

## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 5 March some neutral external background formed on the Russian market. The US indices DJIA and S&P500 grew by 4.2-4.5% on information about the defeat of B. Sanders in the Democratic primaries on Super Tuesday and good statistics – in February the index of business activity in the service sector ISM Non-Manufacturing reached its maximum for the year. Analysts said earlier that a possible victory in the presidential election of Sanders, committed to economic leftism and populism, would be a serious threat to financial markets. The rise in the American market was led by the health sector, which showed the highest growth since November 2008 – B. Sanders's election plan included a significant tax increase and reform of private health insurance. Support for companies in the sector was also provided by the decision of the lower house of the Congress to allocate \$8.3 billion to combat the outbreak of coronavirus. On Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific added 1.2% after a rally in the US markets. At the same time, futures on the S&P500 lost 0.8% on information about the introduction of a state of emergency due to the Covid-19 epidemic in California, the state leader in terms of population and GDP. California became the third state after Washington and Florida, where the state of emergency was announced. May Brent futures were trading around \$51.8 per barrel, \$0.5 below our close on 4 March. Negative background for investors was media information about the differences between Russia and Saudi Arabia regarding an additional reduction in the OPEC+ oil production.

On Thursday, fears of the Covid-19 pandemic and the intensification of the negative impact of this factor on the global economy returned to world markets – in the afternoon the loss of the consolidated European Stoxx Europe 600 Index and the S&P500 futures exceeded 2%. Pessimism of investors, in addition to news about the introduction of the state of emergency in California, was facilitated by media reports about the continued high pace of the spread of the new coronavirus in the world. Since the beginning of the week outside of mainland China, the number of infections has increased by 60%, the number of countries where the virus has been registered has grown to 78. The European Commission reported that the spread of Covid-19 threatens a recession to the economies of France and Italy, and a prolonged epidemic will affect the economy and financial markets throughout the region. Airlines became outsiders of European stock markets – the International Air Transport Association estimates losses in global airline revenues from \$63 billion while maintaining the current disease situation to \$113 billion if the epidemic intensifies. The losses of the MOEX Russia Index during the day amounted to about 0.5% on average – the rate of decline in our market was limited by the stability of Brent quotes above \$50.5 per barrel on expectations of OPEC countries taking a decision to further reduce production.

During the trading session, the electric utilities sector index underperformed. The main contribution to the MOEXEU underperformance in comparison with the MOEX Russia Index was made by shares of RusHydro and FGC UES. The companies reported under IFRS for 2019: in comparison with 2018, RusHydro's net profit fell 49 times due to the revaluation of fixed assets after putting into operation facilities in the Far East, FGC UES's net profit decreased by 6.7%.

## ELECTRIC POWER INDUSTRY NEWS

### Matviyenko's proposed unified state policy of setting tariffs for electricity can be introduced in 1 half-year 2021, - the newspaper (version 1)

The unified state policy on tariffs for electricity, initiated by the Federation Council speaker Valentina Matviyenko, may appear in Russia in the first half of 2021, the newspaper Izvestia reports with reference to the words of a member of the Federation Council Committee on the Budget and Financial Markets Valery Semenov.

Read full text: <http://www.bigpowernews.ru/markets/document92105.phtml>

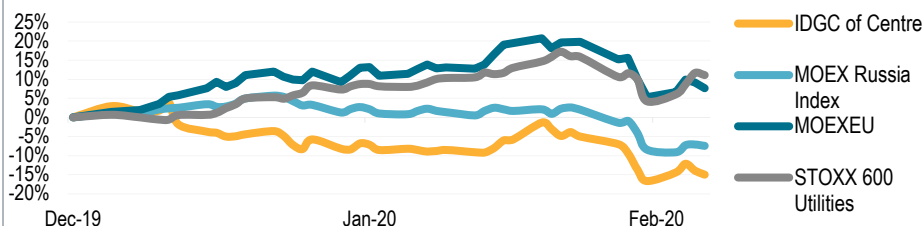
## COMPANY NEWS

### Kostromaenergo in 2020 plans to increase the volume of grid automation by one and a half times

The branch "Rosseti Centre Kostromaenergo" continues the implementation of the first stage of the Digital Transformation Concept. As part of this work, in 2019, power engineers installed modern digital equipment on 15 power lines: 16 reclosers, 15 remotely controlled disconnectors and 3 sets of short-circuit indicators. This led to a 24.3% decrease in failure rates in the branch's grids.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/71632/>

## CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	2816,7	-0,40%	-7,52%
S&P 500	3060,83	-2,21%	-5,26%
FTSE 100	6683,27	-1,94%	-11,39%
Nikkei	21329,12	1,09%	-9,84%
Sensex	38470,61	0,16%	-6,75%
CSI300	4206,73	2,23%	2,69%
Bovespa	104756,7	-2,30%	-9,42%

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

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	66,0784	-0,55%	6,74%
EURO/RUB	73,7369	-0,27%	6,34%

Source: Central Bank of Russia, Company calculations

Liquidity	IDGC of Centre		IDGC of Centre & Volga Region	
	Value	Change	Value	Change
Number of transactions, pcs.	1063		1686	
Trading volume, ₺ mln	9,3		24,4	
Trading volume, mln pcs.	34,5		122,2	
Average trading volume over the last 30 days, mln pcs.	73,9		149,7	
% of the authorized capital	0,08%		0,11%	

Source: MOEX, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln		MCap**, \$ mln	
		Value	Change	Value	Change
IDGC of Centre	0,269	11,36	171,67		
IDGC of Centre & Volga Reg	0,1986	22,38	338,72		

Source: MOEX, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	-1,10%	11,10%
MOEXEU	-1,38%	7,62%
IDGC of Centre**	-1,25%	-15,14%
IDGC of Centre & Volga Region**	-1,54%	-16,90%

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

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	-1,79%	4,78%
FGC UES	-2,14%	0,54%
IDGC of Volga	-0,98%	-9,30%
MOESK	0,00%	-6,42%
IDGC of Northern Caucasus	0,28%	-4,87%
IDGC of North-West	-1,29%	0,56%
IDGC of Urals	-2,71%	-6,30%
IDGC of Siberia	1,09%	-24,76%
Rosseti South	-1,47%	-8,15%
Lenenergo, ordinary shares	-0,31%	-7,24%
TRK, ordinary shares	-0,96%	-3,95%
Kubanenergo	-2,82%	13,68%

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**