

## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 17 October some neutral external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 fell 0.1-0.2% under pressure from fears of increasing tension in the US-China relations because of the intentions of the US Congress to pass a law supporting protesters in Hong Kong, and weak statistics. In September retail sales declined contrary to expectations for the first time since February. The negative background of these data was partially offset by a revision towards an improvement in the August indicator. However, after the publication of these statistics, the probability of the Fed's rate cut at the October meeting, according to the Chicago Stock Exchange, jumped to 90%. On Thursday the composite stock index of the Asia-Pacific region MSCI Asia Pacific did not show significant changes in the absence of significant news on the US-PRC trade negotiations. The US Treasury Secretary said the negotiators are working on the text of the first phase of the deal, which the heads of the two states are expected to sign next month. December Brent futures were trading around \$58.9 per barrel, \$0.6 below our close on 16 October. A negative factor for the market was the statistics of the American Petroleum Institute, which recorded an increase in the US oil reserves last week at a record pace since February 2017 – by 10.5 million barrels.

On Thursday, changes of global stock markets were mainly determined by the news background around the agreement on Brexit. Statements by the British Prime Minister and the head of the European Commission on the harmonization of the terms of the deal led to a surge of optimism in the financial markets – the consolidated Stoxx Europe 600 Index grew by a percent, the MOEX Russia Index and the S&P500 futures added about half a percent. However, the subsequent comments by representatives of political parties in Great Britain called into question the prospect of a deal in the country's parliament. In particular, the Labour leader called the new deal even more terrible than the past. In turn, the key conservative ally in the parliament – the Democratic Unionist Party of Northern Ireland (DUP) – said it was opposed to this agreement with Brussels. According to CNBC, the British government, which does not have a majority in the parliament, needs the DUP votes to approve a deal with the European Union. Against this background, the European Stoxx Europe 600 Index fell to zero, trading in the US began in a conditional plus. The MOEX Russia Index was able to complete the trading session by 0.2% up, despite a drop in Brent quotes below \$59 per barrel after the US Department of Energy reported a weekly increase in oil reserves by 9.3 million barrels.

At the end of the day, the electric utilities sector index looked significantly better than the market. The main contribution to the MOEXEU outperformance in comparison with the MOEX Russia Index was made by shares of Inter RAO, FGC UES and Rosseti.

## ELECTRIC POWER INDUSTRY NEWS

### Rosseti launched a pilot project of a virtual dispatcher in Udmurtia

It informs enterprises and housing and utilities management companies, as well as major consumers of Izhevsk, about planned outages in electric grids.

Read full text: <https://tass.ru/ekonomika/7012541>

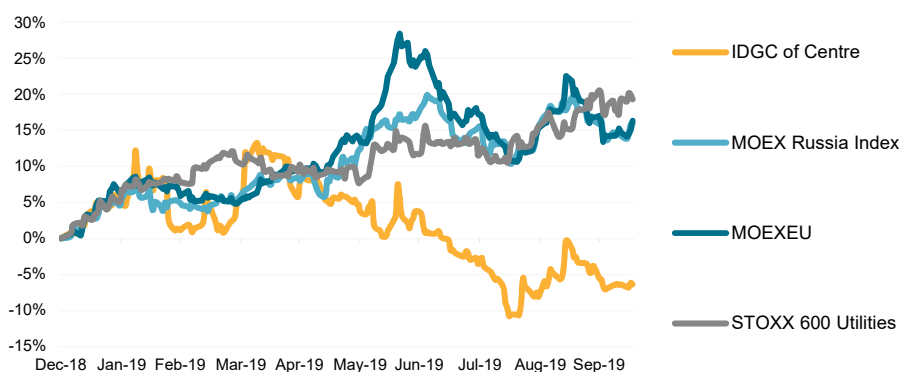
## COMPANY NEWS

### Belgorodenergo allocated 332.2 million rubles to carry out the repair program

In preparation for the heating period of 2019-2020, Rosseti Centre Belgorodenergo has almost completed the repair program for the current year. As of 15 October, 2,246 km of overhead and cable power lines of 0.4-110 kV (101.7% of the plan for the year), 728 transformer substations of 0.4/6-10 kV (100%) were repaired. 585.2 hectares of routes along power lines were cleared from trees and shrubs and expanded. 332.2 million rubles were allocated for the implementation of the program.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/69909/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2748,64	0,16%	16,01%
S&P 500	2995,14	0,18%	19,48%
FTSE 100	7182,32	0,20%	6,75%
DAX	12654,95	-0,12%	19,85%
DJStoxx 600	393,08	-0,10%	16,42%
Nikkei	22451,86	-0,09%	12,18%
Sensex	39052,06	1,17%	8,27%
CSI300	3925,22	0,06%	30,38%
Bovespa	105038,1	-0,36%	19,51%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,3455	0,14%	-7,36%
EURO/RUB	71,0503	0,29%	-10,58%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1495,93	0,39%	16,65%
Brent*, USD/bbl	58,81	-1,03%	9,31%

\* - December futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares	Price**, ₽	MCap**, ₽ bln		MCap**, \$ mln
		per day	fr 31.12.18	
IDGC of Centre	0,2676	11,30	175,58	
IDGC of Centre & Volga Reg	0,2461	27,73	431,03	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,52%	19,37%
MOEXEU	1,10%	16,37%
IDGC of Centre**	-0,22%	-6,43%
IDGC of Centre and Volga Region**	0,04%	-7,13%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	2,02%	54,06%
FGC UES	1,50%	24,86%
IDGC of Volga	0,38%	-5,15%
MOESK	-0,22%	34,47%
IDGC of Northern Caucasus	0,54%	138,43%
IDGC of North-West	0,17%	9,01%
IDGC of Urals	2,47%	-5,63%
IDGC of Siberia	-1,05%	111,12%
IDGC of South	0,18%	3,12%
Lenenergo, ordinary shares	-1,92%	35,54%
TRK, ordinary shares	0,45%	45,78%
Kubanenergo	1,66%	25,20%

Source: MOEX, Company calculations

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

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### Tickers

Moscow Exchange (MOEX)  
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MRKC  
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