



REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 13 September some moderately positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed with a small increase in the range of 0.15%. Investors reacted with restrained optimism to the information of The Wall Street Journal about the US desire to resume trade talks with China this month. As the sources of the publication emphasize, the White House does not have unanimity of opinions on China, and, in the opinion of some of them, the negotiations are unlikely to stop the introduction of new duties on goods from the PRC worth \$200 billion. Nevertheless, the news of this US initiative became an occasion for the recovery of the composite index of the Asia-Pacific region, MSCI Asia Pacific, after a continuous 10-day fall – on Thursday the indicator added 0.8%. According to some experts, China's invitation to a new round of talks can still be regarded as a signal that Washington seeks to reduce the degree of tension in relations with China. November Brent futures traded near \$79.4 per barrel, \$0.3 below our closing level on 12 September. Oil prices were adjusting after testing the level of \$80 per barrel on data from the US Department of Energy, which recorded a significant reduction in oil reserves in the country and the first weekly decline in production for the last month.

On Thursday the Russian market was dominated by buyers due to the return of investors' interest to assets of emerging markets. Firstly, experts note, investors were supported by information on possible new negotiations between the US and China. Secondly, the general risks for emerging markets declined after the Central Bank of Turkey took a decisive step to stabilize the country's currency market and raised the key rate by more than 6 percentage points, to 24%. Thirdly, demand for risk was promoted by statistics on inflation in the US, which reduced the probability of an accelerated scenario of the exit strategy by the Fed – the inflation in August was the lowest since April. Against this backdrop, the MOEX Russia Index and the index of emerging markets MSCI EM grew by more than a percent in the second half of the day. The driver of the rise in our market was Sberbank's shares, which added 9% on the daily highs on media reports that at the hearings in the US Senate on new sanctions against Russia, restrictions on Russian state banks were not considered. The decisions of the ECB and the Bank of England to maintain their key interest rates at current levels were of the expected nature and had no significant impact on the world financial markets. At the end of the day, the MOEX Russia Index reduced its growth rate to 0.7% after the price of Brent dropped to \$78 per barrel on the IEA's report that the world oil supply in August reached a record 100 million barrels per day due to an increase in OPEC+ production, which in August was the maximum in two years.

During the trading session the MicexPWR Sector Index outperformed. The main contribution to the final MicexPWR outperformance in comparison with the MOEX Russia Index was made by shares of RusHydro, preference shares of Lenenergo and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

A decision was taken on a long-term tariff for 5-10 years at the inflation level minus 0.1%, said Mr. Novak (version 1)

The government made a decision on a long-term tariff for 5-10 years at the inflation level minus 0.1%, said Russian Energy Minister Alexander Novak in an interview to NTV.

Read full text: <http://www.bigpowernews.ru/markets/document84518.phtml>

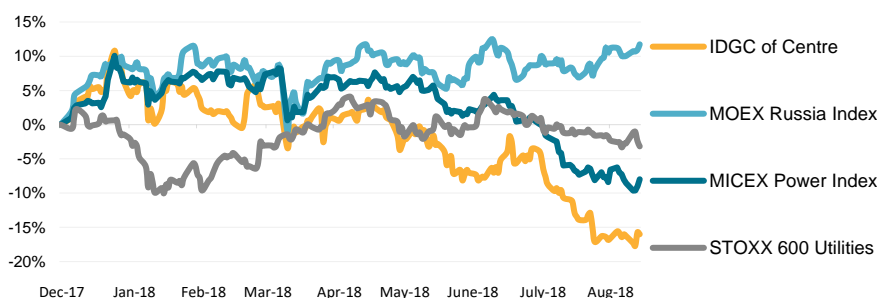
COMPANY NEWS

Power engineers of IDGC of Centre and IDGC of Centre and Volga Region took part in large-scale joint exercises of the Ministry of Energy and EMERCOM of Russia

The Ministry of Energy of Russia, in conjunction with the EMERCOM of Russia and subsidiaries of PJSC "Rosseti", conducted a large-scale complex special training on the topic: "Ensuring the security of power supply to consumers in the Central Federal District during the passage of the autumn-winter period of 2018-2019 by subjects of the electric power industry".

Read full text: <https://www.mrsk-1.ru/press-center/news/company/65621/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 357,32	0,71%	11,74%
S&P 500	2 904,18	0,53%	8,62%
FTSE 100	7 281,57	-0,43%	-5,28%
DAX	12 055,55	0,19%	-6,67%
DJStoxx 600	376,52	-0,15%	-3,25%
Nikkei	22 821,32	0,96%	0,25%
Sensex	37 717,96	0,00%	10,75%
CSI300	3 236,57	1,08%	-19,71%
Bovespa	74 686,67	-0,58%	-2,25%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	69,57	-0,57%	20,73%
EURO/RUB	80,65	-0,92%	17,25%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 201,47	-0,40%	-7,78%
Brent*, USD/bbl	78,18	-1,96%	22,12%

* - November futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2990	12,62	181,44
IDGC of Centre & Volga Reg	0,2915	32,85	472,19

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,78%	-3,17%
MICEX POWER Index	1,09%	-7,96%
IDGC of Centre**	-0,33%	-16,01%
IDGC of Centre and Volga Region**	1,22%	-3,38%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,94%	-17,36%
FGC UES	0,29%	-2,90%
IDGC of Volga	2,11%	-5,50%
MOESK	-0,29%	-23,58%
IDGC of Northern Caucasus	1,70%	-22,14%
IDGC of North-West	-0,87%	31,54%
IDGC of Urals	-0,29%	-17,66%
IDGC of Siberia	4,95%	-16,59%
IDGC of South	-1,43%	14,88%
Lenenergo, ordinary shares	-0,58%	23,96%
TRK, ordinary shares	0,00%	-11,05%
Kubanenergo	0,38%	-32,14%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers
Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC:RU
MRKC:MM