

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 27 December some moderately positive external background formed on the Russian market. The US indices DJIA, S&P500 and Nasdaq Composite rose by 0.4-0.8%, updating their historical highs, the Nasdaq Composite surpassed the psychologically important mark of 9,000 points. Investors continue to focus on trade negotiations between the US and China. The representative of the Ministry of Commerce of China said that the parties are in close contact regarding the signing of the first phase of the trade deal. In turn, the Secretary of the US Treasury confirmed that an agreement with China would be signed soon. Statistics provided additional support to the US markets: retail sales during the holiday period (from 1 November to 24 December) increased by 3.4% y/y, the number of applications for unemployment benefits fell to a three-week low. On Friday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.5% mainly due to the growth of securities on the Hong Kong stock exchange. Other major country stock indices in the region did not show uniform changes. The published statistics were ambiguous. In China, after declining for three consecutive months in November, the profits of large industrial enterprises increased due to weakening producer price deflation and improving domestic demand. In Japan in November retail sales fell more than forecast, industrial production fell for the second month in a row. February Brent futures were trading around \$67.7 per barrel, \$0.3 higher than our closing level on 26 December.

Moderately positive changes remain on global stock markets, the main driver of which is the expectation of accelerated de-escalation of the US-China trade conflict after signing the agreement on the first phase of the trade deal. Against this background, on Friday, the MOEX Russia Index and the consolidated European Stoxx Europe 600 Index, following the US stock indicators, updated their historical highs. Trading activity was low – on the Moscow Exchange the ruble turnover was one third less than the average daily indicator for the last 30 trading sessions.

During the trading session, changes of the electric utilities sector index generally corresponded to the market. The main contribution to the final MOEXEU growth was made by shares of Inter RAO, which rose to the highs of the current year, and shares of Rosseti. Head of Rosseti said that the board of directors approved the company's development strategy. According to Pavel Livinskiy, the strategy does not provide for either a reduction in the holding's share in subsidiaries, or a transition to a single share with them. "The strategy to reduce the share of Rosseti in subsidiaries and affiliates is not provided. Manageability is important to us. Promises related to a decrease in the share, alienation of some grid assets are not provided for in the strategy," Interfax quoted the head of the company as saying. With regard to the transition to a single share, specified Deputy Head of Rosseti Egor Prokhorov, the feasibility of this is not obvious and requires additional analysis, which will be carried out as part of individual programs outside the strategy. In addition, Interfax said that the dividend policy of Rosseti is still being discussed with the Ministry of Energy – according to the agency, its consideration will take place before the end of 1H2020. At the same time, according to Egor Prokhorov, it is about changing the dividend policy of the holding, the "daughters" will change their dividend policies after the principles of the parent company are approved.

ELECTRIC POWER INDUSTRY NEWS

Rosseti considers it appropriate to reduce the state share through an additional issue

Rosseti considers it appropriate to issue additional shares to reduce its government stake to 75% plus one share, said the company's head Pavel Livinskiy.

Read full text: <https://www.kommersant.ru/doc/4208294>

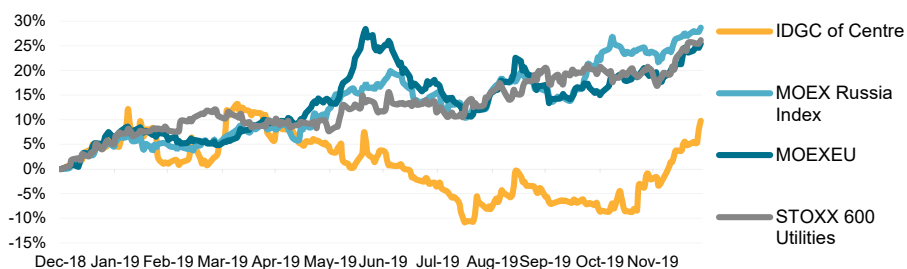
COMPANY NEWS

The Rosseti Centre company in the Kostroma region provided power to a large federal medical centre

Specialists of the branch "Rosseti Centre Kostromaenergo" performed connection to electric grids of a building of the oncological centre in Kostroma. To power the facility, the power engineers constructed a packaged two-transformer substation of 6/0.4 kV, cable lines of 6 kV and 0.4 kV. The total power output is 740 kW.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/71022/>

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	3 050,47	0,62%	28,75%
S&P 500	3 242,87	0,09%	29,36%
FTSE 100	7 637,02	0,06%	13,51%
Nikkei	23 837,72	-0,36%	19,10%
Sensex	41 575,14	1,00%	15,27%
CSI300	4 022,03	-0,10%	33,59%
Bovespa	116 277,5	-0,79%	32,30%

Source: Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	61,7676	0,08%	-11,09%
EURO/RUB	68,5003	0,14%	-13,79%

Source: Company calculations (19:00 MSK)

Liquidity	IDGC of	
	Centre	Centre & Volga Region
Number of transactions, pcs.	1 840	2 915
Trading volume, ₺ mln	18,1	89,2
Trading volume, mln pcs.	57,9	377,6
Average trading volume over the last 30 days, mln pcs.	42,6	213,0
% of the authorized capital	0,14%	0,34%

Source: Company calculations

Shares	Price**, ₺	MCap**, \$ mln	
		₺ bln	\$ mln
IDGC of Centre	0,314	13,26	214,62
IDGC of Centre & Volga Reg	0,2374	26,75	433,15

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,54%	26,20%
MOEXEU	0,65%	25,46%
IDGC of Centre**	1,55%	9,79%
IDGC of Centre & Volga Region**	1,45%	-10,42%

Source: Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	1,91%	79,78%
FGC UES	0,33%	35,34%
IDGC of Volga	0,57%	-9,80%
MOESK	0,80%	80,53%
IDGC of Northern Caucasus	-0,13%	114,00%
IDGC of North-West	0,75%	-3,51%
IDGC of Urals	0,61%	-11,16%
IDGC of Siberia	0,99%	198,05%
IDGC of South	0,64%	14,69%
Lenenergo, ordinary shares	-0,84%	34,22%
TRK, ordinary shares	-3,55%	23,38%
Kubanenergo	0,96%	29,30%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, PJSC

119017, Moscow, Malaya Ordynka St., 15

Corporate Governance Department

+7 (495) 747 92 92, ext. 33-34

ir@mrsk-1.ru

Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

MRKC

MRKC RM

MRKC.MM