

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 6 April some positive external background formed on the Russian market. On Friday the US indices DJIA and S&P500 fell 1.5-1.7% after the release of a disappointing report on the US labour market – the number of jobs in March fell for the first time since 2010 – by 701 thousand, the unemployment rate jumped to 4.4%, all indicators were significantly worse than forecasts. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific and the S&P500 futures added 2.5% and 3.7%, respectively. Improving investors' sentiment was helped by information that last weekend the number of deaths from Covid-19 in Italy, Spain and New York deviated from the maximum values. In Italy and Spain, in particular, the death toll from the coronavirus reached its lowest level in almost two weeks. In this regard, Donald Trump said that he sees "light at the end of the tunnel," and expressed hope that the US will be able to overcome the spread of Covid-19 in the country soon and not reach the now-predicted 100 thousand deaths. June Brent futures were trading around \$33.6 per barrel, \$1 higher than our close on Friday, 3 April. At the same time, at the beginning of trading on Monday, Brent quotes fell to around \$30 per barrel on media reports that the emergency meeting of OPEC+ was postponed from 6 to 9 April. According to experts, the upcoming negotiations can be very difficult, given, inter alia, the unclear format of the US participation in the deal – that the US should join the limitation of production, both Riyadh and Moscow insist. In addition, analysts warn that the discussed volume of production decline – 10 million barrels per day – will not be enough to compensate for the drop in demand and to avoid an increase in reserves.

On Monday, buyers dominated the global stock markets – in the afternoon, the growth rate of the consolidated European Stoxx Europe 600 Index and futures for the US indices exceeded 3%. The optimism of investors was mainly due to information about a decrease in the mortality rate from Covid-19 in the main foci of the disease – Italy, Spain and New York, which raised hopes for an early passage of the peak of the pandemic. According to analysts, if confirmed, this trend may indicate the effectiveness of strict quarantine measures applied by the authorities, which will allow to proceed to the beginning of the gradual lifting of the restrictions introduced within a month. In particular, according to Reuters, Germany is already developing an action plan to return to normal after the quarantine is completed two weeks later. As a result, experts note, the depth of the economic downturn may turn out to be significantly less than current pessimistic forecasts. In turn, the rise of the Russian market – most of the day the MOEX Russia Index added an average of less than a percent – was restrained by the uncertain changes of oil prices. Outsiders were securities of oil and gas companies, in which the corrective movement of oil prices provoked a local profit-taking. At the end of the day, the growth of the MOEX Russia Index accelerated to 2% due to strong start of trading in the US, where the main stock indicators added more than 5%.

During the day, the electric utilities sector index looked significantly better than the market. The main contribution to the MOEXEU outperformance in comparison with the MOEX Russia Index was made by shares of FGC UES, Rosseti and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

The Government prohibits fines for late utility bills

As Kommersant found out, by the end of the year the Government freed the population and management companies from fines for late payment of housing and communal services. The result will be an explosive increase in non-payments, cash gaps of suppliers of last resort will reach 500 billion rubles, the market participants warn. Instead, the energy sector is asking for state support: subsidizing interest rates on loans and budget guarantees to attract them, tax deferrals and lower insurance premiums. However, the companies will have to seek a compromise; it will not work to shift all responsibility to the state, experts say.

Read full text: <https://www.kommersant.ru/doc/4314993>

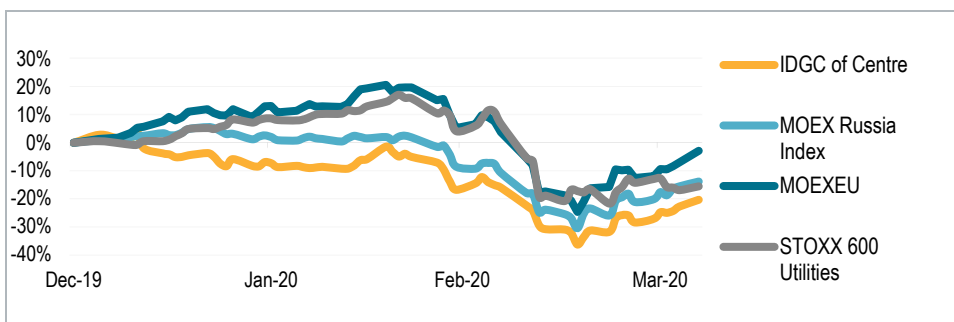
COMPANY NEWS

The Board of Directors of PJSC Rosseti approved the list of candidates for the board of directors of the company

By the decision of the Board of Directors of Rosseti, the list of candidates for election to the Board of Directors and the Audit Commission of the Company at the General Meeting of Shareholders at the end of 2019 proposed by the Government of the Russian Federation was approved.

Read full text: <http://www.rosseti.ru/press/news>

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	2622,59	1,96%	-13,90%
S&P 500	2615,44	5,09%	-19,05%
FTSE 100	5582,39	3,08%	-25,99%
Nikkei	18576,3	4,24%	-21,48%
Sensex	27590,95	0,00%	-33,12%
CSI300	3713,22	0,00%	-9,36%
Bovespa	74874,9	7,68%	-35,25%

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

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	77,7325	0,00%	25,57%
EURO/RUB	85,7389	0,00%	23,65%

Source: Central Bank of Russia, Company calculations

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
Trading volume, ₺ mln	12,6	36,5
Trading volume, mln pcs.	50,2	214,9
Average trading volume over the last 30 days, mln pcs.	61,0	202,3
% of the authorized capital	0,12%	0,19%

Source: MOEX, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2524	10,66	137,08
IDGC of Centre & Volga Reg	0,1734	19,54	251,40

Source: MOEX, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	1,56%	-15,59%
MOEXEU	4,45%	-2,83%
IDGC of Centre**	3,19%	-20,38%
IDGC of Centre & Volga Region**	5,41%	-27,45%

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

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	7,49%	-6,81%
FGC UES	8,63%	-11,03%
IDGC of Volga	2,86%	-20,85%
MOESK	2,94%	-14,65%
IDGC of Northern Caucasus	6,05%	-10,00%
IDGC of North-West	3,78%	-12,72%
IDGC of Urals	3,59%	-12,48%
IDGC of Siberia	0,00%	-30,42%
Rosseti South	0,89%	-17,68%
Lenenergo, ordinary shares	0,00%	-19,60%
TRK, ordinary shares	0,54%	-12,79%
Kubanenergo	0,16%	-2,20%

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