

## REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 1 October some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 rose by 0.4-0.5%, on Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.4%. Investors were supported by a rebuttal by the White House's representatives of media reports that the US was considering limiting US portfolio investment in China's assets. The White House trade adviser Peter Navarro called them "fake news", and a US Treasury official said that the authorities were not considering blocking Chinese companies from listing shares on US stock exchanges at this time. An additional positive factor in the Asian session was the softening of monetary policy by the Reserve Bank of Australia and the growth of expectations of similar steps from the Bank of Japan after the publication of weak statistics. The Australian Central Bank has lowered the rate for the third time since June – to a record low of 0.75%, trying to support the country's economy and protect it from external shocks. In Japan, the Tankan index, which measures the sentiment among large industrial companies, fell to a 6-year low in the third quarter. The markets of China and Hong Kong were closed due to holidays on the occasion of the founding of the PRC. December Brent futures were trading around \$59.6 per barrel, \$0.7 below our close on 30 September. After official confirmation of the full restoration of oil production in Saudi Arabia, Brent quotes returned to levels preceding the attack of drones on Riyadh's oil infrastructure.

The MOEX Russia Index spent most of the trading session in more than a half-percent plus. LUKOIL's shares were the driver of our market's upswing, adding more than 2.7% on information about the launch of a new buyback program worth up to \$3 billion. At the same time, the growth potential of the Russian market was limited by the deterioration of sentiment on western markets, provoked by the publication of weak statistics on business activity in the manufacturing sector in September. In the middle of the day, the European Stoxx Europe 600 Index was losing about 0.5% on IHS Markit data for the Eurozone – the manufacturing PMI fell to a minimum of 45.7 points in seven years. The pressure of sellers on the western markets intensified after the release of statistics in the US, where the ISM Manufacturing Index dropped to 47.8 points – the lowest level since June 2009. Against this background, the losses of the Stoxx Europe 600 Index approached 1.5%, major US indices began the trading session with a half-percent decline, the growth rates of the MOEX Russia Index slowed to 0.4%.

During the trading session, the electric utilities sector index underperformed. The main contribution to the MOEXEU decline in antiphase with the MOEX Russia Index was made by shares of Inter RAO, Rosseti and FGC UES.

## ELECTRIC POWER INDUSTRY NEWS

### The Ministry of Energy submitted to the government a draft Federal Law on the differentiation of FGC UES's tariff, - says the newspaper

The initiative involves increasing the tariff for direct consumers of FGC UES by 50% for 7 years. This will reduce the amount of cross-subsidization in grids by 22 billion rubles. However, the Ministry of Energy still has disagreements with the Ministry of Economic Development and the Federal Antimonopoly Service, and large industrialists estimate the growth of the load from this measure at 40 billion rubles annually.

Read full text: <http://www.bigpowernews.ru/markets/document90065.phtml>

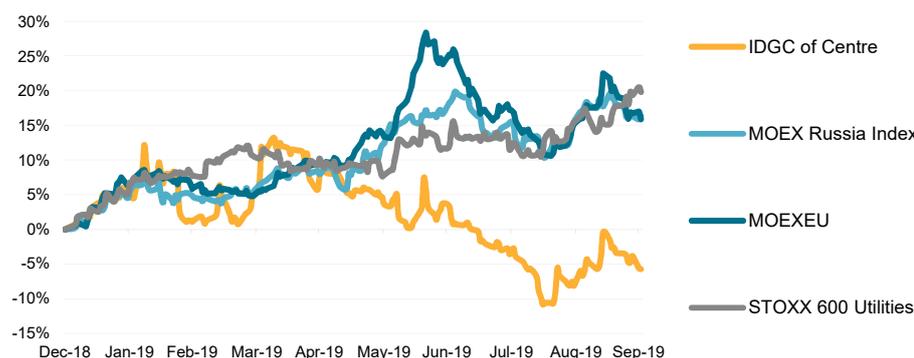
## COMPANY NEWS

### Yaroslavl power engineers suppressed illegal consumption of electricity of 45 million rubles

For 8 months of 2019, specialists of the branch "Rosseti Centre Yarenergo" identified 424 cases of illegally consumed electricity in the amount of 13.146 million kWh for a total of more than 45 million rubles. The inspection control group of the branch's security department specializes in identifying large unscrupulous consumers.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/69751/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2756.83	0.42%	16.44%
S&P 500	2954.86	-0.74%	17.87%
FTSE 100	7360.32	-0.65%	9.40%
DAX	12263.83	-1.32%	16.15%
DJStoxx 600	387.99	-1.31%	14.91%
Nikkei	21885.24	0.59%	9.35%
Sensex	38305.41	-0.94%	6.20%
CSI300	3814.53	0.00%	26.70%
Bovespa	104205.6	-0.52%	18.57%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,6407	0.35%	-6.95%
EURO/RUB	70,7169	0.57%	-11.00%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1483.22	0.74%	15.66%
Brent*, USD/bbl	59,05	-2.85%	9.76%

\* - December futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2696	11,38	176,08
IDGC of Centre & Volga Reg	0,2508	28,26	437,26

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0.59%	19.89%
MOEXEU	-0.94%	15.98%
IDGC of Centre**	-0.15%	-5.73%
IDGC of Centre and Volga Region**	0.76%	-5.36%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-3.07%	54.35%
FGC UES	-1.61%	23.39%
IDGC of Volga	0.32%	-5.26%
MOESK	-0.69%	31.36%
IDGC of Northern Caucasus	-0.75%	146.14%
IDGC of North-West	-0.33%	10.18%
IDGC of Urals	-0.11%	-5.74%
IDGC of Siberia	4.57%	120.78%
IDGC of South	0.51%	8.45%
Lenenergo, ordinary shares	-3.21%	25.33%
TRK, ordinary shares	-5.61%	47.40%
Kubanenergo	1.13%	28.48%

Source: MOEX, Company calculations

\*\* - at the price of last transaction at MOEX

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**Tickers**  
 Moscow Exchange (MOEX)  
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