

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday some neutral external background formed on the Russian market. On Monday the US indices S&P500 and Nasdaq fell 0.1-0.2% under the pressure of fears of possible problems in trade negotiations between the US and China. Firstly, Donald Trump called "incorrect" the information that he agreed to cancel the previously imposed duties on Chinese goods. Secondly, according to experts, an escalation of the riots in Hong Kong, where the police used firearms against the demonstrators, could become an obstacle to the trade agreement. Earlier, the US president said that the possible use of force by the Chinese authorities in Hong Kong could harm the trade negotiations. The DJIA index was able to complete trading in a symbolic plus due to a 5% increase in Boeing shares on information that the company is discussing with the regulator the resumption of shipments of 737 MAX aircraft in December. On Tuesday, the composite stock index in the Asia-Pacific region MSCI Asia Pacific added 0.3% on media reports that Donald Trump could postpone the decision on duties on cars from the European Union for another six months. January Brent futures were trading around \$62.5 per barrel, \$0.2 below our close on 11 November.

On the Russian market, the third trading session in a row has been dominated by correctional sentiment. After a slight rise in the morning, the MOEX Russia Index spent the second half of trading in negative territory, losing on average about a third of a percent, despite the renewed rise in oil prices and moderately positive changes of the western markets. For most of the day, the consolidated European Stoxx Europe 600 Index and the S&P500 futures were trading in positive territory at half a percent. In addition to the news about duties on European cars, investors were supported by hopes to clarify the situation with trade negotiations and good statistics. On Tuesday, Donald Trump spoke at the New York Economic Club and, as expected, provided updated information on the US trade policy and the negotiations between Beijing and Washington. The index of investors' confidence in the German economy in November jumped to minus 2.1 from minus 22.8 in October. According to analysts, this indicator is considered as a leading indicator for the changes of the country's GDP and may indicate the passage of the lowest point of the economic cycle by the largest European economy.

During the day, 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 OGC-2 and FGC UES. From the news of the grid sector, one can note the statement by Deputy Minister of Energy Evgeniy Grabchak that Crimean networks will be consolidated on the basis of Krymenergo with the participation of the Federal Property Management Agency. "The sanction risks are great, and so far, we would not want these risks to spread to such a state-owned company as Rosseti or some other state-owned company," Interfax quoted him as saying.

ELECTRIC POWER INDUSTRY NEWS

The Ministry of Energy wants to halve the mobile power reserve to 150-200 MW, putting it up for tender, - the newspaper

The option of reducing with the help of these mobile stations a local power reserve, for example, in Siberia is also considered. Only FGC UES now has mobile gas turbine power stations; the majority of them (405 MW) are located in Crimea and receive a higher tariff. The tender will streamline the payment for the maintenance of the mobile gas turbine power stations, experts say, the stations will cease to receive an increased forced tariff from the energy market. The mobile gas turbine power stations remaining outside the reserve will have to be put into storage, analysts say.

Read full text: <http://www.bigpowernews.ru/markets/document90636.phtml>

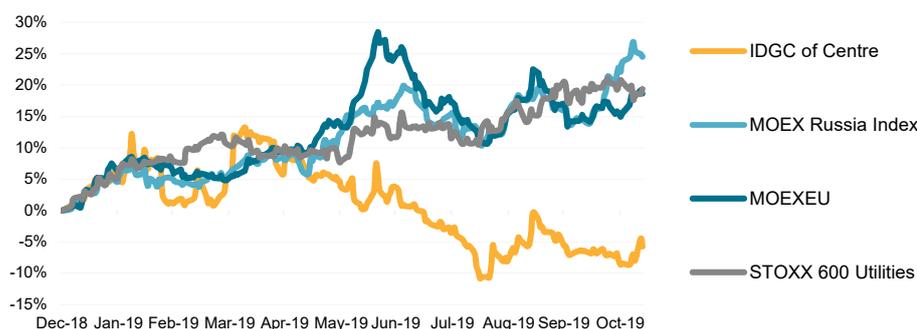
COMPANY NEWS

Rosseti Centre completes the development of a unique automatic monitoring system

Power engineers at Rosseti Centre, based on the Lipetsk branch, have tested a unique complex of automatic monitoring of the state of power lines using unmanned aerial vehicles and charging stations - the result of their own research and development work.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/70144/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 951,16	-0,35%	24,56%
S&P 500	3 091,84	0,16%	23,34%
FTSE 100	7 365,44	0,50%	9,47%
DAX	13 283,51	0,65%	25,80%
DJStoxx 600	406,9	0,38%	20,51%
Nikkei	23 520,01	0,81%	17,51%
Sensex	40 345,08	0,00%	11,86%
CSI300	3 903,69	0,02%	29,66%
Bovespa	106 751,10	-1,49%	21,46%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	63,91	0,29%	-6,00%
EURO/RUB	70,48	0,08%	-11,31%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 456,32	0,03%	13,55%
Brent*, USD/bbl	62,06	-0,19%	15,35%

* - January futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2696	11,38	178,09
IDGC of Centre & Volga Reg	0,208	23,44	366,77

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,65%	19,41%
MOEXEU	-0,41%	18,70%
IDGC of Centre**	-1,25%	-5,73%
IDGC of Centre and Volga Region**	-0,48%	-21,51%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,42%	52,16%
FGC UES	-0,78%	28,27%
IDGC of Volga	-1,98%	-16,53%
MOESK	-0,88%	54,09%
IDGC of Northern Caucasus	-0,89%	138,43%
IDGC of North-West	-0,93%	-4,14%
IDGC of Urals	0,00%	-9,53%
IDGC of Siberia	-1,89%	102,93%
IDGC of South	-0,68%	7,53%
Lenenergo, ordinary shares	-1,96%	32,51%
TRK, ordinary shares	-1,52%	25,97%
Kubanenergo	-0,33%	24,18%

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