

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 22 November some neutral external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed with a slight decrease within 0.2%, on Friday the composite index of the Asia-Pacific region MSCI Asia Pacific did not show significant changes with multidirectional changes of the main country indices. Investors prefer to be careful, given the mixed signals about the prospects of the US-China trade deal. On the one hand, the media report that the signing of an interim agreement between the countries may be delayed until next year due to the expansion of the list of mutual conditions, despite the fact that the situation is complicated by the bill passed by the US Congress in support of protesters in Hong Kong. On the other hand, WSJ writes about the invitation of the American delegation to Beijing for a new round of consultations, which Chinese officials hope to hold before Thanksgiving in the US – 28 November this year. In addition, the Chinese president on Friday reiterated China's desire for a trade deal with Washington. "We want to work on the first phase of the trade agreement on the basis of mutual respect and equality," the head of the PRC said, recalling, however, Beijing's readiness for tough response if necessary. January Brent futures were trading around \$63.6 per barrel, at the level of our close on 21 November. On Thursday Brent quotes rose by 2.5% on a Reuters report on the likely extension of the OPEC+ deal until June 2020.

On Friday, moderately positive sentiment prevailed in the Russian and European markets – the MOEX Russia Index and the European Stoxx Europe 600 Index added on average half a percent on statements by the PRC head about readiness for a trade deal. In general, according to the media, most experts consider the complete failure of trade negotiations unlikely and predicts, at a minimum, the signing of an interim deal. In particular, Morgan Stanley in the base case is waiting for an agreement on the first phase of the transaction, which will help avoid further escalation of the tariff war, despite the distant prospects for the subsequent stages of the trade agreement. The contradictory data on business activity in the Eurozone in November did not have a significant impact on the trading process – the manufacturing PMI rose to a maximum of three months 46.6 points, while the service PMI fell to a 10-month low of 51.5 points. At the same time, the consolidated business activity index continued to decline and reached the minimum level of 50.3 points since July 2013. According to analysts, against the backdrop of the deepest decline in six years in the manufacturing sector, in November there were signs of the transfer of this weakness into the service sector. The MOEX Russia Index, which began trading with more than a half-percent increase, in the second half of the day significantly reduced the growth rate following profit taking in Gazprom's shares. The reason for the sale of these securities was, among other things, information on the offering price of 3.6% of quasi-treasury shares – 12% lower than Thursday's close.

During the day, changes of the electric utilities sector index generally corresponded to the market. The main contribution to the final MOEXEU growth was made by shares of OGK-2 and Rosseti. Of the total changes of the electric grid companies, a 6% increase in IDGC of Centre's shares stood out on the company's announcement that the board of directors would consider recommendations for paying dividends for nine months on 25 November.

ELECTRIC POWER INDUSTRY NEWS

Alexander Novak to take part in the discussion of the future of digital transformation in Russian regions

On 3 December 2019, within the framework of the International Forum "Power Grids" (PGIF 2019), the plenary session "Digital Transformation: New Opportunities for Regions and Investors" will be held.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=36471

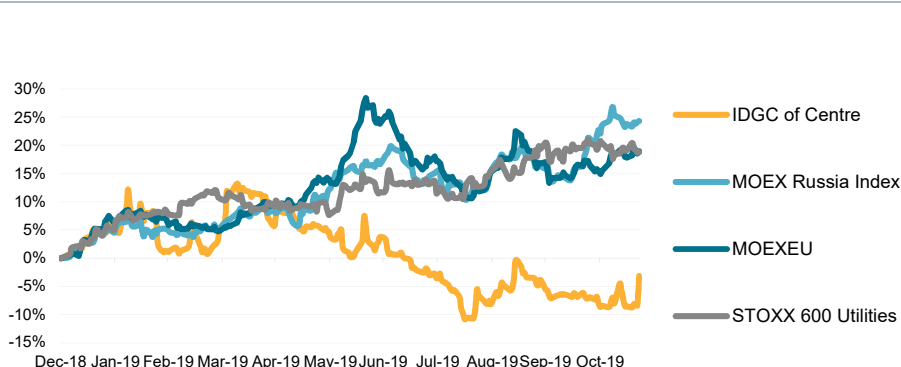
COMPANY NEWS

Rosseti Centre and Rosseti Centre and Volga Region actively conduct rationalization activities

Rosseti Centre and Rosseti Centre and Volga Region actively conduct rationalization activities, which is a set of measures to identify and implement rationalization proposals with the aim of solving technical, organizational or managerial tasks in production activities.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/70289/>

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 947,66	0,17%	24,41%
S&P 500	3 110,29	0,22%	24,07%
FTSE 100	7 326,81	1,22%	8,90%
Nikkei	23 112,88	0,32%	15,48%
Sensex	40 359,41	-0,53%	11,90%
CSI300	3 849,99	-1,02%	27,88%
Bovespa	108 692,30	1,11%	23,67%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	63,84	-0,28%	-8,10%
EURO/RUB	70,70	-0,22%	-11,03%

Source: Bloomberg, Company calculations

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
	Number of transactions, pcs.	1 305
Trading volume, ₺ mln	17,4	55,8
Trading volume, mln pcs.	65,0	269,0
Average trading volume over the last 30 days, mln pcs.	20,4	206,4
% of the authorized capital	0,15%	0,24%

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
		IDGC of Centre	0,2770
IDGC of Centre & Volga Reg	0,21	23,67	370,70

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,06%	18,87%
MOEXEU	0,32%	19,04%
IDGC of Centre**	5,73%	-3,15%
IDGC of Centre & Volga Region**	3,55%	-20,75%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,98%	52,48%
FGC UES	0,19%	30,65%
IDGC of Volga	0,63%	-18,78%
MOESK	2,76%	71,82%
IDGC of Northern Caucasus	-1,11%	128,71%
IDGC of North-West	1,27%	-6,94%
IDGC of Urals	0,85%	-9,53%
IDGC of Siberia	-1,52%	90,24%
IDGC of South	0,17%	9,27%
Lenenergo, ordinary shares	-0,28%	32,70%
TRK, ordinary shares	1,38%	19,48%
Kubanenergo	0,81%	28,28%

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