

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 12 September some moderately positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed with a rise of 0.7-0.8%, stopping at less than a percent of the record levels reached in July. The decision of the Ministry of Finance of China on the exemption from duties of certain categories of goods from the US in anticipation of trade negotiations was perceived by investors as a goodwill gesture that improves the prospects for concluding a trade deal. On Thursday, most major country indices in the Asia-Pacific region showed an average growth of about half a percent on the information that Donald Trump postponed the effective date of tariffs on Chinese imports worth \$250 billion from 1 October to 15 October. November Brent futures were trading around \$61.1 per barrel, \$0.2 higher than our close on 11 September. Brent quotes consolidated after a 2.5% fall on Wednesday on Bloomberg's announcement that the White House is considering easing sanctions against Iran. According to experts, the fears of the return of Iranian supplies to the world oil market in the amount of about 700 thousand barrels per day outweighed the positive statistics of the US Department of Energy, which recorded a decrease in oil reserves by 6.9 million barrels.

In the first half of the trading session on Thursday, the main world stock indices were trading sideways near zero anticipation of the outcome of the ECB meeting. In the afternoon, volatility in the financial markets rose sharply. The European regulator, in general, within the framework of expectations, reduced the deposit rate by 0.1 percentage points to minus 0.5%, announced the launch of a new phase of asset repurchase by €20 billion per month, and reduced the rate of attracting targeted long-term loans by banks to zero. The moderately positive reaction of the markets to the softening of the monetary policy by the European Central Bank was replaced by sales after Mario Draghi's statements about maintaining significant downward risks in the European economy. The stock indices once again turned after Bloomberg reported that Trump's advisers were discussing the possibility of concluding an interim agreement with the PRC, according to which the introduction of new duties on a number of Chinese imports could be delayed in exchange for Beijing's assurances to return to the positions of the parties until the May break. The Russian market practically did not respond to the volatility of the western markets – the MOEX Russia Index spent most of the day in more than a half-percent minus under the pressure of negative changes of oil prices. Brent quotes fell to \$59 per barrel on fears of easing sanctions against Iran and the IEA's warning about a "frightening" oversupply of oil in 2020 due to a significant increase in production outside the OPEC.

The electric utilities sector index closed trading with a percent growth mainly due to Inter RAO's shares. The 13% jump in MOESK's shares stood out from the general changes of the sector's securities, supported by management statements about a projected increase in net profit by three times by 2023 compared to 2018, and the possible payment of interim dividends for 9 months. On this piece of news, the price of MOESK's shares rose to the levels of August 2017, the daily securities turnover (in pieces) was a record since December 2016.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Energy prohibits making changes to investment programs

The Ministry of Energy of the Russian Federation will prohibit energy companies from adjusting investment programs for the current and previous years. This was announced on Wednesday by the director of the department of operational control and management in the electric power industry of the Ministry of Energy of Russia Yevgeny Grabchak at a meeting of the government commission for ensuring the security of electricity supply.

Read full text: <https://tass.ru/ekonomika/6876143>

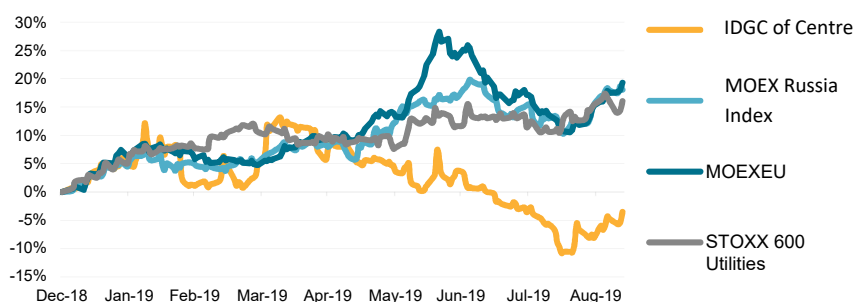
COMPANY NEWS

General Director of Rosseti Centre - the managing organization of Rosseti Centre and Volga Region Igor Makovskiy visited the Ivanovo region

During the visit, Igor Makovskiy met with Governor of the Ivanovo region Stanislav Voskresensky. The parties discussed the current activities of Rosseti Centre and Volga Region Ivenergo and the preparation of the enterprise for the autumn-winter period.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/69593/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 799,99	-0,61%	18,18%
S&P 500	3 009,57	0,29%	20,05%
FTSE 100	7 344,67	0,09%	9,16%
DAX	12 410,25	0,41%	17,53%
DJStoxx 600	390,48	0,20%	15,65%
Nikkei	21 759,61	0,75%	8,72%
Sensex	37 104,28	-0,45%	2,87%
CSI300	3 972,38	1,08%	31,94%
Bovespa	104 370,90	0,89%	18,76%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,43	-0,01%	-5,61%
EURO/RUB	72,22	-0,11%	-9,11%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 499,26	0,14%	16,90%
Brent*, USD/bbl	60,38	-0,71%	12,23%

* - November futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,259	29,19	446,09

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	1,39%	16,16%
MOEXEU	1,05%	19,45%
IDGC of Centre**	2,00%	-3,50%
IDGC of Centre and Volga Region**	0,00%	-2,26%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	2,20%	62,48%
FGC UES	0,98%	24,76%
IDGC of Volga	0,21%	-4,49%
MOESK	13,22%	38,86%
IDGC of Northern Caucasus	-0,75%	166,29%
IDGC of North-West	2,32%	11,44%
IDGC of Urals	-1,23%	-4,23%
IDGC of Siberia	-1,41%	145,95%
IDGC of South	-0,82%	11,48%
Lenenergo, ordinary shares	5,35%	15,31%
TRK, ordinary shares	0,00%	-3,25%
Kubanenergo	-0,17%	22,95%

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