

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 16 January some moderately positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 added 0.2-0.3%, on Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific did not show significant changes with multidirectional trends of the main country indices. On Tuesday the United States and China signed the first phase of the trade deal, taking a step toward resolving a long-standing trade dispute. The main point of the agreement, according to the White House, is Beijing's promise to increase purchases of US goods and services by at least \$200 billion over two years from the base level of 2017 of \$186 billion. In turn, Washington refuses to increase tariffs on Chinese imports worth \$160 billion and halves the 15% duty on Chinese goods worth \$120 billion. Regarding the remaining duties, which affect Chinese imports of \$360 billion per year, the US president said that they will continue, but he is ready to refuse them if the parties are able to agree on the second phase of the deal. According to the US Treasury, the total positive effect for the US economy from the agreement with China and the previously signed USMCA with neighbouring Canada and Mexico will be 0.5-0.75 percentage points. March Brent futures were trading around \$64.4 per barrel, \$0.8 higher than our close on 15 January. The market was supported by easing trade tensions between the US and China and a message from the US Department of Energy about reduction of oil reserves.

On Thursday, buyers dominated the Russian market, despite zero changes of the consolidated European Stoxx Europe 600 Index – the MOEX Russia Index spent the trading session in more than a half-percent plus. According to some analysts, the renewed government can be expected to accelerate the implementation of national projects and soften the budget policy to stimulate economic growth as part of the ambitious tasks of the President of the Russian Federation. In particular, in his message to the Federal Assembly, Vladimir Putin said that the rate of increase in Russia's GDP should be higher than global as early as 2021 (3%, according to the OECD forecasts). In turn, the Washington Post's information could become a negative factor for European markets that Donald Trump threatens to impose a 25% duty on the export of cars from the European Union if the Euro-troika (Germany, Great Britain and France) does not agree to formally blame Tehran in the disruption of the 2015 nuclear agreement. In the afternoon, the US statistics supported the markets: retail sales in November-December and the Philadelphia business activity index in January were better than expected, the number of applications for unemployment benefits fell to a minimum since the end of November.

As a result of the trading session, the electric utilities sector index outperformed, mainly due to growth of shares of Rosseti and Unipro. Support to Rosseti's shares could be provided by media information that the FAS offers to give grid companies the opportunity to direct their expenses on dividend payments. RusHydro's shares turned out to be outsiders among the sector's papers, which fell 4% after the company announced that it was preparing to appeal to the Bank of Russia in order to verify that there was a market manipulation that caused RusHydro's stock quotes to fluctuate after the media published inaccurate information about alleged plans to restructure RusHydro's group.

ELECTRIC POWER INDUSTRY NEWS

Electricity generation in the UES of Centre for 2019 increased by almost 2% with a decrease in electricity consumption by 0.3%

Electricity consumption in the Unified Energy System of Centre (ODU Centre) for 2019 amounted to 241,921.1 million kWh, which is 0.3% less than a year earlier, ODU Centre reported.

Read full text: <http://www.bigpowernews.ru/news/document91483.phtml>

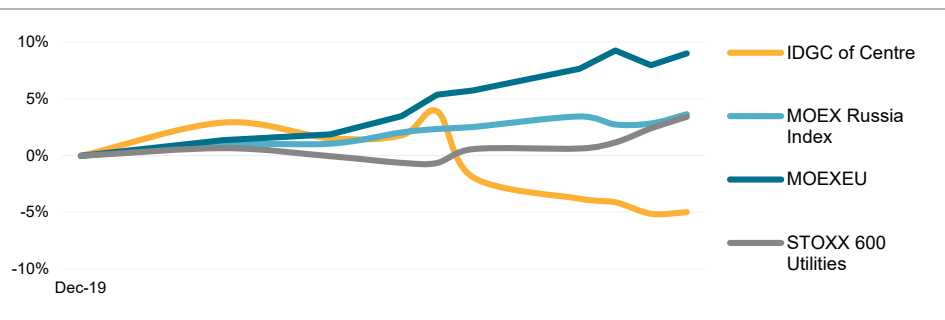
COMPANY NEWS

The Ministry of Energy of the Russian Federation approved the adjustment of the investment program of IDGC of Centre

The Ministry of Energy of the Russian Federation approved the amendments to the investment program of IDGC of Centre, PJSC. The grounds for adjusting the investment program of IDGC of Centre, PJSC are: taking into account the adopted tariff and balance decisions and the current forecast of the socio-economic development of the Russian Federation for the planning period and updating the Company's obligations on grid connection of customers.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/71175/>

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	3 157,23	0,79%	3,66%
S&P 500	3 306,82	0,53%	2,35%
FTSE 100	7 603,42	-0,52%	0,81%
Nikkei	23 933,13	0,07%	1,17%
Sensex	41 932,56	0,14%	1,65%
CSI300	4 149,04	-0,42%	1,28%
Bovespa	116 760,1	0,30%	0,96%

Source: Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	61,4328	0,03%	-0,76%
EURO/RUB	68,3747	-0,07%	-1,39%

Source: Company calculations (19:00 MSK)

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
Number of transactions, pcs.	1 535	1 329
Trading volume, ₺ mln	22,2	34,8
Trading volume, mln pcs.	73,6	147,8
Average trading volume over the last 30 days, mln pcs.	67,5	291,3
% of the authorized capital	0,17%	0,13%

Source: Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3012	12,72	206,99
IDGC of Centre & Volga Reg	0,2343	26,41	429,82

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	0,96%	3,44%
MOEXEU	0,97%	9,02%
IDGC of Centre**	0,13%	-4,98%
IDGC of Centre & Volga Region**	0,17%	-1,97%

Source: Company calculations

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	3,84%	9,83%
FGC UES	1,37%	3,05%
IDGC of Volga	0,29%	-3,49%
MOESK	-0,33%	1,64%
IDGC of Northern Caucasus	4,42%	-0,80%
IDGC of North-West	0,57%	-0,28%
IDGC of Urals	-0,24%	2,18%
IDGC of Siberia	0,55%	-11,97%
IDGC of South	0,49%	-1,21%
Lenenergo, ordinary shares	0,43%	0,00%
TRK, ordinary shares	-0,98%	-6,28%
Kubanenergo	-0,59%	6,60%

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