

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 18 October some neutral external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 rose by 0.1-0.3%. The market was supported by information that the EU leaders approved an updated version of the agreement on the UK withdrawal from the European Union, and good reporting of several companies, including Morgan Stanley and Netflix. In general, analysts note a strong start of the quarterly reporting season in the US – according to Bloomberg, of the reported 15% of companies from the S&P500 index, about 85% exceeded expectations for net profit. On Friday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.2% on weak statistics on China's GDP changes in the third quarter – the pace of economic recovery slowed to the lowest level of 6% since 1992. Over three quarters, the PRC economy grew by 6.2%. At the same time, these data did not become a big surprise for analysts – the target range of the Chinese authorities for the GDP growth this year is 6-6.5%. In addition, the negative statistics on the GDP was offset by good September data – industrial production in China increased by 5.8% yoy after a 4.4% increase in August, retail sales growth accelerated to 7.8% from 7.5%. December Brent futures were trading around \$59.7 per barrel, \$1.0 higher than our close on 17 October. Brent quotes on Thursday reached \$60 per barrel, despite statistics from the US Department of Energy, which recorded a weekly increase in oil reserves above forecasts – by 9.3 million barrels, and maintaining production at a record level. According to some analysts, the market ignored these data, drawing attention to a larger-than-expected decrease in gasoline and distillate reserves.

On Friday, the MOEX Russia Index, like most major global stock indicators, traded sideways near zero. According to experts, investors chose to take a wait-and-see position in anticipation of the vote scheduled for Saturday in the British Parliament on Brexit. Some analysts expect that the government will not be able to secure the required number of votes and the deal will not be approved, as it has already happened three times before. At the same time, the British media say, there remains a chance that the document together with the conservatives will be supported by a part of the Labour Party. The MOEX Russia Index was able to complete trading with an increase of 0.2% thanks to Brent quotes, having consolidated above \$59.5 per barrel.

During the day, changes of the electric utilities sector index generally corresponded to the market. The main contribution to the final MOEXEU small growth was made by shares of FGC UES.

ELECTRIC POWER INDUSTRY NEWS

The Russian Union of Industrialists and Entrepreneurs proposed introducing a moratorium on the appearance of new and extension of existing types of "cross-subsidies", including the introduction of differentiation of the FGC tariff, - the newspaper

Industrialists are asking the government to postpone the consideration of the FGC tariff differentiation, for fear of rising electricity prices above inflation. According to business, in Russia it is time to introduce a moratorium on the emergence of new and the extension of old types of cross-subsidization until 2041. The volume of cross-subsidization is 200-400 billion rubles and it will grow, analysts say, calling the business offer difficult to implement.

Read full text: <http://www.bigpowernews.ru/markets/document90304.phtml>

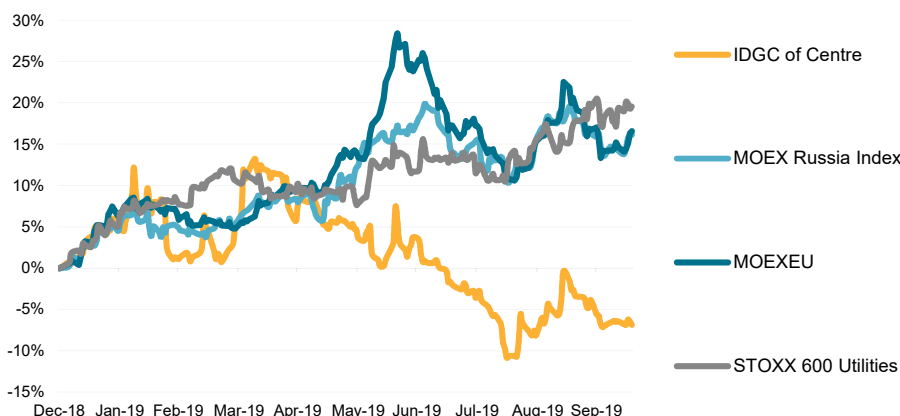
COMPANY NEWS

Orelenegero installed the first motor-driven line disconnecter

Rosseti Centre Orelenegero has implemented innovative equipment not previously used in the grid complex of the Orel region. It is about a motor-driven disconnecter with a short circuit indicator on a 10 kV overhead line.

Read full text: <http://www.energyland.info/analitic-show-192324>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 752,91	0,16%	16,19%
S&P 500	2 986,20	-0,39%	19,12%
FTSE 100	7 150,57	-0,44%	6,28%
DAX	12 633,60	-0,17%	19,65%
DJStoxx 600	391,84	-0,32%	16,05%
Nikkei	22 492,68	0,18%	12,38%
Sensex	39 298,38	0,63%	8,96%
CSI300	3 869,38	-1,42%	28,52%
Bovespa	104 728,90	-0,27%	19,16%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,01	-0,51%	-7,85%
EURO/RUB	70,90	-0,21%	-10,77%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 490,05	-0,12%	16,18%
Brent*, USD/bbl	59,42	-0,82%	10,45%

* - December futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**,	
		₽ bln	\$ mln
IDGC of Centre	0,2664	11,25	175,69
IDGC of Centre & Volga Reg	0,2486	28,02	437,66

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,21%	19,63%
MOEXEU	0,24%	16,64%
IDGC of Centre**	-0,45%	-6,85%
IDGC of Centre and Volga Region**	1,02%	-6,19%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,03%	54,00%
FGC UES	1,20%	26,36%
IDGC of Volga	0,16%	-5,00%
MOESK	0,06%	34,55%
IDGC of Northern Caucasus	-2,34%	132,86%
IDGC of North-West	0,50%	9,55%
IDGC of Urals	-1,03%	-6,61%
IDGC of Siberia	-0,97%	109,07%
IDGC of South	0,36%	3,49%
Lenenergo, ordinary shares	-0,70%	34,59%
TRK, ordinary shares	2,00%	48,70%
Kubanenergo	0,00%	25,20%

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