



## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 04 October some neutral external background formed on the Russian market. The US indices DJIA and S&P500, which added more than 0.5% at the highs of the Wednesday's trading session, closed trading with an expressionless increase of 0.1-0.2%. On Thursday the composite index of the Asia-Pacific region, MSCI Asia Pacific, lost 1.1%. The markets were pressured by an increase in investors' concerns regarding a more active increase in the Fed's interest rates after the publication of strong statistics and a number of hawkish statements by the Fed's officials. In September, the number of new jobs, according to ADP, significantly exceeded forecasts, the business activity index in the services sector rose to record levels. The head of the Fed said that the US economy no longer needs stimulating rates, the central bank is moving to neutral rates, but current rates are far from neutral. In turn, the president of the Chicago Fed said that the US economy has reached such growth rates that the Fed may "need to take a somewhat restrictive position." Against this background, the yield on 10-year US government bonds rose to the mark of 3.2% for the first time since July 2011. The combination of the jump in US Treasuries yields, the continued strengthening of the dollar and the rise in oil prices mainly put pressure on emerging markets – on Friday the fall of the composite stock index MSCI EM Asia exceeded 2%. December Brent futures traded around \$86.2 per barrel, \$1 higher than our 03 October close. Oil prices continue to update their 4-year-old highs, despite the dollar strengthening and the message from the US Department of Energy about the growth of oil reserves by 8 million barrels, a record since the beginning of the year. The main driver of growth in oil prices, analysts say, are fears that Saudi Arabia and Russia will not be able to compensate for the drop in supplies from Venezuela and Iran.

On Thursday, sellers dominated the Russian market. In the first half of the trading session, the loss of the MOEX Russia Index averaged less than 0.5% as part of a general deterioration in investors' attitude toward risky assets amid rising yields on US government bonds and a stronger dollar. The slower rates of decline in our market – the Stoxx Europe 600 Index and the MSCI EM Index lost about 0.8% and 2%, respectively – were mainly due to the stability of Brent quotes above \$86 per barrel. In the afternoon, the rate of decline in the Russian market accelerated – active sales were triggered by increased sanctions risks after the US, Britain, Canada and the Netherlands accused Russian military intelligence of involvement in cyber-attacks against various organizations in the US, Canada and Europe. Traditionally, in the case of increasing sanctions risks, Sberbank's shares became the driver of the decline in domestic indices, the fall of which reached 4.5%. Our market was additionally pressured by the decline of Brent quotes to \$85.3 per barrel on speculations that the Russian Federation and Saudi Arabia informally agreed to increase oil production to curb the sharp rise in commodity prices, and the acceleration of negative trends in global stock markets following a percentage drop in major US indices at the beginning of the trading session.

At the end of the trading session changes of the MicexPWR Sector Index corresponded to the market. The main contribution to the MicexPWR decline was made by shares of Rosseti and FGC UES.

## ELECTRIC POWER INDUSTRY NEWS

**There will be no social norm of electricity consumption, there will be a tier system of energy tariffs, it can suspend their indexation for the population of the Russian Federation - says Mr. Kozak**

The introduction of a tier system of electricity tariffs discussed by the government of the Russian Federation depending on consumption may suspend tariff indexation for the majority of residents of the Russian Federation, Deputy Prime Minister Dmitry Kozak said.

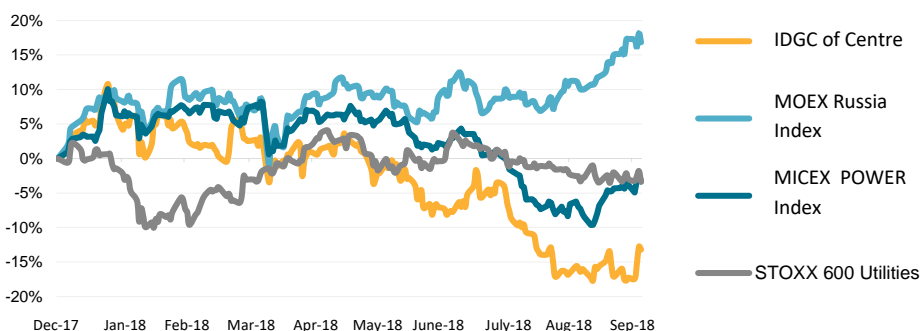
Read full text: <http://www.bigpowernews.ru/markets/document84807.phtml>

## COMPANY NEWS

**General Director of IDGC of Centre - the managing organization of IDGC of Centre and Volga Region Igor Makovskiy, within the framework of the Forum "REW-2018", introduced the concept of digitization of the Company's electric grid complex**

Read full text: <https://www.mrsk-1.ru/press-center/news/company/65935/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 465,03	-1,16%	16,84%
S&P 500	2 901,61	-0,82%	8,53%
FTSE 100	7 418,34	-1,22%	-3,50%
DAX	12 244,14	-0,35%	-5,21%
DJStoxx 600	379,68	-1,08%	-2,44%
Nikkei	23 975,62	-0,56%	5,32%
Sensex	35 169,16	-2,24%	3,27%
CSI300	3 438,86	0,00%	-14,69%
Bovespa	82 952,81	-0,38%	8,57%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	65,42	0,31%	13,53%
EURO/RUB	75,74	0,68%	10,10%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 199,92	0,21%	-7,90%
Brent*, USD/bbl	84,58	-1,98%	26,48%

\* - November futures

Source: Bloomberg, Company calculations

Shares	Price**, P	Change	
		per day	fr 31.12.17
IDGC of Centre	0,3090	13,05	199,40
IDGC of Centre & Volga Reg	0,2865	32,29	493,52

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-1,57%	-3,35%
MICEX POWER Index	-1,15%	-3,35%
IDGC of Centre**	-0,48%	-13,20%
IDGC of Centre and Volga Region**	-1,04%	-5,04%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-3,11%	-5,29%
FGC UES	-1,35%	1,82%
IDGC of Volga	-1,33%	-2,53%
MOESK	-0,56%	-21,69%
IDGC of Northern Caucasus	-1,68%	-23,96%
IDGC of North-West	-2,30%	30,58%
IDGC of Urals	0,00%	-14,32%
IDGC of Siberia	-3,23%	-21,40%
IDGC of South	-2,95%	26,59%
Lenenergo, ordinary shares	1,63%	30,00%
TRK, ordinary shares	0,00%	-11,05%
Kubanenergo	-0,38%	-33,67%

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](mailto:ir@mrsk-1.ru)

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

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