



REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 19 October some moderately negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 lost 1.3-1.4% in conditions of maintaining high volatility. The US markets are still pressured by the prospects of tightening the monetary policy by the Fed, the escalation of trade wars and the slowdown of the global economy. On Friday the composite index of the Asia-Pacific region, MSCI Asia Pacific, traded in a small minus, with multidirectional changes of the main country indices. The Chinese CSI300 grew by 2.9% despite weak statistics: the GDP rise in the third quarter to a minimum of 6.5% since the crisis of 2009 was worse than expected, the industrial production growth in September did not meet the market expectations. According to experts, China's economy continues to slow down not only because of trade disputes with the US, but also because of internal problems – reducing investment in infrastructure and real estate, a huge debt burden. Bloomberg explains the steady increase in the Chinese market by the verbal intervention of the leading financial regulators of the PRC, who assured investors that financial risks are under control. The relevant statements were published by the Central Bank, the securities market regulator and the joint regulator of the banking and insurance sectors in China. December Brent futures traded near \$79.6 per barrel, at the level of our close on 18 October.

The MOEX Russia Index spent the Friday's trading session in negative territory under the pressure of active sales in shares of Yandex and Sberbank, triggered by information from the media about the ongoing negotiations on the purchase of up to 30% of Yandex's shares by the state bank. Analysts say that the negative factor for Yandex is possible sanctions due to the new shareholder and, in general, the transfer under the indirect control of the state, for Sberbank - the deterioration of dividend prospects. In the afternoon the loss of the MOEX Russia Index was close to 1.5%, despite the growth of Brent quotes above \$80 a barrel and a half-percentage rise in US stock indices on good corporate reporting.

During the trading session changes of the MicexPWR Sector Index as a whole corresponded to the market. The main contribution to the final MicexPWR decline was made by shares of Inter RAO and RusHydro. The pressure on RusHydro's shares could have been made by statements of analysts from VTB Capital and BCS that these securities are likely to be excluded from the MSCI Russia Index following the results of the November's revision. From the current news of electric grid companies, one can note Rosseti's RAS statements for nine months – the net profit of the holding increased by 2.6 times, to 19.2 billion rubles.

ELECTRIC POWER INDUSTRY NEWS

Net profit of "Rosseti" for 9 months of 2018 under RAS increased by 2.6 times

Following the results of 9 months of 2018, in accordance with Russian Accounting Standards, the net profit of Rosseti increased by 2.6 times in comparison with the figure for the same period last year and amounted to 19.213 billion rubles. The company's revenue increased by 3% – up to 26.42 billion rubles.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=34163

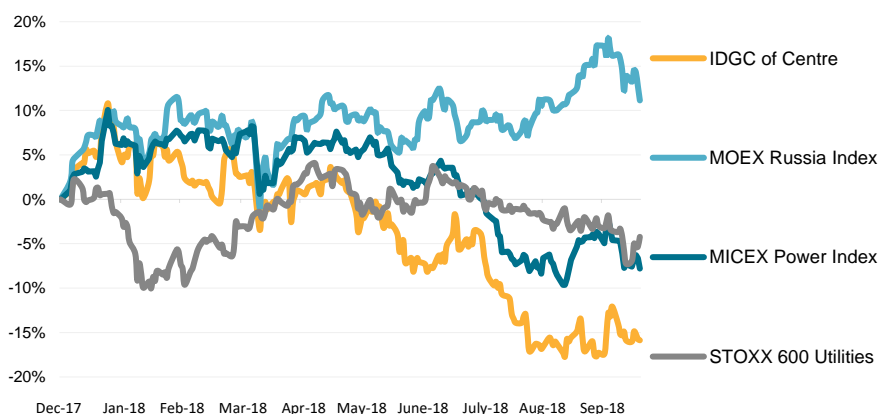
COMPANY NEWS

General Director of IDGC of Centre - the managing organization of IDGC of Centre and Volga Region Igor Makovskiy had a working visit to the Kaluga region

General Director of IDGC of Centre - the managing organization of IDGC of Centre and Volga Region Igor Makovskiy had a working visit to the Kaluga branch of the company - Kalugaenergo. As part of his visits to regions of operation of IDGC of Centre and IDGC of Centre and Volga Region, the head of the company familiarized himself with the operation of the company's power grid complex in the Kaluga region and its development prospects, met with the staff, and visited the major feeding centres of the region.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66201/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 344,79	-1,42%	11,14%
S&P 500	2 767,78	-0,04%	3,52%
FTSE 100	7 049,80	0,32%	-8,30%
DAX	11 553,83	-0,31%	-10,56%
DJStoxx 600	361,24	-0,12%	-7,18%
Nikkei	22 532,08	-0,56%	-1,02%
Sensex	34 315,63	-1,33%	0,76%
CSI300	3 134,95	2,97%	-22,23%
Bovespa	84 219,74	0,44%	10,23%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	65,72	0,49%	14,05%
EURO/RUB	75,57	-0,11%	9,86%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 226,49	0,06%	-5,86%
Brent*, USD/bbl	79,78	0,62%	19,31%

* - December futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	Change	
		MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre	0,2995	12,64	192,39
IDGC of Centre & Volga Reg	0,2855	32,18	489,55

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	1,17%	-4,22%
MICEX POWER Index	-1,22%	-7,78%
IDGC of Centre**	-0,17%	-15,87%
IDGC of Centre and Volga Region**	-0,52%	-5,37%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,26%	-12,24%
FGC UES	0,33%	-4,97%
IDGC of Volga	-0,53%	0,34%
MOESK	-0,29%	-22,80%
IDGC of Northern Caucasus	0,00%	-25,26%
IDGC of North-West	-0,60%	27,88%
IDGC of Urals	-2,01%	-18,38%
IDGC of Siberia	-1,14%	-24,45%
IDGC of South	-0,65%	27,42%
Lenenergo, ordinary shares	0,41%	27,71%
TRK, ordinary shares	2,56%	-13,75%
Kubanenergo	-1,57%	-35,97%

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
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