



REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 21 September some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500, having updated their historical records, grew by 0.8-1.0%, on Friday the composite index of the Asia-Pacific region, MSCI Asia Pacific, increased by 1%. Traders still ignore the risks of escalating the USA-PRC trade dispute and focus on the current good state of the American economy. In the US the number of applications for unemployment benefits updated the minimum in 49 years, the business activity index in Philadelphia doubled in September, exceeding the forecast, the August index of leading economic indicators from the Conference Board indicated that the US economy could grow by 3% the current year – the maximum since 2005. An additional positive factor for the Chinese CSI300, which jumped by 3%, were Prime Minister's statements that the PRC plans to increase investment in infrastructure, reduce the value-added tax and revise the system of tax deductions for citizens. In addition, according to Bloomberg, China is going to reduce import duties on goods of most trading partners since October to ease the situation for domestic consumers in the conditions of a trade war with the US. November Brent futures traded near \$78.9 per barrel, \$0.2 higher than our closing on 20 September. The industry experts attributed a small rise in oil quotations to the weakening of the dollar in the world foreign exchange market.

On Friday the Russian market was dominated by buyers, the MOEX Russia Index updated the historic record and closed trading with a growth of 1.1%. Investors were supported by an increase in oil prices – at the end of the day Brent quotes tested the mark of \$80 per barrel, and optimistic sentiment on global markets. The index of emerging markets MSCI EM added more than a percent in the framework of maintaining the increased demand for assets of emerging markets. The rise of the European Stoxx Europe 600 Index was about half a percent, here buyers' activity was hampered by information about the stalled negotiations on Brexit and its own weak statistics – the business activity index in the Eurozone in September fell more than the forecast. Trades in the US began with growth of the S&P500 and DJIA indices within a third of a percent with the next update of their historical records.

As a result of the trading session the MicexPWR Sector Index underperformed mainly due to active profit taking in shares of Inter RAO. From the news of the power grid sector, one can note the statement of Director of the Department of Power Engineering Development of the Ministry of Energy Pavel Snikkars that the Ministry of Energy supports the inclusion of a dividend component in the tariff of electric grid companies. "We believe that this is correct. How can you pay dividends without having sources for them?", Interfax quotes Pavel Snikkars.

ELECTRIC POWER INDUSTRY NEWS

Tver region took the baton of the exercises of power engineers of the group "Rosseti"

In Tver, in the presence of Plenipotentiary Representative of the President of the Russian Federation in the Central Federal District Igor Schegolev, Deputy Minister of Energy of the Russian Federation Andrey Cherezov, and Governor of the Tver Region Igor Rudenya, Director General of "Rosseti" Pavel Livinskiy opened joint exercises of power engineers, the regional department of the EMERCOM and contractors to develop principles of interaction during the period liquidation of mass outages of power grid facilities.

Read full text: https://www.rosseti.ru/press/news/index.php?ELEMENT_ID=34018

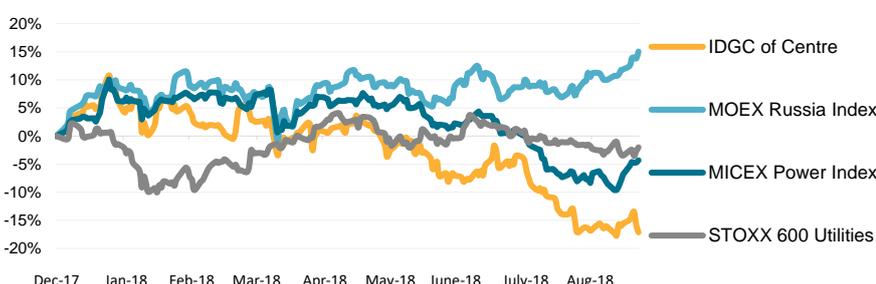
COMPANY NEWS

A working meeting was held between Governor of the Tver region Igor Rudenya and Head of PJSC "Rosseti" Pavel Livinskiy

22 September, Governor of the Tver region Igor Rudenya, Deputy Minister of Energy of the Russian Federation Andrey Cherezov, Director General of "Rosseti" Pavel Livinskiy held a number of working meetings. The heads discussed issues related to the development of the power grid complex of the Upper Volga region, as well as a set of measures, the implementation of which will improve the quality and reliability of electricity supply to consumers.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/65707/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 426,80	1,08%	15,03%
S&P 500	2 929,67	-0,04%	9,58%
FTSE 100	7 490,23	1,67%	-2,57%
DAX	12 430,88	0,85%	-3,77%
DJStoxx 600	384,29	0,43%	-1,26%
Nikkei	23 869,93	0,82%	4,85%
Sensex	36 841,60	-0,75%	8,18%
CSI300	3 410,49	3,03%	-15,39%
Bovespa	79 444,29	1,70%	3,98%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	66,47	-0,80%	15,35%
EURO/RUB	77,75	-0,78%	13,04%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 200,04	-0,59%	-7,89%
Brent*, USD/bbl	78,80	0,13%	23,09%

* - November futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln	
			per day	fr 31.12.17
IDGC of Centre	0,2950	12,45	187,36	
IDGC of Centre & Volga Reg	0,2815	31,72	477,26	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,69%	-2,01%
MICEX POWER Index	0,46%	-4,30%
IDGC of Centre**	-1,50%	-17,13%
IDGC of Centre and Volga Region**	-1,92%	-6,70%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-1,20%	-13,57%
FGC UES	1,82%	3,49%
IDGC of Volga	-0,74%	-2,39%
MOESK	-0,86%	-22,69%
IDGC of Northern Caucasus	-0,66%	-21,09%
IDGC of North-West	1,34%	31,15%
IDGC of Urals	0,00%	-17,66%
IDGC of Siberia	-2,70%	-21,40%
IDGC of South	1,91%	33,95%
Lenenergo, ordinary shares	4,47%	38,65%
TRK, ordinary shares	0,00%	-10,51%
Kubanenergo	1,85%	-29,85%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers
Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC:RU
MRKC:MM