

## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 27 September some neutral external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 fell 0.2-0.3% on fears of a worsening political crisis in the US. The House Intelligence Committee distributed a document from a whistleblower according to which Donald Trump tried to use his office to solicit interference by a foreign country in the 2020 elections. It is about trying to put pressure on the president of Ukraine in order to initiate an investigation into the activities of former Vice President Joe Biden, the main candidate for the Democratic Party in the presidential elections in 2020. If such an attempt is confirmed, this may be an argument in favour of the beginning of the impeachment procedure of Donald Trump. On Friday the main country indices of the Asia-Pacific region showed multidirectional changes. The Japanese Nikkei225 fell 0.8% after an ex-dividend date in many companies on Friday. In turn, the Chinese CSI300 and the Australian S&P/ASX200 added 0.3-0.6% on expectations of improved prospects for the US-China trade deal. Firstly, the Foreign Minister of China announced Beijing's desire to acquire more American agricultural products, and secondly, media reports, the parties agreed to hold the next round of talks on 10-11 October. November Brent futures were trading around \$62.2 per barrel, \$0.2 higher than our close on 26 September.

On Friday, most of the day, the MOEX Russia Index traded in a small minus on average within a third of a percent. Some improvement in moods on western markets on the news on US-China trade negotiations was more than enough offset by lower oil prices, which were under pressure from information about an accelerated recovery in production in Saudi Arabia and a decrease in tension in the region as a whole. The reason for this was the decision of Riyadh to establish a ceasefire in several provinces of Yemen in response to the peace initiatives of the Hussite rebels. In the second half of the trading session, the growth rate of the western markets slowed somewhat after the publication of statistics from the US, where in August the growth rate of consumer spending turned out to be the lowest for half a year, and the PCE Core index, analyzed by the Fed when assessing inflation risks, increased in August to 1.8%. Against this background, the likelihood that the Fed will keep rates at a meeting in October, according to the Chicago Stock Exchange, approached 60%. In turn, our market was supported by the return of Brent prices to morning levels on the statements of Donald Trump that he refused Iran to request to lift American sanctions in exchange for negotiations between the two countries. At the end of the day, stock market sellers stepped up after media reports that the Trump administration was considering limiting US portfolio investment in Chinese assets. According to analysts, this could be a serious obstacle to achieving progress in the US-Chinese trade negotiations.

At the end of the trading session, the electric utilities sector index outperformed, mainly due to growth of shares of FGC UES and Unipro.

## ELECTRIC POWER INDUSTRY NEWS

**The introduction of the differentiation of FGC UES's tariff and the reserve of grid capacity is not a discussion, but exclusively procedures for passing the relevant documents, - Mr. Livinskiy**

The introduction of the differentiation of FGC UES's tariff and the charge for the reserve of grid capacity is not a matter of discussion, but exclusively procedures for passing the relevant documents, stated Rosseti's Director General Pavel Livinskiy in an interview with Kommersant.

Read full text: <http://www.bigpowernews.ru/news/document90024.phtml?1&q=>

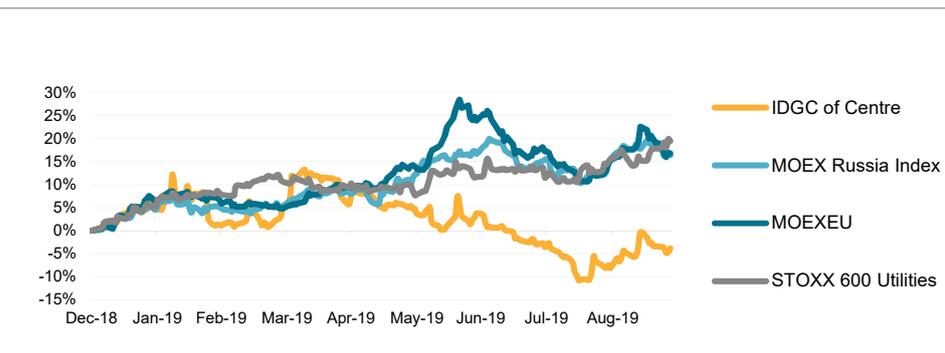
## COMPANY NEWS

**Rosseti Centre and Rosseti Centre and Volga Region continue the implementation of the program for removal of energy facilities from territories of children's institutions**

As part of the program to reduce the risk of injuries to third parties at power facilities, Rosseti Centre and Rosseti Centre and Volga Region continue to remove overhead lines and transformer substations from territories of children's institutions. By September 2019, work was completed on the territories of 70 schools, preschool institutions, technical schools, orphanages, playgrounds and sports grounds, health camps. The costs of the companies amounted to over 18 million rubles.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/69724/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 757,98	-0,53%	16,40%
S&P 500	2 961,79	-0,53%	18,15%
FTSE 100	7 426,21	1,02%	10,38%
DAX	12 380,94	0,75%	17,26%
DJStoxx 600	391,79	0,47%	16,03%
Nikkei	21 878,90	-0,77%	9,31%
Sensex	38 822,57	-0,43%	7,64%
CSI300	3 852,65	0,30%	27,97%
Bovespa	105 077,60	-0,23%	19,56%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,29	0,16%	-7,46%
EURO/RUB	70,38	-0,29%	-11,42%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 497,01	-0,52%	16,73%
Brent*, USD/bbl	61,91	-1,32%	15,07%

\* - November futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln	
			IDGC of Centre	IDGC of Centre & Volga Reg
IDGC of Centre	0,2750	11,61	180,59	
IDGC of Centre & Volga Reg	0,2499	28,16	438,07	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,39%	19,47%
MOEXEU	-0,10%	16,79%
IDGC of Centre**	0,95%	-3,85%
IDGC of Centre and Volga Region**	-0,52%	-5,70%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-1,28%	56,04%
FGC UES	0,53%	23,29%
IDGC of Volga	0,22%	-5,56%
MOESK	0,87%	31,82%
IDGC of Northern Caucasus	-0,12%	147,71%
IDGC of North-West	1,05%	12,34%
IDGC of Urals	-0,23%	-4,98%
IDGC of Siberia	-1,17%	113,85%
IDGC of South	-0,09%	7,90%
Lenenergo, ordinary shares	-0,29%	27,79%
TRK, ordinary shares	-0,87%	10,39%
Kubanenergo	0,65%	27,66%

Source: MOEX, Company calculations

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

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**Tickers**  
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