

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 18 May some moderately positive external background formed on the Russian market. On Friday, the US indices DJIA and S&P500 rose by 0.3-0.4%, despite a record drop in April of retail sales (-16.4% m/m) and industrial production (-11.2% m/m), and increased tensions between the US and China. Media reported that the US presidential administration took steps to block the supply of semiconductors for the Chinese company Huawei, in turn, China promised to take countermeasures against several US technology companies. Support for investors was provided by information on new economic stimulus measures being considered in the US Congress – after the end of the trading, the lower house approved a package of about \$3 trillion. An additional positive factor was the statistics on consumer confidence – the index calculated by the University of Michigan in May grew contrary to expectations. On Monday, the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.2%, the S&P500 futures were up 1.3%. Investors, Bloomberg said, were optimistic about the statements by the head of the Federal Reserve about the Central Bank's readiness to expand support for the economy and the expectation of a fairly quick economic recovery after the failed second quarter. At the same time, the increase in the Asian indices was restrained by weak statistics from Japan, where the second consecutive quarterly decline in the GDP was recorded, which corresponds to the formal definition of recession. July Brent futures were trading around \$33.8 per barrel, \$2.1 higher than our close on Friday, 15 May. Oil, experts say, continues to rise in price amid a global decline in production and signs of a gradual recovery in demand as the restrictive measures associated with the coronavirus epidemic are lifted.

On Monday, buyers dominated the global stock markets – in the afternoon, the growth of the MSCI ACWI exceeded 2.5%. Support was given to investors by the optimism of the head of the Federal Reserve, who was expecting a rapid recovery of the US economy in the third quarter, media information about the growing process of lifting quarantine restrictions around the world and news about the progress in the development of a vaccine against coronavirus infection. Moderna, an American biotechnology company, announced the positive results of the first phase of clinical trials of a coronavirus vaccine – according to a press release, all study participants developed antibodies to the virus. An additional driver of the rise of the Russian market was the growth of Brent quotes above \$35.5 on expectations of a restoration of the equilibrium of supply and demand. According to the Kepler international group of companies, OPEC+ exports have declined by 6.4 million b/d since the start of the month, Baker Hughes said the number of active oil and gas drilling rigs in the US has dropped to a minimum since the 1940s. At the same time, signs of improving demand are becoming more and more obvious – in particular, according to Bloomberg, the demand for oil in China, the second world consumer, has almost returned to pre-quarantine levels.

Over the course of the day, the electric utilities sector index underperformed – the activity of buyers was mainly concentrated in the first-tier papers. The main contribution to the final MOEXEU growth was made by Lenenergo's preference shares. After the resumption of trading, suspended since 17 March in connection with the reorganization, the value of these securities jumped by 20.7%, including on the recommendations of the board of directors on dividends. Even taking into account the today's rally, the dividend yield of Lenenergo's preference shares is 9.4%.

ELECTRIC POWER INDUSTRY NEWS

Rosseti fulfilled the order of the President of the Russian Federation Vladimir Putin and completed the consolidation of the power grid assets of Rosseti Lenenergo

The transition of Rosseti Lenenergo and its subsidiaries to a single share is the final stage of five years of work to consolidate the company's assets. The process has already allowed the formation of a unified grid control centre, thereby increasing the reliability of power supply to consumers, reducing grid maintenance costs, and optimizing capital investments.

Read full text: <http://www.rosseti.ru/press/news/>

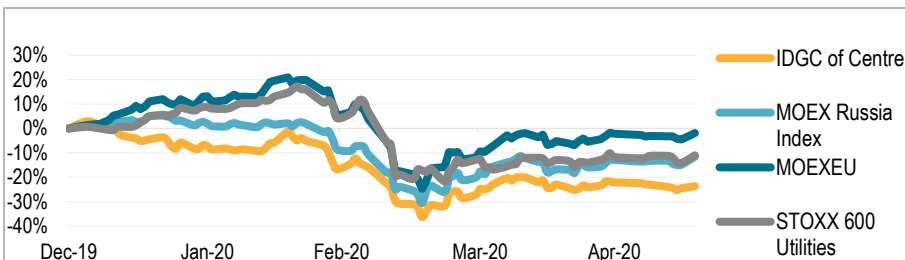
COMPANY NEWS

Power engineers of "Rosseti Centre Tverenergo" increased the reliability of power supply to hospitals in Konakovo and Nelidovo

A request was made to equip two medical facilities with additional sources of electric power to the Tver branch of Rosseti Centre by the regional Ministry of Health.

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

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	2694,25	3,87%	-11,54%
S&P 500	2950,79	3,04%	-8,67%
FTSE 100	6048,59	4,29%	-19,81%
Nikkei	20133,73	0,48%	-14,89%
Sensex	30028,98	-3,44%	-27,21%
CSI300	3922,91	0,26%	-4,24%
Bovespa	80233,4	3,45%	-30,62%

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

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	73,2056	-0,98%	18,25%
EURO/RUB	79,1279	-0,97%	14,11%

Source: Central Bank of Russia, Company calculations

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
Trading volume, ₺ mln	5,2	17,0
Trading volume, mln pcs.	21,4	100,0
Average trading volume over the last 30 days, mln pcs.	27,0	111,5
% of the authorized capital	0,05%	0,09%

Source: MOEX, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,1705	19,21	262,48

Source: MOEX, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	3,66%	-11,04%
MOEXEU	2,78%	-1,85%
IDGC of Centre**	1,09%	-23,72%
IDGC of Centre & Volga Region**	0,29%	-28,66%

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

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	1,98%	-5,16%
FGC UES	2,71%	-6,81%
IDGC of Volga	1,19%	-28,11%
MOESK	2,22%	-9,11%
IDGC of Northern Caucasus	1,61%	-11,60%
IDGC of North-West	-0,20%	-8,42%
IDGC of Urals	0,13%	-7,39%
IDGC of Siberia	0,23%	-30,10%
Rosseti South	1,30%	-18,40%
Lenenergo, ordinary shares	8,83%	-12,50%
TRK, ordinary shares	-0,83%	-16,51%
Kubanenergo	1,60%	-0,16%

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](#)

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