

## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 14 May some moderately negative external background formed on the Russian market. On Wednesday, the US indices DJIA and S&P500 fell 1.7-2.2%, on Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 1.5% on statements by the head of the Federal Reserve, reinforcing fears of a prolonged economic downturn due to coronavirus. Jerome Powell, noting the unprecedented scale and speed of the current recession, warned of a "long period" of weak growth and stagnation of income. According to him, the recovery of the American economy will be gradual and, to avoid long-term economic damage, additional government spending will be required. In this regard, investors were worried about media reports about disagreements between Republicans and Democrats in Congress when discussing a new package of measures to support the economy of about \$3 trillion. July Brent futures were trading around \$29.7 per barrel, \$0.1 higher than our close on 13 May. On Wednesday, Brent prices fell 2.6%, despite the US Department of Energy reporting an unexpected reduction in oil reserves in the country – the first since the end of January this year. Experts believe that the Fed chairman's comments weakened hope for a V-shaped recovery of both the economy and global energy demand.

On Thursday, sellers dominated the global stock markets – in the afternoon, the loss of the MSCI ACWI composite index exceeded 1.5%. Investors' pessimism was mainly driven by growing uncertainty about the prospects for the spread of a new coronavirus infection and, accordingly, the timing of the global economy returning to a pre-crisis level. In particular, the WHO said that this virus may never disappear, expressing concern that until the coronavirus pandemic gets under control, it can take up to five years. At the same time, experts were skeptical about media reports that the Covid-19 vaccine could be ready by September. In particular, the European Medicines Agency said that in the best case scenario this can happen only after a year. In this regard, analysts recall that the head of the IMF, who had already announced a deterioration in the forecast for the global economy in the June's fund review, warned that without global medical solutions for many countries, the situation would be even more unfavourable. The markets were also pressured by weak statistics from the US, where the number of Americans who applied for unemployment benefits for the first time last week amounted to almost 2.98 million people, which is 20% higher than forecasted. At the end of the day, the activity of sellers in the world markets decreased after not so negative, as evidenced by the changes of futures, start of trading in the US. The MOEX Russia Index, which lost about 1.5% at the daily lows, was able to complete trading by a decrease of 0.6%. Additional support to our market was provided by the rise in Brent quotes above \$30 per barrel after the IEA improved the forecast for global oil demand in the second quarter and in general in 2020.

Following the results of the trading session, the electric utilities sector index underperformed mainly due to shares of RusHydro and Inter RAO.

## ELECTRIC POWER INDUSTRY NEWS

### The Ministry of Energy submitted proposals to the Government on a comprehensive change in the mechanisms for supporting renewable energy in retail markets

The Russian Ministry of Energy has introduced to the Government of the Russian Federation a package of legislative amendments that are aimed at stimulating the widespread implementation of renewable energy facilities with a capacity of less than 25 MW in the retail electricity markets, the ministry said.

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

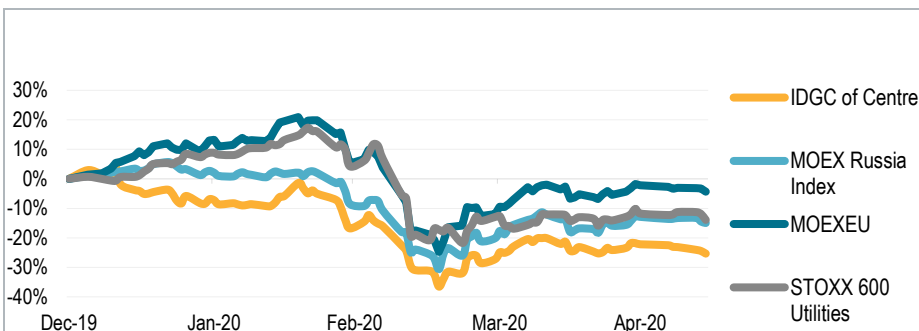
## COMPANY NEWS

### Igor Makovskiy: Rosseti Centre and Rosseti Centre and Volga Region have saved more than 13 million kilowatt-hours of electricity since the beginning of the year

Rosseti Centre and Rosseti Centre and Volga Region summed up the implementation of the Energy Saving and Energy Efficiency Program for the first quarter of 2020. The total effect of its implementation amounted to 13.2 million kWh. The branches of Smolenskenergo, Tverenergo, Kurskenergo, Nizhnovenergo, and Ryazanenergo demonstrated the greatest efficiency in the implementation of the Program.

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

## CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	2590,31	-0,56%	-14,96%
S&P 500	2798,46	-0,76%	-13,38%
FTSE 100	5741,54	-2,75%	-23,88%
Nikkei	19914,78	-1,74%	-15,82%
Sensex	31122,89	-2,77%	-24,56%
CSI300	3925,22	-1,08%	-4,18%
Bovespa	76770,1	-1,29%	-33,62%

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

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	73,5819	0,20%	18,86%
EURO/RUB	79,7775	0,43%	15,05%

Source: Central Bank of Russia, Company calculations

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
Number of transactions, pcs.	656	787
Trading volume, ₺ mln	7,6	15,0
Trading volume, mln pcs.	32,0	88,5
Average trading volume over the last 30 days, mln pcs.	28,0	120,6
% of the authorized capital	0,08%	0,08%

Source: MOEX, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2368	10,00	135,87
IDGC of Centre & Volga Reg	0,17	19,16	260,37

Source: MOEX, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	-2,24%	-13,90%
MOEXEU	-1,08%	-4,31%
IDGC of Centre**	-1,17%	-25,30%
IDGC of Centre & Volga Region**	-0,70%	-28,87%

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

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	-0,37%	-6,05%
FGC UES	-0,71%	-6,83%
IDGC of Volga	-1,81%	-29,69%
MOESK	-0,49%	-13,97%
IDGC of Northern Caucasus	-0,15%	-12,93%
IDGC of North-West	-2,03%	-9,73%
IDGC of Urals	0,26%	-8,12%
IDGC of Siberia	-0,23%	-30,58%
Rosseti South	-0,20%	-19,69%
Lenenergo, ordinary shares	0,00%	-19,60%
TRK, ordinary shares	-1,39%	-17,21%
Kubanenergo	-1,90%	-2,36%

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](mailto:ir@mrsk-1.ru)

### Tickers

Moscow Exchange (MOEX)

Bloomberg

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