



## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 22 February some neutral external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed with a 0.4% decline, under pressure from weak statistics, confirming the slowdown in the global economy. In February, for the first time since 2016, indices of business activity in industry in the eurozone and Japan fell below the threshold of 50 points. In the US, the Philadelphia business activity index in February fell below zero, to a minimum since May 2016, sales of homes on the secondary market in January decreased to a minimum since the end of 2015, data on orders for durable goods in December were worse than expected. On Friday, the composite stock index in the Asia-Pacific region MSCI Asia Pacific added 0.1% on expectations of a successful outcome of the US-PRC trade negotiations. According to experts, the chances for the implementation of such a scenario are increased by the declared readiness of Beijing to increase imports of agricultural products from the US by \$30 billion a year. Against this background, a more than 2% growth of the Chinese CSI300 stood out from the overall changes of the Asian indices. March Brent futures traded around \$67.2 per barrel at the level of our close on 21 February. Investors' optimism regarding the US-China trade transaction was offset by negative data from the US Department of Energy, which recorded growth in oil production and exports to a record of 12 million and 3.6 million barrels per day, respectively.

On Friday, buyers dominated the Russian market following a general improvement in sentiment on global markets, in anticipation of progress in the US-PRC trade negotiations. The MOEX Russia Index traded most of the day in more than a half-percentage point plus, on average the European Stoxx Europe 600 Index and futures for US indices added up to a third of a percent. Additional support for Russian investors was provided by rising oil prices – the Brent quotes in the second half of the day tested the mark of \$67.7 per barrel.

The electric utilities sector index closed trading at the market level. The main contribution to the MOEXEU growth was made by shares of FGC UES and ROSSETI, supported by strong reporting of FGC UES under RAS for 2018 – the company's net profit grew by 32.6% to 56.2 billion RUB. According to experts, this reporting allows investors to rely on good FGC UES's dividends for 2018. In particular, BCS's analysts, recalling that 50% of the larger of the two values, the adjusted net profit under RAS or IFRS, is allocated to dividends, suggest that dividends of FGC UES under RAS may be 0.0124 RUB per share, under IFRS – 0.016-0.017 RUB. Thus, according to BCS, the dividend yield by Friday's close is in the range of 8.4-10%. Additional support for ordinary shares of ROSSETI was provided by a technical factor – the growth of securities accelerated after overcoming the psychological mark of 1 RUB.

## ELECTRIC POWER INDUSTRY NEWS

### The Cabinet of Ministers of the Russian Federation proceeds from dividends of state-owned companies at 50% of profits, taking into account monopolies' investments

The Government of the Russian Federation decided to proceed from the fact that companies with state participation should spend at least 50% of net profit on dividends, while the amount of payments of natural monopolies should be determined taking into account their investment programs, according to the meeting minutes with the Prime Minister dated 24 January 2019, which are available to RIA News.

Read full text: <http://www.bigpowernews.ru/news/document87024.phtml>

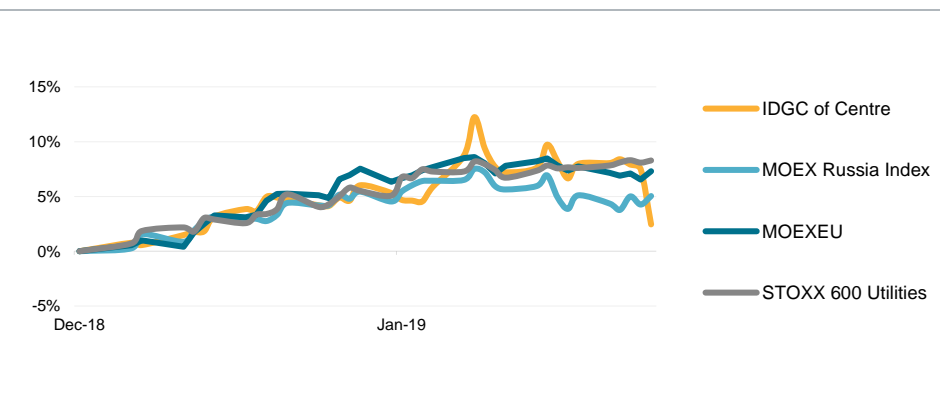
## COMPANY NEWS

### IDGC of Centre published its financial statements for 2018 under RAS, EBITDA was 16,6 bln RUB

According to the prepared in accordance with the Russian Accounting Standards statements for 2018, IDGC of Centre's revenue was 93,9 bln RUB, including from electric energy transmission – 90,0 bln RUB, from grid connections – 1,9 bln RUB, from resale of electric energy – 0,5 bln RUB and other revenue – 1,5 bln RUB. Sales profit was 7,7 bln RUB. Earnings before interest, taxes, depreciation and amortization (EBITDA) reached 16,6 bln RUB. Net profit following the results of 2018 was 1,4 bln RUB.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/67356/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 488,63	0,74%	5,04%
S&P 500	2 792,67	0,64%	11,40%
FTSE 100	7 178,60	0,16%	6,70%
DAX	11 457,70	0,30%	8,51%
DJStoxx 600	371,23	0,22%	9,95%
Nikkei	21 425,51	-0,18%	7,05%
Sensex	35 871,48	-0,07%	-0,55%
CSI300	3 520,12	2,25%	16,92%
Bovespa	97 885,60	0,98%	11,38%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,54	-0,48%	-5,66%
EURO/RUB	74,30	-0,52%	-6,50%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 329,40	0,44%	3,66%
Brent*, USD/bbl	67,12	0,07%	24,76%

\* - March futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln	
			fr 31.12.18	Change
IDGC of Centre	0,2930	12,37	188,74	
IDGC of Centre & Volga Reg	0,2695	30,37	463,41	

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,18%	8,28%
MOEXEU Index	0,73%	7,31%
IDGC of Centre**	-4,68%	2,45%
IDGC of Centre and Volga Region**	-5,41%	1,70%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	3,94%	32,56%
FGC UES	3,74%	14,57%
IDGC of Volga	-0,20%	3,11%
MOESK	-1,06%	6,06%
IDGC of Northern Caucasus	0,86%	0,14%
IDGC of North-West	-5,12%	-9,91%
IDGC of Urals	-3,70%	4,23%
IDGC of Siberia	-1,70%	58,15%
IDGC of South	-3,01%	18,37%
Lenenergo, ordinary shares	0,70%	8,70%
TRK, ordinary shares	-6,11%	9,74%
Kubanenergo	0,98%	26,64%

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**