

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 30 December some moderately positive external background formed on the Russian market. The US indices DJIA and S&P500 closed Friday with a conditional growth within 0.1%. In recent December's trading sessions, the US stocks are consolidating near historic highs. The main driver of optimistic investors' sentiment is still the expectation of a decrease in tension in the US-China trade conflict. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.1% on increasing geopolitical risks. According to media reports, the DPRK may conduct a new test of an intercontinental ballistic missile without waiting for concessions from Washington in the framework of negotiations on the denuclearization of the Korean Peninsula. Out of the general changes of Asian markets, the difference was the growth of the Chinese CSI300 index by 1.4%. The Central Bank of China announced plans to use the new base rate for one-year loans for first-class borrowers to determine the cost of borrowing. According to analysts, this will help make loans more affordable and accelerate the economic recovery. February Brent futures were trading around \$67.8 per barrel, \$0.5 higher than our closing level on 27 December. Positive background for the oil market was the statistics of the US Department of Energy, which recorded a greater than predicted reduction in oil reserves.

The MOEX Russia Index spent most of the trading session on Monday in a small plus, on average, at around a third of a percent due to rising oil prices. During the day, Brent quotes rose to \$69 per barrel on increasing tension in the Middle East. According to media reports, after the militants attacked the coalition forces base in Iraq, the US Air Force launched a series of attacks on Iran-supported armed groups in Iraq and Syria. The activity of Russian investors was restrained by the decline in European markets – the consolidated Stoxx Europe 600 lost about 0.5%. According to MarketWatch, the fact of reaching agreements between the US and China on the first phase of the deal has already provided significant support to the markets. At the same time, there is still no information on the details of the deal, and it is not clear whether Washington and Beijing can overcome the remaining contradictions and conclude a full-scale trade agreement. At the end of the day, the market sentiment worsened after the start of trading in the US with a half-percent decline in major indices. Against this background, sellers got intensified in the Russian market, the MOEX Russia Index closed the last trading session in 2019 below zero.

During the day, changes of the electric utilities sector index generally corresponded to the market. RusHydro's shares made the main contribution to the final MOEXEU underperformance compared to the MOEX Russia Index.

ELECTRIC POWER INDUSTRY NEWS

The Board of Directors of Rosseti approved the development strategy of the group of companies until 2030

26 December, the Board of Directors of Rosseti chaired by Minister of Energy of the Russian Federation Alexander Novak approved a new holding strategy that defines the goals and directions of development of the group of companies. The key difference from the previous strategy is the transition to a business model of modern innovation infrastructure.

Read full text: http://www.rosseti.ru/press/news/?ELEMENT_ID=36883

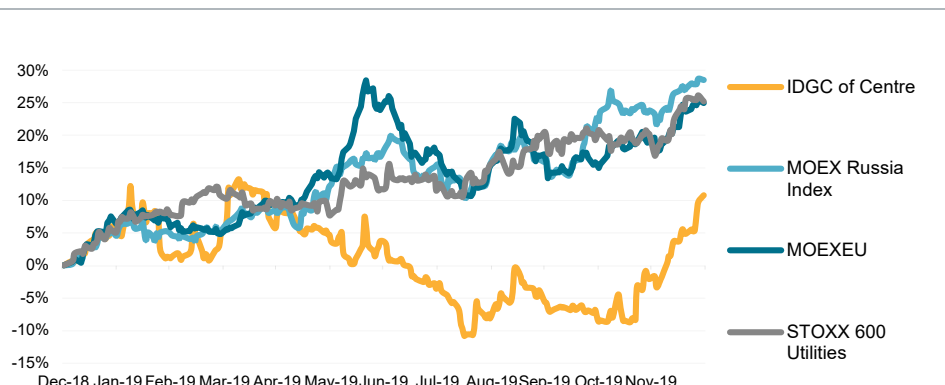
COMPANY NEWS

A large-scale training on elimination of conditional technological interruptions was conducted by power engineers of Rosseti Centre - the managing organization of Rosseti Centre and Volga Region in the Ivanovo region

On the eve of the New Year holidays, Rosseti Centre - the managing organization of Rosseti Centre and Volga Region conducted a large-scale training in the Ivanovo region to work out actions of operating and administrative and technical personnel in eliminating consequences of a mass blackout in the city of Ivanovo and the Ivanovsky district.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/71048/>

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	3 045,87	-0,15%	28,55%
S&P 500	3 219,51	-0,63%	28,43%
FTSE 100	7 599,66	-0,59%	12,95%
Nikkei	23 656,62	-0,76%	18,20%
Sensex	41 558	-0,04%	15,22%
CSI300	4 081,63	1,48%	35,57%
Bovespa	116 149,5	-0,33%	32,16%

Source: Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	62,0315	0,43%	-10,71%
EURO/RUB	69,0349	0,78%	-13,12%

Source: Company calculations (19:00 MSK)

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
	Number of transactions, pcs.	1 707
Trading volume, ₺ mln	15,4	106,0
Trading volume, mln pcs.	48,5	443,3
Average trading volume over the last 30 days, mln pcs.	43,5	219,1
% of the authorized capital	0,11%	0,39%

Source: Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,317	13,38	215,75
IDGC of Centre & Volga Reg	0,239	26,93	434,21

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,71%	25,26%
MOEXEU	-0,37%	25,00%
IDGC of Centre**	0,96%	10,84%
IDGC of Centre & Volga Region**	0,67%	-9,81%

Source: Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,74%	78,45%
FGC UES	0,09%	35,46%
IDGC of Volga	0,40%	-9,44%
MOESK	0,00%	80,53%
IDGC of Northern Caucasus	0,13%	114,29%
IDGC of North-West	-0,19%	-3,69%
IDGC of Urals	0,61%	-10,62%
IDGC of Siberia	1,15%	201,46%
IDGC of South	-0,80%	13,77%
Lenenergo, ordinary shares	-0,85%	33,08%
TRK, ordinary shares	13,16%	39,61%
Kubanenergo	0,79%	30,33%

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