



REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 8 October some negative external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed with a decline of 0.6-0.7%, on Monday the composite stock index of the Asia-Pacific region, MSCI Asia Pacific, lost 0.6%. The markets were pressured by growth in investors' concerns about a more active increase in the Fed's rates after the publication of strong statistics from the labour market. In September, the unemployment rate dropped to a minimum of 3.8% since 1969, the annual wage growth only slightly slowed since August, when it was 2.9% and was a record since 2009. The number of new jobs in the American economy was below expectations, but given the improved data for August, the growth in the number of jobs in two months turned out to be higher than expected. As a result, the yield on 10-year US government bonds rose above the 3.23% mark for the first time since May 2011, reducing the attractiveness of risky assets. The Chinese CSI300 index after a week break fell 4.3% on Monday, playing back the decline in emerging markets last week. Japan stock exchanges on Monday were closed due to a national holiday. December Brent futures traded around \$83.6 per barrel, \$1.2 below our closing level on Friday, 5 October. Negative background for quotes was, firstly, statements by Saudi Arabia about readiness to compensate for the reduction in fuel supplies from Iran due to free capacity of 1.3 million barrels per day. Secondly, according to media reports, the US may allow a number of countries to import oil from Iran after the entry into force of the sanctions on 4 November.

The MOEX Russia Index spent most of the trading session in a small minus within half a percent under pressure from the fall in Brent crude prices below \$83 a barrel and the overall negative sentiment on world markets. In the middle of the day, the index of emerging markets MSCI EM and the European Stoxx Europe 600 Index lost about a percent. In addition to the strengthening dollar and high yields of US government bonds, investors continued to lose their appetite for risky assets due to the ongoing disputes between the EU and Italy around the Italian budget deficit. As a result, the yield of Italian government bonds rose to a maximum in 4.5 years on expectations of lowering the country's credit rating. At the end of the day, the MOEX Russia Index was able to play back all the losses and gain a foothold in the positive territory, including due to the reversal of Brent quotes from the session's lows.

The MicexPWR Sector Index closed trading in a small minus in antiphase with the MOEX Russia Index, mainly due to a decline in shares of Inter RAO and Rosseti.

ELECTRIC POWER INDUSTRY NEWS

New electricity consumption rules

The federal government compels the Russians to seriously save on electricity. Next year, the country is going to introduce the so-called differentiated tariffs, when electricity consumption within the framework of a specially established social norm is paid at the base rate, and all that is above, at an increased rate.

Read full text: <http://www.profile.ru/economics/item/127063-dvizhenie-k-prisoedineniyu>

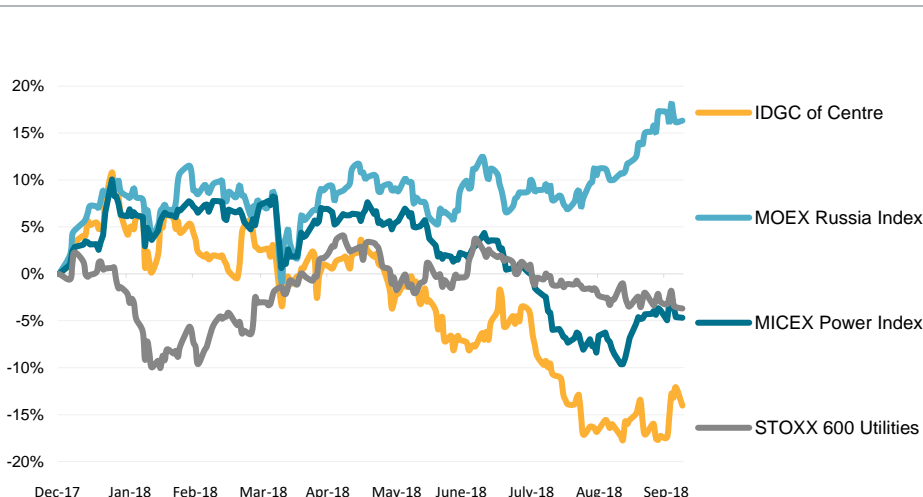
COMPANY NEWS

IDGC of Centre launched a new high-tech substation in the Belgorod region

IDGC of Centre - Belgorodenergo division constructed and put into operation in Valuisky district of the Belgorod region the high-voltage substation 110/10 kV "Vatutinskaya". The new feeding centre is intended for power supply of industrial and household consumers of Valuisky urban district. The volume of investment in the project amounted to about 297.3 million rubles.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/65982/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2454,28	0,14%	16,33%
S&P 500	2867,34	-0,63%	7,25%
FTSE 100	7233,33	-1,16%	-5,91%
DAX	11947,16	-1,36%	-7,51%
DJStoxx 600	372,21	-1,12%	-4,36%
Nikkei	23783,72	0,00%	4,48%
Sensex	34474,38	0,28%	1,23%
CSI300	3290,9	-4,30%	-18,36%
Bovespa	85311,8	3,63%	11,66%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	66,627	0,63%	15,61%
EURO/RUB	76,661	0,80%	11,45%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1186,32	-1,38%	-8,96%
Brent*, USD/bbl	83,46	-0,83%	24,81%

* - December futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares	Price**, P	MCap**, P bln	
		MCap**, P bln	MCap**, \$ mln
IDGC of Centre	0,306	12,92	193,90
IDGC of Centre & Volga Reg	0,285	32,12	482,07

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,14%	-3,69%
MICEX POWER Index	-0,07%	-4,66%
IDGC of Centre**	-2,24%	-14,04%
IDGC of Centre and Volga Region**	1,06%	-5,54%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-1,96%	-7,98%
FGC UES	-0,44%	-1,27%
IDGC of Volga	0,25%	-2,29%
MOESK	0,28%	-21,36%
IDGC of Northern Caucasus	-0,68%	-24,48%
IDGC of North-West	0,45%	28,08%
IDGC of Urals	-1,40%	-15,99%
IDGC of Siberia	-0,55%	-21,40%
IDGC of South	-0,66%	26,25%
Lenenergo, ordinary shares	0,98%	28,96%
TRK, ordinary shares	0,00%	-11,05%
Kubanenergo	-0,78%	-34,95%

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
<http://mrsk-1.com/en/investors/>

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

Tickers
Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC:RM
MRKC:MM