



## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 8 November some positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 jumped 2.1%, on Thursday the composite stock index of the Asia-Pacific region, MSCI Asia Pacific, added 1%. Investors were supported by the results of the mid-term elections to the US Congress, which greatly reduced the uncertainty in the markets. According to media reports, few investors expect the US authorities to move away from a policy of reducing taxes and easing regulation that supported stock markets. At the same time, experts believe that the opposition of the lower house, controlled by Democrats, and the Senate, controlled by Republicans, reduces the likelihood of serious changes in economic policy, which is historically favourable for investors. In addition, according to analysts at JPMorgan, a split in the Congress could force Donald Trump to abandon a trade war. An additional positive factor for traders in the Asian session was strong statistics on China's foreign trade – the growth in exports and imports in October exceeded the expectations of economists. At the same time, the Chinese CSI300 itself lost 0.3% – investors are also concerned about prospects for a weaker yuan. According to the Financial Times, in October Beijing conducted the most ambitious interventions in the foreign exchange market in the past two years to stabilize the exchange rate of the national currency. January Brent futures traded around \$72.3 per barrel, \$0.5 above our 7 November close. Oil prices rose on the statistics of the PRC's Customs Service, which recorded an increase in oil imports in October by a third.

On Thursday, corrective moods were observed on the Russian market, as well as on the global stock markets, as a whole, after five days of growth in a row – the MOEX Russia Index spent most of the day in a small minus within half a percent. According to experts, traders preferred to take a wait-and-see position on the eve of the Fed's decision on the rate on Thursday evening. According to analysts, the US Central Bank will keep the rate at the current level, but it will give a signal of readiness to continue raising the cost of lending. In addition, reports of the European Commission about the decline in the Eurozone's GDP growth forecast for 2019 and the strengthening of fiscal risks in Italy were negative for investors. Additional pressure on the Russian market was caused by the fall of Brent quotes to \$71.3 per barrel.

During the trading session the MicexPWR Sector Index looked slightly worse than the market. The main contribution to the final MicexPWR underperformance in comparison with the MOEX Russia Index was made by shares of FGC UES, Inter RAO and ROSSETI.

## ELECTRIC POWER INDUSTRY NEWS

**The State Duma in the 1st reading approved an increase in fines for unauthorized connection and use of power grids**

The State Duma adopted in the first reading a bill introduced by the Government of the Russian Federation and increasing the fines for repeated unauthorized connection to infrastructure grids and use of energy resources.

Read full text: <http://www.bigpowernews.ru/markets/document85253.phtml>

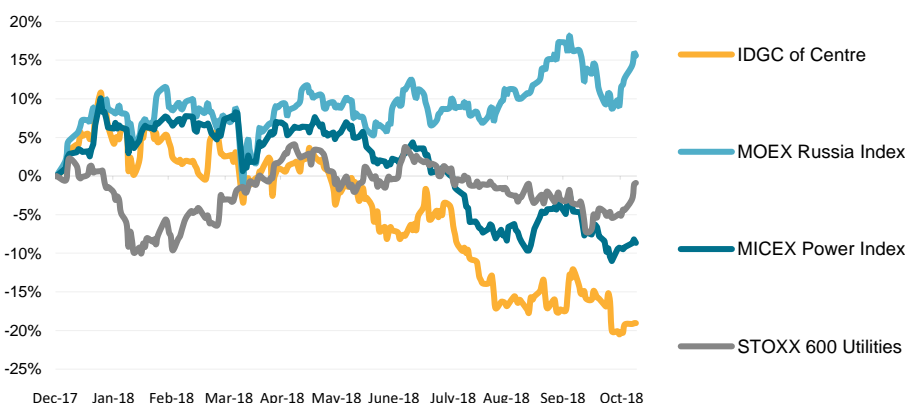
## COMPANY NEWS

**450 events brighter in the regions of IDGC of Centre and IDGC of Centre and Volga Region**

In 2018, power engineers of IDGC of Centre and IDGC of Centre and Volga Region held more than 450 events within the framework of the third All-Russian festival #VmesteYarche. More than 35,000 Russians from 123 settlements became participants in the events dedicated to respect for energy resources and the environment.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66410/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 438,62	-0,27%	15,59%
S&P 500	2 806,83	-0,25%	4,98%
FTSE 100	7 140,68	0,33%	-7,12%
DAX	11 527,32	-0,45%	-10,76%
DJStoxx 600	367,08	0,19%	-5,68%
Nikkei	22 486,92	1,82%	-1,22%
Sensex	35 237,68	0,00%	3,47%
CSI300	3 212,77	-0,28%	-20,30%
Bovespa	85 620,13	-2,39%	12,07%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	66,09	0,15%	14,68%
EURO/RUB	75,68	0,49%	10,02%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 224,00	-0,20%	-6,05%
Brent*, USD/bbl	70,65	-1,97%	5,65%

\* - January futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2685	30,26	457,84

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,21%	-0,89%
MICEX POWER Index	-0,50%	-8,67%
IDGC of Centre**	0,00%	-19,04%
IDGC of Centre and Volga Region**	0,11%	-11,00%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-1,49%	-13,53%
FGC UES	-1,65%	-5,15%
IDGC of Volga	-0,95%	-3,60%
MOESK	-0,58%	-23,08%
IDGC of Northern Caucasus	-0,28%	-25,63%
IDGC of North-West	3,67%	19,62%
IDGC of Urals	0,12%	-18,85%
IDGC of Siberia	1,09%	-27,34%
IDGC of South	-1,40%	6,19%
Lenenergo, ordinary shares	-0,51%	21,25%
TRK, ordinary shares	0,00%	-8,36%
Kubanenergo	3,92%	-32,40%

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**