

## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 28 February some negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 fell 4.4% on fears of a slowdown in economic growth due to the epidemic of the Covid-19 virus. In addition, analysts drew attention to the ongoing deepening of the inversion of the yield curve of the US government bonds, which, according to many economists, is considered a fairly reliable sign of a future recession with a lag of 6-12 months. Markets are counting on the Fed's support – according to the Chicago Stock Exchange, the probability of an interest rate cut in March immediately by 0.5 percentage points makes up about 40%. And in this regard, an additional negative factor for investors was the statement by the head of the ECB that the current stage of the spread of coronavirus does not yet require a change in monetary policy – investors believe that the Fed can hold a similar view. On Friday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 2.7%. According to Bloomberg, the daily drop on Asian exchanges was the highest over the past 16 months, and the largest reduction was recorded in the commodity and energy sectors. April Brent futures were trading around \$50.8 per barrel, \$0.6 below our closing level on 27 February. The market continued to be pressured by fears of a drop in global oil demand due to the projected slowdown in the global economy because of the epidemic of the new coronavirus.

Sales are continuing on world markets – at the lows of the Friday's session, losses of the MOEX Russia Index and the consolidated Stoxx Europe 600 Index were 5.7% and 4.5%, respectively. According to Reuters, global stocks can fix a record weekly decline since 2008 – this week the consolidated MSCI All Country World Index has already fallen over 12%, and the value of companies included in the index has fallen by more than \$6 trillion. Investors were actively getting rid of risky assets before the threat of turning the Covid-19 outbreak into a pandemic – for the week the number of infections outside of China tripled, the number of countries with infections doubled. In this case, according to the WHO head, as soon as the virus spreads in major developed countries such as Germany and France, the outbreak can be considered a pandemic. This statement caused serious concern for market participants, given that Paris and Berlin have already reported that countries are on the verge of an epidemic. An additional negative factor for the Russian market was a drop in Brent quotes to around \$50 per barrel and increased geopolitical risks. According to media reports, as a result of air strikes by the Syrian Air Force on militant positions in Idlib, more than 30 Turkish soldiers died. In this regard, Turkey initiated an emergency convening of the NATO Council, justifying this as a threat to the alliance's member country. At the end of the day, some kind of support was provided to the markets by good statistics from the US, where the consumer confidence index in February rose to a maximum since March 2018, and income growth in January was the highest for 11 months.

During the day, changes of the electric utilities sector index generally corresponded to the market. The main contribution to the final MOEXEU fall was made by shares of Inter RAO, FGC UES and Rosseti.

## ELECTRIC POWER INDUSTRY NEWS

### Rosseti supports Matviyenko's initiative to introduce a unified state policy on setting tariffs in the electric power industry

The Rosseti company supports the initiative, proposed on 28 February by Chairman of the Federation Council Valentina Matviyenko, to introduce a unified state policy in Russia in the field of tariff setting in the electric power industry.

Read full text: <http://www.bigpowernews.ru/markets/document92050.phtml>

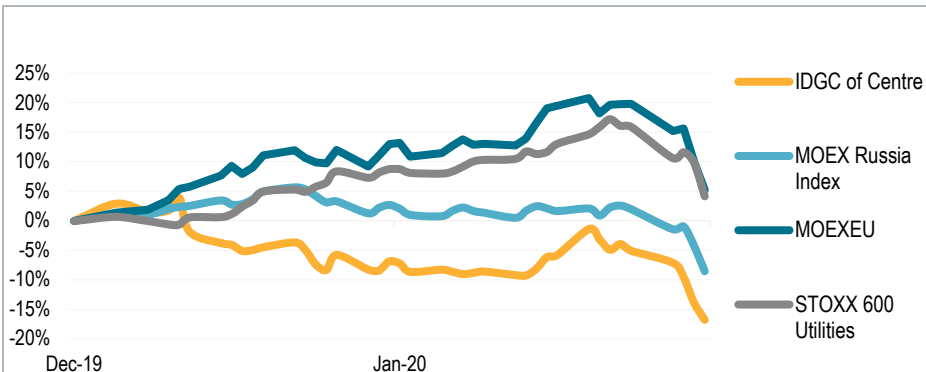
## COMPANY NEWS

### The authorities of the Tver region plan to transfer the region's power grid assets to Rosseti

By mid-2021, the government of the Tver region plans to transfer the region's power grid assets to Rosseti, including ownerless. This was reported by Governor I. Rudenya on 26 February 2020 following the results of a working trip to the Kimrsky district together with Director General of Rosseti P. Livinskiy.

Read full text: <https://neftegaz.ru/news/powernetworks/527135>

## CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	2785,08	-4,46%	-6,56%
S&P 500	2889,12	-3,01%	-10,58%
FTSE 100	6523,52	-4,02%	-13,51%
Nikkei	21142,96	-3,67%	-10,63%
Sensex	38297,29	-3,64%	-7,17%
CSI300	3940,049	-3,55%	-3,82%
Bovespa	100793,4	-2,13%	-12,84%

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

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	65,6097	0,14%	5,98%
EURO/RUB	71,6458	0,56%	3,32%

Source: Central Bank of Russia, Company calculations

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
Number of transactions, pcs.	3308	3515
Trading volume, ₺ mln	40,5	72,1
Trading volume, mln pcs.	155,9	365,3
Average trading volume over the last 30 days, mln pcs.	71,7	149,1
% of the authorized capital	0,37%	0,32%

Source: MOEX, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2638	11,14	169,75
IDGC of Centre & Volga Reg	0,1984	22,36	340,79

Source: MOEX, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	-4,78%	4,19%
MOEXEU	-4,35%	5,24%
IDGC of Centre**	-3,30%	-16,78%
IDGC of Centre & Volga Region**	-4,62%	-16,99%

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

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	-4,87%	4,70%
FGC UES	-5,18%	3,17%
IDGC of Volga	-3,90%	-11,10%
MOESK	-6,88%	-9,11%
IDGC of Northern Caucasus	0,00%	-3,40%
IDGC of North-West	-1,98%	-2,81%
IDGC of Urals	-5,19%	-6,91%
IDGC of Siberia	-4,50%	-27,83%
Rosseti South	-4,26%	-11,14%
Lenenergo, ordinary shares	-4,69%	-7,67%
TRK, ordinary shares	-7,60%	-6,74%
Kubanenergo	-3,47%	9,28%

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