



REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 21 November some moderately negative external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 fell 1.8-2.2% – all sectors were under pressure, commodity companies looked worse than others after the sale on the oil market. Investors, analysts say, are worried about signs of a slowdown in the global economy, trade disputes between the US and China, and the slow but steady rise in interest rates by the Fed, which is likely to continue next year. In general, experts state, fears are growing that the US and world economies are approaching the end of the economic growth cycle. Regarding the confrontation between the US and China, analysts say, the chances that the leaders of the US and China agree on the deal at a meeting at the G-20 summit have declined after the US trade representative accused China of continuing thefts of intellectual property and unwillingness to change its position in trade disputes. On Wednesday the composite stock index of the Asia-Pacific region, MSCI Asia Pacific, lost 0.4%. The Asian exchanges were kept from a greater fall by a correctional half-percentage growth in futures on US indices. January Brent futures traded around \$63.3 a barrel, \$0.5 below our 20 November close. Oil quotes, having updated the annual minimum, lost 6.4% on Tuesday. Negative factors for the market were fears of a slowdown in the global economy and Donald Trump's statement that Saudi Arabia "responds" to his calls to keep oil prices low. Such statements, the media notes, heighten traders' doubts that OPEC+ will be able to agree on production cuts in 2019.

On Wednesday global stock markets were recovering from active sales on Tuesday. Positive background for investors was also the message of Bloomberg that the Fed's representatives are considering the possibility of taking a pause in the tightening of monetary policy already in the spring of 2019. For the most part of the trading session, the MOEX Russia Index and the European Stoxx Europe 600 Index spent in a small plus, on average, about half a percent. Additional support to our market was provided by a reduction in sanctions risks. President of the American Chamber of Commerce in Russia said that the US Congress is unlikely to pass laws on new sanctions against the Russian Federation before March or April of next year, and the introduction of the second stage of restrictions on the "Skripal case" may be postponed for a long time against the background of reducing the anti-Kremlin rhetoric. American statistics published during the day were ambiguous and did not have a significant impact on investors' sentiment. In the US claims for unemployment benefits rose to a maximum since June, the consumer confidence index in November fell to a minimum since August, and sales of homes on the secondary market in October rose for the first time in six months. In general, trading activity in the financial markets was reduced on the eve of the day-off in the US on Thursday and a shortened day on Friday.

During the day changes of the MicexPWR Sector Index as a whole corresponded to the market. The main contribution to the MicexPWR growth was made by shares of Inter RAO, ROSSETI and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

The Government Commission approved a draft on the extension of licensing of energy sales until July 2020

The Russian Government Commission on Legislative Activities approved a draft within which the period for obtaining a license for power supply sales companies in the electricity sector is extended to 1 July 2020, said a statement on the website of the Cabinet.

Read full text: <http://www.bigpowernews.ru/markets/document85487.phtml?1&q=>

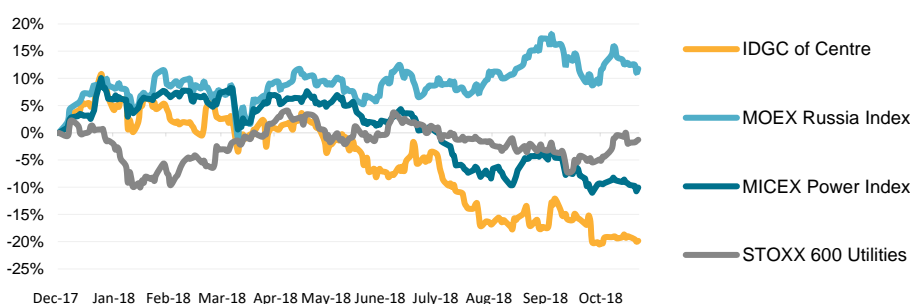
COMPANY NEWS

Governor of the Orel region Andrey Klychkov and General Director of IDGC of Centre Igor Makovskiy discussed topical issues of functioning and development of the regional power grid complex

A working meeting of Governor of the Orel region Andrey Klychkov and General Director of IDGC of Centre Igor Makovskiy was held in Orel. The head of the power company confirmed to the head of the region the readiness of the regional electric grid complex for the heating season and spoke about the prospects for its further development.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66535/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 357,97	0,70%	11,77%
S&P 500	2 649,93	0,30%	-0,89%
FTSE 100	7 050,23	1,47%	-8,29%
DAX	11 244,17	1,61%	-12,95%
DJStoxx 600	355,07	1,14%	-8,76%
Nikkei	21 507,54	-0,35%	-5,52%
Sensex	35 199,80	-0,77%	3,36%
CSI300	3 226,49	0,25%	-19,96%
Bovespa	87 268,80	-0,72%	14,22%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	65,59	-0,64%	13,81%
EURO/RUB	75,18	-0,18%	9,30%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 226,04	0,36%	-5,89%
Brent*, USD/bbl	63,48	1,52%	-5,07%

* - January futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln	
			per day	fr 31.12.17
IDGC of Centre	0,2854	12,05	183,71	
IDGC of Centre & Volga Reg	0,2600	29,30	446,76	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,25%	-1,27%
MICEX POWER Index	0,79%	-10,05%
IDGC of Centre**	0,21%	-19,83%
IDGC of Centre and Volga Region**	-0,19%	-13,82%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	2,53%	-12,48%
FGC UES	1,20%	-6,02%
IDGC of Volga	0,93%	-4,53%
MOESK	-0,51%	-24,47%
IDGC of Northern Caucasus	-0,43%	-27,60%
IDGC of North-West	2,21%	6,73%
IDGC of Urals	-0,24%	-19,14%
IDGC of Siberia	3,70%	-24,10%
IDGC of South	3,11%	2,68%
Lenenergo, ordinary shares	-0,35%	19,58%
TRK, ordinary shares	0,00%	-8,36%
Kubanenergo	-2,46%	-29,08%

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