

## REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 17 September some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 fell 0.3-0.5% on increasing investors' concerns that destabilization of the oil market after an attack on oil infrastructure in Saudi Arabia could worsen negative trends in the global economy. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.4%. A 1.7% drop in the Chinese CSI300 stood out from the overall changes of Asian markets – investors were disappointed with the decision of the People's Bank of China to keep the key interest rate on loans unchanged. According to experts, the regulator had enough reasons to further ease the monetary policy: the escalation of the trade conflict with the US, weak statistics, and the PRC government's confirmation of the difficulty of achieving targeted economic growth of 6%. Moreover, according to some analysts at major investment banks, China's GDP growth will continue to slow down to 5.5-5.7% next year. November Brent futures were trading around \$68.5 per barrel, \$1.1 higher than our close on 16 September. Oil prices continued to rise due to uncertainty over the timing of recovery in production in Saudi Arabia – according to various estimates, this can take from several weeks to several months.

At the beginning of trading on Tuesday, the growth of Brent quotes above \$69 per barrel allowed the MOEX Russia Index to come close to a historic high. However, profit taking in the oil market and moderately negative changes of world markets did not allow the MOEX Russia Index to renew its historical record. Most of the day, sentiment on western stock exchanges in the absence of news from Saudi Arabia was determined by growing uncertainty about the Fed's upcoming decision on the rate – according to the Chicago Stock Exchange, the probability of its preservation exceeded 40%. According to experts, statistics previously released in the US already raised questions about the validity of a further reduction in rates, and rising inflationary pressure after the jump in oil prices may further limit the Fed's argument to continue softening the monetary policy. Against this background, the consolidated European Stoxx Europe 600 Index and futures on the S&P500 Index during the day lost on average about a third of a percent. In the second half of the trading session, the changes of the stock markets were affected by a 5% drop in oil quotes on Reuters information that Riyadh would need only two to three weeks to fully restore production. The western markets reduced their daily losses, while the decline in the MOEX Russia Index exceeded 0.5%.

During the trading session, the electric utilities sector index underperformed. The main contribution to the MOEXEU underperformance in comparison with the MOEX Russia Index was made by shares of Inter RAO and FGC UES.

## ELECTRIC POWER INDUSTRY NEWS

### Electricity grids to be transferred to reference costs

The relevant departments were not able to reach a unified position regarding the formation of tariffs for distribution electricity grids using the standard cost method. According to Kommersant's information, the government agreed on a mandatory transition to a new method for all territorial grid organizations (TGO), however, neither the size of the "standards", nor the method of their calculation, nor the consequences of their introduction have been determined.

Read full text: <https://www.kommersant.ru/doc/4095009>

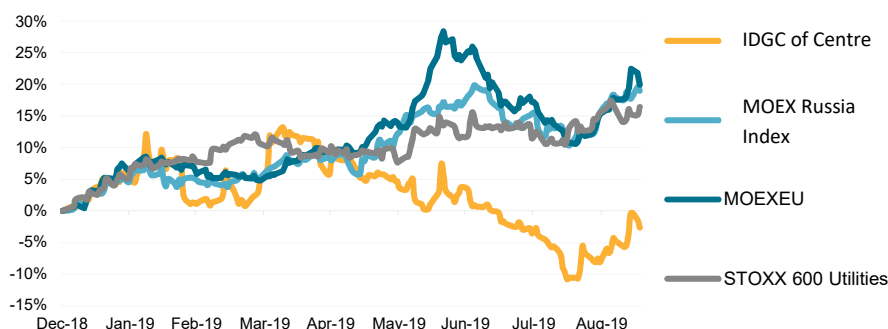
## COMPANY NEWS

### Rosseti Centre takes an active part in creating a "smart" urban environment in the Belgorod region

Within the framework of the Digital Transformation Concept, Rosseti Centre is participating in the implementation of the "Smart Quarter" project in Belgorod. It was developed as part of the regional project "Smart City of Belgorod", the national project "Housing and Urban Environment" and the national program "Digital Economy" and provides for the construction in the regional centre of a "smart" urban environment on the territory of Kharkov Mountain, limited by Kostyukov, Akademicheskaya Streets and Kharkov Lane.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/69624/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 820,86	-0,47%	19,06%
S&P 500	3 005,70	0,26%	19,90%
FTSE 100	7 320,40	-0,01%	8,80%
DAX	12 372,61	-0,06%	17,18%
DJStoxx 600	389,33	-0,05%	15,31%
Nikkei	22 001,32	0,06%	9,93%
Sensex	36 481,09	-1,73%	1,14%
CSI300	3 891,22	-1,68%	29,25%
Bovespa	104 616,90	0,90%	19,04%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	63,63	-1,00%	-6,12%
EURO/RUB	70,67	-1,20%	-11,06%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 501,38	0,20%	17,07%
Brent*, USD/bbl	64,55	-6,48%	19,98%

\* - November futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre	0,2784	11,75	184,15
IDGC of Centre & Volga Reg	0,2571	28,97	453,95

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	1,11%	16,52%
MOEXEU	-1,57%	20,03%
IDGC of Centre**	-1,21%	-2,66%
IDGC of Centre and Volga Region**	-0,04%	-2,98%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-1,39%	60,22%
FGC UES	-2,48%	26,21%
IDGC of Volga	-0,21%	-4,90%
MOESK	-1,26%	36,14%
IDGC of Northern Caucasus	-1,77%	161,86%
IDGC of North-West	-0,71%	13,42%
IDGC of Urals	0,00%	-2,93%
IDGC of Siberia	-2,67%	131,22%
IDGC of South	-0,33%	10,93%
Lenenergo, ordinary shares	-3,63%	25,33%
TRK, ordinary shares	30,20%	25,97%
Kubanenergo	-0,32%	29,51%

Source: MOEX, Company calculations

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

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**Tickers**  
Moscow Exchange (MOEX)  
Bloomberg  
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**MRKC**  
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