

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 14 November some neutral external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500, updating their historical highs, added 0.1-0.3% due to a 7% increase in Disney shares on the company's announcement of a significant demand for the newly launched Disney+ streaming service. At the same time, analysts note that it is becoming increasingly difficult for the American stock market to give new heights, given the increasing uncertainty about the US and China trade deal. In particular, WSJ writes about another serious obstacle to the "first phase" – Beijing does not want to include in the text of the agreement the exact volume of purchases of agricultural products from the US, while earlier Donald Trump announced the agreement reached to expand these deliveries to \$50 billion a year. On Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.8% – in addition to reports on the US-China trade problems, weak regional statistics put pressure on the markets. Japan's GDP in the third quarter increased at the lowest pace for the year due to reduced exports because of trade conflicts. In China the growth of industrial production and retail sales in October slowed more than expected, indicating a weakening demand in various segments of the economy, investment growth was minimal over the past 20 years. January Brent futures were trading around \$62.7 per barrel, \$0.4 higher than our close on 13 November. Positive background for the market was statistics of the American Petroleum Institute, which recorded an unexpected reduction in oil reserves in the US. In addition, oil quotes were supported by a statement by the head of OPEC about a possible "sharp decrease in the forecast for oil production" by non-cartel countries next year.

On Thursday, the Russian market, as well as the world markets in general, were dominated by moderately pessimistic moods, due to weak Asian statistics and the lack of progress in preparing the first phase of the US-China trade deal. Most of the day, the MOEX Russia Index, the consolidated European Stoxx Europe 600 Index and futures on the S&P500 spent in a small minus on average within half a percent. According to media reports, the talks between Washington and Beijing have come to a standstill due to the fact that the parties, despite the existence of preliminary agreements, are not ready to concede to each other on a number of fundamental points. In addition to the volume of purchases by China of agricultural products in the US, another of the main controversial issues was the abolition by the White House of some tariffs on Chinese goods. The representative of the Ministry of Commerce of China called the scale of the abolition of duties a key condition for the transaction, which should reflect the importance of the "first phase" of the agreement. Washington, in turn, is linking the removal of fees to Beijing's big concessions on protecting intellectual property and ending the practice of forced technology transfer, which Chinese officials are not yet ready to agree to. Of the published European statistics mostly within the forecasts during the day, analysts drew attention to an unexpected small increase in the German GDP in the third quarter – by 0.1%, which nonetheless formally allowed Europe's largest economy to avoid a recession.

At the end of 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

RDIF and the Arab fund Mubadala want to withdraw from a joint project with Rosseti on the implementation of smart metering systems in three regions of the Russian Federation, - the newspaper

Read full text: <http://www.bigpowernews.ru/news/document90669.phtml>

COMPANY NEWS

Tambovergo's employees successfully improve their skills

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/70185/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2922,45	-0,39%	23,34%
S&P 500	3092,38	-0,05%	23,36%
FTSE 100	7305,72	-0,62%	8,58%
DAX	13181,78	-0,37%	24,84%
DJStoxx 600	404,81	-0,26%	19,89%
Nikkei	23141,55	-0,76%	15,62%
Sensex	40286,48	0,42%	11,69%
CSI300	3905,86	0,15%	29,73%
Bovespa	106401,1	0,32%	21,07%

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

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,2009	0,54%	-7,59%
EURO/RUB	70,6724	0,35%	-11,06%

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

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1469,8	0,43%	14,61%
Brent*, USD/bbl	62,99	0,99%	17,08%

* - January futures

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

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2009	22,64	352,66

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,26%	19,38%
MOEXEU	-1,00%	18,00%
IDGC of Centre**	-1,28%	-8,53%
IDGC of Centre and Volga Region**	-3,09%	-24,19%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,93%	50,28%
FGC UES	-1,76%	27,67%
IDGC of Volga	-3,48%	-19,34%
MOESK	-0,20%	52,95%
IDGC of Northern Caucasus	-3,54%	129,71%
IDGC of North-West	-2,59%	-8,56%
IDGC of Urals	1,59%	-10,08%
IDGC of Siberia	-1,47%	96,59%
IDGC of South	-0,68%	7,07%
Lenenergo, ordinary shares	-0,43%	32,33%
TRK, ordinary shares	-2,62%	20,78%
Kubanenergo	11,41%	36,07%

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