

## REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 2 September some neutral external background formed on the Russian market. On Friday the US indices DJIA and S&P500 rose by 0.1-0.2% on continuing expectations of a decrease in tension in the US-China trade conflict, the reason for which was the statement by the representative of the Ministry of Commerce of China that China would not immediately respond to a new increase in duties, announced by Donald Trump. At the same time, investors' activity was restrained by the upcoming long weekend – on 2 September the US markets will be closed due to Labor Day celebrations, and weak statistics – in August the US consumer confidence index fell to a minimum of three years. According to analysts, these statistics reflect the growing fears of Americans about the government's trade policy and the likelihood of a recession in the country, which could negatively affect consumer spending – the main driver of US economic growth. On Monday the composite stock index of the Asia-Pacific region MSCI Asia Pacific lost 0.4%. The \$110 billion 15% duty on Chinese imports to the US, which entered into force on 1 September, was not a surprise to the markets, but increased investors' concern about the future prospects for resolving the US-China trade dispute. Support for the Chinese CSI300, which grew by 1.3%, was provided by the country's authorities' plans to increase economic stimulation – in particular, it is about increasing investments and expanding lending. An additional positive factor for the PRC market was statistics – the industrial PMI, calculated by Caixin and Markit, rose to 50.4 points in August, breaking the mark of 50 points for the first time in three months. November Brent futures were trading around \$59.1 per barrel, \$0.2 higher than our close on Friday, 30 August.

On Monday, buyers dominated the Russian market – in the middle of the day the growth rates of the MOEX Russia Index exceeded a percent. The rise of our market was mainly associated with corporate stories. The main contribution to the final growth of the MOEX Russia Index was made by LUKOIL's shares (+1.8%) – on expectations of the launch of a new buyback program, Norilsk Nickel (+2.6%) – on the ongoing rally of nickel quotes, and ordinary shares of Surgutneftegas (+12.3 %). According to Interfax, the reason for the jump in the shares of Surgutneftegas could be information that the company is creating a subsidiary, whose activities include investment in securities and securities management. According to Interfax-CEA analysts, investors might be interested in hopes that Surgutneftegas decided to start investing in the stock market a part of the accumulated financial "cushion" of 3 trillion rubles. The activity of traders on European exchanges was low in the absence of trading in the US, during the day the European Stoxx Europe 600 Index added about a third of a percent on news from China. A limiting factor for investors was own statistics – the industrial PMI in the Eurozone in August for the seventh consecutive month has been below the threshold of 50 points and close to 7 years' lows. In the UK, fears of a "tough" Brexit have reduced business activity in the manufacturing sector to lows since June 2012.

During the day, the electric utilities sector index underperformed, investors' activity was mainly concentrated in first-tier stocks.

## ELECTRIC POWER INDUSTRY NEWS

### Business Russia advocated for "smart" electricity metering

It is practically impossible to accurately calculate the consumed electricity without a specialized intelligent metering system that will make the cost of electricity transparent, said RIA Novosti Aleksey Smirnov, the head of the energy committee of the Moscow regional branch of Business Russia.

Read full text: <https://realty.ria.ru/20190902/1558160804.html>

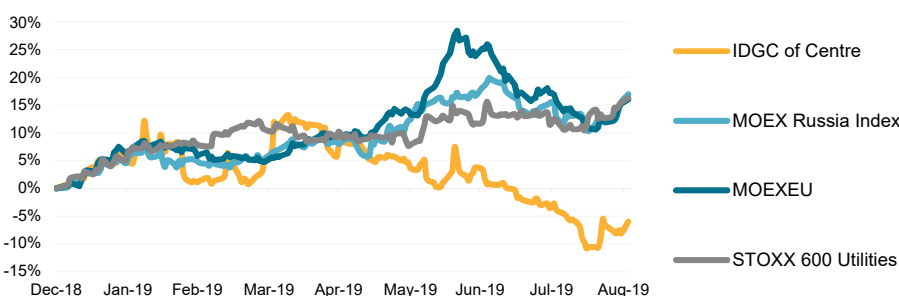
## COMPANY NEWS

### Tambovenergo organized large-scale exercises in the region in preparation for winter

In the Tambov region, scheduled large-scale joint exercises were held to work out actions to eliminate mass blackouts of electric grid facilities caused by exposure to dangerous meteorological phenomena, organized by the branch "Rosseti Centre Tambovenergo".

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/69505/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 773,01	1,20%	17,04%
S&P 500	2 926,46	0,00%	16,74%
FTSE 100	7 281,94	1,04%	8,23%
DAX	11 953,78	0,12%	13,21%
DJStoxx 600	380,69	0,32%	12,75%
Nikkei	20 620,19	-0,41%	3,02%
Sensex	37 332,79	0,00%	3,51%
CSI300	3 848,32	1,28%	27,82%
Bovespa	100 625,70	-0,50%	14,49%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	66,49	-0,39%	-4,29%
EURO/RUB	73,38	-0,77%	-7,65%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 529,29	0,59%	19,24%
Brent*, USD/bbl	58,66	-2,93%	9,03%

\* - November futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**,	
		₽ bln	\$ mln
IDGC of Centre	0,2688	11,35	170,68
IDGC of Centre & Volga Reg	0,2639	29,74	447,30

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,69%	16,35%
MOEXEU	0,62%	16,10%
IDGC of Centre**	2,28%	-6,01%
IDGC of Centre and Volga Region**	4,97%	-0,42%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	1,75%	53,87%
FGC UES	0,48%	20,42%
IDGC of Volga	0,71%	-5,31%
MOESK	0,85%	17,05%
IDGC of Northern Caucasus	3,10%	132,86%
IDGC of North-West	0,42%	8,74%
IDGC of Urals	0,80%	-4,77%
IDGC of Siberia	-1,42%	144,29%
IDGC of South	-0,33%	10,19%
Lenenergo, ordinary shares	-0,87%	7,18%
TRK, ordinary shares	3,45%	-2,60%
Kubanenergo	1,66%	25,20%

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**