

## REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 4 December some moderately negative external background formed on the Russian market. Major US indices closed trading on Tuesday with a decline of 0.6-1.0%, on Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.6% on rising fears of a significant delay in the US-PRC trade agreement. The reason for this was Donald Trump's statement that he did not have a deadline for concluding a deal with China and that he could wait until the end of the 2020 presidential election. Despite the fact that many analysts regard these words of the head of the White House as a tactical move in difficult negotiations with Beijing, the market participants noted a significant increase in the risks of introducing new duties on Chinese imports from 15 December, followed by an escalation of the trade conflict. February Brent futures were trading around \$61.3 per barrel, \$0.6 higher than our closing level on 3 December. The market was supported by a report of the American Petroleum Institute on the reduction of US oil reserves by the largest in two months 3.7 million barrels.

After two days of sales on Wednesday optimistic sentiment returned to global stock markets after Bloomberg reported that the US and China were approaching an agreement on the scale of tax folding as part of the first phase of the trade deal. According to the agency, the American negotiators expect to complete the first stage transaction before the increase in the US duties scheduled for 15 December. At the same time, Bloomberg notes, the new US legislative initiatives regarding human rights in Hong Kong and Xinjiang, which have already become the reason for China's harsh retaliatory statements, should not prevent the conclusion of an agreement. Against this background, in the afternoon the growth rates of the MOEX Russia Index and the consolidated European Stoxx Europe 600 Index averaged about a percent, and futures for the US indices added more than 0.5%. The rather weak statistics published during the day faded into the background. In November in the US data on business activity in the services sector and employment in the private sector were worse than expected; in the Eurozone the composite business activity index remained close to a minimum of six years. At the end of the day, the growth rates of the MOEX Russia Index fell to 0.6%, despite the continued positive changes on the Western markets and the growth of Brent quotes to around \$63 per barrel. The restraining factor for the Russian market was the activation of the sanction topic. Firstly, the US Congress returned to the discussion of the draft act "Defending American Security from Kremlin Aggression" (DASKA), which includes, among other things, introduction of restrictions on investment in the Russian public debt. Secondly, Germany is considering the possibility of imposing sanctions against the Russian Federation in connection with the investigation of the murder of a Georgian citizen in Berlin – according to WSJ, this could jeopardize energy cooperation between Germany and Russia.

Over the course of the day, the electric utilities sector index underperformed – investors' activity was mainly concentrated in the first-tier stocks. Shares of OGC-2 and FGC UES made the main contribution to the MOEXEU underperformance in comparison with the MOEX Russia Index.

## ELECTRIC POWER INDUSTRY NEWS

### Electricity generation in the UES of Centre for 11 months of 2019 grew up by 2.4% with an increase in electricity consumption by 0.2%

Electricity consumption in the UES of Centre in November 2019 amounted to 21,752.7 million kWh, which is 1.3% (277.1 million kWh) less than a year earlier, ODU Centre reported.

Read full text: <http://www.bigpowernews.ru/news/document90974.phtml>

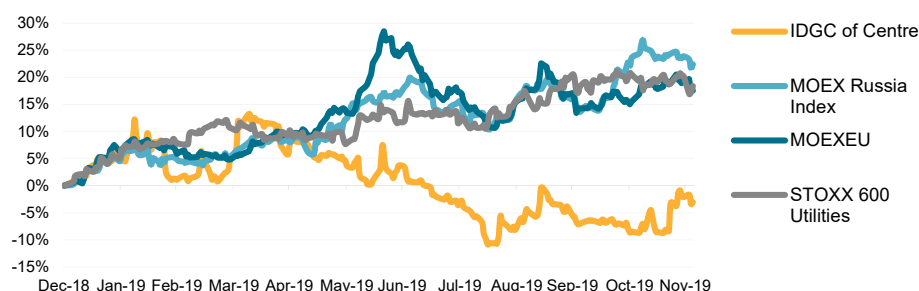
## COMPANY NEWS

### Rosseti Centre - managing organization of Rosseti Centre and Volga Region held a conference call and webcast dedicated to the consolidated performance results of the Companies for 9 months of 2019

Based on the results of the publication of the unaudited consolidated interim condensed financial statements for 9 months of 2019 under IFRS, the management of IDGC of Centre (hereinafter referred to as Rosseti Centre) – managing organization of IDGC of Centre and Volga Region (hereinafter referred to as Rosseti Centre and Volga Region) held a conference call with representatives of the investment community to webcast a presentation dedicated to the performance results of Rosseti Centre and Rosseti Centre and Volga Region for 9 months of 2019.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/70813/>

## CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 900,66	0,60%	22,43%
S&P 500	3 112,76	0,63%	24,17%
FTSE 100	7 188,50	0,42%	6,84%
Nikkei	23 135,23	-1,05%	15,59%
Sensex	40 850,29	0,43%	13,26%
CSI300	3 849,82	-0,03%	27,87%
Bovespa	110 300,90	1,23%	25,50%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,14	-0,42%	-7,67%
EURO/RUB	71,06	0,12%	-10,57%

Source: Bloomberg, Company calculations

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
	Number of transactions, pcs.	812
Trading volume, ₺ mln	7,9	20,6
Trading volume, mln pcs.	28,8	96,6
Average trading volume over the last 30 days, mln pcs.	29,6	256,8
% of the authorized capital	0,07%	0,09%

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
		IDGC of Centre	0,2772
IDGC of Centre & Volga Reg	0,2131	24,02	374,43

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,98%	18,43%
MOEXEU	0,07%	17,59%
IDGC of Centre**	0,29%	-3,08%
IDGC of Centre & Volga Region**	0,61%	-19,58%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-0,17%	50,87%
FGC UES	-0,67%	29,08%
IDGC of Volga	0,49%	-15,87%
MOESK	0,60%	63,94%
IDGC of Northern Caucasus	-0,60%	112,29%
IDGC of North-West	-0,20%	-8,65%
IDGC of Urals	-2,05%	-11,81%
IDGC of Siberia	-1,71%	96,10%
IDGC of South	-0,84%	8,63%
Lenenergo, ordinary shares	0,29%	32,70%
TRK, ordinary shares	-0,28%	16,56%
Kubanenergo	0,16%	25,00%

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