened three times before. In particular, Morgan Stanley considers this the most likely scenario, which will lead to the next postponement of Brexit and new parliamentary elections. Against this background, most of the day, the consolidated European Stoxx Europe 600 Index and the S&P500 futures lost on average about a third of a percent. Statistics from the US on retail sales were mixed – the decline in September was partly offset by their revision to an improvement in August. However, after the publication of these statistics, the probability of the Fed's rate cut at the October meeting, according to the Chicago Stock Exchange, increased to 90%.

At the end of the day, the electric utilities sector index underperformed. Unipro's shares made the main contribution to the MOEXEU underperformance in comparison with the MOEX Russia Index.

## ELECTRIC POWER INDUSTRY NEWS

### GIS of the fuel and energy complex to become the basis for creating a unified information environment

To date, the trial operation, which lasted 3.5 months, and acceptance tests of the first stage of the GIS of the fuel and energy complex have been successfully completed. Under the chairmanship of the Minister of Energy of the Russian Federation Alexander Novak, with the participation of the leadership of the Russian Energy Agency of the Ministry of Energy of Russia, federal executive authorities, representatives of energy companies, as well as the expert community, a meeting of the commission on the creation and commissioning of the state information system of the fuel and energy complex (the GIS of the fuel and energy complex) was held.

Read full text: <http://www.energyland.info/news-show-tek-electro-192178>

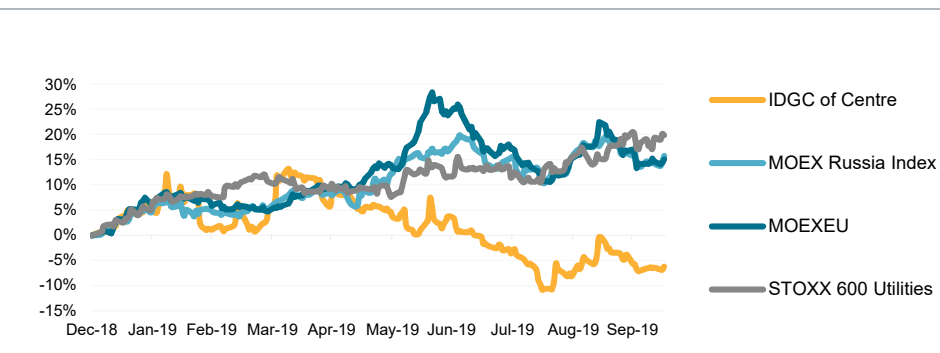
## COMPANY NEWS

### Rosseti Centre and Rosseti Centre and Volga exceed the plan to reduce losses

Rosseti Centre and Rosseti Centre and Volga Region summed up the work to reduce losses in electric grids for eight months of 2019. According to the results of this period, their level in the two companies, as a whole, amounted to 8.75% (6,093 million kWh), which is 0.08% lower than the Business Plan and 0.66% lower than the final figures for 2018 (taking into account the reduction in the volume of disagreements). The savings in relation to the Business Plan amounted to 56.9 million kWh, compared with 2018, losses in the company's grids decreased by 457.4 million kWh (taking into account the reduction in the volume of disagreements).

Read full text: <https://www.mrsk-1.ru/press-center/news/company/69899/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 744,35	1,07%	15,83%
S&P 500	2 989,69	-0,20%	19,26%
FTSE 100	7 167,95	-0,61%	6,54%
DAX	12 670,11	0,32%	19,99%
DJStoxx 600	393,46	-0,14%	16,53%
Nikkei	22 472,92	1,20%	12,28%
Sensex	38 598,99	0,24%	7,02%
CSI300	3 922,68	-0,34%	30,29%
Bovespa	105 422,80	0,89%	19,95%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,25	-0,17%	-7,51%
EURO/RUB	70,85	-0,12%	-10,84%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 490,13	0,62%	16,19%
Brent*, USD/bbl	59,42	1,16%	10,45%

\* - December futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln	
			per day	fr 31.12.18
IDGC of Centre	0,2682	11,32	176,22	
IDGC of Centre & Volga Reg	0,246	27,72	431,46	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,17%	20,00%
MOEXEU	0,55%	15,10%
IDGC of Centre**	0,68%	-6,22%
IDGC of Centre and Volga Region**	-0,24%	-7,17%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,16%	51,00%
FGC UES	0,50%	23,01%
IDGC of Volga	0,38%	-5,51%
MOESK	2,71%	34,77%
IDGC of Northern Caucasus	-2,30%	137,14%
IDGC of North-West	-0,17%	8,83%
IDGC of Urals	-0,23%	-7,91%
IDGC of Siberia	1,25%	113,37%
IDGC of South	-0,44%	2,94%
Lenenergo, ordinary shares	3,10%	38,19%
TRK, ordinary shares	1,13%	45,13%
Kubanenergo	0,33%	23,16%

Source: MOEX, Company calculations

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

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**Tickers**  
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