

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 20 April some neutral external background formed on the Russian market. The US indices DJIA and S&P500 closed Friday with an increase of 2.7-3% due to the announced plan of the US presidential administration to “restart” the economy. In accordance with the recommendations of the White House, the phased abolition of quarantine restrictions by state authorities will be possible after they have recorded a “downward trajectory” of cases of detection Covid-19 for a 14-day period. At the same time, according to Donald Trump, 29 states can consider the possibility of removing some of the restrictions and begin the process of a phased return to normal life in the “very near” future. On Monday, the composite stock index of the Asia-Pacific region MSCI Asia Pacific lost 0.8% on weak statistics from Japan. Japanese exports in March 2020 decreased by 11.7% – the fastest pace since 2016 amid weakening economic activity around the world. At the same time, experts noted that these data probably do not fully reflect the consequences of the pandemic, since in some regions the quarantine was introduced only at the end of March. The Chinese CSI300 growth by 0.4% was due in part to the decision of the Central Bank of China to lower the base interest rate. June Brent futures were trading around \$27.4 per barrel, \$0.9 below our close on Friday, 17 April. The oil market remains under pressure from fears of a sharp increase in the imbalance of supply and demand – the agreed OPEC+ decline in production by 9.7 million b/d looks clearly insufficient with forecasts of a collapse in demand by 20-30 million b/d.

On Monday, the consolidated MSCI ACWI showed low volatility in a slight minus. Analysts, The Wall Street Journal said, continue to disagree on the extent of the economic damage caused by the pandemic and how quickly the business will recover. In particular, according to some experts, restrictive measures for businesses and households aimed at containing the spread of coronavirus will, to one degree or another, remain in effect until a vaccine is found. In this regard, writes the WSJ, the sharp rise in markets in recent days has made market participants worry about how sustainable the rally will be in the face of current uncertainty. Pessimistic expectations for quarterly reporting also put pressure on the markets. In January-March, according to Refinitiv estimates, Stoxx Europe 600 companies will report a 22% drop in profits, while FactSet, in turn, expects that companies’ profits from the S&P500 index will fall 11%. The MOEX Russia Index was able to complete trading with a 0.4% decrease, despite the almost 8% drop in Brent quotes observed in the afternoon, having tested \$26 per barrel.

At the end of the trading session, the electric utilities sector index underperformed. The main contribution to the MOEXEU underperformance in comparison with the MOEX Russia Index was made by shares of RusHydro, Rosseti and FGC UES. Information of Interfax citing materials of FGC UES for the annual meeting of shareholders that the company’s net profit under RAS in 2020 may decrease by 49.2%, to 29.5 billion rubles, put pressure on the shares of Rosseti and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

Capacity in reserve

The optimal use of electric grid infrastructure is certainly an important task, but in practice often questions arise regarding redundant grid capacity.

Read full text: <https://www.eprussia.ru/epr/>

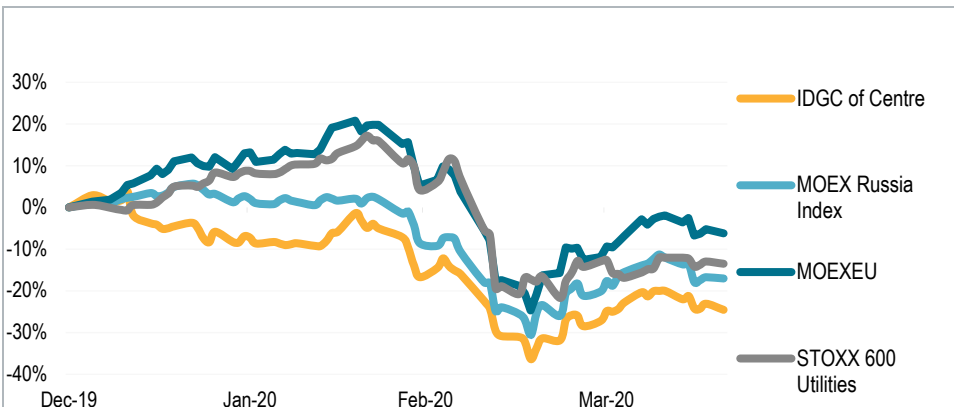
COMPANY NEWS

The Grid Control Centre of the branch “Rosseti Centre Voronezhenergo” expands the control area

On 17 April, Igor Makovskiy, General Director of Rosseti Centre - the managing organization of Rosseti Centre and Volga Region, heard a report via video conferencing of Acting Director of the Voronezhenergo branch Vyacheslav Antonov on the results of the implementation of the schedule of organizational and technical measures for the phased expansion of the operational functions of Voronezhenergo’s Grid Control Centre (GCC).

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

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	2525,97	-0,36%	-17,07%
S&P 500	2860,39	-0,49%	-11,46%
FTSE 100	5812,83	0,45%	-22,93%
Nikkei	19669,12	-1,15%	-16,86%
Sensex	31648	0,19%	-23,28%
CSI300	3853,46	0,36%	-5,93%
Bovespa	78868,9	-0,15%	-31,80%

Source: MOEX, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	73,9441	-1,03%	19,45%
EURO/RUB	80,111	-1,44%	15,53%

Source: Central Bank of Russia, Company calculations

Liquidity	IDGC of	
	Centre	Centre & Volga Region
Number of transactions, pcs.	825	1203
Trading volume, ₺ mln	6,0	19,6
Trading volume, mln pcs.	25,1	112,2
Average trading volume over the last 30 days, mln pcs.	45,2	186,9
% of the authorized capital	0,06%	0,10%

Source: MOEX, Company calculations

Shares	Price**, ₺	MCap**, \$ mln	
		₺ bln	\$ mln
IDGC of Centre	0,239	10,09	136,46
IDGC of Centre & Volga Reg	0,1735	19,55	264,43

Source: MOEX, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	-0,57%	-13,49%
MOEXEU	-1,05%	-6,21%
IDGC of Centre**	-1,97%	-24,61%
IDGC of Centre & Volga Region**	0,00%	-27,41%

Source: MOEX, Company calculations (19:00 MSK)

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	-2,42%	-10,72%
FGC UES	-1,71%	-14,17%
IDGC of Volga	-1,00%	-22,25%
MOESK	-0,45%	-16,32%
IDGC of Northern Caucasus	2,98%	-10,27%
IDGC of North-West	-2,45%	-10,76%
IDGC of Urals	1,49%	-8,97%
IDGC of Siberia	2,09%	-28,96%
Rosseti South	-0,98%	-18,48%
Lenenergo, ordinary shares	0,00%	-19,60%
TRK, ordinary shares	2,43%	-11,63%
Kubanenergo	-0,49%	-4,72%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

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Bloomberg

Reuters

MRKC

MRKC RM

MRKC.MM