

## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 29 November some moderately negative external background formed on the Russian market. On Thursday the US market was closed due to Thanksgiving. On Friday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.9% on fears of Beijing's retaliatory measures after the signing of Hong Kong bills by Donald Trump, which, experts say, could worsen the prospects for a trade deal. An additional negative factor for investors in the Asian session was weak regional statistics: in October industrial production in Japan fell by the maximum since January 2018, 4.2%, and in South Korea – by 1.7%. At the same time, experts say, producers' polls do not suggest the restoration of industrial production in the coming months – the economies of Asian countries continue to suffer losses due to the protracted US-China trade dispute. January Brent futures were trading around \$63.8 per barrel, \$0.4 higher than our close on 28 November.

In the first half of the trading session, global stock markets remained under pressure from fears of worsening US-China relations after Donald Trump signed the Hong Kong bills. At the daily lows, the loss of the MOEX Russia Index and the consolidated European Stoxx Europe 600 Index averaged about half a percent. In the afternoon, the Stoxx Europe 600 Index moved to positive territory thanks to good statistics. Inflation in the Eurozone in November accelerated to 1%, while the Core CPI reached its highest level in seven months, in Germany the number of unemployed fell at the highest rate since February. In turn, the MOEX Russia Index was able to complete trading in a small plus mainly due to the growth of Gazprom's shares. Support for these securities was provided by management statements about the company's plans to pay dividends of 50% of adjusted IFRS net profit already for 2021. Gazprom expects that additional dividend payments will be financed by increasing free cash flow amid the passage of the investment cycle and generating additional income from new projects being launched.

During the day, changes of the electric utilities sector index generally corresponded to the market. The main contribution to the small MOEXEU overall growth was made by shares of Inter RAO. Rosseti reported according to IFRS for 9M2019: revenue increased by 2.0% up to 734.2 billion rubles, EBITDA by 9.9% up to 244.6 billion rubles, net profit by 6.8% up to 97.1 billion rubles. "Net profit for 9 months of 2019 increased by 6.8% due to a decrease in the cost of creating reserves for expected credit losses, an improvement in the balance of other income due to the asset swap transaction with DVEUK. Nevertheless, the III quarter was not so successful – the final financial result decreased by 8.3% y/y due to an increase in operating costs. If the trend continues in the IV quarter, the annual growth rate of net profit may slow down," BCS commented the reporting.

## ELECTRIC POWER INDUSTRY NEWS

### Rosseti summed up its financial results for 9 months of 2019 under IFRS

Rosseti (MOEX: RSTI) presents financial results for 9 months ended 30 September 2019, calculated according to International Financial Reporting Standards (IFRS). The indicators show a stable financial condition of the company.

Read full text: [http://www.rosseti.ru/press/news/index.php?ELEMENT\\_ID=36505](http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=36505)

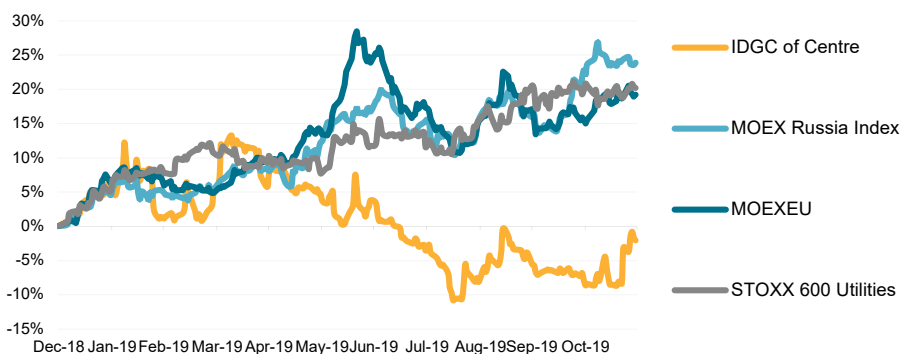
## COMPANY NEWS

### Rosseti Centre and Rosseti Centre and Volga Region completed a pilot educational project for students on the basics of digital transformation

The lecture course "Digital Transformation in the Electric Grid Complex", unparalleled in Russia, presented by power engineers of Rosseti Centre and Rosseti Centre and Volga Region in universities in 20 regions of the country, aroused great interest of students and teachers. The pilot project of the country's largest electric grid companies was attended by more than 1,500 students.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/70362/>

## CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2935,37	0,27%	23,89%
S&P 500	3148,01	-0,18%	25,58%
FTSE 100	7368,23	-0,65%	9,51%
Nikkei	23293,91	-0,49%	16,38%
Sensex	40793,81	-0,82%	13,10%
CSI300	3828,67	-0,87%	27,17%
Bovespa	108112,5	-0,16%	23,01%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,1005	0,20%	-7,73%
EURO/RUB	70,5747	0,19%	-11,18%

Source: Bloomberg, Company calculations (19:00 MSK)

Liquidity	IDGC of Centre		IDGC of Centre & Volga Region	
	Value	Change	Value	Change
Number of transactions, pcs.	505		1 881	
Trading volume, ₺ mln	4,5		27,8	
Trading volume, mln pcs.	16,1		132,1	
Average trading volume over the last 30 days, mln pcs.	28,4		248,2	
% of the authorized capital	0,04%		0,12%	

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln		MCap**, \$ mln	
		Value	Change	Value	Change
IDGC of Centre	0,28	11,82	184,41		
IDGC of Centre & Volga Reg	0,2114	23,82	371,67		

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,08%	20,22%
MOEXEU	0,25%	19,20%
IDGC of Centre**	-0,36%	-2,10%
IDGC of Centre & Volga Region**	0,09%	-20,23%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,51%	53,58%
FGC UES	0,29%	31,85%
IDGC of Volga	-0,91%	-16,53%
MOESK	-0,18%	68,64%
IDGC of Northern Caucasus	-0,83%	121,43%
IDGC of North-West	-1,24%	-6,67%
IDGC of Urals	0,24%	-8,13%
IDGC of Siberia	3,02%	100,00%
IDGC of South	-0,41%	10,56%
Lenenergo, ordinary shares	-1,14%	31,38%
TRK, ordinary shares	-1,09%	18,18%
Kubanenergo	-0,48%	27,05%

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