

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 9 January some moderately positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 rose by 0.5-0.6%, on Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific added 1.2%. Investors are optimistic about easing geopolitical tensions in the Middle East. Firstly, Tehran's counterattack on American targets in Iraq following the killing of a senior Iranian military commander as a result of the US Army special operation did not result in casualties among Americans and Iraqis – Iranian authorities verbally warned Baghdad of the attack, according to media reports. Secondly, contrary to fears, Donald Trump did not give an order for retaliatory hostilities, confining himself to a statement on the expansion of economic sanctions against Iran. Analysts regarded these actions as the desire of the parties to avoid further escalation of the conflict. An additional positive factor for the markets was the American statistics – according to ADP, employment in the manufacturing sector in December increased significantly above forecasts. February Brent futures were trading around \$65.5 per barrel, \$1.6 below our close on 8 January. Brent quotes stabilized after a 4% fall on Wednesday on reduced risks of a large-scale armed conflict in the Middle East and possible interruptions in oil supplies from the countries of the region.

On Thursday, buyers dominated the global stock markets, supported by the easing of tensions in the Middle East. According to experts, the rhetoric of the parties can testify to this. In particular, Reuters drew attention to the statement by the head of the Iranian Foreign Ministry after the missile attack on the US military bases in Iraq that Iran "took and completed proportionate self-defense measures" In turn, according to the US president, Iran retreated that "is a good circumstance for all parties involved." Against this background, the news of the prospects for a trade deal between the US and China came to the fore again. According to Bloomberg, with reference to the Ministry of Commerce of China, the Vice Premier of the State Council of the PRC will leave for the US, where next week he will sign the first part of a trade deal between Washington and Beijing. Earlier, the media remind, Donald Trump stated that he intends to conclude an interim trade agreement with China on 15 January. Additional support for investors was provided by macroeconomic statistics: in November, the industrial production growth in Germany was the highest since May 2018, in the US new applications for unemployment benefits fell to a minimum of five weeks. At the same time, the rise of the Russian market was restrained by negative changes of oil prices – Brent quotes fell below \$65 per barrel.

During the trading session, the electric utilities sector index looked significantly better than the market – all the most capitalized and liquid securities of the sector had increased demand from investors. The main contribution to the MOEXEU outperformance in comparison with the MOEX Russia Index was made by shares of Rosseti, RusHydro and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

Tariffs for operational dispatch management in the electric power industry approved

Read full text: https://www.advis.ru/php/view_news.php?id=6B29561B-127A-0041-ADF5-8B4E0C3F903C

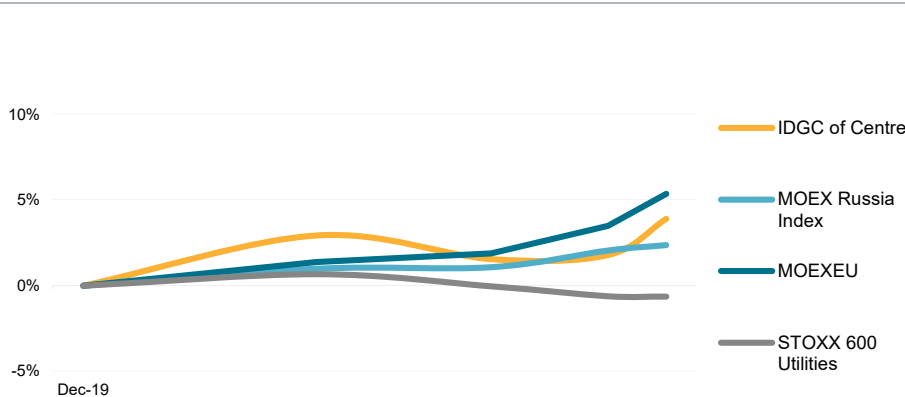
COMPANY NEWS

IDGC of Centre's Board of Directors approved the Company's Business Plan for 2020

A meeting of the Company's Board of Directors was held on 31 December 2019, which approved the Company's Business Plan for 2020 and forecast indicators for 2021-2024. The scenario conditions for the formation of the Business Plan for 2020 provide for indexation of tariffs for electric energy transmission services not higher than the forecast inflation, increase in labour productivity by at least 2%, decrease in the level of specific operating expenses by at least 2%, as well as indicators of dividend policy in accordance with Order of the Government of the Russian Federation dated 29.05.2017 № 1094-r.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/71120/>

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	3 118,08	0,26%	2,37%
S&P 500	3 273,17	0,62%	1,31%
FTSE 100	7 598,12	0,31%	0,74%
Nikkei	23 739,87	2,31%	0,35%
Sensex	41 452,35	1,55%	0,48%
CSI300	4 164,37	1,27%	1,65%
Bovespa	116 231,5	-0,01%	0,51%

Source: Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	61,9057	0,00%	0,00%
EURO/RUB	69,3777	0,00%	0,05%

Source: Company calculations (19:00 MSK)

Liquidity	IDGC of	
	Centre	Centre & Volga Region
Number of transactions, pcs.	3 283	2 748
Trading volume, ₺ mln	87,0	126,3
Trading volume, mln pcs.	266,6	525,1
Average trading volume over the last 30 days, mln pcs.	53,6	257,0
% of the authorized capital	0,63%	0,47%

Source: Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2417	27,24	440,01

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	-0,08%	-0,64%
MOEXEU	1,69%	5,37%
IDGC of Centre**	2,04%	3,91%
IDGC of Centre & Volga Region**	1,05%	1,13%

Source: Company calculations

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	3,27%	6,91%
FGC UES	2,16%	5,81%
IDGC of Volga	0,06%	-0,11%
MOESK	0,00%	4,49%
IDGC of Northern Caucasus	1,21%	0,33%
IDGC of North-West	0,46%	1,12%
IDGC of Urals	0,71%	2,91%
IDGC of Siberia	0,89%	-8,74%
IDGC of South	0,25%	-1,05%
Lenenergo, ordinary shares	-0,70%	0,99%
TRK, ordinary shares	1,49%	-4,65%
Kubanenergo	-4,29%	5,19%

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