

## REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 16 September some moderately positive external background formed on the Russian market. Major US indices closed Friday mixed with changes within 0.2%. The positive background from the reduction of tension in relations between the US and China was offset by growing fears that the Fed may not be so decisive in easing monetary policy after the publication of good statistics on retail sales in August. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific and the S&P500 futures lost on average about a third of a percent on increased geopolitical risks in the Middle East after an attack on oil facilities in Saudi Arabia and weak Chinese statistics. In August the rise in industrial production in China slowed to a minimum for 17 and a half years, the growth rate of retail sales and investment in fixed assets did not reach the forecasts of analysts and continued to slow down. November Brent futures were trading around \$65.5 per barrel, \$5.1 higher than our close on Friday, 13 September. Oil prices skyrocketed on media reports that a drone attack on oil facilities in Saudi Arabia led to the suspension of half of the country's production capacity, or about 6% of the world's oil production. According to the International Energy Agency, these are the most significant supply disruptions in history, even exceeding the damage from the Islamic revolution in Iran in 1978-1979. and the oil embargo after the Arab-Israeli war of 1973-1974.

On Monday, the MOEX Russia Index spent most of the trading session in more than a percentage plus, playing out the oil price rally. Companies in the oil and gas sector acted as the driving force for our market's growth, with LUKOIL and Rosneft making the main contribution to the final growth of the MOEX Russia Index. At the same time, moderately pessimistic moods prevailed on world stock exchanges – losses of the consolidated MSCI All Country World Index during the day amounted to about a third of a percent, protective assets – gold, government bonds of developed countries, the Japanese yen increased in price. The destabilization of the oil market, as well as the weak Chinese statistics, have intensified investors' concerns that negative trends in the global economy will worsen. Moreover, according to experts, a sharp rise in oil prices can not only undermine the unstable growth of the global economy, but also limit the ability of world central banks to soften policies due to a likely surge in inflation. In this regard, the key factor for the changes of the markets in the near future will be the period for recovery of production by Saudi Arabia. At the same time, analysts believe that even in the event of a quick elimination of the failure, oil prices will remain at current levels, reflecting the increased risk premium. If the recovery period is delayed, according to Goldman Sachs, the cost of Brent could reach \$75 per barrel. In addition, experts believe that the growth of oil quotes may receive an additional powerful driver if Iran's participation in this incident is proved. So far, the Hussite Yemeni rebels have claimed responsibility for the attack, but the US Secretary of State has blamed Iran for this.

During the day, the electric utilities sector index underperformed. The main contribution to the final MOEXEU decline in antiphase with the MOEX Russia Index was made by shares of Rosseti, FGC UES and Unipro.

## ELECTRIC POWER INDUSTRY NEWS

### Go into the compartments

Will distributed energy come to Russia.

Read full text: [https://www.dp.ru/a/2019/09/15/Po\\_otsekam\\_razojtis](https://www.dp.ru/a/2019/09/15/Po_otsekam_razojtis)

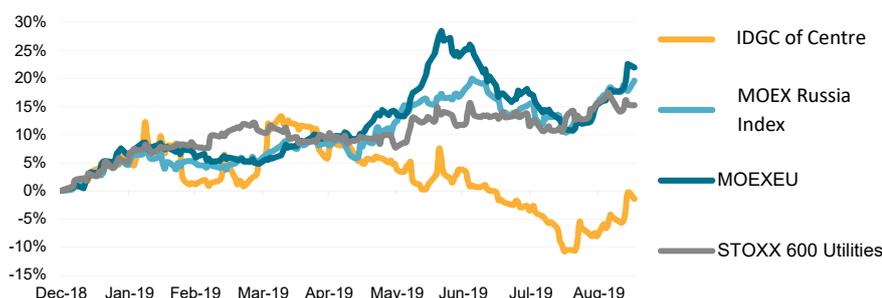
## COMPANY NEWS

### Belgorodenergo's employees held a lesson for children "Energy Saver in the Digital City"

Employees of Rosseti Centre Belgorodenergo together with the Housing and Public Utilities Department of the Belgorod Region conducted a lesson for schoolchildren "Energy Saver in the Digital City". Over 30 pupils of the 4th grade of Belgorod Lyceum No. 32 took part in the event.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/69605/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2834,32	1,53%	19,63%
S&P 500	2994,28	-0,44%	19,44%
FTSE 100	7321,41	-0,63%	8,82%
DAX	12380,31	-0,71%	17,25%
DJStoxx 600	389,53	-0,58%	15,37%
Nikkei	21988,29	0,00%	9,86%
Sensex	37123,31	-0,70%	2,92%
CSI300	3957,72	-0,37%	31,46%
Bovespa	103817,8	0,31%	18,13%

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

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,4711	-1,10%	-7,20%
EURO/RUB	71,5307	-0,41%	-9,98%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1503,2	0,98%	17,21%
Brent*, USD/bbl	67,27	11,71%	25,04%

\* - November futures

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

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln	
			IDGC of Centre	IDGC of Centre & Volga Reg
IDGC of Centre	0,2818	11,90	184,53	
IDGC of Centre & Volga Reg	0,2572	28,99	449,59	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,10%	15,24%
MOEXEU	-0,53%	21,95%
IDGC of Centre**	-1,12%	-1,47%
IDGC of Centre and Volga Region**	-0,77%	-2,94%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-2,42%	62,48%
FGC UES	-0,75%	29,42%
IDGC of Volga	0,43%	-4,69%
MOESK	-0,16%	37,88%
IDGC of Northern Caucasus	-0,43%	166,57%
IDGC of North-West	0,32%	14,23%
IDGC of Urals	0,11%	-2,93%
IDGC of Siberia	-1,14%	137,56%
IDGC of South	0,41%	11,20%
Lenenergo, ordinary shares	-1,71%	30,06%
TRK, ordinary shares	0,00%	-3,25%
Kubanenergo	1,44%	29,92%

Source: MOEX, Company calculations

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

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