

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 10 February some moderately negative external background formed on the Russian market. On Friday the US indices DJIA and S&P500 fell 0.5-0.9%, on Monday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.5%. The markets were declining due to expectations of a slowdown in the Chinese economy due to the coronavirus epidemic and investors' concerns about the impact of the situation in China on global production chains – according to media reports, many companies have already been forced to suspend the release of their goods, depending on Chinese components. Sales activity was limited by positive statistics on the US labour market – the job growth in January was almost 30% higher than the monthly average for 2019. Support for the Chinese CSI300, which, unlike most major Asian stock indicators, closed in positive territory, was provided by information on operation resumption of enterprises in the country after a forced vacation and good statistics – in January producer prices went up after six consecutive months of decline. April Brent futures were trading around \$54.5 per barrel, \$0.3 below our close on Friday, 7 February.

On Monday, the consolidated MSCI All Country World Index was in a small minus within a third of a percent. The deterioration in the prospects for the global economy due to the epidemic of the Chinese coronavirus was partially offset by statements of physicians, who raised investors' hopes for a successful outcome in the fight against the epidemic. According to Capital Economics, the damage to the global economy from the Wuhan virus in the first quarter will amount to \$280 billion, as a result of which, for the first time since 2009 the global GDP will not increase compared to the previous quarter. On the other hand, Chinese doctors reported a trend towards a decrease in the number of cases in the regions of China, with the exception of the localized epicentre around Wuhan, and British epidemiologists reported a peak in the spread of the virus predicted in the next couple of weeks, after which the number of cases would decline. In this case, experts believe, the global economy can quickly compensate for the loss of the first quarter. Sales continue on the Russian market, the main driver of which is still a negative trend in oil prices – at daily lows, losses of the MOEX Russia Index exceeded a percent. Brent quotes fell below \$54 per barrel on fears of widening the imbalance of supply and demand in the global oil market. According to the FGE consulting company, oil demand in China fell by 3.2 million barrels per day (b/d). In February, the drop in demand may decrease to 2.5 million b/d, if the least epidemic affected sectors resume work, and in March, to 1.4 million b/d. At the same time, the media remind, OPEC+ cannot yet agree on a reduction in production by 600 thousand b/d.

During the trading session, the electric utilities sector index outperformed. The main contribution to the final MOEXEU outperformance in comparison with the MOEX Russia Index was made by shares of FGC UES and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

The Ministry of Economic Development proposed energy efficiency measures in the Russian Federation with savings of up to 240 billion rubles a year

The Ministry of Economic Development of Russia announced energy efficiency measures, the savings from which can reach up to 240 billion rubles annually, the press service of the ministry said.

Read full text: <http://www.bigpowernews.ru/news/document91837.phtml>

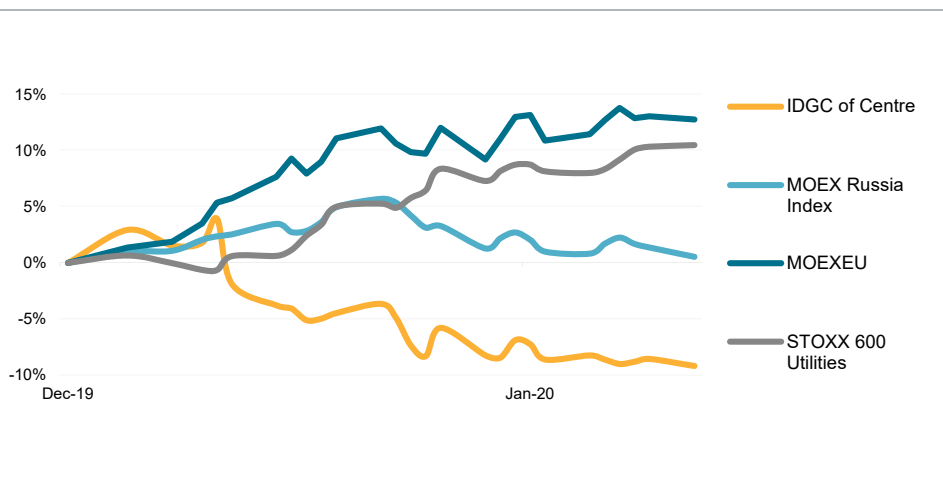
COMPANY NEWS

Representatives of IT departments of Rosseti's Group of Companies had a working visit to Belgorodenergo

On 6 February, on the basis of Rosseti Centre Belgorodenergo, a working meeting of representatives of IT departments of subsidiaries and affiliates of PJSC Rosseti on the design and organization of digital operational dispatch radio communications was held.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/71383/>

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	3 062,41	-0,82%	0,54%
S&P 500	3 339,77	0,36%	3,37%
FTSE 100	7 442,03	-0,33%	-1,33%
Nikkei	23 685,98	-0,60%	0,12%
Sensex	40 979,62	-0,39%	-0,66%
CSI300	3 916,01	0,41%	-4,41%
Bovespa	113 149,1	-0,55%	-2,16%

Source: Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	63,472	1,07%	2,53%
EURO/RUB	69,6288	0,79%	0,42%

Source: Company calculations (19:00 MSK)

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
	Number of transactions, pcs.	902
Trading volume, ₺ mln	11,6	33,1
Trading volume, mln pcs.	40,3	144,9
Average trading volume over the last 30 days, mln pcs.	79,9	259,7
% of the authorized capital	0,10%	0,13%

Source: Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
		IDGC of Centre	0,2878
IDGC of Centre & Volga Reg	0,227	25,58	403,05

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	0,24%	10,51%
MOEXEU	-0,26%	12,79%
IDGC of Centre**	-0,69%	-9,21%
IDGC of Centre & Volga Region**	-1,43%	-5,02%

Source: Company calculations

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	-0,74%	15,11%
FGC UES	1,07%	12,39%
IDGC of Volga	-0,44%	1,13%
MOESK	0,50%	1,76%
IDGC of Northern Caucasus	-2,34%	5,60%
IDGC of North-West	0,38%	-0,19%
IDGC of Urals	-0,47%	2,55%
IDGC of Siberia	1,41%	-18,45%
IDGC of South	0,67%	-2,66%
Lenenergo, ordinary shares	-0,14%	0,43%
TRK, ordinary shares	1,90%	-0,47%
Kubanenergo	-1,74%	15,57%

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