

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 11 December some neutral external background formed on the Russian market. Major US indices closed Tuesday with a decline of 0.1%. According to analysts, investors took a wait and see attitude in the absence of clear signals about the intentions of the White House regarding the December duties on Chinese goods. According to WSJ, representatives of the US and Chinese trade delegations plan to delay the entry into force of these tariffs to continue discussions on the main contentious points of the agreement. In turn, Reuters said that Washington is preparing the way for deferring new tariffs, but Donald Trump will make the final decision on this issue. And, as the agency emphasizes, if the White House imposes duties, this is likely to mean the end of trade negotiations before the end of the first term of his presidency. On Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific added within 0.2% with multidirectional changes in the main country indices. February Brent futures were trading around \$63.9 per barrel, \$0.5 below our close on 10 December. A negative factor for the market was the statistics of the American Petroleum Institute, which recorded an increase in US oil reserves by 1.4 million barrels.

On Wednesday, the MOEX Russia Index, as well as the index of emerging markets MSCI EM, spent most of the trading session in more than a half-percent plus on expectations that the US and China could still avoid a new round of tariff conflict. In particular, analysts interviewed by CNBC believe that the parties may announce the need for additional "refinement" of the text of the agreement on the first phase of the trade transaction, which will allow Washington to postpone the introduction of additional tariffs, scheduled for 15 December, as a goodwill gesture. Buyers' activity in emerging markets was restrained by uncertain changes of stock markets in developed countries – the consolidated European Stoxx Europe 600 Index and the S&P futures were trading near zero ahead of the Fed meeting and the British parliamentary election. The vast majority of experts believe that the Fed will maintain its key interest rate in the range of 1.5-1.75%, given the strong statistics on the labour market in November and the acceleration of inflation in November to a maximum for the year. As for the early parliamentary elections in the UK, the markets are somewhat worried about the Conservatives' drop in safety margins – according to recent polls, they may get fewer seats in the House of Commons than previously expected.

During the trading session, changes of the electric utilities sector index generally corresponded to the market. The main contribution to the final MOEXEU growth for the second day in a row has been made by shares of Rosseti.

ELECTRIC POWER INDUSTRY NEWS

Discounts on electricity payments may be introduced in Russia

In Russia, discounts on electricity may appear. It is proposed to allow citizens with low incomes to pay spent kilowatt hours at a discount of up to 30%. For the rest, an economically sound tariff will apply. This proposal was made by the Chairman of the State Duma Committee on Energy Pavel Zavalny at a meeting on the elimination of cross-subsidization and the experience of applying social norms for electricity in Russia, writes "Russian newspaper".

Read full text: <http://www.finmarket.ru/main/article/5133889>

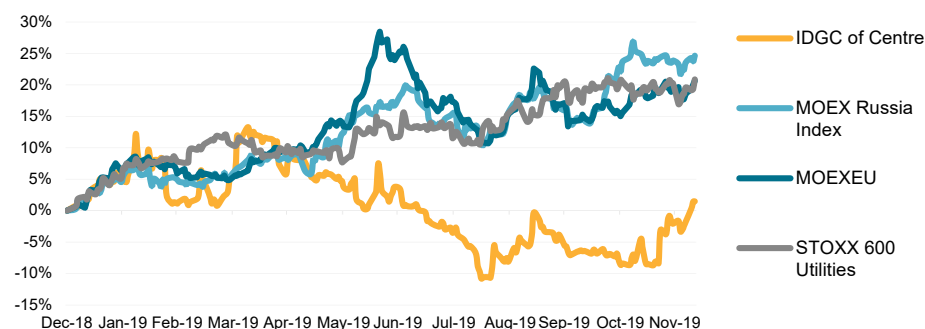
COMPANY NEWS

Since the beginning of the year Kurskenergo filed 172 lawsuits in the court to recover receivables from consumers

The branch "Rosseti Centre Kurskenergo" continues to systematically reduce receivables for electricity transmission services. One of its most effective areas is the claim-related activity. From January to November 2019, Kurskenergo managed to obtain positive court decisions under 102 cases for a total amount of claims of more than 180 million rubles. As a result of these decisions, 83 enforcement orders were received in the amount of 98.42 million rubles, of which 22.43 million rubles have already been paid. The debtors paid voluntarily the claims in the amount of 82 million rubles before the issuance of writs of execution.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/70860/>

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 954,4	0,75%	24,69%
S&P 500	3 136,69	0,13%	25,12%
FTSE 100	7 217,31	0,05%	7,27%
Nikkei	23 391,86	-0,08%	16,87%
Sensex	40 412,57	0,43%	12,04%
CSI300	3 902,75	0,06%	29,63%
Bovespa	110 915,6	0,22%	26,20%

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

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	63,5788	-0,23%	-8,48%
EURO/RUB	70,3881	-0,17%	-11,42%

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

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
Trading volume, ₺ mln	10,0	42,6
Trading volume, mln pcs.	34,3	197,7
Average trading volume over the last 30 days, mln pcs.	31,9	265,7
% of the authorized capital	0,08%	0,18%

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2151	24,24	381,28

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	1,29%	20,88%
MOEXEU	0,62%	20,68%
IDGC of Centre**	0,07%	1,47%
IDGC of Centre & Volga Region**	-0,28%	-18,83%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	3,59%	66,98%
FGC UES	0,36%	31,43%
IDGC of Volga	0,42%	-13,72%
MOESK	1,18%	69,02%
IDGC of Northern Caucasus	6,59%	126,43%
IDGC of North-West	1,08%	-7,03%
IDGC of Urals	1,22%	-10,29%
IDGC of Siberia	16,28%	143,90%
IDGC of South	-0,41%	10,19%
Lenenergo, ordinary shares	0,70%	35,16%
TRK, ordinary shares	0,81%	21,10%
Kubanenergo	2,11%	28,69%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)
Reuters

MRKC
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