

## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 5 December some moderately positive external background formed on the Russian market. On Wednesday major US indices rose by 0.5-0.6%, on Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.5%. The markets were supported by increased optimism regarding trade negotiations between the US and China. Firstly, according to Bloomberg, the parties are close to agreeing on the scale of tax folding within the first stage of the trade deal, while the American negotiators expect to be in time with the signing of an interim agreement before the US tariff increase scheduled for 15 December. Secondly, Donald Trump once again stated that the trade negotiations are going "very well", softening with this the phrase said the day before about the lack of a deadline for an agreement with Beijing. In this context, published rather weak statistics from the US faded into the background – in November data on business activity in the services sector and employment in the private sector were worse than forecasts. February Brent futures were trading around \$62.9 per barrel, \$0.3 below our close on 4 December. Brent quotes stabilized after an almost 4% growth on Wednesday on the US Department of Energy statistics, which recorded the first decline in oil reserves by 4.9 million barrels for six weeks, and expectations of new market support measures from OPEC+, among which the media cite a possible additional reduction in production.

On Thursday, most of the trading session, global stock markets showed moderately positive changes on expectations of an early conclusion of the agreement on the first phase of the trade deal. During the day, the consolidated European Stoxx Europe 600 Index and futures for the US indices traded in a small plus, on average, within a third of a percent. Additional support was provided to investors by good statistics from the US, where the foreign trade deficit in October fell to a minimum since March 2018, the number of applications for unemployment benefits fell to a seven-month minimum. At the same time, the activity of buyers was constrained by the continuing uncertainty regarding the ability of the parties to resolve the main problem of the current negotiations by 15 December – the scale of a possible rollback of tariffs on Chinese imports. On Thursday, an official representative of the Ministry of Commerce of China once again called this a prerequisite for the first phase of the transaction. At the end of the day, moods in the western markets worsened after a statement by the speaker of the lower house of the US Congress on the decision to proceed with the preparation of a charge to declare impeachment to Donald Trump. Uncertain changes of the Russian market – the MOEX Russia Index mostly traded in a small minus – were mainly due to a decrease in Gazprom's shares, which remain under the pressure of the uncertainty of the parameters of the new dividend policy. According to Interfax, Gazprom's Management Board meeting on this issue was postponed from 5 to 12 December.

During the day, the electric utilities sector index outperformed. The main contribution to the final MOEXEU growth in antiphase with the MOEX Russia Index was made by shares of Inter RAO.

## ELECTRIC POWER INDUSTRY NEWS

### Rosseti launched the second phase of the implementation of digital projects in the regions

This was stated by Konstantin Mikhailik, Deputy General Director for Operations of Rosseti, at the keynote session "Pilot Projects and Digital Transformation Programs", which took place as part of the International Forum "Power Grids", organized by Rosseti.

Read full text: [http://www.rosseti.ru/press/news/index.php?ELEMENT\\_ID=36540](http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=36540)

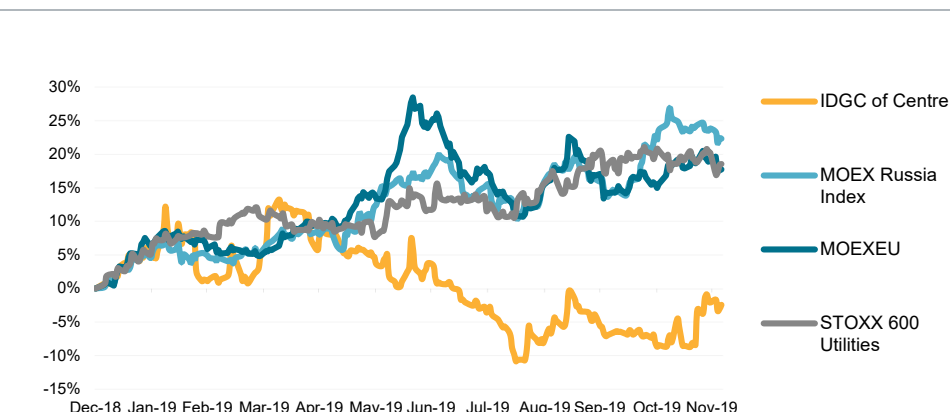
## COMPANY NEWS

### Tambovenergo supplied power to an agricultural enterprise

The branch "Rosseti Centre Tambovenergo" provided power to "Tambov Bacon", a large agricultural enterprise in the Tambov region, which is part of Rusagro Group. Power engineers carried out work on grid connection of a cold production unit in the Tambovsky district with a capacity of 2 MW.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/70823/>

## CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 899,29	-0,05%	22,37%
S&P 500	3 117,43	0,15%	24,36%
FTSE 100	7 137,85	-0,70%	6,09%
Nikkei	23 300,09	0,71%	16,41%
Sensex	40 779,59	-0,17%	13,06%
CSI300	3 879,36	0,77%	28,85%
Bovespa	110 622,30	0,29%	25,87%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,19	0,09%	-7,59%
EURO/RUB	71,11	0,07%	-10,51%

Source: Bloomberg, Company calculations

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
Trading volume, ₺ mln	5,2	30,2
Trading volume, mln pcs.	18,6	142,7
Average trading volume over the last 30 days, mln pcs.	30,4	258,9
% of the authorized capital	0,04%	0,13%

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2116	23,85	371,48

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,13%	18,58%
MOEXEU	0,13%	17,74%
IDGC of Centre**	0,65%	-2,45%
IDGC of Centre & Volga Region**	-0,70%	-20,15%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,06%	50,96%
FGC UES	0,10%	29,22%
IDGC of Volga	0,73%	-15,26%
MOESK	-1,11%	62,12%
IDGC of Northern Caucasus	0,61%	113,57%
IDGC of North-West	-0,20%	-8,83%
IDGC of Urals	-1,72%	-13,33%
IDGC of Siberia	4,48%	104,88%
IDGC of South	-0,17%	8,45%
Lenenergo, ordinary shares	-0,14%	32,51%
TRK, ordinary shares	4,46%	21,75%
Kubanenergo	0,33%	25,41%

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