

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 6 February some moderately positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 rose by 1.1-1.7%, on Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific added 1.8%. The markets were supported by media reports on successes in the development of drugs to combat coronavirus and good statistics. In the US, in January, the index of business activity in the service sector, which accounts for almost 90% of the GDP, exceeding forecasts, rose to a maximum in five months, according to ADP, the number of jobs increased at a record pace over five years – by 291 thousand. An additional growth driver of the Asian markets was information about the reduction by Beijing of half of additional duties on American goods worth \$75 billion a year. According to Reuters, analysts took this announcement as an attempt by the Chinese authorities to improve the market sentiment, undermined by problems with the coronavirus. April Brent futures were trading around \$56.3 per barrel, \$0.2 higher than our closing level on 5 February. Quotes Brent consolidated after an increase on Wednesday by 2.5% as part of the global risk-on.

On Thursday, the global stock markets remained positive – during the day, the consolidated European Stoxx Europe 600 and the S&P500 futures added up to half a percent. Beijing's steps to reduce the long-term negative effect of the coronavirus epidemic on the global economy contributed to investors' optimism. In addition, experts noted that the reduction in duties following the signing of the US-China interim trade agreement last month creates fertile ground for negotiations on the next phase of the trade deal. In turn, the Russian market spent most of the trading session in negative territory, at daily lows the MOEX Russia Index fell 0.9%. Our market was pressured by a decline in oil prices – in the afternoon Brent quotes fell below \$54.5 per barrel. According to experts, the negative changes of oil prices were due to investors' doubts about the ability of OPEC+ to agree on an additional reduction in production to compensate for the consequences of the coronavirus epidemic. In particular, according to media reports, Russia did not support the general recommendation of the OPEC+ technical committee on the need to reduce oil production by another 600 thousand barrels per day and proposed to resume consultations. Meanwhile, estimates of the decline in oil consumption in China due to the outbreak of coronavirus continue to increase – industry experts in China, the Financial Times writes, forecast that in February consumption will be 25% lower than last year or 3.2 million barrels per day.

During the day, 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 FGC UES and Rosseti.

ELECTRIC POWER INDUSTRY NEWS

The Ministry of Finance opposed shifting the “cross-subsidies” to the budget - Mr. Zavalny

The Ministry of Finance of the Russian Federation opposed the elimination of cross-subsidization in the electric power industry at the expense of the federal budget, Pavel Zavalny, the head of the Energy Committee of the Russian State Duma, said during a roundtable on the development of Energy Strategy-2035.

Read full text: <http://www.bigpowernews.ru/markets/document91805.phtml>

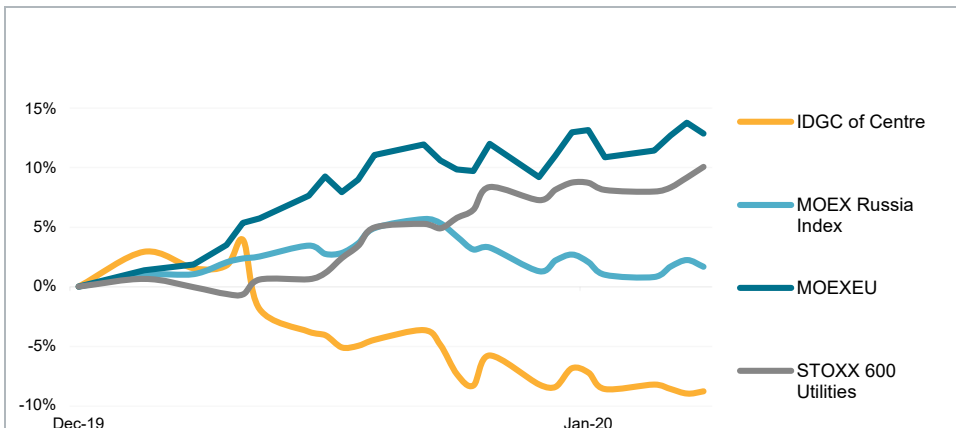
COMPANY NEWS

IDGC of Centre's Board of Directors approved the Program “Digital Transformation of IDGC of Centre, PJSC and IDGC of Centre and Volga Region, PJSC 2020-2030”

On 4 February 2020, a meeting of the Board of Directors of IDGC of Centre, PJSC (operating under the brand name Rosseti Centre) was held, at which the Program “Digital Transformation of IDGC of Centre, PJSC and IDGC of Centre and Volga Region, PJSC 2020-2030” (hereinafter referred to as the Program) was approved.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/71363/>

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	3 096,68	-0,56%	1,67%
S&P 500	3 342,92	0,25%	3,47%
FTSE 100	7 509,92	0,37%	-0,43%
Nikkei	23 873,59	2,38%	0,92%
Sensex	41 306,03	0,40%	0,13%
CSI300	3 899,78	1,86%	-4,80%
Bovespa	116 103,4	0,06%	0,40%

Source: Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	63,1742	-0,41%	2,05%
EURO/RUB	69,7443	-0,55%	0,58%

Source: Company calculations (19:00 MSK)

Liquidity	IDGC of Centre & Volga Region	
	IDGC of Centre	IDGC of Centre & Volga Region
Number of transactions, pcs.	1 466	2 129
Trading volume, ₺ mln	20,8	57,3
Trading volume, mln pcs.	71,6	245,0
Average trading volume over the last 30 days, mln pcs.	77,7	261,5
% of the authorized capital	0,17%	0,22%

Source: Company calculations

Shares	Price**, ₺	MCap**, \$ mln	
		₺ bln	\$ mln
IDGC of Centre	0,289	12,20	193,13
IDGC of Centre & Volga Reg	0,2327	26,22	415,12

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	0,73%	10,11%
MOEXEU	-0,83%	12,90%
IDGC of Centre**	0,21%	-8,83%
IDGC of Centre & Volga Region**	0,47%	-2,64%

Source: Company calculations

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	-2,00%	16,52%
FGC UES	-1,83%	12,04%
IDGC of Volga	0,33%	1,75%
MOESK	0,12%	2,10%
IDGC of Northern Caucasus	3,64%	2,60%
IDGC of North-West	0,47%	0,19%
IDGC of Urals	-0,12%	2,79%
IDGC of Siberia	0,20%	-19,09%
IDGC of South	-0,50%	-3,07%
Lenenergo, ordinary shares	-1,13%	-0,28%
TRK, ordinary shares	0,00%	0,93%
Kubanenergo	-2,24%	16,67%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, PJSC

119017, Moscow, Malaya Ordynka St., 15

Corporate Governance Department

+7 (495) 747 92 92, ext. 33-34

ir@mrsk-1.ru

Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

MRKC

MRKC RM

MRKC.MM