



REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 28 September some neutral external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 rose by 0.3-0.4%, on Thursday the main country indices of the Asia-Pacific region showed similar changes. Investors were supported by hopes that the plan presented on Wednesday to reduce the tax burden in the US could become law by the end of the year. In the evening of 27 September, the US President and Congressional Republicans made public the details of a large-scale tax reform, which includes, among other things, a reduction in the corporate profit tax from 35% to 20% and simplification of taxation of individuals. According to economists, tax breaks will support corporate profits and accelerate the growth of the US economy by about 1 p.p. At the same time, the media write, the Democrats do not agree with the tax reform plan, considering it a concession to the rich Americans and pointing to the vagueness of the sources of funding for falling budget revenues, which, according to analysts, may amount to several trillion dollars. November Brent futures traded near \$57.6 per barrel, \$0.3 lower than the closing on 27 September. Oil quotes decreased on the message of the US Department of Energy about the growth of oil production in the country to 9.55 million barrels per day – the maximum since July 2015.

Most of the trading session on Thursday, the MICEX Index and the Stoxx Europe 600 Index had low volatile flat changes near zero. Published during the day European and US statistics, although it was mostly positive, did not have a significant impact on the course of trading. The consolidated index of business and consumer confidence in the Eurozone's economy rose to a maximum in 10 years in September, inflation in Germany in September was 1.8% y/y and was weaker than expected, the US economic growth in the second quarter in terms of annual rates was increased as expected from 3% to the highest since the first quarter of 2015 3.1%, data on applications for unemployment benefits in the US were better than forecasts. At the end of the day, the domestic market was pressured by a drop in the price of Brent crude to \$57.5 per barrel.

As a result of the trading session the MicexPWR Sector Index outperformed mainly due to almost a 4% growth in RusHydro's shares on information about the weight increase of these securities in the MSCI Russia Index. From the current pieces of news of the sector, one can also note the announcement by Fitch on the confirmation of FGC UES's rating at the investment level "BBB-" and the upgrade of the outlook on the ratings from "stable" to "positive" following a similar action in relation to sovereign ratings.

ELECTRIC POWER INDUSTRY NEWS

The national standard for active power reserves in the UES of Russia approved

The Federal Agency on Technical Regulating and Metrology (Rosstandart) approved the national standard of the Russian Federation GOST R 57693-2017 "Unified energy system and isolated energy systems. Operational-dispatching management. Reserves of active capacity of the Unified Energy System of Russia. Determination of the volume of reserves of active capacity in the short-term planning. Norms and requirements".

Read full text: <https://minenergo.gov.ru/node/9378>

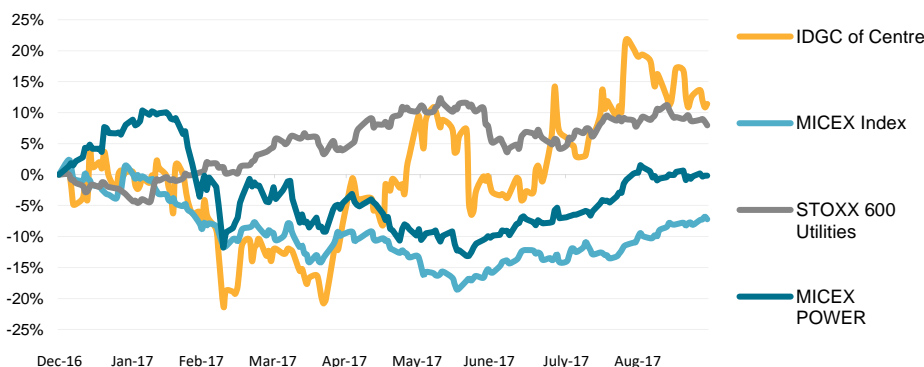
COMPANY NEWS

Belgorodenergo plans to save 7.03 million kWh in 2017

The economic effect from the implementation of organizational and technical measures of the energy saving and energy efficiency program in IDGC of Centre - Belgorodenergo division for seven months of this year exceeded 2.8 million kWh of electricity.

Read full text: <https://www.kommersant.ru/doc/3422801>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 071,64	-0,46%	-7,21%
S&P 500	2 510,06	0,12%	12,11%
FTSE 100	7 322,82	0,13%	2,52%
DAX	12 704,65	0,37%	10,66%
DJStoxx 600	386,36	0,19%	6,90%
STOXX Utilities	298,76	-0,55%	7,95%
Nikkei	20 363,11	0,47%	6,53%
Sensex	31 282,48	0,39%	17,49%
CSI300	3 822,54	0,04%	15,48%
Bovespa	73 567,25	-0,31%	22,15%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,18	0,27%	12,05%
USD/RUB	58,01	0,85%	-4,36%
Euro/RUB	68,17	0,22%	6,83%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 287,30	0,35%	12,18%
Brent*, USD/bbl	57,41	-0,85%	-2,31%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4980
Capitalisation**, billion RUB	21,02
Capitalisation**, million USD	362,43

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-0,01%	-0,19%
Shares of IDGC of Centre**	0,50%	11,41%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-1,74%	-11,43%
FGC UES	-0,66%	-15,35%
IDGC of Volga	-1,55%	103,66%
MOESK	0,23%	-1,11%
IDGC of Northern Caucasus	0,00%	0,45%
IDGC of Centre and Volga Reg	-2,75%	113,04%
IDGC of North-West	0,98%	12,36%
IDGC of Urals	0,27%	14,59%
IDGC of Siberia	1,35%	52,57%
IDGC of South	-0,44%	-14,50%
Lenenergo, ordinary shares	-0,71%	2,09%
TRK, ordinary shares	-6,62%	-14,08%
Kubanenergo	0,55%	-15,63%

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