

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 11 October some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed with an increase of 0.6%, on Friday the composite index of the Asia-Pacific region MSCI Asia Pacific added 1.1%. The markets were supported by growing hopes for progress in the US-China trade negotiations, which was triggered by the statement of Donald Trump that he would meet on Friday with the Vice Premier of the State Council of the PRC. Earlier media reported that the head of the Chinese delegation can meet with the US President only if there is success in discussing a trade deal. Already after the closure of the American exchanges, Donald Trump positively assessed the course of the trade negotiations – “everything is going very well, tomorrow there will also be negotiations.” In addition, according to a source of Reuters in the White House, the first day of the negotiations went better than expected. December Brent futures were trading around \$60.2 per barrel, \$1.5 higher than our close on 10 October. Oil prices jumped Friday on Iranian media reports of a possible missile attack on an Iranian oil tanker in the Red Sea, reminding investors of geopolitical risks in the Middle East.

On Friday, buyers dominated the global stock markets – in the middle of the day, the growth of the consolidated MSCI All Country World Index was about a percent on the expectation that, based on the results of negotiations, Washington and Beijing will be able to conclude a partial trade agreement. According to media reports, Beijing’s obligations to stabilize the renminbi, which, the US believes, is artificially being weakened in anticipation of new duties, and an increase in purchases of US agricultural products, may enter the perimeter of this deal. For its part, Washington should abandon the planned increase in tariffs on Chinese imports in October and December. According to analysts, a partial agreement, having strengthened the mutual trust of the parties, will be an important step towards the conclusion of a full-fledged trade deal. An additional positive factor for investors was the weakening of the risks of the “hard” Brexit after statements by the prime ministers of Great Britain, Ireland and the EU chairman that an agreement on London’s exit from the EU could still be reached. In the afternoon, the growth of the MSCI All Country World Index exceeded 1.5% after Donald Trump’s next statement on Twitter about the success of the trade negotiations. At the same time, global optimism did not become a reason for the rise of the Russian market – the MOEX Russia Index completed trading with a decrease of 0.5%, mainly due to the collapse of Yandex shares. The fall of these securities by 18% at a record daily turnover of 12 billion rubles was triggered by media information that the State Duma relevant committee plans to begin consideration of the bill on significant Internet resources, which, among other things, limits the share of foreign shareholders to no more than 20% in such resources.

During the day, changes of the electric utilities sector index generally corresponded to the market. The main contribution to the final MOEXEU decline was made by shares of Inter RAO and Gazprom’s generation companies – OGC-2 and TGK-1.

ELECTRIC POWER INDUSTRY NEWS

Rosseti plans to implement the “30/30 Program” until 2024 for the development of charging infrastructure for electric vehicles

The program should cover more than 30 major cities, including cities with a population of over one million people and more 30 highways. It is planned to create a network of more than 770 electric charging stations. The company will implement plans within the framework of the projects “Energy of the city”, “Energy of transport”, “Energy of roads”.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=36306

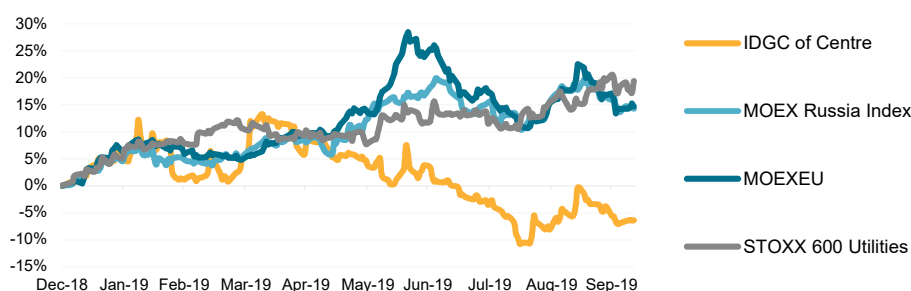
COMPANY NEWS

Igor Makovskiy: Reliable power supply of sports infrastructure facilities is one of the priorities of our work in the field of grid connection

In September, the Smolensk branch of Rosseti Centre completed the grid connection of the ice arena in the village of Molgino of Novoduginsky district in the Smolensk region. The facility was connected to the grid at the request of the Charity Fund for the Promotion of Socially Oriented Programs and Projects “Phoenix”.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/69857/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 708,07	-0,49%	14,30%
S&P 500	2 970,27	1,09%	18,49%
FTSE 100	7 247,08	0,84%	7,71%
DAX	12 511,65	2,86%	18,49%
DJStoxx 600	391,61	2,31%	15,98%
Nikkei	21 798,87	1,15%	8,91%
Sensex	38 127,08	0,65%	5,71%
CSI300	3 911,72	0,96%	29,93%
Bovespa	103 831,90	1,98%	18,14%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,74	-0,55%	-6,61%
EURO/RUB	71,30	-0,21%	-10,27%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 489,01	-0,33%	16,10%
Brent*, USD/bbl	60,51	2,39%	12,47%

* - December futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2472	27,86	430,31

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	1,85%	19,41%
MOEXEU	-0,47%	14,74%
IDGC of Centre**	0,07%	-6,43%
IDGC of Centre and Volga Region**	0,08%	-6,72%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,94%	51,64%
FGC UES	0,27%	21,87%
IDGC of Volga	-0,38%	-5,82%
MOESK	-0,63%	31,21%
IDGC of Northern Caucasus	-0,88%	140,86%
IDGC of North-West	-1,06%	9,10%
IDGC of Urals	-1,05%	-7,91%
IDGC of Siberia	-1,12%	116,00%
IDGC of South	0,27%	4,13%
Lenenergo, ordinary shares	1,45%	32,33%
TRK, ordinary shares	-1,12%	42,86%
Kubanenergo	-0,67%	22,13%

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