

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 20 May some neutral external background formed on the Russian market. On Tuesday, the US indices DJIA and S&P500 closed with a 1-1.6% decline after the medical publication STAT questioned the reports of the American biotechnology company Moderna about the results of the first phase of the coronavirus vaccine test, which caused rallies on world stock markets on Monday. As noted in STAT, Moderna has not yet provided enough information to be able to judge the results of the studies. On Wednesday, the composite index of the Asia-Pacific region MSCI Asia Pacific and the S&P500 futures added on average about a third of a percent. The Japanese market became the driving force behind the Asian session – the Nikkei225 grew by 0.8% on expectations of a “restart” of the economy and expansion of measures to support business. According to media reports, this week the government can lift the state of emergency in a number of large cities, including Tokyo, and the Bank of Japan will hold an emergency meeting on Friday to approve a new business lending program in the pandemic. July Brent futures were trading around \$34.7 per barrel, \$0.2 higher than our close on 19 May. Positive background for the market was the statistics of the American Petroleum Institute, which recorded a decrease in oil reserves last week by 4.8 million barrels.

On Wednesday, the Russian market showed a steady rise – in the middle of the trading session, the growth rates of the MOEX Russia Index exceeded 2% after rising oil and the growing interest of global investors in Russian assets in general. Brent quotes rose to \$36.4 per barrel on expectations of a recovery in global energy demand as restrictions around the world, imposed to combat Covid-19, get loosened. In particular, Citi believes that the record surplus of raw materials on the market in the second quarter will be replaced by a deficit in the next quarter due to increased demand and a sharp decline in production by major manufacturers. The dollar-ruble pair fell below RUB 72/\$1 due to the high demand for the Russian public debt – at the auctions held on Wednesday, the Ministry of Finance set a record for the volume of OFZ placement during the day, having sold papers at 170 billion rubles. At the same time, experts note that the decline in the yield of these securities recently – for 10-year securities, the indicator is already below 5.5%, which provokes an increase in investors’ interest in stocks. At the end of the day, support for the Russian market was provided by more than a 1.5% growth in major US indices, which responded to good reporting by retailers and information about the gradual resumption of economic activity in various states.

As a result of the trading session, the electric utilities sector index underperformed mainly due to profit taking in RusHydro’s shares after two days of steady growth. The main contribution to the MOEXEU rise was made by shares of Rosseti and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

The industry does not expect fundamentally new support measures

Kommersant learned the details of the decisions of the meeting with President Vladimir Putin on 29 April about the effect of coronavirus on the fuel and energy complex. So, generating companies failed to achieve the lifting of the moratorium on charging fines for non-payment of utility services - this measure is excluded from the list of instructions. Oil companies again raised the issue of transferring the payment of excise taxes on fuel from oil refineries to gas stations, but the Finance Ministry is categorically against it. The authorities will also think about including oilfield services companies with revenues of more than 1 billion rubles to the list of backbone enterprises.

Read full text: <https://www.kommersant.ru/>

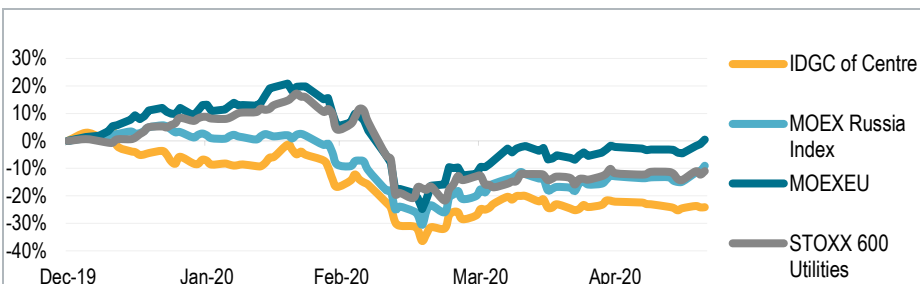
COMPANY NEWS

Igor Makovskiy: about a thousand employees of Rosseti Centre and Rosseti Centre and Volga Region will undergo full-fledged distance learning for the first time on digital transformation of the electric grid complex

Rosseti Centre and Rosseti Centre and Volga Region launched training for employees under the program “Digital Transformation in the Electric Grid Complex”. It involves heads of production departments of the energy companies and their deputies, as well as specialists directly involved in digitalization events - a total of about a thousand people. The training is carried out in the format of a webinar: in the conditions of a complicated epidemiological situation, the management of Rosseti Centre and Rosseti Centre and Volga Region adjusted the training and staff development system, transferring all events to the remote mode.

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	2770,79	2,18%	-9,03%
S&P 500	2977,86	1,88%	-7,83%
FTSE 100	6067,16	1,08%	-19,56%
Nikkei	20595,15	0,79%	-12,94%
Sensex	30818,61	2,06%	-25,29%
CSI300	3935,22	-0,53%	-3,94%
Bovespa	81704,8	1,19%	-29,35%

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

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	72,3918	-0,81%	16,94%
EURO/RUB	79,1677	0,29%	14,17%

Source: Central Bank of Russia, Company calculations

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
Trading volume, ₺ mln	6,4	19,4
Trading volume, mln pcs.	26,8	113,8
Average trading volume over the last 30 days, mln pcs.	25,5	101,7
% of the authorized capital	0,06%	0,10%

Source: MOEX, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,1711	19,28	266,36

Source: MOEX, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	1,45%	-10,99%
MOEXEU	1,63%	0,49%
IDGC of Centre**	0,08%	-24,16%
IDGC of Centre & Volga Region**	0,18%	-28,41%

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

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	5,52%	0,35%
FGC UES	2,66%	-3,83%
IDGC of Volga	-0,39%	-27,94%
MOESK	4,17%	-5,75%
IDGC of Northern Caucasus	0,15%	-12,40%
IDGC of North-West	0,92%	-8,14%
IDGC of Urals	0,13%	-7,39%
IDGC of Siberia	-0,47%	-30,74%
Rosseti South	0,60%	-18,16%
Lenenergo, ordinary shares	1,47%	-11,51%
TRK, ordinary shares	0,83%	-14,88%
Kubanenergo	3,02%	2,04%

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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