

## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 26 September some moderately positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 rose by 0.6%, on Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.1%. The markets were supported by the reduction of fears regarding the severity of the political crisis in the US and expectations of de-escalation of world trade conflicts. According to media reports, the US Department of Justice, having studied the transcript of the conversation between the presidents of the US and Ukraine, did not find signs of law violations by the American leader. Donald Trump said that a trade agreement designed to put an end to the protracted US trade war with China could be reached "sooner than you think." In addition, Japan and the US signed an agreement, which is the first stage of a trade deal between the two countries. Restrained changes of the MSCI Asia Pacific were also due to the decline in the Chinese market. According to MarketWatch, investors took profits before the long weekend on the occasion of the founding of the PRC – Chinese exchanges will be closed from 1 to 7 October. November Brent futures were trading around \$62.4 per barrel, \$0.3 higher than our close on 25 September. The weakening of trade tension offset the negative statistics of the US Department of Energy, which recorded an increase in oil reserves by 2.4 million barrels, and media reports about the accelerated recovery of production by Saudi Arabia.

On Thursday, buyers dominated the Russian and European markets – the MOEX Russia Index and the European Stoxx Europe 600 Index traded most of the day on average in a half-percent plus. Optimistic statements by officials on the prospects for trade relations between Washington and Beijing contributed to improving investors' sentiment. In particular, a representative of the Ministry of Trade of China said that the delegations are in close contact and are preparing to ensure "positive progress" in the negotiations in October, and also confirmed that Chinese companies have already significantly increased purchases of US agricultural products. In the afternoon, the markets somewhat slowed down after the publication of US statistics. In the final assessment of GDP changes in the second quarter, a number of indicators were worsened – an increase in consumer spending, a reduction in private sector investment, and adjusted pre-tax profit of companies. At the same time, the PCE Core index, which closely monitors the Fed in assessing inflation risks, increased from the previously announced 1.7% to 1.9%, closely approaching the target of the Federal Reserve at 2%. Additional pressure on the Russian market was provided by a decline in Brent quotes to \$61.5 per barrel, according to media reports that Saudi Arabia had restored its oil production capacity to 11.3 million barrels per day and expects to return to the pre-crisis level of 12 million barrels per day in a day – by November.

During the trading session, the electric utilities sector index outperformed. The main contribution to the MOEXEU outperformance in comparison with the MOEX Russia Index was made by shares of Rosseti and Inter RAO. BCS analysts drew attention to an interview with the head of Rosseti to the newspaper Kommersant. "We believe that initiatives related to a long-term dividend policy and increase of payments should be positively received by the market if they are implemented," experts noted.

## ELECTRIC POWER INDUSTRY NEWS

### Rosseti's new strategy to include plans to consolidate territorial grid companies, - Mr. Livinskiy

The strategy being developed by Rosseti will include reducing the fragmentation of grids, the head of the electric grid holding Pavel Livinskiy said in an interview with Kommersant, answering the question whether the company's new strategy will include "plans for consolidating assets".

Read full text: <http://www.bigpowernews.ru/news/document89998.phtml?1&q=>

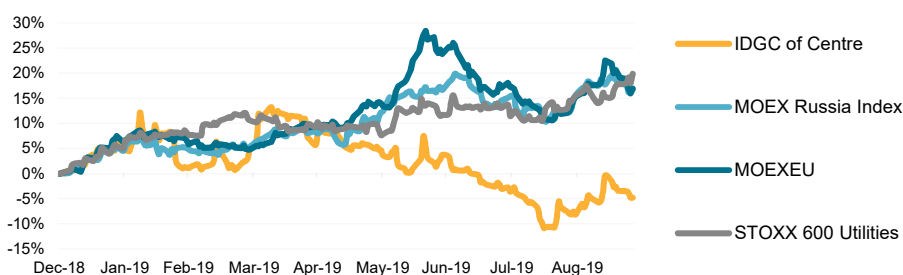
## COMPANY NEWS

### Rosseti Centre and Rosseti Centre and Volga Region assessed their readiness for work in the heating season

Rosseti Centre - the managing organization of Rosseti Centre and Volga Region summed up the intermediate results of readiness for the heating period of 2019-2020. In all twenty regions of the service area of the electric grid company, preparations for winter are in strict accordance with the plan. At the moment, the readiness for the heating period is 98%.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/69713/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 772,70	0,45%	17,02%
S&P 500	2 977,62	-0,24%	18,78%
FTSE 100	7 351,08	0,84%	9,26%
DAX	12 288,54	0,44%	16,38%
DJStoxx 600	389,95	0,61%	15,49%
Nikkei	22 048,24	0,13%	10,16%
Sensex	38 989,74	1,03%	8,10%
CSI300	3 841,14	-0,77%	27,59%
Bovespa	105 319,40	0,80%	19,83%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,19	0,76%	-7,61%
EURO/RUB	70,59	0,81%	-11,17%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 504,78	0,05%	17,33%
Brent*, USD/bbl	62,74	0,56%	16,62%

\* - November futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2512	28,31	441,05

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	1,58%	19,93%
MOEXEU	0,77%	16,91%
IDGC of Centre**	0,00%	-4,76%
IDGC of Centre and Volga Region**	-0,59%	-5,21%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	3,01%	58,07%
FGC UES	0,26%	22,64%
IDGC of Volga	0,11%	-5,77%
MOESK	0,94%	30,68%
IDGC of Northern Caucasus	-1,03%	148,00%
IDGC of North-West	-0,32%	11,17%
IDGC of Urals	0,00%	-4,77%
IDGC of Siberia	0,68%	116,39%
IDGC of South	-0,59%	7,99%
Lenergo, ordinary shares	3,99%	28,17%
TRK, ordinary shares	-2,56%	11,36%
Kubanenergo	0,00%	26,84%

Source: MOEX, Company calculations

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

**IDGC of Centre, PJSC**  
127018, Moscow, 2nd Yamskaya, 4  
+7 (495) 747 92 92  
[www.mrsk-1.ru/en/investors/](http://www.mrsk-1.ru/en/investors/)

**IR Division**  
+7 (495) 747 92 92, ext. 33-34  
[ir@mrsk-1.ru](mailto:ir@mrsk-1.ru)

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

**MRKC**  
**MRKC:RM**  
**MRKC:MM**