

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 3 March some positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 jumped by 4.6-5.1%, the growth rate of the DJIA in percentage terms was the highest since March 2009. The market was supported by media information that finance ministers and central bank governors of the G7 countries will hold a teleconference on Tuesday to discuss responses to the threat to the global economy in connection with the spread of coronavirus. On Tuesday most of the major country indices in the Asia-Pacific region added an average of 0.6%. The market participants' hopes for new incentives from the financial authorities of the largest economies were strengthened by a reduction in the rate by the Reserve Bank of Australia to a record low 0.5%. At the same time, the activity of buyers in the Asian session was limited by the continuing risks of the spread of the new coronavirus in the region. In particular, the WHO named Japan one of the four countries in the world where the Covid-19 epidemic is causing the greatest concern. This piece of news was the main driver of the Japanese Nikkei225 decline of 1.2%. May Brent futures were trading around \$52.7 per barrel, \$1.8 higher than our close on 2 March. Oil prices rose on expectations of the results of the teleconference of the G7 finance ministers, as well as the OPEC+ meeting, where, according to Bloomberg, an additional reduction in production by 750 thousand barrels per day might be announced.

On Tuesday, buyers dominated the global stock markets – at the daily highs, the growth rates of the MOEX Russia Index and the consolidated European Stoxx Europe 600 Index exceeded 2.5%. Investors' demand for risky assets was mainly due to growing speculative expectations of coordinated actions of the world's largest regulators. In particular, MarketWatch writes, some analysts expressed the view that the US regulator and other major global central banks, including the People's Bank of China, may announce interest rate cuts by 0.5 percentage points before Wednesday morning. In the afternoon, the growth of the markets slowed down after the publication of the statement of the finance ministers of the G7 countries, which, without specifying any specific steps, expressed only willingness to use fiscal and monetary policy instruments to combat the effects of the epidemic on the global economy. Closer to the end of our trading session, investors' optimism was helped by a message from the Federal Reserve about an extra interest rate cut of 0.5 percentage points. However, the Russian and European markets failed to return to the daily highs. Firstly, this step of the regulator was regarded as recognition of serious problems in the US economy due to Covid-19, and secondly, investors fear that this may not be enough to protect the largest economy in the world.

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

ELECTRIC POWER INDUSTRY NEWS

Big business energy costs could skyrocket

The differentiated tariff for the transmission of energy through the backbone grids (they are managed by FGC, which is controlled by Rosseti) practically does not reduce the load on consumers connected to the distribution grids, but it will hurt the large industry, it follows from the review of Vygon Consulting on the implications of introducing a differentiated tariff of FGC.

Read full text: <https://www.vedomosti.ru/business/articles/2020/03/03/824375>

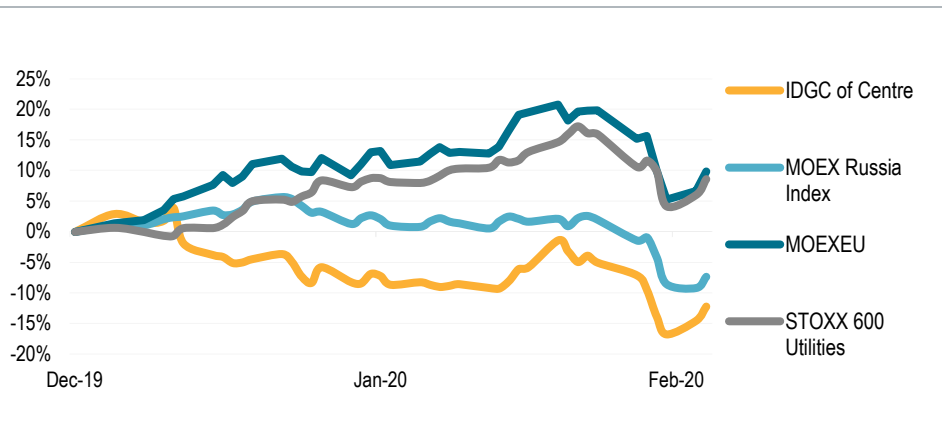
COMPANY NEWS

More than a billion rubles were spent on ensuring the production safety of their employees at Rosseti Centre and Rosseti Centre and Volga Region in 2019

Rosseti Centre and Rosseti Centre and Volga Region summed up the work on labour protection and ensuring the industrial safety of personnel in 2019. 1,061.8 million rubles were allocated for the implementation of measures to reduce the risk of injury to employees of the energy company during the indicated period.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/71607/>

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	2821,37	2,01%	-7,37%
S&P 500	3093,02	0,09%	-4,26%
FTSE 100	6781,98	1,91%	-10,08%
Nikkei	21082,73	-1,22%	-10,88%
Sensex	38623,7	1,26%	-6,38%
CSI300	4091,36	0,53%	-0,13%
Bovespa	108400,5	1,66%	-6,26%

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

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	66,3274	-0,99%	7,14%
EURO/RUB	73,4178	-0,41%	5,88%

Source: Central Bank of Russia, Company calculations

Liquidity	IDGC of	
	Centre	Centre & Volga Region
Number of transactions, pcs.	1507	1247
Trading volume, ₺ mln	10,3	21,9
Trading volume, mln pcs.	36,8	107,5
Average trading volume over the last 30 days, mln pcs.	75,6	157,4
% of the authorized capital	0,09%	0,10%

Source: MOEX, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	
		₺ bln	\$ mln
IDGC of Centre	0,2782	11,75	177,08
IDGC of Centre & Volga Reg	0,204	22,99	346,62

Source: MOEX, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	2,14%	8,65%
MOEXEU	3,03%	9,87%
IDGC of Centre**	2,66%	-12,24%
IDGC of Centre & Volga Region**	2,26%	-14,64%

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

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	3,77%	9,55%
FGC UES	3,21%	5,45%
IDGC of Volga	1,80%	-7,66%
MOESK	2,35%	-4,78%
IDGC of Northern Caucasus	-0,62%	-3,33%
IDGC of North-West	2,35%	1,68%
IDGC of Urals	1,80%	-4,12%
IDGC of Siberia	0,00%	-26,21%
Rosseti South	1,05%	-7,02%
Lenenergo, ordinary shares	-0,75%	-5,54%
TRK, ordinary shares	0,50%	-5,81%
Kubanenergo	3,24%	15,09%

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