

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 25 May some moderately positive external background formed on the Russian market. The US indices DJIA and S&P500 closed Friday with mixed changes near zero. The market was pressured by growing tension between the US and China – in response to Beijing’s plans to adopt a new Hong Kong national security law, US senators prepared a bill that would impose sanctions on Chinese officials and organizations. The activity of sellers was limited by hopes for a speedy “restart” of the American economy and progress in the fight against Covid-19. According to media reports, all 50 states announced their readiness to relax restrictive measures, while Donald Trump said that the authorities will not introduce strict restrictive measures in the event of a second wave of the new coronavirus epidemic. The White House chief infectious disease expert said he was “cautiously optimistic” about the vaccine being developed by Moderna. On Monday, the composite index of the Asia-Pacific region MSCI Asia Pacific added about a percent following the increase in Japan’s Nikkei225 by 1.7% on media reports about plans by the Japanese government to adopt a new ¥100 trillion package of economic support measures (about \$930 billion) and on Monday completely cancel the emergency mode in the country. July Brent futures were trading around \$35.2 per barrel, \$0.5 higher than our close on Friday, 22 May. Oil prices kept upward momentum on signals of a further decline in the US production – according to Baker Hughes, the number of operating oil and gas drilling rigs in the country updated record lows, declining for the 11th consecutive week.

On Monday, buyers dominated the Russian and European markets – in the afternoon, the growth rates of the MOEX Russia Index and the consolidated European Stoxx Europe 600 Index exceeded a percent on the news on easing quarantine restrictions and restoring economic activity. The German market became the driver for the upswing in Europe, the DAX Index added more than 2.5% on good statistics – according to Ifo, the business confidence index in May increased stronger than forecasts. At the same time, Ifo experts noted that the German economy begins to see the light at the end of the tunnel after passing through the most difficult quarantine phase. The upside potential was limited by the risks of escalating tensions between the US and China. National Security Advisor of Donald Trump said sanctions could be imposed on China if a new Hong Kong security law is passed. In turn, in Beijing, noting that certain forces in the States were pushing countries to a new Cold War, they accused the US of spreading a “political virus” in the form of attacks on China. At the end of the day, the growth of the MOEX Russia Index accelerated to 1.8% due to the rise in Brent quotes to around \$35.8 per barrel.

During the day, the electric utilities sector index outperformed. The main contribution to the final MOEXEU outperformance in comparison with the MOEX Russia Index was made by shares of Rosseti and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

The Ministry of Energy asks to lift the moratorium on charging interest for housing services

The Ministry of Energy proposes to reduce the duration of the moratorium on penalties for non-payment of utility services for the population and management companies, said Deputy Energy Minister Yury Manevich at a meeting of the Electricity Commission of the Russian Union of Industrialists and Entrepreneurs (RSPP).

Read full text: <https://www.vedomosti.ru/business/>

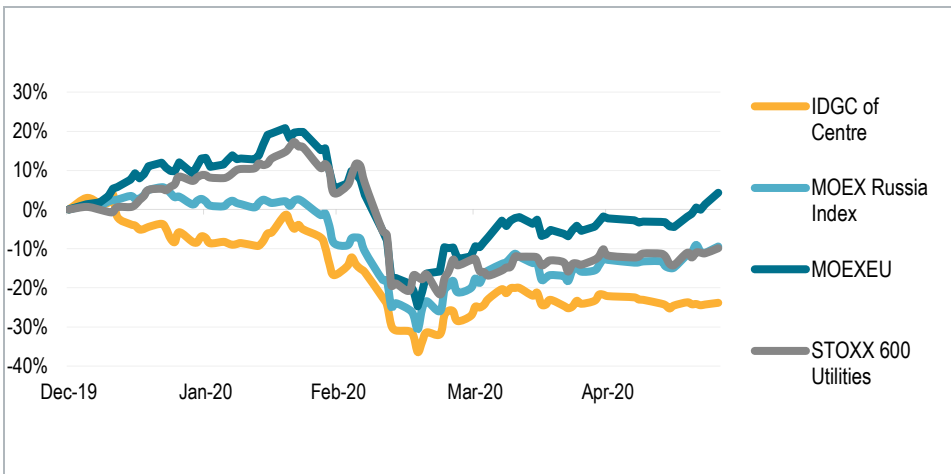
COMPANY NEWS

Rosseti Centre - the managing organization of Rosseti Centre and Volga Region to provide the city of Dobrograd in the Vladimir region with a “smart” electric grid infrastructure

General Director of Rosseti Centre - the managing director of Rosseti Centre and Volga Region, Igor Makovskiy, and the founder of the city of Dobrograd, Vladimir Sedov, signed a cooperation agreement. This agreement will be the beginning of joint work to implement the best practices of Rosseti Centre and Volga Region in the city of Dobrograd in the Vladimir region.

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

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	2757,93	1,79%	-9,45%
S&P 500	2955,45	0,00%	-8,52%
FTSE 100	5993,28	0,00%	-20,54%
Nikkei	20741,65	1,73%	-12,32%
Sensex	30672,59	0,00%	-25,65%
CSI300	3829,32	0,14%	-6,52%
Bovespa	85356,2	3,87%	-26,19%

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

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	71,8804	1,35%	16,11%
EURO/RUB	78,4431	0,83%	13,13%

Source: Central Bank of Russia, Company calculations

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
Trading volume, ₺ mln	5,0	18,0
Trading volume, mln pcs.	20,8	102,6
Average trading volume over the last 30 days, mln pcs.	23,6	89,0
% of the authorized capital	0,05%	0,09%

Source: MOEX, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,1763	19,87	276,41

Source: MOEX, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	1,46%	-9,89%
MOEXEU	2,85%	4,27%
IDGC of Centre**	0,58%	-23,85%
IDGC of Centre & Volga Region**	2,80%	-26,23%

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

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	5,57%	10,50%
FGC UES	1,60%	-0,86%
IDGC of Volga	1,15%	-25,75%
MOESK	2,61%	-2,81%
Rosseti Northern Caucasus	1,23%	-11,93%
IDGC of North-West	0,91%	-6,83%
IDGC of Urals	5,26%	1,82%
IDGC of Siberia	1,40%	-29,61%
Rosseti South	0,80%	-18,40%
Lenenergo, ordinary shares	2,46%	-11,36%
TRK, ordinary shares	0,82%	-13,95%
Kubanenergo	6,77%	9,12%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

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