



REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 14 December some moderately negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed in different directions with changes within 0.3%. According to media reports, uncertainty in relations between the US and China continues to dominate markets. Donald Trump told Reuters news agency that phone talks are taking place between Washington and Beijing and did not rule out a new summit meeting to discuss trade issues, although he did not set deadlines. Earlier, the US security officials said at a Senate hearing that Beijing continues to abuse US technology to develop its own economy and that Chinese hackers' cyber-attacks remain a serious threat to the country's national security. On Friday the composite stock index of the Asia-Pacific region MSCI Asia Pacific lost 1.4%, futures for US indices decreased by 0.7%. The markets were pressured by weak statistics from the PRC, indicating a further slowdown in the second world economy. In November retail sales in China grew at the lowest rates since 2003, the rise in industrial production was the weakest in almost three years. February Brent futures traded around \$61 per barrel, \$0.7 above our 13 December close. The quotes were supported by the IEA's message that unplanned disruptions in supplies from Iran and Venezuela could actually double the decline in oil production in OPEC countries, from the announced 800 thousand barrels per day to about 1.7 million b/d.

On Friday sellers dominated the Russian market, as well as on the global markets as a whole – at the daily lows the losses of the MOEX Russia Index and the European Stoxx Europe 600 Index exceeded a percent, the index of emerging markets MSCI EM – 1.5%. Following the weak data from the PRC, a new portion of European statistics reinforced the opinion of economists that the peak of the global economy has already passed. So, the composite index of the Eurozone's business activity in December reached a minimum since November 2014, car sales in the EU in November fell for the third month in a row. The Bank of Russia increased its key interest rate by 0.25 percentage points to 7.75% and announced the resumption of regular purchases of foreign currency in the market within the budget rule from 15 January 2019. Both decisions did not become unexpected for traders and did not have a significant impact on the changes of the Russian stock market. In the afternoon the MOEX Russia Index reduced the losses to 0.5% due to a slight improvement in sentiment on world markets. Firstly, China has promised to reduce duties on cars from the US from the current 40% to 15% for 90 days. Secondly, in the US retail sales growth in November was better than expected, while the figure for October was revised upwards, and industrial production in October grew twice as much as the forecast.

At the end of the trading session changes of the MicexPWR Index as a whole corresponded to the market. The main contribution to the MicexPWR reduction was made by shares of RusHydro, Inter RAO and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

Head of ROSSETI is confident in the demand for power engineers for years to come

The power engineering profession will be in demand for many years, despite the development of new technologies, as a result of which some of the professions that are currently in demand may disappear in the future. This opinion was expressed by the head of ROSSETI, Pavel Livinskiy, at the TED talk for participants of the All-Russian professional navigation forum "Projectoria", which takes place in Yaroslavl.

Read full text: <https://tass.ru/ekonomika/5909173>

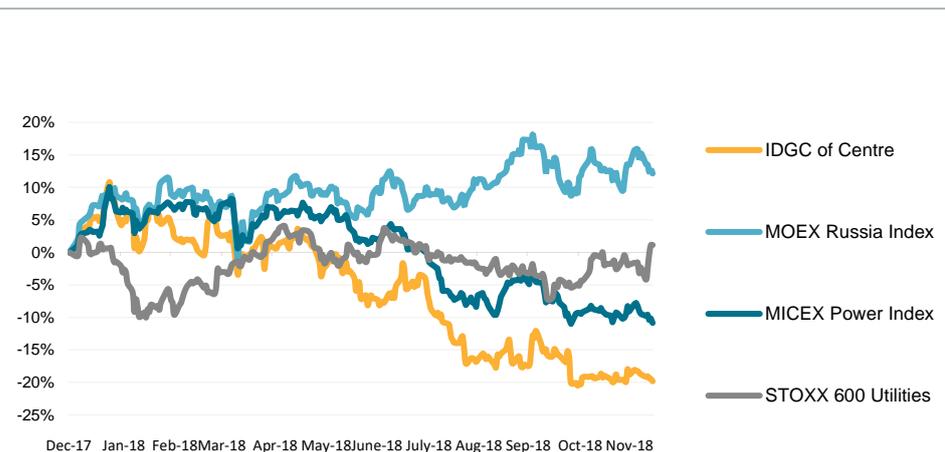
COMPANY NEWS

Tambovenergo connected a new road infrastructure facility to the grid

In 2017, Tambovenergo's specialists already reconstructed the grid for safe operation of this transport artery, which is being built as part of the federal program "Housing".

Read full text: <http://www.prttime.ru/2018/12/13/tambovenergo-podklyuchilo-k.html>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 365,69	-0,54%	12,13%
S&P 500	2 599,95	-1,91%	-2,76%
FTSE 100	6 845,17	-0,47%	-10,96%
DAX	10 865,77	-0,54%	-15,88%
DJStoxx 600	347,21	-0,63%	-10,78%
Nikkei	21 374,83	-2,02%	-6,11%
Sensex	35 962,93	0,09%	5,60%
CSI300	3 165,91	-1,67%	-21,46%
Bovespa	87 449,50	-0,44%	14,46%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	66,26	-0,25%	14,97%
EURO/RUB	75,39	0,23%	9,60%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 239,02	-0,24%	-4,90%
Brent*, USD/bbl	60,28	-1,90%	-9,85%

* - February futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2854	12,05	181,86
IDGC of Centre & Volga Reg	0,2740	30,88	466,07

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,01%	1,12%
MICEX POWER Index	-0,73%	-10,85%
IDGC of Centre**	-0,42%	-19,83%
IDGC of Centre and Volga Region**	-0,25%	-9,18%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,79%	-8,34%
FGC UES	-0,93%	-6,46%
IDGC of Volga	-0,40%	-3,02%
MOESK	-0,52%	-25,75%
IDGC of Northern Caucasus	1,57%	-25,94%
IDGC of North-West	-0,74%	3,46%
IDGC of Urals	0,00%	-11,98%
IDGC of Siberia	-1,42%	-15,37%
IDGC of South	-1,39%	-4,93%
Lenenergo, ordinary shares	-0,36%	15,83%
TRK, ordinary shares	0,00%	-11,05%
Kubanenergo	-3,08%	-35,71%

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