



## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 7 February some moderately negative external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed with a decrease of 0.1-0.2%, on Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.3%. The markets were pressured by concerns about the resumption of the US shutdown and the uncertainty about the prospects for US-PRC trade negotiations. Donald Trump in his speech in the Congress once again stressed his rigidity in the matter of building a wall on the border with Mexico and said that he would achieve its construction. If the US President fails to reach an agreement with the Democrats on this issue, then the work of the federal bodies may again stop on 15 February. In turn, the US Treasury Secretary said that the issues to be discussed in the next round of trade negotiations with Beijing are quite complex. According to MarketWatch, this is, in particular, the problem of intellectual property, the progress in the discussion of which was very weak. In addition, the Secretary refuted the rumours about the scheduled meeting between the US President and the PRC Chairman in Vietnam at the end of February. April Brent futures traded around \$62.3 per barrel, \$0.4 above our 6 February close.

On Thursday sellers dominated world markets. In the middle of the day, the MOEX Russia Index, the European Stoxx Europe 600 Index, and futures for US indices lost more than half a percent due to investors moving away from risky assets on new signals of the slowing global economy. Firstly, industrial production in Germany unexpectedly declined in December, heightening fears of a slowdown in Europe's largest economy. Secondly, the European Commission sharply worsened the estimate for the growth of Eurozone's GDP for 2019 – down to 1.3% from the expected 1.9% in November amid uncertainty about Brexit and the slowdown in the growth of the Chinese economy. Thirdly, the Bank of England, following the results of the last meeting, expectedly keeping the rate at the level of 0.75%, announced an increase in risks and damages to the British economy related to Brexit. At the same time, the forecast of the UK GDP growth for 2019 was worsened from 1.7% to the minimum for 10 years of 1.2%. In the afternoon, the rate of decline of the MOEX Russia Index exceeded a percent following the acceleration of negative changes of the western markets.

During the trading session the electric utilities sector index outperformed – the main sales were concentrated in the first-tier stocks.

## ELECTRIC POWER INDUSTRY NEWS

### Russia to move to the long-term regulation of electricity tariffs

Russia will proceed to the long-term regulation of electricity tariffs, the corresponding resolution was published on the website of the Government of the Russian Federation. It is noted that the transition to long-term regulation of electricity tariffs and services rendered in retail electricity markets in isolated energy districts will help improve the efficiency of electricity production and reduce its cost by upgrading generating facilities, including using renewable energy sources in combination with traditional diesel generation.

Read full text: <https://www.pnp.ru/economics/rossiya-pereydet-k-dolgosrochnomu-regulirovaniyu-tarifov-na-elektroenergiyu.html>

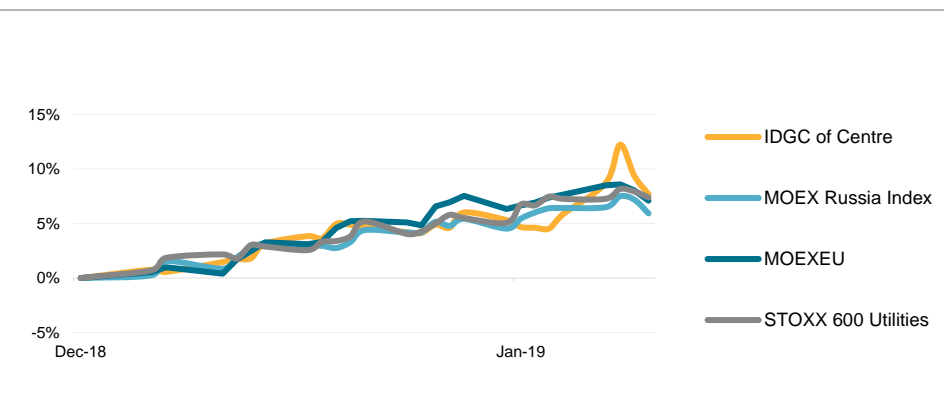
## COMPANY NEWS

### Specialists of IDGC of Centre for the previous year stopped about seven thousand facts of theft of electricity, the most egregious of them may be prosecuted

IDGC of Centre summed up the implementation of measures to identify and suppress non-metered and non-contractual electricity consumption in 2018. In the course of large-scale raid work carried out by personnel of Distribution Zones and electricity metering offices of the company's branches, including jointly with specialists of the security unit, more than 6.9 thousand cases of electricity theft were identified in the service area of IDGC of Centre (11 subjects of the Central Federal District) totalling 160.5 million kWh. The damage amounted to 499 million rubles.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/67218/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 509,89	-1,17%	5,93%
S&P 500	2 706,05	-0,94%	7,95%
FTSE 100	7 093,58	-1,11%	5,43%
DAX	11 022,02	-2,67%	4,39%
DJStoxx 600	360,08	-1,49%	6,64%
Nikkei	20 751,28	-0,59%	3,68%
Sensex	36 971,09	-0,01%	2,50%
CSI300	3 247,40	0,00%	7,86%
Bovespa	94 405,59	-0,24%	7,42%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,67	0,15%	-5,47%
EURO/RUB	74,77	-0,19%	-5,90%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 310,11	0,27%	2,15%
Brent*, USD/bbl	61,63	-1,69%	14,55%

\* - April futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre	0,3080	13,00	198,01
IDGC of Centre & Volga Reg	0,2815	31,72	483,10

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,50%	7,40%
MOEXEU Index	-0,85%	7,10%
IDGC of Centre**	-1,53%	7,69%
IDGC of Centre and Volga Region**	-1,19%	6,23%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,31%	25,34%
FGC UES	-0,30%	11,46%
IDGC of Volga	-0,84%	8,88%
MOESK	-0,21%	5,83%
IDGC of Northern Caucasus	-0,14%	2,29%
IDGC of North-West	-0,70%	2,52%
IDGC of Urals	-1,05%	12,68%
IDGC of Siberia	0,92%	60,59%
IDGC of South	1,55%	20,20%
Lenenergo, ordinary shares	0,00%	7,75%
TRK, ordinary shares	-2,70%	16,88%
Kubanenergo	-1,46%	38,11%

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