

## REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 19 February some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 lost 0.3-0.6% on Apple's statement that the spread of coronavirus would adversely affect the company's revenue in the current quarter. This triggered a new round of fears that undermining global supply chains due to the epidemic in China will lead to negative consequences for the global economy, writes MarketWatch. On Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific and the US S&P futures added 0.3% after the release of encouraging statistics on the distribution of the Covid-19 coronavirus – firstly, the number of new infections for the second day has been below 2 thousand, secondly, the number of people recovered over the past day for the first time exceeded the number of infected people. April Brent futures were trading around \$58.1 per barrel, \$0.7 higher than our closing level on 18 February. Oil quotes were supported by news on sanctions against a Rosneft trader – the Swiss company Rosneft Trading S.A., which accounted for about 70% of oil exports from Venezuela, and information on the situation in Libya. According to media reports, production in Libya fell to the lowest level since 18 January – 135.7 thousand barrels per day – after the Libyan National Oil Corporation announced the evacuation of tankers from the port of Tripoli in connection with the shelling of the port.

On Wednesday, buyers dominated the Russian market – the MOEX Russia Index spent most of the day in more than a percent plus due to improved sentiment on world stock exchanges and rising oil prices. The consolidated MSCI All Country World Index added more than a third of a percent on growing hopes for an early peak in the spread of the Covid-19 virus epidemic. In this case, according to experts, the PRC industry will fully recover in the second quarter, and the damage to the global economy will be minimal. The drivers of our market's rise were shares of Norilsk Nickel and Rosneft, which completed trading with a 3% growth. Support for GMKN securities was provided by updating historical highs with palladium prices, which account for more than a third of the company's revenue, and information about Norilsk Nickel entering the top 4 companies in the MSCI Russia 10/40 index. Rosneft shares grew on good financial statements – the company's net profit under IFRS in 2019 increased by 29% y/y.

At the end of the trading session, the electric utilities sector index looked slightly worse than the market – the growth of shares of Mosenergo, FGC UES and Rosseti levelled the 10% collapse in Enel Russia's capitalization. The fall of these papers was triggered by the presentation of the company's new strategy for 2020–2022, the need for the development of which was mainly due to a change in the technological profile – the exit from coal generation and the development of renewable energy sources. According to experts, investors could be disappointed with the planned decrease in dividends from 5 billion rubles according to the results of 2018 to 3 billion rubles annually according to the results of 2019–2021. "The dividend yield of 7.5% per year is less than many other stories in the sector," noted VTB Capital analysts.

## ELECTRIC POWER INDUSTRY NEWS

### Protecting the economic interests of Rosseti's group of companies is a priority for security units

In St. Petersburg, under the leadership of Deputy Director General for Security of PJSC Rosseti Sergey Trushkin, there is a meeting on pressing issues of implementing a package of measures to improve the efficiency of financial and economic activities and the financial stability of the electric grid complex.

Read full text: [http://www.rosseti.ru/press/news/index.php?ELEMENT\\_ID=37037](http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=37037)

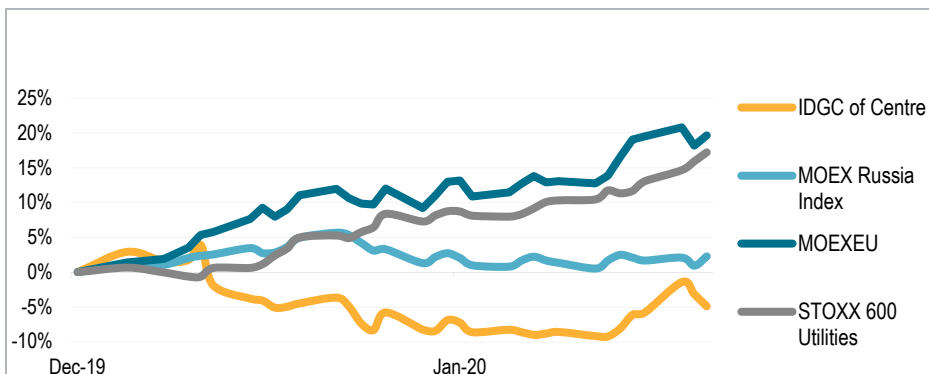
## COMPANY NEWS

### Belgorodenergo commissioned 82 MVA of new capacity

In 2019, as part of the implementation of the investment program of Rosseti Centre Belgorodenergo, it commissioned 82 MVA of transformer capacity, constructed and reconstructed over 570 kilometres of 0.4-110 kV power lines in the region. The capital investments amounted to 2.9 billion rubles.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/71466/>

## CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	3114,57	1,32%	2,26%
S&P 500	3387,77	0,52%	4,86%
FTSE 100	7456,37	1,01%	-1,14%
Nikkei	23400,7	0,89%	-1,08%
Sensex	41323	1,05%	0,17%
CSI300	4051,31	-0,15%	-1,11%
Bovespa	116235,1	1,09%	0,51%

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

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	63,7698	0,73%	3,01%
EURO/RUB	69,0882	0,68%	-0,36%

Source: Central Bank of Russia, Company calculations

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
Number of transactions, pcs.	1828	1311
Trading volume, ₺ mln	25,0	29,5
Trading volume, mln pcs.	82,1	129,1
Average trading volume over the last 30 days, mln pcs.	82,2	212,7
% of the authorized capital	0,19%	0,11%

Source: MOEX, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3014	12,72	199,54
IDGC of Centre & Volga Reg	0,2288	25,79	404,35

Source: MOEX, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	1,16%	17,27%
MOEXEU	1,25%	19,67%
IDGC of Centre**	-1,82%	-4,92%
IDGC of Centre & Volga Region**	-0,95%	-4,27%

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

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	2,62%	21,62%
FGC UES	2,64%	16,36%
IDGC of Volga	-0,83%	1,01%
MOESK	-1,44%	3,23%
IDGC of Northern Caucasus	-0,62%	7,00%
IDGC of North-West	-3,74%	8,33%
IDGC of Urals	0,48%	2,42%
IDGC of Siberia	-0,58%	-16,99%
IDGC of South	-0,49%	-1,05%
Lenenergo, ordinary shares	0,56%	1,56%
TRK, ordinary shares	-2,13%	6,98%
Kubanenergo	0,79%	20,28%

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