

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 26 November some moderately positive external background formed on the Russian market. On Monday major US indices, updating their historical records, rose by 0.7-1.3% on strengthening optimistic expectations about the prospects for the US-China trade deal. Firstly, the Chinese authorities announced the development of new measures to protect intellectual property, which was perceived by investors as a step towards Washington in one of the most controversial issues in the negotiations. Secondly, the Chinese media wrote that the parties are "very close" to the conclusion of the first phase of the trade deal. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.2%. The positive strong closure of the US market was offset by media reports that the American negotiators are likely to refuse to visit China this week. In addition, experts say, the Hong Kong bill, approved by the US Congress, is becoming an increasingly significant obstacle to the deal – the Chinese Foreign Ministry has formally protested the United States, urged to stop signing this document and stop any statements and interferences in the internal affairs of China. January Brent futures were trading around \$63.6 per barrel, \$0.3 above our close on 25 November.

On Tuesday, the Russian market was under pressure from the expected rebalancing of the index MSCI EM – in the afternoon, the loss of the MOEX Russia Index exceeded half a percent. After the close of trading on 26 November, the MSCI index provider for the third time this year will increase the weight of Chinese A-shares (traded on domestic exchanges and denominated in RMB) in its global benchmarks. As a result, the share of Chinese A-shares in the MSCI EM will increase by 1.6 percentage points, which will entail a proportional decrease in shares of other securities and a corresponding outflow of capital from these assets. As for Russia, according to various estimates, capital outflows can range from \$300 million to \$800 million. Western markets showed zero changes for most of the day in anticipation of new information on the US-China trade negotiations. In particular, experts say, investors are worried about Washington's forthcoming increase in tariffs on Chinese imports – until December 15 it is very little time left to reach a compromise on this issue. At the end of trading, the decline rate of the MOEX Russia Index accelerated to 0.8%, despite a slight growth in the US market and the rise of Brent quotes to around \$64 per barrel.

During the day, changes of the electric utilities sector index generally corresponded to the market. The main contribution to the final MOEXEU decline was made by shares of Inter RAO. In the power grid segment, the main driver of the changes of the papers is still the dividend news – on Tuesday a number of companies announced the amount of dividends for 9M2019. As a result, shares of IDGC of Centre and IDGC of Centre and Volga Region outperformed due to the current (at the close of Monday) dividend yield of about 7.4% on average, while the profit was recorded in shares of MOESK with the current dividend yield of 3.6%.

ELECTRIC POWER INDUSTRY NEWS

Mr. Kozak instructed to present the strategy of the electric grid complex until 2030 in February

An updated strategy for the development of the electric grid complex in Russia until 2030 may be presented in February next year, TASS reports citing a copy of the minutes of the meeting from Russian Deputy Prime Minister Dmitry Kozak. The authenticity of the document to the news agency was confirmed by a representative of Mr. Kozak.

Read full text: <http://www.bigpowernews.ru/news/document90832.phtml>

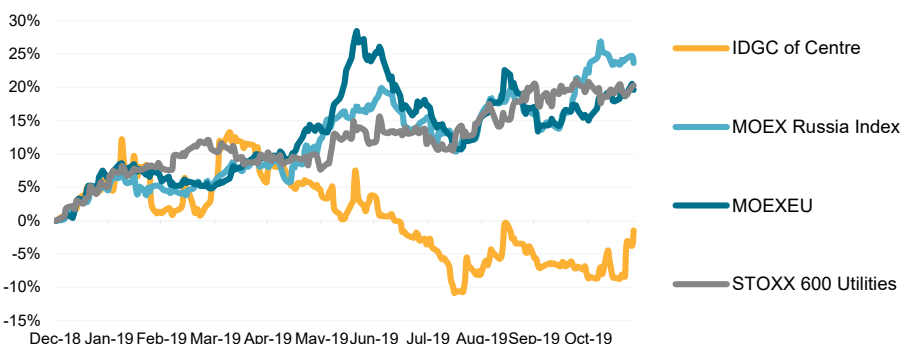
COMPANY NEWS

On decisions taken by Rosseti Centre's management bodies

On 25 November 2019, a meeting of the Board of Directors of Rosseti Centre (IDGC of Centre, PJSC) was held, at which a decision was made to convene an extraordinary General Meeting of Shareholders of the Company (hereinafter referred to as the Meeting) in the form of absentee voting on 30 December 2019.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/70335/>

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 930,62	-0,84%	23,69%
S&P 500	3 137,04	0,11%	25,14%
FTSE 100	7 408,01	0,16%	10,11%
Nikkei	23 373,32	0,35%	16,78%
Sensex	40 821,3	-0,17%	13,18%
CSI300	3 891,65	0,35%	29,26%
Bovespa	106 778,3	-1,52%	21,49%

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

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	63,7637	0,08%	-8,21%
EURO/RUB	70,3122	-0,30%	-11,51%

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

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
Number of transactions, pcs.	2 470	2 513
Trading volume, ₺ mln	33,1	94,7
Trading volume, mln pcs.	116,1	430,7
Average trading volume over the last 30 days, mln pcs.	24,6	224,6
% of the authorized capital	0,28%	0,38%

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2818	11,90	186,58
IDGC of Centre & Volga Reg	0,2198	24,77	388,48

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,14%	20,31%
MOEXEU	-0,76%	19,62%
IDGC of Centre**	2,40%	-1,47%
IDGC of Centre & Volga Region**	2,38%	-17,06%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-1,45%	53,54%
FGC UES	-0,48%	33,36%
IDGC of Volga	1,46%	-14,80%
MOESK	-3,98%	71,89%
IDGC of Northern Caucasus	-1,62%	126,14%
IDGC of North-West	-0,28%	-3,42%
IDGC of Urals	-0,81%	-6,72%
IDGC of Siberia	0,25%	94,63%
IDGC of South	1,42%	11,85%
Lenenergo, ordinary shares	-0,28%	32,33%
TRK, ordinary shares	1,88%	23,38%
Kubanenergo	0,00%	26,64%

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