

## REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 2 October some moderately negative external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 fell 1.2-1.3%, on Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.6%. The reason for the sales was weak statistics on business activity in industry in the Eurozone and the US in September, which significantly increased the fears of a recession in the global economy. According to IHS Markit, the manufacturing PMI in Europe fell to a minimum of 45.7 points in seven years. In turn, in the US the ISM Manufacturing dropped to 47.8 points – the lowest level since June 2009. In addition, the World Trade Organization lowered its forecast for the world trade growth in 2019 due to trade conflicts from 2.6% expected in April to 1.2%, a minimum for 10 years. A significant deterioration in the prospects for the global economy led to a revision of expectations for further actions by the Federal Reserve – according to the Chicago Stock Exchange, the probability of a rate cut at the October meeting jumped to 65% from 40% a day earlier. Markets in China and India were closed on Wednesday due to the holidays. December Brent futures were trading around \$59.4 per barrel, \$0.3 higher than our close on 1 October. The market was supported by a report of the American Petroleum Institute about a weekly reduction in US oil reserves by 5.9 million barrels. At the same time, the potential for price increases was limited by growing concerns about the stability of global fuel demand due to a possible global economic downturn.

On Wednesday, sellers dominated global stock exchanges on rising fears of a global recession – in the middle of the day the losses of the MOEX Russia Index and the European Stoxx Europe 600 Index were about 1% and 1.5%, respectively, futures for the US indices decreased by 0.5%. The underperformance of the European markets was due to an increase in the risks of implementing a “hard” Brexit. According to media reports, the British Prime Minister sent Brussels the final compromise proposals for the agreement. At the same time, Boris Johnson, in fact, said in an ultimatum that if the EU does not agree to the proposals of London by 11 October, the UK will have no choice but to leave the European Union without a deal. In the second half of the trading session, investors’ sentiment worsened significantly after the publication of the ADP report on the number of new jobs in the US in September – firstly, the data turned out to be worse than analysts’ forecasts, and secondly, during the review, August indicators were reduced by almost 20%. Against this backdrop, the loss of the US stock indices exceeded 1.5%, the Stoxx Europe 600 Index lost more than 2.5%, the MOEX Russia Index closed trading with a fall of 1.4%.

At the end of the trading session, the electric utilities sector index underperformed. The main contribution to the MOEXEU underperformance in comparison with the MOEX Russia Index was made by shares of Inter RAO, Rosseti and FGC UES.

## ELECTRIC POWER INDUSTRY NEWS

### Rosseti introduced a new development strategy and dividend policy to the Ministry of Energy

Rosseti introduced to the RF Ministry of Energy a new development strategy, option program, dividend policy, the company’s head Pavel Livinskiy told reporters.

Read full text: <http://www.bigpowernews.ru/news/document90071.phtml>

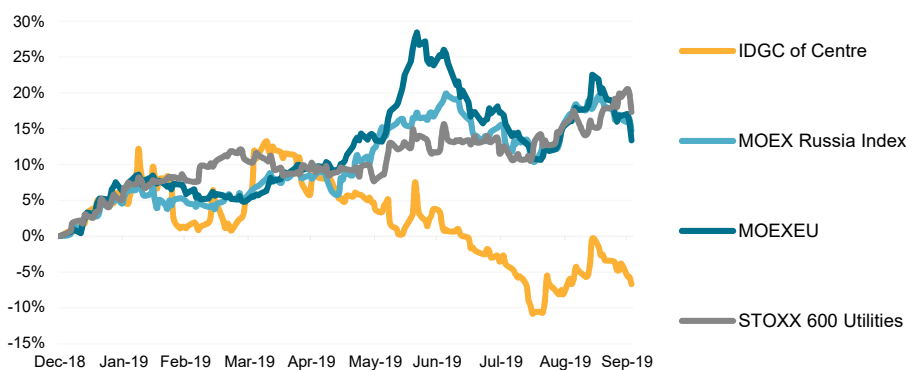
## COMPANY NEWS

### General Director of Rosseti Centre Igor Makovskiy outlined the priorities of the Tver branch of the company

General Director of Rosseti Centre - the managing organization of Rosseti Centre and Volga Region Igor Makovskiy had a working visit to the Tver region. One of the important stages of the trip of the head of the company to the region was a meeting with staff of the Tver branch. Its central theme was the discussion of plans and prospects for the functioning of the electric grid complex of the Tver region.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/69757/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 719,39	-1,43%	14,77%
S&P 500	2 887,61	-1,79%	15,19%
FTSE 100	7 122,54	-3,23%	5,86%
DAX	11 925,25	-2,76%	12,94%
DJStoxx 600	377,52	-2,70%	11,81%
Nikkei	21 778,61	-0,49%	8,81%
Sensex	38 305,41	0,00%	6,20%
CSI300	3 814,53	0,00%	26,70%
Bovespa	101 031,40	-2,90%	14,96%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,07	0,66%	-6,34%
EURO/RUB	70,84	0,18%	-10,84%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 499,45	1,37%	16,92%
Brent*, USD/bbl	57,69	-2,04%	7,23%

\* - December futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2466	27,79	427,12

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-2,10%	17,37%
MOEXEU	-2,24%	13,39%
IDGC of Centre**	-1,04%	-6,71%
IDGC of Centre and Volga Region**	-1,67%	-6,94%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-3,34%	49,19%
FGC UES	-1,71%	21,28%
IDGC of Volga	-1,08%	-6,28%
MOESK	-1,96%	28,79%
IDGC of Northern Caucasus	-0,81%	144,14%
IDGC of North-West	-1,14%	8,92%
IDGC of Urals	-0,92%	-6,61%
IDGC of Siberia	-2,12%	116,10%
IDGC of South	-2,54%	5,69%
Lenenergo, ordinary shares	-0,60%	24,57%
TRK, ordinary shares	-5,73%	38,96%
Kubanenergo	-2,07%	25,82%

Source: MOEX, Company calculations

\*\* - at the price of last transaction at MOEX

**IDGC of Centre, PJSC**  
127018, Moscow, 2nd Yamskaya, 4  
+7 (495) 747 92 92  
[www.mrsk-1.ru/en/investors/](http://www.mrsk-1.ru/en/investors/)

**IR Division**  
+7 (495) 747 92 92, ext. 33-34  
[ir@mrsk-1.ru](mailto:ir@mrsk-1.ru)

**Tickers**  
Moscow Exchange (MOEX)  
Bloomberg  
Reuters

**MRKC**  
**MRKC:RM**  
**MRKC:MM**