



REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 15 November some moderately negative external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 fell 0.8%. The markets were also pressured by statements of representatives of the Democratic Party, firstly, on the need to change the free trade zone deal with Canada and Mexico for the approval of the Democrats, secondly, the need to tighten the regulation of the financial sector. On Thursday the composite stock index of the Asia-Pacific region, MSCI Asia Pacific, added more than half a percent, futures for US indices grew by 0.2%. Investors were supported by media reports that the Chinese authorities for the first time since the summer outlined a number of possible concessions to Donald Trump's requirements as part of efforts to resolve trade disputes ahead of the meeting of the two leaders at the G-20. In addition, according to Reuters, Beijing has sent a written response to the US demands for large-scale reforms in foreign trade. January Brent futures traded around \$66.4 per barrel, \$0.9 below our 14 November close. Quotes fell on data from the American Petroleum Institute on growth of oil reserves in the country for the sixth consecutive week by impressive 8.8 million barrels.

On Thursday buyers dominated the Russian market as part of investors' demand for emerging markets assets in the hope of easing the trade confrontation between the US and China. In the middle of the day, the MOEX Russia Index added 0.8%, the index of emerging markets MSCI EM – more than a percent. In the second half of the trading session, the growth rate of the MOEX Russia Index slowed down following the deterioration of sentiment on European markets. The European Stoxx Europe 600 Index lost more than a percent due to growing uncertainty over Brexit. After the UK government supported a draft Brexit agreement with the EU on Wednesday, three ministers resigned on Thursday, including Brexit Secretary. Now, the media notes, the country's prime minister has an even more difficult task to achieve approval of the deal by parliament, despite the fact that the Labour Party has already announced that it will vote against the proposed draft agreement between London and Brussels. American statistics published during the day were ambiguous and did not have a significant impact on the changes of trading. Retail sales in the US increased in October at the fastest rate since May, New York's November manufacturing activity index exceeded the forecast, while Philadelphia's November manufacturing activity index and data on unemployment benefits were worse than expected. At the end of the day, the MOEX Russia Index reduced the rise to 0.1% after the start of trading in the US with more than a half-percentage drop in the main indices.

During the trading session the MicexPWR Sector Index underperformed. The main contribution to the final MicexPWR decline in antiphase with the MOEX Russia Index was made by shares of Unipro and Mosenergo.

ELECTRIC POWER INDUSTRY NEWS

ROSSETI's Group of Companies is ready for winter

All subsidiaries of ROSSETI's Group received readiness certificates for the heating season of 2018/2019. The corresponding order was signed by the Minister of Energy of the Russian Federation Alexander Novak and published on the website of the Ministry.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=34259

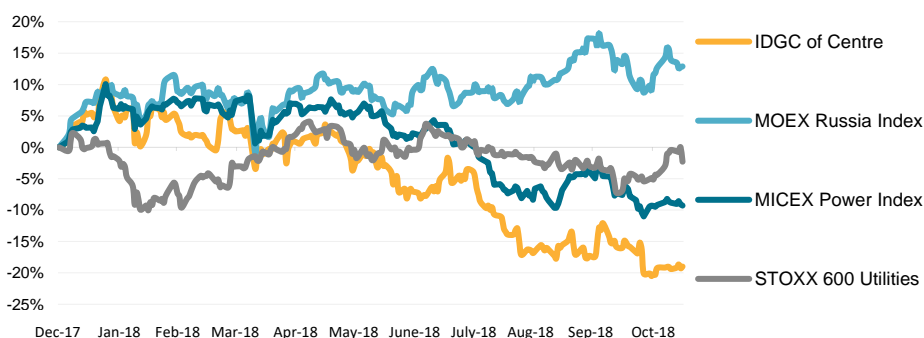
COMPANY NEWS

Since the beginning of the year IDGC of Centre reduced grid losses by more than 120 million kilowatt-hours

IDGC of Centre summed up the results of work to reduce losses in electric grids for nine months of 2018. According to the results of this period, their level in the whole Company was 9.84%, which is 0.33% lower than the Business Plan indicators and 0.31% lower than the final indicators of 2017, reduced to comparable conditions with 2018. The savings with respect to the Business Plan amounted to 128 million kWh, compared with 2017, the losses in the company's grids decreased by 121 million kWh.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66469/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2381,45	0,12%	12,88%
S&P 500	2684,53	-0,63%	0,41%
FTSE 100	6994,18	-0,56%	-9,02%
DAX	11292,57	-1,05%	-12,58%
DJStoxx 600	356,72	-1,53%	-8,34%
Nikkei	21803,62	-0,20%	-4,22%
Sensex	35260,54	0,34%	3,53%
CSI300	3242,37	1,17%	-19,56%
Bovespa	85973,06	0,00%	12,53%

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

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	67,9975	0,47%	17,99%
EURO/RUB	76,7556	0,90%	11,59%

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

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1212,7	0,15%	-6,93%
Brent*, USD/bbl	66,95	1,26%	0,12%

* - January futures

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

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2884	12,18	179,06
IDGC of Centre & Volga Reg	0,2578	29,05	427,27

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-2,29%	-2,29%
MICEX POWER Index	-0,22%	-9,28%
IDGC of Centre**	0,35%	-18,99%
IDGC of Centre and Volga Region**	-2,20%	-14,55%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,49%	-11,81%
FGC UES	-0,29%	-5,55%
IDGC of Volga	-0,61%	-3,99%
MOESK	-0,29%	-24,14%
IDGC of Northern Caucasus	-0,28%	-26,25%
IDGC of North-West	-4,60%	7,69%
IDGC of Urals	-1,51%	-18,95%
IDGC of Siberia	6,63%	-24,10%
IDGC of South	0,32%	4,43%
Lenenergo, ordinary shares	0,69%	21,67%
TRK, ordinary shares	0,00%	-8,36%
Kubanenergo	4,73%	-26,53%

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