



REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 21 January some moderately positive external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed with a rise of 1.3-1.4% on promotion signals in the US-PRC trade negotiations. In particular, according to Bloomberg, China proposed to increase purchases of American goods in the next six years, totalling more than \$1trillion, so that by 2024 the trade surplus could be reduced to zero compared to \$323 billion in 2018. However, the American party demanded to further improve this proposal, including reducing the period for achieving a zero trade balance from six years to two. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.3%, futures for US indices decreased by 0.2%. A deterrent to buyers in the Asian session was Bloomberg's message that the US and China had barely made progress in negotiations on intellectual property rights, which is key for both parties. The weak statistics from the PRC did not add optimism to traders – the second world economy grew in 2018 by 6.6%, the slowest rate in 28 years. At the same time, this information was partially offset by positive data for December – the growth of industry and retail sales of the PRC was better than expected. March Brent futures traded around \$62.8 per barrel, at the level of our closing on Friday, 18 January.

The MOEX Russia Index spent the Monday's trading session near zero. Stability of Brent quotes at around \$63 per barrel was offset by moderately negative changes in western markets. The European Stoxx Europe 600 Index lost about a third of a percent on fears of a slowdown in the global economy and doubts about achieving a real trade deal between the US and China. The IMF in the January's review of the world economy lowered the estimate for the global GDP growth for the current year by 0.2 percentage points to 3.5%, calling trade disputes among the key risks. In turn, Reuters reported that the US negotiating team insists on creating a mechanism for evaluating the effectiveness of Beijing's trade reforms and makes this a condition for ending the trade war. These proposals were expectedly negatively perceived by Beijing, Reuters notes, "but did not lead to a break in the negotiations." Activity on world markets was reduced, as in the US on Monday the stock exchanges were closed on the occasion of the celebration of Martin Luther King Day.

During the day changes of the Electric Utilities Sector Index (from 21 January, the ticker of this index on Moscow Exchange – MOEXEU) corresponded to the market. The main contribution to the final decline in the sector indicator was made by shares of RusHydro.

ELECTRIC POWER INDUSTRY NEWS

Tariff policy is at the start

Two key departments in charge of the tariff state policy in the Russian Federation - the FAS and the Ministry of Economy - have combined their bills on the topic and will submit them to the government together, both authorities confirmed to "Kommersant". This should have happened before the end of 2018, but the work was hampered by objections from market participants. Neither the FAS intervened in the industry regulations, nor the idea of the Ministry of Economy to pay for connection to grids of new projects at the expense of personal investment allowance did not suit them: the opacity of its calculation would not allow many investment projects to be implemented.

Read full text: <https://www.kommersant.ru/doc/3860133>

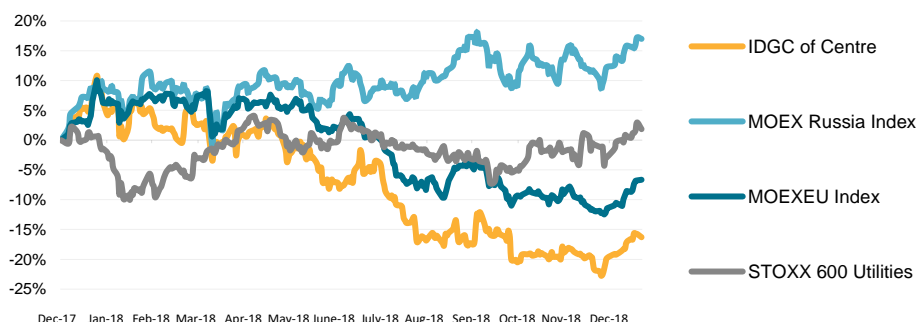
COMPANY NEWS

IDGC of Centre and IDGC of Centre and Volga Region discussed ways to implement the concept "Digital Transformation 2030"

IDGC of Centre - the managing organization of IDGC of Centre and Volga Region under the leadership of Acting First Deputy General Director Vitaly Akulichiev held a meeting of representatives of the Company's management with participation of Deputy General Directors in all areas, including heads of branches. The event participants discussed the concept "Digital Transformation 2030", approved by the Board of Directors of PJSC ROSSETI in December 2018.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/67077/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 468,25	-0,22%	4,18%
S&P 500	2 670,71	0,00%	6,54%
FTSE 100	6 970,59	0,03%	3,60%
DAX	11 136,20	-0,62%	5,47%
DJStoxx 600	356,36	-0,19%	5,54%
Nikkei	20 719,33	0,26%	3,52%
Sensex	36 578,96	0,53%	1,42%
CSI300	3 185,64	0,55%	5,81%
Bovespa	96 009,77	-0,09%	9,24%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	66,33	-0,17%	-4,52%
EURO/RUB	75,58	-0,06%	-4,88%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 280,47	-0,13%	-0,16%
Brent*, USD/bbl	62,74	0,06%	16,62%

* - March futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,27	30,43	458,74

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-1,09%	4,04%
MOEXEU Index	0,16%	5,42%
IDGC of Centre**	-0,47%	4,20%
IDGC of Centre and Volga Region**	0,00%	1,89%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,28%	14,83%
FGC UES	0,26%	5,66%
IDGC of Volga	0,24%	4,74%
MOESK	-0,85%	6,06%
IDGC of Northern Caucasus	-0,42%	1,57%
IDGC of North-West	-0,79%	12,97%
IDGC of Urals	3,16%	6,07%
IDGC of Siberia	8,50%	29,46%
IDGC of South	0,40%	15,06%
Lenenergo, ordinary shares	0,51%	10,96%
TRK, ordinary shares	-5,96%	33,12%
Kubanenergo	0,36%	14,34%

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