

## REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 4 February some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 rose by 0.5-0.7% on strong statistics – in January the manufacturing activity index in the US ISM Manufacturing for the first time since July last year rose above the threshold of 50 points, in the Eurozone the manufacturing PMI reached its maximum value since April 2019. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific added 1.2% on media reports about new measures of the People's Bank of China to support financial markets – the regulator provided the banking system with another 500 billion yuan (\$71 billion) through reverse repos. This piece of news also contributed to the technical rebound in the Chinese market – the CSI300 index rose by 2.7% after an 8% collapse on Monday. April Brent futures were trading around \$54.9 per barrel, \$0.7 below our closing level on 3 February. On Monday Brent quotes hit a 13-month low on expectations of a decrease in global energy demand due to a pneumonia epidemic in China – in particular, according to Bloomberg, oil consumption in China has already fallen 20%. At the same time, experts note that the drop in quotes for both Brent and WTI from peaks on 6 January exceeded 20%, which means the beginning of a “bearish” trend.

On Tuesday, buyers dominated the global stock markets – in the middle of the day, the pace of the rise of the MOEX Russia Index, the consolidated European Stoxx Europe 600 Index and the S&P500 futures exceeded a percent. Investors reacted positively to media information about the preparation by the Chinese authorities of a wide range of measures to support the economy. The People's Bank of China, which poured nearly a quarter trillion dollars into the financial system for two days, according to Reuters, will follow a further easing of its monetary policy – lowering the key rate and reducing reserve requirements of banks. In addition, Beijing plans to ease the tax burden and provide subsidies to the sectors most affected by the virus – trade, transport and tourism. In addition, information on progress in finding ways to treat the coronavirus could be an additional incentive for markets. In the second half of the trading session, the MOEX Russia Index retreated from the daily highs, despite the acceleration of the rise of the western markets. The caution of Russian investors was also due to uncertain changes of oil prices. Brent quotes, rising above \$55 per barrel, fell to \$54.5 on fears that OPEC+ will not make decisions to reduce production until the situation with the development of the epidemic in China is clarified. This was confirmed by the statement by the head of the Ministry of Energy of the Russian Federation that the drop in oil prices due to the coronavirus can be a panic fear, and the situation should be carefully assessed before deciding on the need for additional OPEC+ actions.

During the trading session, changes of the electric utilities sector index generally corresponded to the market. The main contribution to the final outperformance of the MOEXEU in comparison with the MOEX Russia Index was made by shares of Inter RAO and Unipro.

## ELECTRIC POWER INDUSTRY NEWS

### Electricity prices for business may change

The bill, which will allow evenly distributing the amount of cross-subsidization between all electricity consumers, except for the population, will be considered by the Government on 27 February, after which it can be submitted to the State Duma. This was reported to the "Parliamentary newspaper" by Deputy Minister of Energy Yuri Manevich. This will not affect the cost of electricity for the population, but will save industrial consumers of energy from an unfair load - now tariffs can vary nine times.

Read full text: <https://www.pnp.ru/politics/tarify-na-elektroenergiyu-dlya-biznesa-mogut-izmenitsya.html>

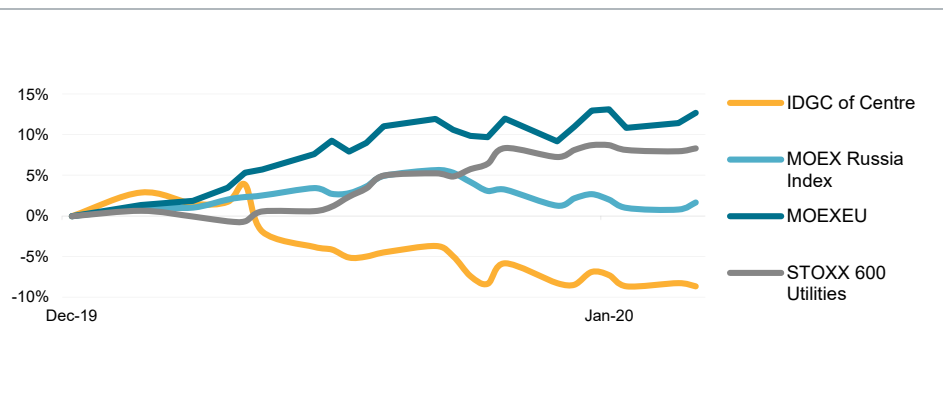
## COMPANY NEWS

### Measures of the energy conservation and energy efficiency program in 2019 allowed Smolenskenergo to save almost 5 million kWh

In 2019, the branch “Rosseti Centre Smolenskenergo” fulfilled a large volume of planned measures for energy conservation and energy efficiency. The total effect of implementation of the energy conservation and energy efficiency program amounted to 4,992 thousand kWh, which exceeded the expected results by 23%.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/71336/>

## CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	3 097,6	0,87%	1,70%
S&P 500	3 297,65	1,50%	2,07%
FTSE 100	7 431,82	1,44%	-1,47%
Nikkei	23 084,59	0,49%	-2,42%
Sensex	40 789,38	2,30%	-1,13%
CSI300	3 785,64	2,64%	-7,59%
Bovespa	116 004,3	1,20%	0,31%

Source: Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	63,9091	1,22%	3,24%
EURO/RUB	70,7921	1,72%	2,09%

Source: Company calculations (19:00 MSK)

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
	Number of transactions, pcs.	1 406
Trading volume, ₺ mln	22,2	10,9
Trading volume, mln pcs.	77,0	47,6
Average trading volume over the last 30 days, mln pcs.	77,5	285,6
% of the authorized capital	0,18%	0,04%

Source: Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
		IDGC of Centre	0,2896
IDGC of Centre & Volga Reg	0,229	25,81	403,82

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	0,15%	8,38%
MOEXEU	1,14%	12,73%
IDGC of Centre**	-0,41%	-8,64%
IDGC of Centre & Volga Region**	0,66%	-4,18%

Source: Company calculations

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	0,44%	18,14%
FGC UES	0,67%	11,38%
IDGC of Volga	1,83%	0,34%
MOESK	-0,45%	2,39%
IDGC of Northern Caucasus	-0,33%	0,00%
IDGC of North-West	0,66%	-0,84%
IDGC of Urals	0,35%	3,39%
IDGC of Siberia	-0,60%	-18,93%
IDGC of South	1,01%	-2,99%
Lenenergo, ordinary shares	0,29%	-0,43%
TRK, ordinary shares	-1,14%	0,47%
Kubanenergo	1,23%	16,82%

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