

## REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 18 December some neutral external background formed on the Russian market. The US indices S&P and DJIA closed Tuesday's trading session with a slight increase within 0.1%. According to analysts, investors take a wait and see attitude in the absence of details under the terms of the first phase of the US-PRC trade deal. In this context, the published batch of good American statistics did not have a significant impact on the market. In November the number of new buildings increased more than expected, the number of issued building permits – up to the maximum since 2007, the increase in industrial production was the largest in two years. On Wednesday most of the major country indices in the Asia-Pacific region did not show significant changes. Of the overall trends of the Asian markets, the Japanese Nikkei 225 decreased by 0.5% after the release of weak statistics – the export volume in November declined for the twelfth consecutive month. February Brent futures were trading around \$65.7 per barrel, \$0.1 below our close on 17 December. Oil prices were down on statistics from the American Petroleum Institute (API), which recorded an increase in US oil reserves of 4.7 million barrels.

On Wednesday, the MOEX Russia Index, the consolidated European Stoxx Europe 600 Index and the S&P500 futures consolidated near historical highs. In the context of a shortage of significant news on the US-Chinese talks, good European statistics came out in the background during the day. The German economy confidence index peaked in December for six months, inflation in the Eurozone in November accelerated to 1%. At the same time, regarding the first phase of the US-China deal, the skepticism of analysts is gradually increasing. In particular, Fitch believes that, despite the easing of trade tension, there remains a significant risk of a re-escalation of the conflict, while long-standing contradictions, especially in such areas as technology, will be the main obstacle to the full resolution of the trade war. In addition, according to Bloomberg, citing an official of the US Department of Agriculture, Beijing's procurement of agricultural products in the US will depend on its competitiveness. According to the agency, this emphasizes the difficulties that the parties may encounter when implementing the terms of the agreement for the first phase of the trade transaction. The MOEX Russia Index was able to complete trading by a third percent increase, including due to Brent quotes growth above \$66 per barrel after the US Department of Energy reported a decrease, contrary to the API data, of oil reserves in the country last week by 1.1 million barrels.

For the second day in a row, the electric utilities sector index has outperformed. According to BCS experts, the rally in shares of energy companies may be related to the news that on 25 December the Russian government will consider a privatization plan for 2020–2022, which includes the sale of part of shares of the state-owned RusHydro and Rosseti, a reduction in the share of Rosseti in the authorized capital of FGC UES. "... investors probably believe that strategic investors will become buyers of state-owned blocks and that they will buy them with a premium to the market," the review said.

## ELECTRIC POWER INDUSTRY NEWS

### The Russian government decided to extend the renewable energy support program for 10 years

The Russian government has decided to extend for 10 years a program to support the construction of generation based on renewable energy sources (RES), said Energy Minister Alexander Novak on Tuesday in an interview with RBC.

Read full text: <http://www.bigpowernews.ru/markets/document91133.phtml>

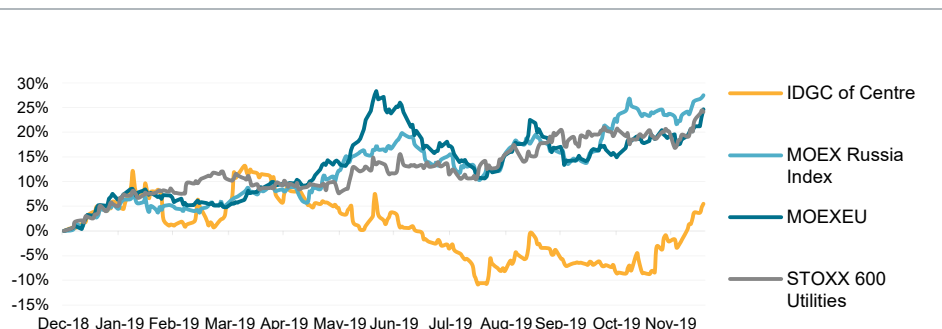
## COMPANY NEWS

### Igor Makovskiy: "In 2019 we completed 30% of all activities of the first stage of digital transformation, designed for five years"

17 December, General Director of IDGC of Centre - the managing organization of IDGC of Centre and Volga Region (operating under the brands of Rosseti Centre and Rosseti Centre and Volga Region) Igor Makovskiy held a press conference at the TASS news agency. Igor Makovskiy summarized the work of the energy companies in 2019 and spoke about key projects planned for implementation in the near future.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/70913/>

## CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	3023,92	0,35%	27,63%
S&P 500	3195,6	0,10%	27,47%
FTSE 100	7549,35	0,32%	12,21%
Nikkei	23934,43	-0,55%	19,58%
Sensex	41558,57	0,50%	15,22%
CSI300	4032,78	-0,22%	33,95%
Bovespa	113091,5	0,42%	28,68%

Source: Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	62,5326	-0,38%	-9,99%
EURO/RUB	69,6801	-0,38%	-12,31%

Source: Company calculations (19:00 MSK)

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
Number of transactions, pcs.	2846	3783
Trading volume, ₺ mln	33,2	124,1
Trading volume, mln pcs.	109,7	558,2
Average trading volume over the last 30 days, mln pcs.	36,8	209,1
% of the authorized capital	0,26%	0,50%

Source: Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,302	12,75	203,89
IDGC of Centre & Volga Reg	0,2239	25,23	403,52

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,29%	24,28%
MOEXEU	1,31%	24,73%
IDGC of Centre**	0,67%	5,59%
IDGC of Centre & Volga Region**	2,61%	-15,51%

Source: Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	2,85%	77,58%
FGC UES	1,81%	35,97%
IDGC of Volga	-0,11%	-10,71%
MOESK	3,04%	77,20%
IDGC of Northern Caucasus	-2,66%	114,14%
IDGC of North-West	2,52%	-4,68%
IDGC of Urals	-0,12%	-11,27%
IDGC of Siberia	-2,19%	161,46%
IDGC of South	-0,50%	10,38%
Lenenergo, ordinary shares	-0,55%	36,86%
TRK, ordinary shares	0,00%	16,88%
Kubanenergo	0,00%	30,94%

Source: MOEX, Company calculations

\*\* - at the price of last transaction at MOEX

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### Tickers

Moscow Exchange (MOEX)  
Reuters

MRKC  
MRKC.MM