



REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 19 March some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 rose by 0.3-0.4%, on Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific traded near zero, futures for US indices added 0.1%. The focus of the markets is the Fed meeting on 19-20 March. In general, analysts do not expect the Central Bank to make any changes in the current monetary policy, but expect to get more clarity on the Fed's medium-term plans both in relation to the changes of the key interest rate and the rate of normalization of the central bank balance. May Brent futures traded around \$67.6 per barrel, \$0.2 above our 18 March close. Oil prices continue to consolidate at four-month highs on expectations of continued OPEC+ cuts in oil production. On Monday, the OPEC+ Ministerial Monitoring Committee, confirming the need for efforts to restore balance in the global market, postponed until May the decision to extend the deal due to the market uncertainty, including the slowing global economy and the US sanctions against Iran and Venezuela.

The MOEX Russia Index spent most of the Tuesday's trading session in a small plus within half a percent. Support for buyers was provided by the persistence of positive sentiment on global stock markets in anticipation of the outcome of the Fed meeting and the rise in oil prices. The market consensus, according to MarketWatch, suggests maintaining the soft rhetoric of January, when the Fed suddenly paused the rate increase plan and announced its intention to "show patience" when making further decisions regarding its change. At the same time, according to MarketWatch, it is particularly interesting for traders whether the Fed will announce plans to stop the asset reduction program on the balance sheet of the Central Bank later this year. Brent quotes in the second half of the day tested the mark of \$68 per barrel on assurances from OPEC+ about the desire to restore the balance of supply and demand in the market. According to Citigroup, OPEC+ efforts to reduce oil production could raise the cost of Brent to above \$75 per barrel, and in the case of a drop in fuel production in Venezuela and a reduction in oil imports from Canada – above \$90 per barrel. At the end of the day, the MOEX Russia Index somewhat reduced the rate of the growth – investors preferred to take profits after the turn of Brent quotes from the daily highs.

During the day, the electric utilities sector index underperformed. As on Monday, the main contribution to the final MOEXEU reduction in antiphase with the MOEX Russia Index was made by shares of Inter RAO and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

The reference method of regulation: FAS is preparing a document for power grid companies

By mid-2019, the FAS Russia plans to adopt a document on transition of electric grid companies to the reference method of regulation, the press service of the antimonopoly agency said on Monday.

Read full text: <https://sm-news.ru/etalonnyj-metod-regulirovaniya-fas-gotovit-dokument-dlya-elektrosetevyx-kompanij-8679/>

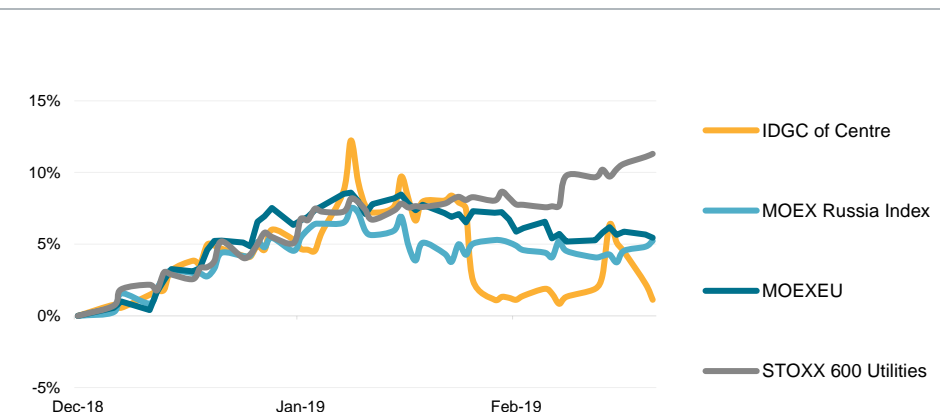
COMPANY NEWS

Igor Makovskiy: "By upgrading electric grid infrastructure facilities and commissioning new capacities, IDGC of Centre and IDGC of Centre and Volga Region contribute to the socio-economic development of the regions of the Central and Volga Federal Districts"

IDGC of Centre - the managing organization of IDGC of Centre and Volga Region (included in ROSSETI's Group of Companies) in 2019, as part of the investment program, will modernize and construct several large and significant power facilities in the regions of its activities (20 constituent entities of the Russian Federation).

Read full text: <https://www.mrsk-1.ru/press-center/news/company/67670/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 493,28	0,39%	5,23%
S&P 500	2 832,57	-0,01%	12,99%
FTSE 100	7 324,00	0,34%	8,86%
DAX	11 788,41	1,13%	11,64%
DJStoxx 600	384,29	0,57%	13,81%
Nikkei	21 566,85	-0,08%	7,75%
Sensex	38 363,47	0,70%	6,36%
CSI300	3 833,96	-0,46%	27,35%
Bovespa	99 588,37	-0,41%	13,31%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,67	-1,15%	-6,91%
EURO/RUB	73,36	-0,96%	-7,68%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 306,56	0,22%	1,88%
Brent*, USD/bbl	67,61	0,10%	25,67%

* - May futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2892	12,21	188,80
IDGC of Centre & Volga Reg	0,2655	29,92	462,68

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,19%	11,30%
MOEXEU Index	-0,22%	5,45%
IDGC of Centre**	-1,09%	1,12%
IDGC of Centre and Volga Region**	-1,26%	0,19%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,00%	25,08%
FGC UES	-0,89%	12,21%
IDGC of Volga	2,10%	4,29%
MOESK	-0,74%	2,27%
IDGC of Northern Caucasus	-1,21%	4,71%
IDGC of North-West	2,52%	-4,86%
IDGC of Urals	-0,32%	2,28%
IDGC of Siberia	6,48%	246,24%
IDGC of South	-2,62%	39,94%
Lenenergo, ordinary shares	-1,02%	9,64%
TRK, ordinary shares	0,00%	8,44%
Kubanenergo	10,06%	52,46%

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