



REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 30 November some neutral external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed with a slight decrease of 0.1-0.2%. Uncertainty regarding the upcoming negotiations on trade issues by the leaders of the US and the People's Republic of China levelled out positive statistics on income and expenditure of the population in October, applications for unemployment benefits and the soft tone of the minutes of the November Fed meeting, which confirmed the likelihood of a pause in the tightening of the monetary policy in 2019. Before meeting with China's President, Donald Trump stated that he does not object to the trade agreement with Beijing, however, according to him, right now "billions and billions of dollars" are already coming into the US economy after increasing duties and taxes on Chinese goods. According to analysts at Goldman Sachs, the continuation of the escalation of the trade war between Beijing and Washington is the most likely scenario for the upcoming meeting of leaders: customs tariffs will increase to 25% for imports, which are already subject to additional duties, and tariffs will apply to all remaining Chinese imports. On Friday the composite stock index of the Asia-Pacific region MSCI Asia Pacific was near zero with multidirectional changes of the main country indices. Brent January futures traded around \$59.7 per barrel, \$0.3 higher than our 29 November close. The quotes were supported by Reuters information that Russia is becoming increasingly convinced of the need to reduce oil production in 2019 as part of a new potential OPEC+ agreement.

On Friday global stock markets were dominated by fears that a possible failure in the US and PRC trade negotiations would result in an even greater slowdown in the global economy. Statistics released during the trading session showed that in the third quarter Italy's GDP went down, India's economy grew worse than forecast, China's industrial activity slowed unexpectedly in November – for the first time in two years the PMI was on the border between contraction and growth in the sector. Earlier, the economies of Germany, Japan, Sweden and Switzerland showed the GDP decline in the third quarter. Against this background, for the most part of the day the MOEX Russia Index, the European Stoxx Europe 600 Index and futures for US indices traded in a half-percentage minus. An additional negative factor for our market was the fall of Brent quotes below \$58.3 per barrel and the unexpected cancellation by Donald Trump of a meeting with the Russian president at the G20 summit due to the Kerch incident. At the end of the day the MOEX Russia Index played back about half of losses after the neutral start of trading in the USA.

At the end of the day the MicexPWR Sector Index underperformed mainly due to the fall in shares of RusHydro and ROSSETI. RusHydro's shares collapsed at the closing auction before the results of the revision of the base for calculating the MSCI indices came into force, according to the results of which these securities were excluded from the MSCI Russia index. The daily turnover in RusHydro's shares (in pieces) was a record for the entire time of trading on the Moscow Exchange.

ELECTRIC POWER INDUSTRY NEWS

Digital transformation of the energy industry to be discussed at the plenary session in the framework of the MFES

In the opinion of the head of ROSSETI Pavel Livinskiy, the main plenary session "The Industry on the Edge of Digital Transformation" will set the tone for the whole forum "Electric Grids".

Read full text: <https://tass.ru/novosti-partnerov/5851847>

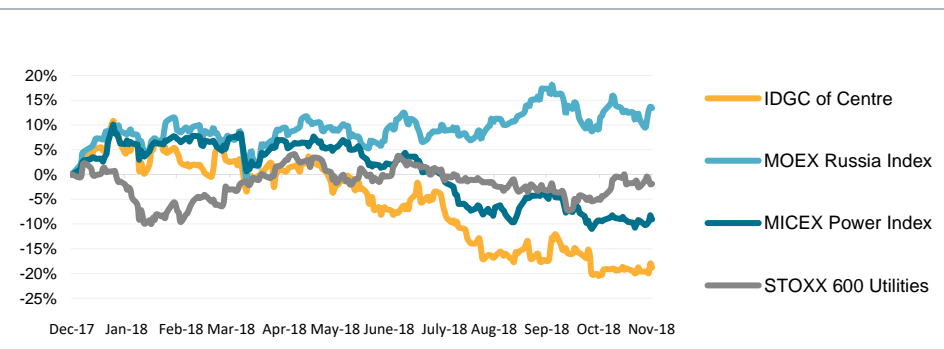
COMPANY NEWS

General Director of IDGC of Centre - the managing organization of IDGC of Centre and Volga Region, Igor Makovskiy completes checking the readiness of the electric grid complex of the regions of the Central Federal District and Volga Federal District to implement digitalization projects

For a month and a half, the head of the company has already made working visits in most regions of IDGC of Centre and IDGC of Centre and Volga Region (included in ROSSETI's Group, operating in 20 regions of the Central and Volga Federal Districts), personally checking the readiness of the power grid infrastructure for implementation of digital technologies and control systems for the power grid complex.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66636/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 392,50	-0,25%	13,40%
S&P 500	2 760,17	0,82%	3,24%
FTSE 100	6 980,24	-0,83%	-9,20%
DAX	11 257,24	-0,36%	-12,85%
DJStoxx 600	357,49	-0,17%	-8,14%
Nikkei	22 351,06	0,40%	-1,82%
Sensex	36 194,30	0,07%	6,28%
CSI300	3 172,69	1,12%	-21,29%
Bovespa	89 504,03	-0,23%	17,15%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	66,63	-0,46%	15,63%
EURO/RUB	75,89	0,49%	10,33%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 220,52	-0,30%	-6,32%
Brent*, USD/bbl	58,71	-1,34%	-12,20%

* - January futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln	
			per day	fr 31.12.17
IDGC of Centre	0,2890	12,20	183,10	
IDGC of Centre & Volga Reg	0,2759	31,09	466,63	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,08%	-1,89%
MICEX POWER Index	-0,93%	-9,09%
IDGC of Centre**	-1,03%	-18,82%
IDGC of Centre and Volga Region**	-0,65%	-8,55%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-5,56%	-11,02%
FGC UES	-1,17%	-4,24%
IDGC of Volga	-0,40%	-2,68%
MOESK	-0,52%	-24,86%
IDGC of Northern Caucasus	1,96%	-24,17%
IDGC of North-West	-0,36%	6,15%
IDGC of Urals	-0,24%	-19,05%
IDGC of Siberia	12,36%	-9,52%
IDGC of South	1,18%	0,08%
Lenenergo, ordinary shares	2,15%	18,96%
TRK, ordinary shares	0,00%	-6,74%
Kubanenergo	1,09%	-28,83%

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