

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 6 September some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 rose by 1.3-1.4% on the message of the Ministry of Commerce of China on the agreement to hold trade negotiations in Washington in early October, as well as strong statistics – in August the index of business activity in the service sector, which accounts for almost 90% of the US GDP, rose to a three-month high. On Friday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.5%. The positive close of the US stock market was partially offset by uncertainty about the next round of US-China trade negotiations. According to media reports, the office of the US trade representative could not confirm the information about the negotiations planned for next month. November Brent futures were trading around \$61.1 per barrel, \$0.9 below our close on 5 September. Brent quotes declined, despite the report of the US Department of Energy on exceeding analysts' forecasts of a reduction in oil and petroleum products last week. The oil market was pressured by investors' concerns about oil demand after the return of uncertainty in the US-China trade negotiations.

On Friday, profits were recorded in the Russian market after almost recoilless growth for eight consecutive trading sessions; at daily lows the index losses were close to a percent. The reason for sales, including, was the fall in oil prices – Brent quotes fell below \$60 per barrel. The decision of the Central Bank of the Russian Federation to reduce the key interest rate by 0.25 percentage points, to 7.0% per annum, was expected, and did not affect the changes of our market. At the same time, the activity of sellers was limited by moderately positive moods on world exchanges. The MSCI All Country World composite index on Friday showed a slight increase within a third of a percent – the lack of specificity at the meeting of US and Chinese trade representatives was offset by information about the Chinese authorities expanding measures to support the economy. The Central Bank of China lowered reserve standards for banks by 0.5-1 percentage points – according to the regulator, this will free up liquidity in the amount of 900 billion yuan (\$126 billion) and will become an incentive for banks to increase lending. Statistics on the US labour market was mixed and did not make any significant adjustments to investors' sentiment. In August, unemployment remained at the level of half-century lows – 3.7%, the less than expected growth in the number of jobs was offset by wages increase above forecasts and an increase in the share of the country's population in the workforce to 63.2% – a six-year maximum. At the same time, writes CNBC, the total number of Americans considered to be employed rose to a record 157.9 million. At the end of the day, the MOEX Russia Index was able to reduce losses to 0.3% following the return of Brent quotes above \$60 per barrel and a slight increase in the US indices in early trading.

During the trading session, changes of the electric utilities sector index generally corresponded to the market. The main contribution to the final MOEXEU decline was made by shares of FGC UES and RushHydro.

ELECTRIC POWER INDUSTRY NEWS

“The reform of the electric power industry carried out by Khristenko, Gref and Chubais is not a dogma”

On 5 September, the ex-president of En+ Group Oleg Deripaska took part in the panel discussion “New Solutions for Accelerating Economic Growth” at the Eastern Economic Forum. He explained what is needed to reduce energy tariffs.

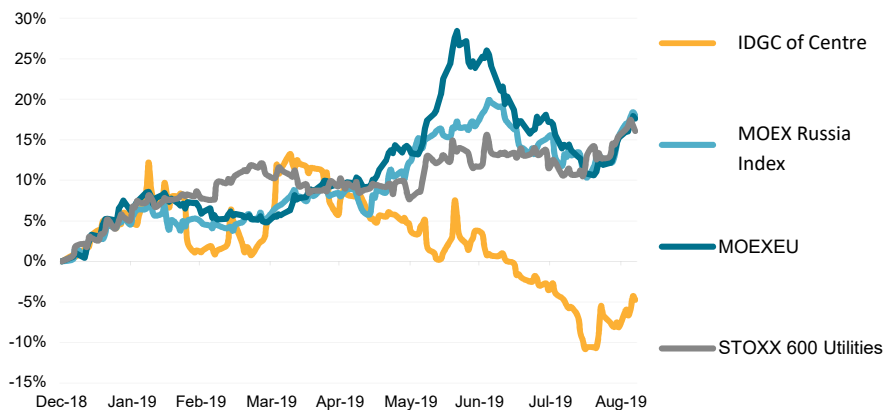
Read full text: <http://www.bigpowernews.ru/interview/document89750.phtml>

COMPANY NEWS

Head of Voronezh Vadim Kstenin and General Director of Rosseti Centre Igor Makovskiy discussed the development of the energy sector in the regional centre

Read full text: <https://www.mrsk-1.ru/press-center/news/company/69540/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 797,55	-0,34%	18,07%
S&P 500	2 978,71	0,09%	18,82%
FTSE 100	7 282,34	0,15%	8,24%
DAX	12 191,73	0,54%	15,46%
DJStoxx 600	387,14	0,32%	14,66%
Nikkei	21 199,57	0,54%	5,92%
Sensex	36 981,77	0,92%	2,53%
CSI300	3 948,51	0,59%	31,15%
Bovespa	102 935,40	0,68%	17,12%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	66,05	-0,67%	-4,92%
EURO/RUB	72,88	-0,26%	-8,29%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 506,82	-0,81%	17,49%
Brent*, USD/bbl	61,54	0,97%	14,39%

* - November futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln	
			per day	fr 31.12.18
IDGC of Centre	0,2724	11,50	174,11	
IDGC of Centre & Volga Reg	0,2601	29,31	443,78	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,60%	16,13%
MOEXEU	-0,28%	17,65%
IDGC of Centre**	-0,44%	-4,76%
IDGC of Centre and Volga Region**	-0,46%	-1,85%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,50%	54,61%
FGC UES	-1,10%	24,12%
IDGC of Volga	-0,21%	-4,59%
MOESK	-0,38%	18,41%
IDGC of Northern Caucasus	-5,64%	153,57%
IDGC of North-West	-0,74%	8,74%
IDGC of Urals	0,00%	-3,90%
IDGC of Siberia	0,12%	147,22%
IDGC of South	-0,33%	12,29%
Lenenergo, ordinary shares	0,18%	6,62%
TRK, ordinary shares	0,33%	-2,27%
Kubanenergo	-2,26%	24,18%

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
www.mrsk-1.ru/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