



## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 14 September some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 rose by 0.5-0.6%, on Friday the composite index of the Asia-Pacific region, MSCI Asia Pacific, increased by 1.2%. Investors were supported by the stabilization of the situation in emerging markets after the Central Bank of Turkey sharply raised the key rate by more than 6 percentage points, to 24%, and the US statistics. In the US, the number of applications for unemployment benefits remained at a minimum since 1969, inflation in August was the lowest since April, which reduced the likelihood of an accelerated scenario of tightening monetary policy of the Fed. November Brent futures traded near \$78.4 per barrel, at the level of our closing on 13 September.

The MOEX Russia Index spent most of the trading session in a low volatile flat trend near zero. The unexpected decision for analysts of the Bank of Russia to raise the key interest rate by 0.25 percentage points, to 7.5% per annum, did not have a significant impact on the changes of our market. The subsequent strengthening of the ruble, the additional positive factor for which was the message of the Central Bank on the extension of the suspension of currency purchase in the market until the end of December 2018, put pressure on shares of exporters, but supported securities of sectors oriented to domestic consumption. The regulator explained its decision to raise the key rate by the deterioration of the external background, which significantly increased the inflation risks. At the press conference, the head of the Central Bank said that the regulator's decision is not the beginning of a cycle of tightening of monetary policy, noting that conditions for easing monetary policy may form at the end 2019 – the first half of 2020. At the end of the day, the MOEX Russia Index was able to gain a foothold in the positive area due to better sentiment on the western markets, where investors were playing out generally positive US statistics. In the USA, in August the growth rates of industrial production exceeded forecasts, the consumer confidence index jumped to a maximum in six months in September, retail sales figures in August were in line with expectations, given the revision of data for July.

During the day the MicexPWR Sector Index outperformed significantly. The main contribution to the final MicexPWR outperformance in comparison with the MOEX Russia Index was made by shares of FGC UES and Mosenergo.

## ELECTRIC POWER INDUSTRY NEWS

### A large-scale check of the readiness of power engineers for the winter was successfully held in the Central Federal District

12 September, "Rosseti" conducted comprehensive exercises in the preparation of the subjects of the Central Federal District for the operation through the autumn-winter period of 2018-2019.

Read full text: [http://www.rosseti.ru/press/news/index.php?ELEMENT\\_ID=33974](http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=33974)

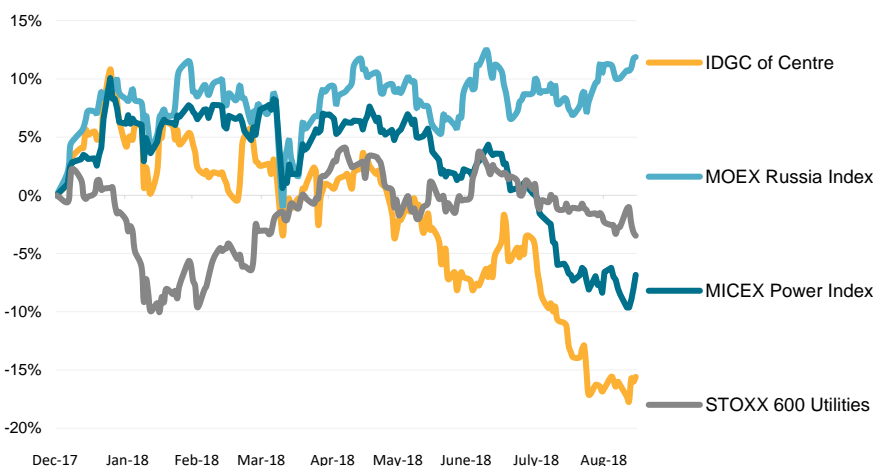
## COMPANY NEWS

### IDGC of Centre modernizes a large feeding centre in the Kostroma region

Specialists of IDGC of Centre - Kostromaenergo division started reconstruction of one of the major power centres of the region - the 110/35/6 kV Substation "Bui-district" in the town of Bui. The power engineers will install an operating current control device at the power facility, upgrade part of the equipment and perform a number of other works.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/65639/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 360,26	0,12%	11,87%
S&P 500	2 904,98	0,03%	8,65%
FTSE 100	7 304,04	0,31%	-4,99%
DAX	12 124,33	0,57%	-6,14%
DJStoxx 600	377,85	0,35%	-2,91%
Nikkei	23 094,67	1,20%	1,45%
Sensex	38 090,64	0,99%	11,84%
CSI300	3 242,09	0,17%	-19,57%
Bovespa	75 429,09	0,99%	-1,27%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	68,64	-1,35%	19,10%
EURO/RUB	79,77	-1,09%	15,97%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 194,85	-0,55%	-8,29%
Brent*, USD/bbl	78,09	-0,12%	21,98%

\* - November futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3005	12,69	184,83
IDGC of Centre & Volga Reg	0,2915	32,85	478,63

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,31%	-3,47%
MICEX POWER Index	1,22%	-6,83%
IDGC of Centre**	0,50%	-15,59%
IDGC of Centre and Volga Region**	0,00%	-3,38%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	1,14%	-16,42%
FGC UES	3,34%	0,34%
IDGC of Volga	0,00%	-5,50%
MOESK	0,87%	-22,91%
IDGC of Northern Caucasus	0,00%	-22,14%
IDGC of North-West	-2,19%	28,65%
IDGC of Urals	-0,29%	-17,90%
IDGC of Siberia	2,62%	-14,41%
IDGC of South	1,31%	16,39%
Lenenergo, ordinary shares	2,02%	26,46%
TRK, ordinary shares	0,00%	-11,05%
Kubanenergo	0,00%	-32,14%

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**