

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 12 March some negative external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 fell 4.9-5.9%, the DJIA entered the "bearish" trend, losing more than 20% compared with the record level in February. On Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific and the S&P500 futures lost 4% each. The stock markets were pressured by the official WHO recognition of the pandemic situation with the spread of the Covid-19 virus and the uncertainty surrounding the package of measures announced by Donald Trump to limit the economic consequences of the outbreak of coronavirus. An additional negative factor in the Asian session was the decision of the US President to ban travel from the Schengen zone to the US from 13 March for 30 days. According to experts, radical measures, taken around the world to curb the spread of Covid-19, significantly weaken economic activity. May Brent futures were trading around \$34.3 per barrel, \$1.9 below our close on 11 March. Oil prices continued to decline after a more than 5% fall on the eve on expectations of a decline in global demand amid the unfolding price war for the redistribution of the oil market. According to Bloomberg, following Saudi Arabia and the UAE, Kuwait and Iraq decided to introduce discounts on oil.

Sales are increasing on global stock exchanges – in the middle of the day, the rates of decline in the MOEX Russia Index and the consolidated European Stoxx Europe 600 Index exceeded 6%. Investors are fleeing risks, fearing a recession in the global economy, which could be the result of global restrictions introduced to curb the pandemic of the new coronavirus. In the second half of the trading session, the rate of decline in stock indicators accelerated after the publication of the results of the ECB meeting. The regulator kept key rates unchanged and announced a package of measures to maintain liquidity, including, among other things, a temporary – until the end of 2020 – increase of asset repurchases by €120 billion and the launch of new programs of targeted long-term financing. According to analysts, investors were disappointed by the ECB's decision to keep the rates – the markets, Reuters writes, counted on a 10-bps cut in the rates. In general, the market participants remain concerned about the pace of distribution of Covid-19 outside of mainland China, which is currently discounting any support measures, both monetary and fiscal, taken by authorities in many countries. These concerns are shared by government officials. In particular, the US Senate Finance Committee, which refused to approve Donald Trump's incentive program, said that the best way to prevent damage to the economy is to stop the spread of the virus. Against this background, the consolidated Stoxx Europe 600 Index showed a record drop of over 10%, major US indices began trading with an 8% collapse, the MOEX Russia Index lost 8.3% at the end of the day.

During the trading session, the electric utilities sector index underperformed – all the most capitalized and liquid securities of the sector showed fairly even outperformance compared to the MOEX Russia Index.

ELECTRIC POWER INDUSTRY NEWS

The Ministry of Economic Development agreed with the differentiation of the FGC tariff, but proposes to extend its introduction for five years, instead of the three proposed by the Ministry of Energy

The Ministry of Economic Development supported the position of the Ministry of Energy and Rosseti on the need to differentiate the single FGC tariff (it manages transmission grids), follows from a letter from the new head of the department, Maxim Reshetnikov, to Deputy Prime Minister Yury Borisov of 5 March, Kommersant reports, which has a copy of the document.

Read full text: <http://www.bigpowernews.ru/markets/document92181.phtml>

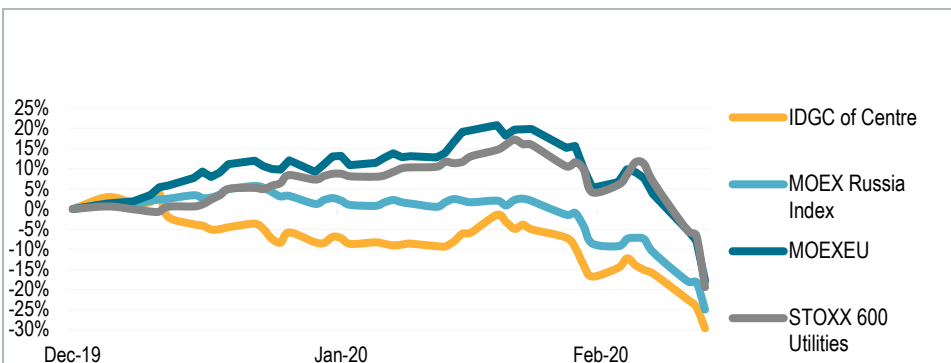
COMPANY NEWS

Rosseti Centre and Rosseti Centre and Volga Region in 2019 repaired over 50 thousand kilometres of power lines and more than 12 thousand transformer substations

Rosseti Centre and Rosseti Centre and Volga Region summed up the implementation of the 2019 repair program. The company completed a number of key activities of the document in excess of the planned indicators.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/71706/>

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	2286,4	-8,28%	-24,83%
S&P 500	2529,07	-7,74%	-21,72%
FTSE 100	5290,95	-9,96%	-29,85%
Nikkei	18559,63	-4,41%	-21,55%
Sensex	32778,14	-8,18%	-20,55%
CSI300	3950,91	-1,92%	-3,56%
Bovespa	70683,3	-17,01%	-38,88%

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

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	71,472	-0,76%	15,45%
EURO/RUB	81,0207	-1,02%	16,84%

Source: Central Bank of Russia, Company calculations

Liquidity	IDGC of	
	Centre	Centre & Volga Region
Number of transactions, pcs.	3036	3571
Trading volume, ₺ mln	18,4	57,9
Trading volume, mln pcs.	81,5	362,9
Average trading volume over the last 30 days, mln pcs.	74,3	149,5
% of the authorized capital	0,19%	0,32%

Source: MOEX, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,223	9,41	131,72
IDGC of Centre & Volga Reg	0,1543	17,39	243,30

Source: MOEX, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	-13,38%	-19,42%
MOEXEU	-10,77%	-17,79%
IDGC of Centre**	-7,08%	-29,65%
IDGC of Centre & Volga Region**	-11,83%	-35,44%

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

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	-12,27%	-26,30%
FGC UES	-10,93%	-27,23%
IDGC of Volga	-11,93%	-28,45%
MOESK	-7,76%	-24,13%
IDGC of Northern Caucasus	-3,38%	-17,93%
IDGC of North-West	-6,68%	-12,44%
IDGC of Urals	-10,59%	-24,24%
IDGC of Siberia	-13,88%	-41,75%
Rosseti South	-5,59%	-22,36%
Lenenergo, ordinary shares	-8,98%	-16,48%
TRK, ordinary shares	-5,08%	-17,44%
Kubanenergo	-11,72%	-8,81%

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