

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 13 September some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 rose by 0.2-0.3% on the decisions of the ECB to significantly ease monetary policy. The European regulator reduced the deposit rate by 0.1 percentage points to -0.5%, announced the launch of a new phase of asset repurchase by €20 billion per month, and reduced the rate of attracting targeted long-term loans by banks to zero. The changes of stock indices was characterized by increased volatility, provoked by conflicting news about the possible conclusion by the US and China of a temporary trade agreement, according to which the introduction of new duties on a number of Chinese imports could be delayed in exchange for Beijing's assurances to return to the positions of the parties until the May break. On Friday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.7% on the statements of Donald Trump that he admits the possibility of concluding an intermediate trade deal, although he prefers a full agreement. November Brent futures were trading around \$60.3 per barrel, \$0.3 higher than our close on 12 September.

On Friday during the day, the MOEX Russia Index traded in a small minus on average about half a percent. Moderately positive sentiment on world markets – the growth of the composite MSCI All Country World Index was about a third of a percent – was compensated by uncertain changes of oil prices. Brent quotes during the day fell below \$60 per barrel on fears of easing sanctions against Iran and the IEA's forecasts of an increase in oil supply from non-OPEC countries. On the whole, an improvement in investors' attitudes toward risky assets was facilitated by the continued easing of tension in relations between the US and China: the media reported on the decision of the Chinese government to exclude from the list of tariffable goods the main items of US agricultural imports – soybeans and pork. At the same time, the activity of buyers was constrained by growing uncertainty regarding the prospects of the stimulating policy of the world's leading central banks. Firstly, investors drew attention to the split in the views of the ECB leaders on the appropriateness of using such a serious package of measures to support the economy. Secondly, investors believe that the Fed's decisiveness in easing the monetary policy may be weakened by current statistics: in August, the inflation indicator Core CPI was at its highest for more than a year, retail sales doubled forecasts, unemployment claims fell last week to a minimum since April.

During the day, the electric utilities sector index looked significantly better than the market. The main contribution to the final MOEXEU growth was made by shares of Inter RAO and FGC UES. Support for these securities could have been provided by media information that the Ministry of Finance proposes to oblige subsidiaries of state holdings to pay dividends in the amount of 50% of net profit. The industry experts believe that if this decision is made, dividend payments of Inter RAO, Rosseti's subsidiaries and Gazprom's generation companies may increase. At the same time, according to VTB Capital's analysts, the main beneficiaries of possible changes will be shareholders of Inter RAO and FGC UES – the dividend yield on the shares of these companies may double.

ELECTRIC POWER INDUSTRY NEWS

Daughters of state-owned companies may be obliged to pay dividends of 50% of net profit according to the example of parent companies, - the Ministry of Finance

Russian authorities are thinking about obliging subsidiaries of state-owned companies to pay dividends to head enterprises in the amount of at least 50% of net profit following the example of parent companies, said Deputy Finance Minister Alexey Moiseev, reports Reuters.

Read full text: <http://www.bigpowernews.ru/news/document89836.phtml>

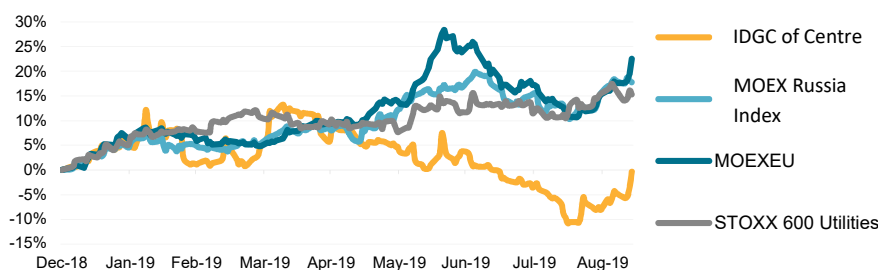
COMPANY NEWS

Special exercises held at Rosseti Centre Lipetskenergo

Power engineers spent two days practicing actions to eliminate emergency situations at low temperatures.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/69597/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 791,74	-0,29%	17,83%
S&P 500	3 007,39	-0,07%	19,97%
FTSE 100	7 367,46	0,31%	9,50%
DAX	12 468,53	0,47%	18,08%
DJStoxx 600	391,79	0,34%	16,03%
Nikkei	21 988,29	1,05%	9,86%
Sensex	37 384,99	0,76%	3,65%
CSI300	3 972,38	0,00%	31,94%
Bovespa	103 501,20	-0,83%	17,77%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,19	-0,37%	-6,16%
EURO/RUB	71,83	-0,55%	-9,61%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 488,53	-0,72%	16,07%
Brent*, USD/bbl	60,22	-0,26%	11,93%

* - November futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2592	29,21	448,09

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,70%	15,35%
MOEXEU	2,63%	22,60%
IDGC of Centre**	3,26%	-0,35%
IDGC of Centre and Volga Region**	0,08%	-2,19%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	2,48%	66,51%
FGC UES	4,51%	30,39%
IDGC of Volga	-0,64%	-5,10%
MOESK	-0,55%	38,11%
IDGC of Northern Caucasus	0,54%	167,71%
IDGC of North-West	2,18%	13,87%
IDGC of Urals	1,24%	-3,03%
IDGC of Siberia	-2,30%	140,29%
IDGC of South	-0,66%	10,74%
Lenenergo, ordinary shares	14,75%	32,33%
TRK, ordinary shares	0,00%	-3,25%
Kubanenergo	4,17%	28,07%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)
Bloomberg
Reuters

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