

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 31 January some moderately positive external background formed on the Russian market. The US indices DJIA and S&P500 as a result of the volatile session grew by 0.3-0.4%. The market was supported by strong reporting by a number of companies, including Microsoft and Coca-Cola, and statistics confirming the Fed's view that the US economy continues to expand steadily. According to preliminary estimates, the GDP in the fourth quarter of 2019 increased by 2.1% in terms of annual rates, as in the third quarter. At the same time, the negative factor of the WHO's announcement of a global emergency in connection with the spread of the Chinese coronavirus was completely offset by statements of the head of the organization. According to him, the WHO expresses confidence in Beijing's ability to cope with the outbreak of the virus and opposes the restriction of international travel and trade with China. On Friday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.1%, including on weak Chinese statistics – the official manufacturing PMI in January fell to a threshold of 50 points. Moreover, analysts point out that these data were collected before the authorities launched large-scale actions to limit the epidemic and predict a sharp drop in the production index to 40-45 points in February. March Brent futures were trading around \$59.2 per barrel, \$0.6 higher than our close on 30 January. The market was supported by media reports about the desire of Saudi Arabia to hold an emergency OPEC+ meeting in the coming days due to lower oil prices.

On Friday, world markets remained under pressure from fears that the rapid expansion of the geography of the new virus would worsen the prospects for the global economy. According to analysts, despite the statements made on Thursday by the WHO head, the situation since the beginning of the week has become much more complicated – the total number of infected has reached 10,000, the number of countries that have detected infections has increased to 20, and on Friday Russia was among them. According to experts, the impact of the already observed sharp decline in consumer demand in the PRC in the first quarter will have great consequences for the global economy compared with the SARS epidemic – over the past 17 years China's contribution to the world GDP jumped from 4.2% to 15.8%. Weak statistics put additional pressure on the markets – the Eurozone's economy in the fourth quarter of 2019 grew by a minimum of 0.1% since 2013 due to an unexpected reduction in the GDP of France and Italy, the core inflation in the Eurozone slowed to 1.1% in January. Against this background, most of the day, the MOEX Russia Index, the consolidated European Stoxx Europe 600 Index and the S&P500 futures lost an average of 0.5%. At the end of the day, sellers in the Russian and European markets intensified after the start of trading in the US by a percentage reduction in the main indices.

During the day, 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 Rosseti, Inter RAO and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

Electricity generation in the Russian Federation in January 2020 decreased by 3.5%, consumption - by 3.4% - the Central Dispatch Centre of the Fuel and Energy Complex

Electricity generation in Russia in January 2020 decreased by 3.5% compared to the same period last year, to 102 billion kWh, TASS reports citing data from the Central Dispatch Centre of the Fuel and Energy Complex.

Read full text: <http://www.bigpowernews.ru/markets/document91733.phtml>

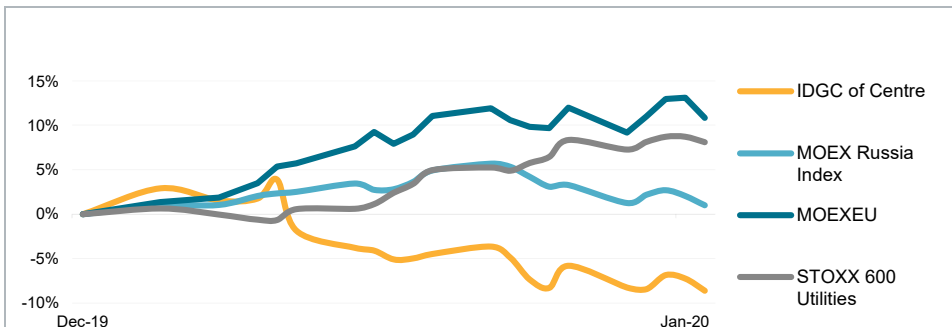
COMPANY NEWS

Rosseti Centre and Rosseti Centre and Volga Region allocated over 84 million rubles in 2019 to ensure environmental safety

Rosseti Centre and Rosseti Centre and Volga Region summed up the implementation of the Environmental Safety Program (hereinafter referred to as the Program) in 2019 aimed at implementing the Environmental Policy of the electric grid complex. Last year, the companies carried out 45 environmental protection measures in the regions of their activity (20 constituent entities of the Russian Federation). 84.5 million rubles were allocated for these purposes.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/71301/>

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	3 076,65	-1,03%	1,01%
S&P 500	3 246,85	-1,12%	0,50%
FTSE 100	7 281,81	-1,36%	-3,46%
Nikkei	23 205,18	0,99%	-1,91%
Sensex	40 723,49	-0,47%	-1,29%
CSI300	4 003,9	0,00%	-2,26%
Bovespa	113 486,1	-1,77%	-1,87%

Source: Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	63,0359	1,03%	1,83%
EURO/RUB	69,4151	1,08%	0,11%

Source: Company calculations (19:00 MSK)

Liquidity	IDGC of Centre		IDGC of Centre & Volga Region	
	Value	Change	Value	Change
Number of transactions, pcs.	1 297		959	
Trading volume, ₺ mln	20,3		16,6	
Trading volume, mln pcs.	69,3		72,0	
Average trading volume over the last 30 days, mln pcs.	78,0		298,7	
% of the authorized capital	0,16%		0,06%	

Source: Company calculations

Shares	Price**, ₺	MCap**, ₺ bln		MCap**, \$ mln	
		Value	Change	Value	Change
IDGC of Centre	0,2896	12,23	193,96		
IDGC of Centre & Volga Reg	0,23	25,92	411,20		

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	-0,55%	8,16%
MOEXEU	-2,04%	10,89%
IDGC of Centre**	-1,50%	-8,64%
IDGC of Centre & Volga Region**	-0,22%	-3,77%

Source: Company calculations

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	-4,65%	15,75%
FGC UES	-2,60%	9,22%
IDGC of Volga	-0,51%	-0,28%
MOESK	-0,32%	4,83%
IDGC of Northern Caucasus	0,71%	3,67%
IDGC of North-West	0,19%	-1,50%
IDGC of Urals	0,12%	3,39%
IDGC of Siberia	-0,97%	-17,31%
IDGC of South	-0,74%	-3,15%
Lenenergo, ordinary shares	-0,85%	-0,71%
TRK, ordinary shares	2,32%	2,56%
Kubanenergo	0,27%	15,57%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

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Bloomberg

Reuters

MRKC

MRKC RM

MRKC.MM