



REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 29 November some moderately positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 jumped by 2.3-2.5% due to the Fed's statement that the base interest rate in the US is just below the level that can be considered neutral. At the same time, the media remind that in October Jerome Powell stated that the neutral level of the base rate is still far away. Many investors perceived the change in the rhetoric of the Chairman of the Fed as a signal that the Central Bank may pause in the rate increase cycle in 2019. The current Fed management forecast provides for three more rate increases next year. However, at the December meeting, this forecast should be revised, and analysts do not exclude that this number will be reduced due to the slowdown in the economy, volatility in the stock market and trade conflict with China. The market, according to the Chicago Stock Exchange, lays only one rate increase in 2019 after rising to 2.25-2.50% in December. On Thursday the composite stock index of the Asia-Pacific region, MSCI Asia Pacific, added 0.7% with multidirectional changes of the main country indices. The Chinese market became a negative exception to the Asian session – the CSI300 index lost 1.2% on media reports that the US is exploring ways to increase import duties on Chinese cars by up to 40%. Brent January futures traded around \$58.8 per barrel, \$0.7 below our 28 November close. The quotes were pressured by a message of the US Department of Energy on the growth of oil reserves in the country for the tenth week in a row and maintaining a record level of production.

The Russian market spent most of Thursday in positive territory due to investors' demand for risky assets after easing the rhetoric of the Fed Chairman. The attractiveness of risky assets was supported by a decrease in the yield of ten-year US government bonds to the area of the psychological mark of 3%. At daily highs the rise of the MOEX Russia Index exceeded a percent, the European Stoxx Europe 600 Index and the index of emerging markets MSCI EM added more than half a percent. Additional support to the domestic market was provided by the growth of Brent quotes to the level of \$60 per barrel on the Reuters report that Russia is becoming increasingly convinced of the need to reduce oil production along with OPEC. At the end of the trading session the growth rate of the MOEX Russia Index slowed down under the pressure of a small decline in US indices as part of the correction after strong growth on Wednesday.

During the day the MicexPWR Sector Index outperformed. The main contribution to the MicexPWR outperformance in comparison with the MOEX Russia Index was made by shares of ROSSETI and Mosenergo. The papers of ROSSETI were supported by the publication of good IFRS financial statements for nine months – revenue grew by 9.6% to 719.64 billion rubles, EBITDA – by 4% to 222.1 billion rubles, net profit – by 9.4% to 88.7 billion rubles. "Strong reporting coupled with positive regulatory changes gives investors hope for a significant increase in dividend payments for the year," stressed analysts at VTB Capital.

ELECTRIC POWER INDUSTRY NEWS

ROSSETI shows stable profit growth throughout 2018

Based on the results of 9 months of 2018, PJSC ROSSETI (LSE: RSTI) made a net profit of 88.7 billion rubles, up 9.4% year-on-year.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=34310

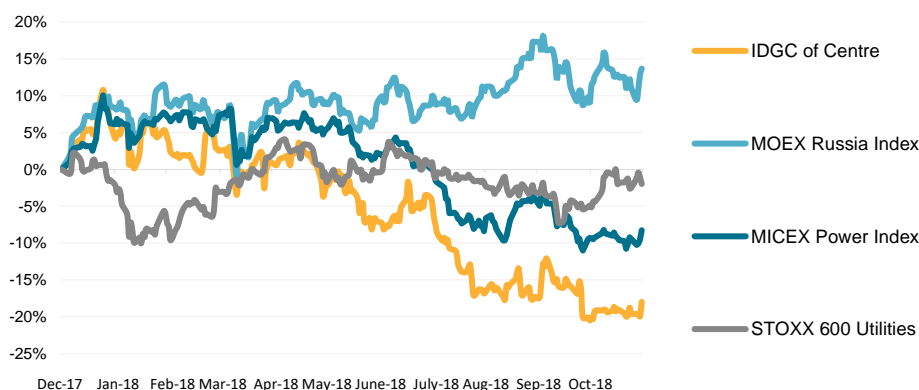
COMPANY NEWS

IDGC of Centre, PJSC held public hearings on the Sustainability Report for 2016-2017

IDGC of Centre held public hearings on the Sustainability Report of the Company for 2016-2017 (hereinafter – the Report).

Read full text: <https://www.mrsk-1.ru/press-center/news/company/66621/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 398,56	0,73%	13,69%
S&P 500	2 737,76	-0,22%	2,40%
FTSE 100	7 038,95	0,49%	-8,44%
DAX	11 298,23	-0,01%	-12,54%
DJStoxx 600	358,10	0,20%	-7,99%
Nikkei	22 262,60	0,39%	-2,21%
Sensex	36 170,41	1,27%	6,21%
CSI300	3 137,65	-1,30%	-22,16%
Bovespa	89 709,56	0,51%	17,42%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	66,94	0,24%	16,16%
EURO/RUB	75,52	-0,14%	9,79%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 224,21	0,24%	-6,03%
Brent*, USD/bbl	59,51	1,28%	-11,01%

* - January futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2920	12,33	184,15
IDGC of Centre & Volga Reg	0,2777	31,30	467,50

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,92%	-1,97%
MICEX POWER Index	1,44%	-8,23%
IDGC of Centre**	2,46%	-17,98%
IDGC of Centre and Volga Region**	0,98%	-7,95%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	4,11%	-5,78%
FGC UES	1,11%	-3,10%
IDGC of Volga	1,47%	-2,29%
MOESK	0,74%	-24,47%
IDGC of Northern Caucasus	0,28%	-25,63%
IDGC of North-West	0,18%	6,54%
IDGC of Urals	-0,12%	-18,85%
IDGC of Siberia	-0,32%	-19,48%
IDGC of South	-0,76%	-1,09%
Lenenergo, ordinary shares	-0,53%	16,46%
TRK, ordinary shares	0,00%	-6,74%
Kubanenergo	0,00%	-29,59%

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