

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 10 October some neutral external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 added 0.7-0.9% on media reports about Beijing's readiness to conclude an intermediate trade deal. According to media reports, China is ready to make some concessions on a number of issues, provided that the US will not introduce new duties on Chinese goods and abandon the previously announced increase in duties, which should come into force this month and in December. On Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.1%. Trading in the Asian session was characterized by increased volatility. The main country indices and futures on the S&P500 at the beginning of the day lost on average about a percent on reports from Chinese media that, due to the lack of progress on critical issues in the preliminary negotiations, the Chinese delegation intends to leave Washington a day earlier than planned. Nevertheless, by our opening, the markets were able to recover after the White House's representatives denied information about such changes in the plans of the Chinese side. December Brent futures were trading around \$58.3 per barrel, \$1.0 below our close on 9 October. Quotes were pressured by the US Department of Energy's report that oil reserves grew by 2.9 million barrels last week, the country's oil production increased to a record of 12.6 million barrels per day (b/d) and exports reached the maximum of 3.4 million b/d since June.

On Thursday, most of the day, the MOEX Russia Index, like most global stock exchanges, showed sideways changes in a slight minus within a third of a percent in anticipation of the start of the US-China trade negotiations. The White House's refutation of the plans for the Chinese delegation's early departure could not completely dispel investors' concerns about a possible failure in the negotiations. An increase in uncertainty regarding the prospects of the deal was also facilitated by the CNBC report that continuing negotiations on Friday is now an "open question". The markets were restrained from more active sales by hopes that Washington and Beijing still retain the chances of a partial deal that would allow to suspend the tariff war at least temporarily. According to experts, this may be indicated by the willingness declared by the parties to compromise on some issues – in particular, it is about easing the US restrictions on Huawei and increasing purchases of the US agricultural products by China. At the end of the day, the mood in the markets improved significantly after a statement by the US President that he would meet on Friday with Vice Premier of the State Council of the PRC. At the same time, Donald Trump called Friday "an important day of negotiations with China." The MOEX Russia Index completed trading at 0.3% growth, the European Stoxx Europe 600 Index and major US indices traded in more than a half-percent plus.

During the day, the electric utilities sector index outperformed. Shares of OGC-2 and Inter RAO made the main contribution to the final MOEXEU outperformance in comparison with the MOEX Russia Index.

ELECTRIC POWER INDUSTRY NEWS

Rosseti seeks support in regions

The schedule of the State Duma Committee on Energy has recently changed: an on-site roundtable discussion on digitalization and cross-subsidization in the electric grid complex, scheduled for 11 October in Izhevsk, was rescheduled for 8 November at the request of the host party.

Read full text: http://www.ng.ru/economics/2019-10-10/100_1010191535.html

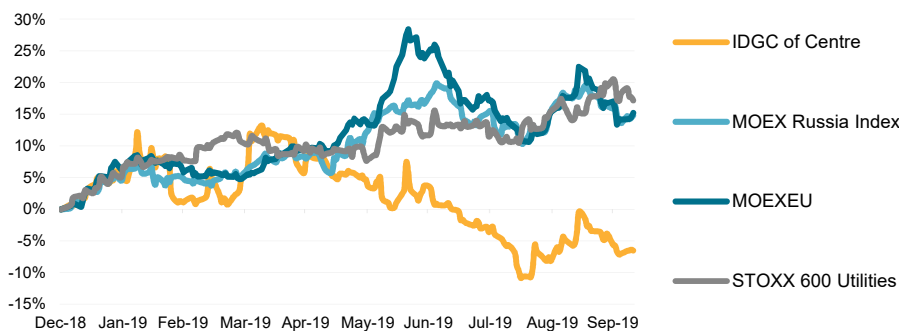
COMPANY NEWS

Students of BSTU named after V.G. Shukhov took part in the youth technical council and workshop at the training centre of Belgorodenergo

Energy students studying in the fourth year of the university majoring in the Electrical Power Engineering and Electrical Technology took part in the youth technical council and workshop held at the system-wide training centre of Rosseti Centre Belgorodenergo.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/69847/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 721,51	0,31%	14,86%
S&P 500	2 938,13	0,64%	17,20%
FTSE 100	7 186,36	0,28%	6,81%
DAX	12 164,20	0,58%	15,20%
DJStoxx 600	382,76	0,65%	13,36%
Nikkei	21 551,98	0,45%	7,68%
Sensex	37 880,40	-0,78%	5,02%
CSI300	3 874,64	0,82%	28,70%
Bovespa	101 817,10	0,56%	15,85%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,10	0,36%	-6,29%
EURO/RUB	71,45	0,30%	-10,08%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 493,99	-0,77%	16,49%
Brent*, USD/bbl	59,1	1,34%	9,85%

* - December futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	
		MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2674	11,29	173,42
IDGC of Centre & Volga Reg	0,247	27,84	427,61

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,45%	17,25%
MOEXEU	0,67%	15,28%
IDGC of Centre**	-0,15%	-6,50%
IDGC of Centre and Volga Region**	0,57%	-6,79%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,22%	53,08%
FGC UES	-0,03%	21,55%
IDGC of Volga	0,54%	-5,46%
MOESK	1,63%	32,05%
IDGC of Northern Caucasus	-2,07%	143,00%
IDGC of North-West	0,41%	10,27%
IDGC of Urals	0,35%	-6,93%
IDGC of Siberia	1,40%	118,44%
IDGC of South	-0,35%	3,86%
Lenenergo, ordinary shares	2,07%	30,43%
TRK, ordinary shares	-20,39%	44,48%
Kubanenergo	0,50%	22,95%

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