



REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 19 September some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed with a rise of 0.5-0.7%, on Wednesday the composite index of the Asia-Pacific region, MSCI Asia Pacific, added 1.2%. As analysts note, the positive reaction of the markets on the announcement of new US and PRC duties from 24 September shows that investors perceive the steps of Washington and Beijing as a negotiating position, and not as the beginning of a full-scale trade war. In favour of this hypothesis, experts point to a reduction in the duty rate from initially planned 20-25% to 5-10%, phased introduction of tariffs and statements by both parties about the possibility and the desire to solve problems in the negotiations, the next round of which is expected this month. The results of the meeting of the Bank of Japan, which retained the main parameters of the aggressive stimulating monetary and credit policy, did not become a surprise for the market. November Brent futures traded near \$79.1 per barrel, \$0.2 higher than our closing on 18 September. Oil prices are consolidating near the four-year high after Tuesday's rise on Saudi Arabia's statements that it is satisfied with the price of the Brent barrel at more than \$80.

The MOEX Russia Index spent most of the trading session in a small plus within half a percent due to high oil prices and demand for emerging market assets – at mid-day the MSCI EM Index added about a percent. In the second half of the day, the MOEX Russia Index dropped to zero – investors preferred to fix profits after the update by the MOEX Russia Index of another historical record. The Russian market was kept from more active sales by continued positive background on the world stock markets and rising oil prices. The main US indices, the European Stoxx Europe 600 Index and the MSCI EM Index showed an average half-percent rise on expectations of constructive trade negotiations between the US and China, as well as good statistics from the US. In the US the number of new buildings in August increased more than forecast, the current account deficit in the second quarter fell to a minimum in three years. In turn, Brent quotes rose to around \$79.5 per barrel on the statistics of the US Department of Energy, which recorded a decline in oil reserves for the fifth consecutive week.

At the end of the day the MicexPWR Sector Index underperformed. The main contribution to the MicexPWR reduction in antiphase with the MOEX Russia Index was made by shares of Inter RAO and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

FAS expects the introduction of benchmark tariffs for Rosseti from July 2020

The Federal Antimonopoly Service (FAS) expects the transfer of grid companies to the benchmark tariff setting from July 2020, said in an interview with RIA Novosti Deputy Head of the FAS Vitaly Korolyov.

Read full text: <http://www.bigpowernews.ru/markets/document84589.phtml>

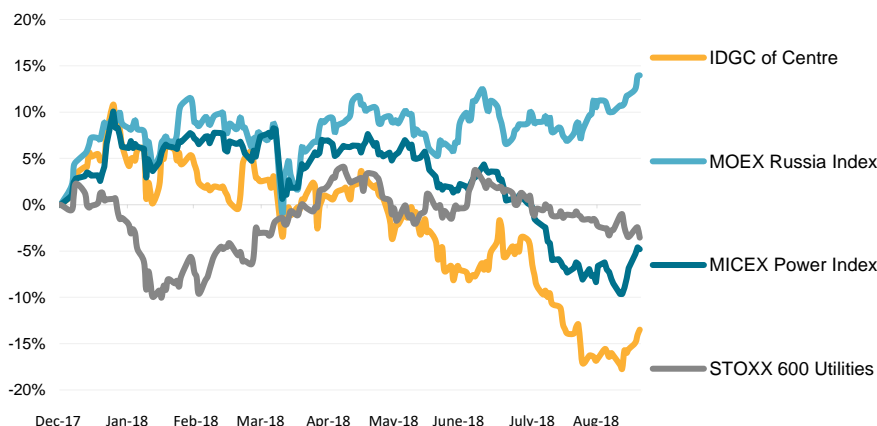
COMPANY NEWS

IDGC of Centre - Yarenergo division presented a rationalization project in Skolkovo

IDGC of Centre - Yarenergo division presented the rationalization proposal "Mobile application - "Monitoring of the state of metering devices and taking of electricity consumption readings" at the All-Russian competition of innovative projects and developments in the field of smart electric power industry "Energoproryv-2018" in Skolkovo. The competition is aimed at attracting specialists to solve specific scientific, technical and innovative tasks in the interests of PJSC "Rosseti".

Read full text: <https://yar.mk.ru/economics/2018/09/19/filial-pao-mrsk-centra-yarenergo-predstavil-racionalizatorskiy-proekt-v-skolkovo.html>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 404.42	0,08%	13,97%
S&P 500	2 907.95	0,13%	8,76%
FTSE 100	7 331.12	0,42%	-4,64%
DAX	12 219.02	0,50%	-5,41%
DJStoxx 600	379.98	0,33%	-2,36%
Nikkei	23 672.52	1,08%	3,99%
Sensex	37 121.22	-0,45%	9,00%
CSI300	3 312.48	1,32%	-17,82%
Bovespa	78 168.66	-0,19%	2,31%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	67,75	-0,65%	17,57%
EURO/RUB	79,17	-0,23%	15,10%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 204.04	0,47%	-7,58%
Brent*, USD/bbl	79.40	0,47%	24,02%

* - November futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2900	32,68	482,38

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-1,12%	-3,55%
MICEX POWER Index	-0,21%	-4,80%
IDGC of Centre**	0,65%	-13,48%
IDGC of Centre and Volga Region**	-0,34%	-3,88%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	1,31%	-10,64%
FGC UES	-0,70%	0,96%
IDGC of Volga	1,06%	-2,87%
MOESK	1,14%	-21,25%
IDGC of Northern Caucasus	1,68%	-21,09%
IDGC of North-West	4,82%	29,62%
IDGC of Urals	-0,29%	-18,14%
IDGC of Siberia	-4,04%	-17,03%
IDGC of South	13,25%	30,10%
Lenenergo, ordinary shares	3,31%	33,33%
TRK, ordinary shares	0,61%	-10,51%
Kubanenergo	-0,37%	-31,89%

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