

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 20 September some neutral external background formed on the Russian market. Major US indices closed Thursday with mixed changes within 0.2%. According to analysts, for the further rise in the indices, which have stopped a step away from record values, there are still not enough growth triggers – at present, investors have mainly focused on ambiguous signals from the Fed regarding the prospects for monetary policy. In this regard, good statistics faded into the background: in August home sales on the secondary market rose to their highest level since March 2018, data on applications for unemployment benefits were better than expected. On Friday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.4%. The Asian markets were supported by information on new measures to stimulate the economies of India and China. The Government of India has reduced corporate income tax rates from 30% to 22% to revitalize private investment to help restore the Indian economy's growth rate, which has slowed down in the second quarter to six-year lows. On this piece of news, the Indian SENSEX stock index jumped 5%. In turn, China cut its new annual base lending rate on Friday for the second month in a row in an attempt to lower borrowing costs and support the economy in the wake of a protracted trade war with the US. November Brent futures were trading around \$64.8 per barrel, \$0.1 higher than our close on 19 September.

Friday was the fourth day of correctional movement in the Russian market – most of the day the MOEX Russia Index lost about half a percent. Analysts believe that until the resumption of strong growth in western markets and oil quotes, there is no reason to count on the return of buyers. The cautious optimism that the western markets showed on Friday could not provide significant support to Russian investors. European indices and futures for American indices added on average about a third of a percent on media reports that the US temporarily exempted more than 400 items of Chinese imports from duties. At the same time, exemptions affected only 6% of the entire list of goods that fell under tariffs in 2018, and the largest positions in value terms remained under the influence of duties. According to experts, this step has a pronounced symbolic character and is designed to help create favourable conditions for upcoming trade negotiations with Beijing in October. The MOEX Russia Index was able to close trading in a conditional gain due to a sharp increase in a number of shares at the closing auction – in particular, LUKOIL's "heavy" index securities jumped 1.5%.

At the end of the trading session, the electric utilities sector index underperformed. Shares of Inter RAO, RusHydro and Unipro made the main contribution to the MOEXEU decline in antiphase with the MOEX Russia Index.

ELECTRIC POWER INDUSTRY NEWS

Russian President Vladimir Putin approved the target model for the development of Rosseti until 2030

As part of the working visit of the President of the Russian Federation Vladimir Putin to Izhevsk, Director General of Rosseti Pavel Livinskiy, together with the head of Udmurtia Alexander Brechalov, presented the head of the state the optimal model for managing the electric grid complex using the example of the Udmurt Republic.

Read full text: http://www.rosseti.ru/press/news/?ELEMENT_ID=35992

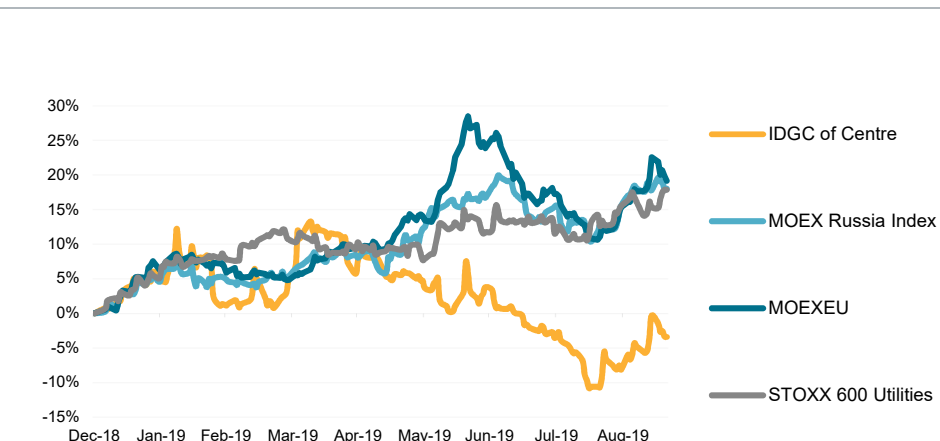
COMPANY NEWS

Belgorodenergo started QR coding of information on power equipment

Rosseti Centre Belgorodenergo is implementing a pilot project on QR coding of information about the branch's power facilities constructed as part of the digital transformation program for the region's electric grid complex.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/69657/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 796,41	0,06%	18,03%
S&P 500	2 992,07	-0,49%	19,36%
FTSE 100	7 344,92	-0,16%	9,17%
DAX	12 468,01	0,08%	18,08%
DJStoxx 600	392,95	0,29%	16,38%
Nikkei	22 079,09	0,16%	10,31%
Sensex	38 014,62	5,32%	5,40%
CSI300	3 935,65	0,29%	30,72%
Bovespa	104 817,40	0,46%	19,26%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,22	-0,32%	-7,56%
EURO/RUB	70,94	-0,42%	-10,73%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 516,90	1,19%	18,28%
Brent*, USD/bbl	64,28	-0,19%	19,48%

* - November futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2571	28,97	451,18

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,01%	17,87%
MOEXEU	-0,60%	19,16%
IDGC of Centre**	-0,07%	-3,43%
IDGC of Centre and Volga Region**	0,51%	-2,98%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,96%	59,91%
FGC UES	-0,54%	24,90%
IDGC of Volga	1,30%	-4,54%
MOESK	1,02%	34,85%
IDGC of Northern Caucasus	-0,57%	149,29%
IDGC of North-West	1,76%	14,32%
IDGC of Urals	-0,45%	-4,55%
IDGC of Siberia	0,77%	130,15%
IDGC of South	-0,42%	9,73%
Lenenergo, ordinary shares	2,16%	25,14%
TRK, ordinary shares	-7,00%	20,78%
Kubanenergo	-0,63%	28,28%

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