

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 28 October some moderately positive external background formed on the Russian market. On Friday the US indices DJIA and S&P500 rose by 0.4-0.6%, having closed trading near record highs, on Monday the main country indices in the Asia-Pacific region added on average 0.4%. The optimism of investors contributed to the improvement of the prospects of the US-PRC trade deal. After a telephone conversation between the heads of delegations on Friday, the US trade mission said that Washington and Beijing had made progress in the negotiations and were close to finalizing some points of the first phase of the trade agreement. In turn, on Saturday, the Chinese Ministry of Commerce confirmed that the parties had advanced in the negotiations by completing technical consultations on several issues and agreed to "properly resolve key issues of concern." December Brent futures were trading around \$61.9 per barrel, \$0.3 higher than our close on Friday, 25 October. Oil quotes were supported by easing tensions between the US and China. At the same time, according to ING analysts, if the progress continues and the first phase of the agreement is signed, this can further enhance the optimism of the market.

On Monday, moderately positive sentiment prevailed on world stock markets after reports of the progress in the US-China trade negotiations – in the first half of the day, futures for the US indices were in a slight plus within a third of a percent. In turn, the inexpressive changes of European markets – the consolidated European Stoxx Europe 600 Index was trading near zero – were caused by ambiguous news background around Britain's exit from the European economic bloc. On the one hand, the head of the European Union announced the agreement of the leaders of the EU countries to postpone Brexit until 31 January 2020. On the other hand, the vote on the issue of early elections scheduled in the British Parliament on Monday may not be supported by opposition parties, as, in particular, the Labour Party has already stated. At the same time, the British Prime Minister promised to give more time to parliamentarians to approve the Brexit deal only in exchange for agreeing to hold elections on 12 December. At the end of the trading session, the pace of the rise in futures on the S&P500 Index and the consolidated European Stoxx Europe 600 Index on average exceeded half a percent after Donald Trump's announcement that he was waiting for a significant part of the deal with China to be signed ahead of schedule. At the same time, an improvement in moods on western markets did not become a reason for the growth of the Russian market – the MOEX Russia Index closed trading by a decline of 0.6%, mainly due to a 3% drop in LUKOIL's shares on rumours of a possible sale by the head of the company of his stake.

At the end of the day, the electric utilities sector index underperformed. The main contribution to the MOEXEU underperformance in comparison with the MOEX Russia Index was made by shares of Inter RAO. The majority of IDGCs' shares looked significantly worse than the electric utilities sector index after the publication of weak RAS results.

ELECTRIC POWER INDUSTRY NEWS

Pavel Livinskiy headed the headquarters for restoration of power supply interrupted in certain districts of the Pskov, Novgorod and Tver regions as a result of a hurricane

The head of Rosseti took personal control of the progress of the restoration work, which continued at night, despite the strong squally wind, as well as the difficult transport situation of certain districts as a result of many fallen trees. As of 2:30 am, power engineers restored power supply to more than 30 settlements in the Novgorod region. The work involved 36 crews of 142 people and 43 vehicles. In the Pskov region, the power supply of 4.1 thousand people in 49 settlements was also restored as soon as possible after a storm front had passed through the territory of the region. The work is ongoing.

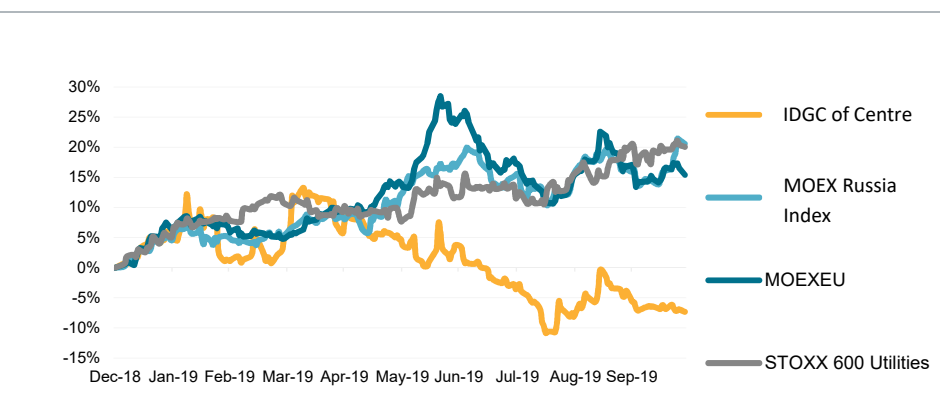
Read full text: <https://www.mrsk-1.ru/press-center/news/company/69989/>

COMPANY NEWS

Voronezhenergo's specialists took part in a round table on issues of digitalization of housing and communal services and energy

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/69993/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 856,91	-0,57%	20,58%
S&P 500	3 039,42	0,56%	21,24%
FTSE 100	7 331,28	0,09%	8,96%
DAX	12 941,71	0,37%	22,57%
DJStoxx 600	398,99	0,25%	18,17%
Nikkei	22 867,27	0,30%	14,25%
Sensex	39 058,06	0,00%	8,29%
CSI300	3 926,59	0,76%	30,42%
Bovespa	108 187,10	0,77%	23,10%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,00	0,21%	-7,66%
EURO/RUB	71,12	-0,03%	-10,50%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 492,51	-0,81%	16,38%
Brent*, USD/bbl	61,57	-0,73%	14,44%

* - December futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2422	27,30	426,51

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,31%	20,08%
MOEXEU	-0,94%	15,46%
IDGC of Centre**	-0,45%	-7,34%
IDGC of Centre and Volga Region**	-3,70%	-8,60%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,53%	52,12%
FGC UES	0,62%	23,63%
IDGC of Volga	-5,32%	-10,10%
MOESK	-1,12%	40,38%
IDGC of Northern Caucasus	-3,51%	139,71%
IDGC of North-West	-9,17%	2,61%
IDGC of Urals	-1,03%	-6,50%
IDGC of Siberia	-1,60%	109,85%
IDGC of South	0,35%	5,79%
Lenenergo, ordinary shares	-0,28%	32,51%
TRK, ordinary shares	-0,48%	34,09%
Kubanenergo	-0,33%	22,54%

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
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