



REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 23 November some moderately negative external background formed on the Russian market. On Thursday the US exchanges were closed due to the celebration of Thanksgiving Day. On Friday the composite index of the Asia-Pacific region, MSCI Asia Pacific, declined by 0.1%, while the main country indices fell with multidirectional changes, and the S&P500 index futures lost 0.4%. The activity of traders, according to Bloomberg, was low: the Japanese exchanges did not work because of the celebration of Labour Day, and trading was not held in India. The Chinese market became the leader of decline – the CSI300 index fell 2.2% after the technology sector, which was under pressure from the media that the US intends to strengthen the campaign against Huawei Technologies. January Brent futures traded around \$ 61.8 per barrel, \$1.4 below our 22 November close. In the Asian session Brent quotes once again updated the annual minimum – investors are concerned about the growing imbalance of supply and demand. JPMorgan lowered its forecast for oil prices for 2019 due to weaker demand and increased production: in particular, according to experts, Brent will cost an average of \$73 per barrel, rather than \$83.5, as previously expected.

On Friday sellers dominated the Russian market – the loss of the MOEX Russia Index at daily lows was close to 1.5%. The main negative factor for investors was the fall in Brent crude prices, which in the second half of the trading session for the first time since October 2017 fell below \$60 per barrel. Inexplicable changes of European markets could not provide significant support to our market. The Stoxx Europe 600 Index spent most of the day trading in a small plus on media information that the United Kingdom and the European Union agreed a draft declaration on their post-Brexit relationship. Now the declaration and draft agreement on Brexit will be presented for approval at an emergency EU summit on 25 November. However, the optimism of European investors was limited to doubts about the passage of these documents through the British Parliament, uncertainty with the budget of Italy and weak statistics. According to preliminary data from Markit, in November business activity in the Eurozone's processing industry was at its lowest since May 2016, in the service sector at the lowest level since October 2016, and the value of the consolidated PMI was the worst in almost four years.

During the trading session the MicexPWR Sector Index outperformed, the main sales were concentrated in the first-tier shares. At the end of the day, all the most liquid and capitalized securities of the sector were able to close in a positive area in antiphase with the MOEX Russia Index.

ELECTRIC POWER INDUSTRY NEWS

Electricity generation in Russia increased by 1%

Electricity generation in Russia in January-October 2018 increased by 1% compared with the figure for the same period last year - up to 900 billion kWh, according to Rosstat materials.

Read full text: <http://peretok.ru/news/tek/19382/>

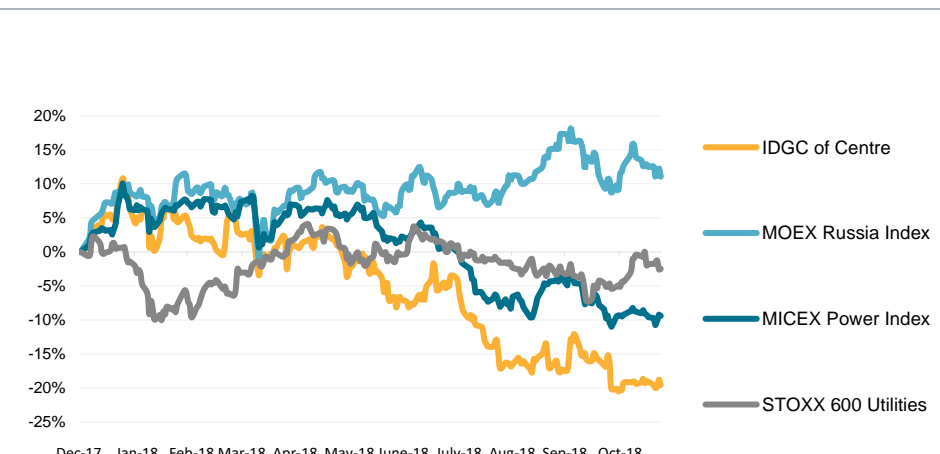
COMPANY NEWS

A sudden emergency response training was held at the branch "Kostromaenergo" under the leadership of General Director of IDGC of Centre Igor Makovskiy

In the framework of a working visit to the branch "Kostromaenergo", General Director of IDGC of Centre - the managing organization of IDGC of Centre and Volga Region Igor Makovskiy conducted an unscheduled check of actions of Kostromaenergo's personnel during massive power outages. According to the legend, a 110 kV substation was penetrated by unauthorized persons and as a result of their actions an emergency shutdown of power transformers occurred. In total, about 70 settlements were de-energized - these are more than 20 thousand inhabitants.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66578/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 342,97	-1,12%	11,05%
S&P 500	2 632,56	-0,66%	-1,54%
FTSE 100	6 952,86	-0,11%	-9,56%
DAX	11 192,69	0,49%	-13,35%
DJStoxx 600	353,98	0,40%	-9,04%
Nikkei	21 646,55	0,00%	-4,91%
Sensex	34 981,02	0,00%	2,71%
CSI300	3 143,47	-2,21%	-22,01%
Bovespa	86 230,22	-1,43%	12,86%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	65,61	-0,52%	13,84%
EURO/RUB	74,80	-0,46%	8,75%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 223,05	-0,45%	-6,12%
Brent*, USD/bbl	58,80	-6,07%	-12,07%

* - January futures

Source: Bloomberg, Company calculations

Shares	Price**, ₰	MCap**, ₰ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2739	30,87	470,50

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,10%	-2,47%
MICEX POWER Index	-0,19%	-9,41%
IDGC of Centre**	-0,97%	-19,55%
IDGC of Centre and Volga Region**	-0,36%	-9,21%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,14%	-12,12%
FGC UES	0,58%	-5,15%
IDGC of Volga	-0,45%	-2,39%
MOESK	0,00%	-24,75%
IDGC of Northern Caucasus	1,29%	-26,15%
IDGC of North-West	2,90%	9,04%
IDGC of Urals	0,35%	-18,38%
IDGC of Siberia	-1,60%	-24,63%
IDGC of South	-1,23%	0,33%
Lenenergo, ordinary shares	-1,91%	17,92%
TRK, ordinary shares	1,16%	-6,20%
Kubanenergo	0,00%	-29,85%

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