

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 4 March some moderately negative external background formed on the Russian market. The US indices DJIA and S&P500, which added about 1.5% at the beginning of the day on the decision of the Fed to urgently reduce the interest rate by 0.5 percentage points, closed Tuesday with a fall of 2.8-2.9%. The Fed's unexpected step could not reassure investors, experts said. Firstly, the rate cut emphasized the scale of the problems that the global economy is facing, and secondly, economists believe that it will not be possible to cope with monetary methods alone to slow down business activity and disruptions in global production chains. On Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.2% with mixed trends in the main country stock indices. At the same time, futures on the S&P500 grew by 1.2% on the information that J. Biden is ahead of B. Sanders in the primaries of the Democrats on "Super Tuesday". According to analysts, the victory in the presidential election of Sanders, prone to economic leftism and populism, poses a serious threat to financial markets. May Brent futures were trading around \$52.4 per barrel, \$0.7 below our close on 3 March. Oil quotes, ignoring the sharp weakening of the dollar, were under pressure from sales in the US stock market.

On Wednesday, western stock markets showed steady growth – by the middle of the day, the pace of recovery of the consolidated European Stoxx Europe 600 Index and futures for the US indices averaged about 2%. Investors' optimism was promoted by news about the leadership of J. Biden among Democratic candidates in the presidential election, as well as growing expectations after the Fed's decision of new support measures from other world Central Banks. In particular, writes CNBC, the market participants in the coming days expect to hear about new monetary incentives from European regulators. Statistics also supported the markets – in the US in February, the index of business activity ISM Non-Manufacturing reached its maximum for the year, the ADP data on the number of new jobs were better than forecasts, the consolidated PMI in the Eurozone in February and retail sales in Germany in January increased in line with expectations. At the same time, the MOEX Russia Index and the emerging markets MSCI EM Index spent most of the day on average in a half-percent plus – investors remain cautious about assets of emerging markets amid continuing threats of the Covid-19 pandemic and a slowdown in the global economy. At the end of the day, the growth rates of the MOEX Russia Index slowed down to 0.2% despite more than a 1.5% growth of the main US stock indicators at the beginning of the trading session.

During the trading session, the electric utilities sector index underperformed. The main contribution to the final MOEXEU decline in antiphase with the MOEX Russia Index was made by shares of FGC UES and Rosseti.

ELECTRIC POWER INDUSTRY NEWS

FAS proposes to simplify tariff setting procedures, the government may submit a bill to the State Duma about this in 2020

The head of the Federal Antimonopoly Service of the Russian Federation, Igor Artemyev, advocated simplifying the procedures for setting tariffs and hopes that the government will submit a bill to the State Duma of the Russian Federation in 2020. He stated this on 4 March, during the "government hour" in the parliament.

Read full text: <http://www.bigpowernews.ru/news/document92102.phtml>

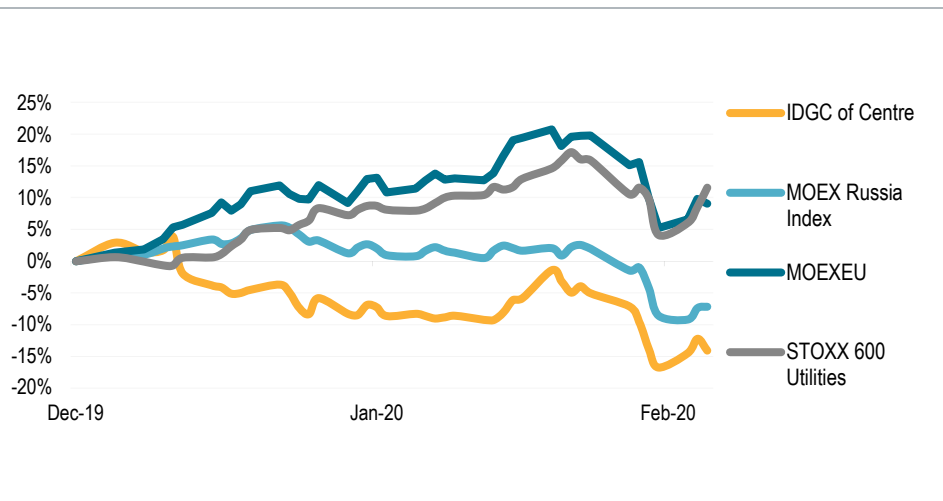
COMPANY NEWS

Head of Rosseti Pavel Livinskiy and Governor of the Tver Region Igor Rudenya inspected the reconstruction of power grid facilities in the region

Director General of Rosseti Pavel Livinskiy visited the Tver region to accept work on the reconstruction of the energy centre and the replacement of a transformer substation located in the Kimrsky district and not having an owner.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/71620/>

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	2828,01	0,24%	-7,15%
S&P 500	3048,34	1,50%	-5,65%
FTSE 100	6791,33	1,09%	-9,96%
Nikkei	21100,06	0,08%	-10,81%
Sensex	38409,48	-0,55%	-6,89%
CSI300	4115,05	0,58%	0,45%
Bovespa	105654,5	0,11%	-8,64%

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

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	66,4437	0,18%	7,33%
EURO/RUB	73,9385	0,71%	6,63%

Source: Central Bank of Russia, Company calculations

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
	Number of transactions, pcs.	1173
Trading volume, ₺ mln	9,6	17,2
Trading volume, mln pcs.	35,3	84,8
Average trading volume over the last 30 days, mln pcs.	74,7	154,4
% of the authorized capital	0,08%	0,08%

Source: MOEX, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2724	11,50	173,08
IDGC of Centre & Volga Reg	0,2017	22,73	342,11

Source: MOEX, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	3,42%	11,68%
MOEXEU	-0,68%	9,12%
IDGC of Centre**	-2,08%	-14,07%
IDGC of Centre & Volga Region**	-1,13%	-15,61%

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

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	-2,62%	6,68%
FGC UES	-2,57%	2,74%
IDGC of Volga	-0,79%	-8,39%
MOESK	-1,72%	-6,42%
IDGC of Northern Caucasus	-1,86%	-5,13%
IDGC of North-West	0,18%	1,87%
IDGC of Urals	0,51%	-3,64%
IDGC of Siberia	0,88%	-25,57%
Rosseti South	0,26%	-6,78%
Lenenergo, ordinary shares	-1,50%	-6,96%
TRK, ordinary shares	2,96%	-3,02%
Kubanenergo	1,64%	16,98%

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