

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 12 December some moderately positive external background formed on the Russian market. The US indices S&P and DJIA on Wednesday grew by 0.1-0.3%, on Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.6%. As expected, the Federal Reserve kept the key rate in the range of 1.5-1.75%. At the same time, in a press release, the regulator noted that the current monetary policy supports the growth of economic activity and removed the phrase about the uncertainty regarding the economic forecast. A certain surprise for the market was the revision of the duration of the stimulating monetary policy – now the median forecast of the Board of Governors of the Federal Reserve provides for maintaining the current level of rates at least until the end of next year. In turn, at a press conference, the chair of the Fed said that to increase interest rates, a substantial and stable acceleration of inflation is needed. February Brent futures were trading around \$64.0 per barrel, \$1.0 higher than our close on 11 December. Support for oil quotes was provided by the weakening dollar at the results of the Fed meeting, the OPEC report on the forecasted shortage in the market next year and statistics from the US Department of Energy, which recorded a decrease in the US oil production.

Emerging markets have been growing steadily for the second day in a row on expectations that the US and China will be able to agree on a postponement of Washington's new duties – in the middle of the trading session, the growth of the MSCI EM Index and the MOEX Russia Index exceeded a percent. Gazprom's shares (+1.3%) and Surgutneftegaz's ordinary shares (+7%) acted as drivers for our market's growth. Gazprom's securities were supported by information that the company's Management Board approved a new dividend policy, according to which Gazprom plans to pay at least 30% for 2019, at least 40% for 2020, and at least 50% for 2021 of adjusted IFRS net profit. Western markets for most of the day showed flat changes in a small plus. The ECB meeting did not bring any surprises: the regulator kept the key rates and the amount of asset repurchases unchanged. At the same time, the new chairman of the ECB Christine Lagarde said that the Central Bank intends to conduct a strategic review of its policy by the end of 2020. At the end of the day, sentiment on the global stock exchanges improved significantly – the MSCI All-Country World Index updated the historic maximum on Donald Trump's next statement that Washington and Beijing are approaching a trade agreement.

Over the course of the day, the electric utilities sector index underperformed – buyers' activity was mainly concentrated in the first-tier stocks. The main contribution to the final MOEXEU decline in antiphase with the MOEX Russia Index was made by Unipro's shares, which fell after the past ex-dividend date, and FGC UES's shares.

ELECTRIC POWER INDUSTRY NEWS

Power grids choose between consolidation and privatization

The energy market is discussing several multidirectional initiatives for the further development of the electric grid complex. The state holding "Rosseti", according to several media reports, does not abandon attempts to reduce the certain autonomy of its key asset – Federal Grid Company (FGC UES, it manages transmission grids), and also plans to consolidate other subsidiaries within one legal entity.

Read full text: http://www.ng.ru/economics/2019-12-11/4_7749_energy.html

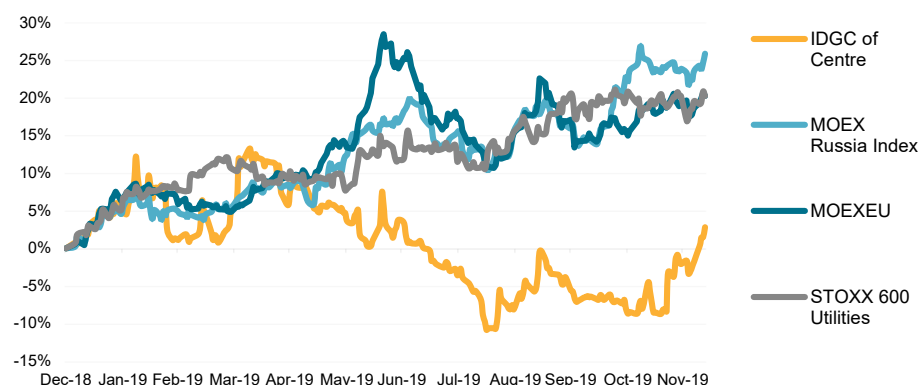
COMPANY NEWS

General Director of Rosseti Centre held a meeting to ensure reliable power supply to consumers in the Bryansk region

In Moscow, Igor Makovskiy, General Director of IDGC of Centre - the managing organization of IDGC of Centre and Volga Region, held a meeting to discuss issues of ensuring reliable and high-quality energy supply to consumers and developing electric grid infrastructure in the Bryansk region.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/70867/>

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 982,86	0,96%	25,89%
S&P 500	3 166,33	0,79%	26,31%
FTSE 100	7 297,42	1,12%	8,46%
Nikkei	23 424,81	0,14%	17,04%
Sensex	40 581,71	0,42%	12,51%
CSI300	3 891,02	-0,30%	29,24%
Bovespa	111 950,9	0,89%	27,38%

Source: Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	63,5653	-0,02%	-8,50%
EURO/RUB	70,4558	0,10%	-11,33%

Source: Company calculations (19:00 MSK)

Liquidity	IDGC of	
	Centre	Centre & Volga Region
Number of transactions, pcs.	1 385	2 083
Trading volume, ₺ mln	14,1	35,7
Trading volume, mln pcs.	47,9	165,2
Average trading volume over the last 30 days, mln pcs.	32,4	269,5
% of the authorized capital	0,11%	0,15%

Source: Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	
		₺ bln	\$ mln
IDGC of Centre	0,294	12,41	195,26
IDGC of Centre & Volga Reg	0,2158	24,32	382,60

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,47%	20,27%
MOEXEU	-0,34%	20,27%
IDGC of Centre**	1,31%	2,80%
IDGC of Centre & Volga Region**	0,33%	-18,57%

Source: Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,04%	66,91%
FGC UES	-0,88%	30,27%
IDGC of Volga	0,30%	-13,47%
MOESK	0,13%	69,24%
IDGC of Northern Caucasus	-1,96%	122,00%
IDGC of North-West	0,00%	-7,03%
IDGC of Urals	-0,12%	-10,40%
IDGC of Siberia	2,20%	149,27%
IDGC of South	0,25%	10,47%
Lenenergo, ordinary shares	0,14%	35,35%
TRK, ordinary shares	0,00%	21,10%
Kubanenergo	1,11%	30,12%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)
Reuters

MRKC
MRKC.MM