

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 11 February some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 rose by 0.6-0.7% on reducing fears of large-scale negative consequences of the coronavirus epidemic after reports of the resumption of enterprises in China. In addition, analysts say, investors again drew attention to a fairly successful reporting season in the US – according to Bloomberg, of two-thirds of the S&P500 companies that have already reported, more than 75% exceeded earnings forecasts. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.6%. Additional support to Asian markets was provided by information on reducing the number of new cases of coronavirus infection at the epicentre of the disease – Hubei Province – to a minimum since early February. April Brent futures were trading around \$54.0 per barrel, \$0.2 higher than our closing level on 10 February.

Positive sentiment prevailed on global stock markets on Tuesday – by mid-day, the growth rates of the MOEX Russia Index and the consolidated European Stoxx Europe 600 Index were more than half a percent. The reason for optimism was the expectation that the Wuhan virus would soon pass through the acute phase of the epidemic. According to the Chinese government's epidemic chief medical adviser, who received, Reuters reminds, international recognition for his role in controlling the spread of SARS in 2003, the outbreak of coronavirus in China could peak in mid or late February and then go down after a short plateau phase. In the second half of the day, the growth rates of the MOEX Russia Index exceeded a percent following the rally in Gazprom's shares. Support for these securities (+4% at the end of the day) was provided by a Bloomberg report citing Gazprom's deputy head Famil Sadygov that the concern could use unadjusted net profit to calculate dividends for 2019.

During the trading session, the electric utilities sector index underperformed mainly due to sales in FGC's shares. From the news of the grid sector, one can note the media information that, following a meeting in the government on 10 February, Deputy Prime Minister Yury Borisov, who oversees the electric power industry, instructed to create a working group led by the Ministry of Economic Development and the Federal Antimonopoly Service and until 1 March assess the impact of FGC's tariff differentiation on the economy. In addition, Yury Borisov instructed the Ministry of Energy to finalize the government's resolution on payment for capacity reserve. According to RBC, it is about shifting the timing of the introduction of the payment for 2021 and assessing the need for it for enterprises with their own power plants and enterprises of the first and second categories of reliability. The main contribution to the final MOEXEU growth was made by shares of Gazprom's generation companies on improving dividend expectations. Interfax, citing a presentation prepared for Gazprom's Investor Day, said that the subsidiaries of the concern will begin to pay dividends in the amount of 50% of profit under IFRS from 2020.

ELECTRIC POWER INDUSTRY NEWS

Mr. Borisov sent for revision the energy reform for industry

The new supervisor of the fuel and energy complex, Deputy Prime Minister Yury Borisov, sent for revision two initiatives of Rosseti - to raise tariffs for large-scale industry and to pay for reserve power. They can cost industry 100 billion rubles.

Read full text: <https://www.rbc.ru/business/11/02/2020/5e41a1c19a79475126ccc954>

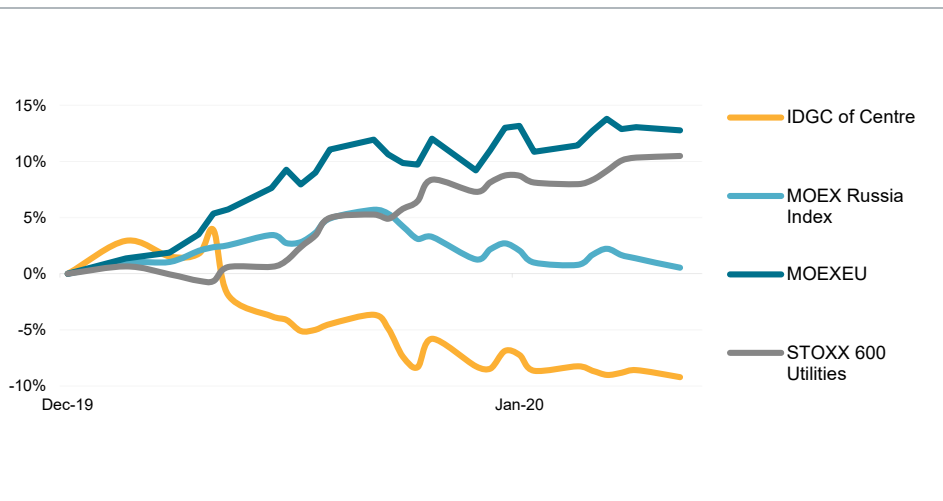
COMPANY NEWS

Belgorodenergo's specialists examined over a thousand kilometres of power lines with drones

In 2019, specialists of Rosseti Centre Belgorodenergo examined over 1,000 km using unmanned aerial vehicles (UAVs). The first three quadcopters were put at the disposal of the diagnostic and power lines services of the branch last July.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/71408/>

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	3097,56	1,15%	1,70%
S&P 500	3372,37	0,60%	4,38%
FTSE 100	7508,92	0,83%	-0,44%
Nikkei	23685,98	0,00%	0,12%
Sensex	41216,14	0,58%	-0,09%
CSI300	3952,46	0,93%	-3,52%
Bovespa	114951,3	2,12%	-0,60%

Source: Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	63,7708	0,47%	3,01%
EURO/RUB	69,8226	0,28%	0,70%

Source: Company calculations (19:00 MSK)

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
Trading volume, ₺ mln	13,8	17,6
Trading volume, mln pcs.	48,0	77,2
Average trading volume over the last 30 days, mln pcs.	79,9	257,7
% of the authorized capital	0,11%	0,07%

Source: Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2287	25,77	404,17

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	1,06%	11,77%
MOEXEU	0,98%	13,90%
IDGC of Centre**	-0,07%	-9,27%
IDGC of Centre & Volga Region**	0,75%	-4,31%

Source: Company calculations

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	1,93%	17,33%
FGC UES	-1,21%	11,03%
IDGC of Volga	1,11%	2,25%
MOESK	0,04%	1,80%
IDGC of Northern Caucasus	-0,63%	4,93%
IDGC of North-West	0,09%	-0,09%
IDGC of Urals	-0,35%	2,18%
IDGC of Siberia	-1,19%	-19,42%
IDGC of South	0,17%	-2,50%
Lenenergo, ordinary shares	0,14%	0,57%
TRK, ordinary shares	0,23%	-0,23%
Kubanenergo	2,04%	17,92%

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