

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 10 December some moderately negative external background formed on the Russian market. Major US indices on Monday fell 0.3-0.4%. The focus of the market participants, writes Bloomberg, is still the trade negotiations between Washington and Beijing, taking into account the approaching date of the entry into force of a new round of duties on Chinese goods in the US. The US may raise duties on Chinese exports on 15 December if the parties do not come to an agreement that cancels these plans. In particular, according to Bloomberg, the US Secretary of Agriculture said that Donald Trump may refuse to introduce new tariffs, but this will require "progress" from Beijing. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific showed zero changes. Chinese statistics did not have a significant impact on the course of trading – inflation in November reached its highest level since January 2012, the pace of decline in producer prices slowed down. February Brent futures were trading around \$64.2 per barrel, at the level of our close on 9 December.

The changes of stock markets on Tuesday were determined by the news regarding the prospects of a new round of tariff war. In the morning, the decline in the consolidated European Stoxx Europe 600 Index exceeded a percent, the MOEX Russia Index lost 0.8% on media reports that the American negotiators this week will concentrate on finalizing the text of a trade agreement between the US, Mexico and Canada. According to some experts, Donald Trump decided to focus on signing an important transaction for the US, which would potentially reduce the need for him to rush with an interim agreement with Beijing. In the second half of the trading session, investors' sentiment improved somewhat after the publication by WSJ that representatives of the US and Chinese delegations were still planning to postpone US trade duties, the entry into force of which was scheduled for 15 December. On the whole, most of the day the Russian market showed smaller losses compared to European markets, including due to some weakening of geopolitical risks. Firstly, experts noted that the holding of the "Norman" summit, the achievement of a number of agreements and the decision to hold the next summit in four months indicate some progress in resolving the Ukrainian conflict. Secondly, the media reported that the budget of the US Department of Defense does not contain a provision on sanctions against the sovereign debt of the Russian Federation, which the House of Representatives of the US Congress insisted on.

During the day, the electric utilities sector index outperformed. The main contribution to the final MOEXEU growth in antiphase with the MOEX Russia Index was made by shares of Rosseti, which jumped 4.7% in the absence of significant news for such changes. A technical factor could have contributed to the rise of these securities – the stock growth accelerated after overcoming the narrow side range offer line in which they had been since the beginning of October.

ELECTRIC POWER INDUSTRY NEWS

Rosseti discussed issues of ensuring corporate governance in energy companies

As part of the Moscow Law Week, on 29 November a scientific and practical round table was held at the head office of Rosseti on the topic "Problems of Legal Support for Corporate Governance of Companies with State Participation in the Energy Sector". In total, representatives of 24 companies participated in the discussion, including through video conferencing.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=36566

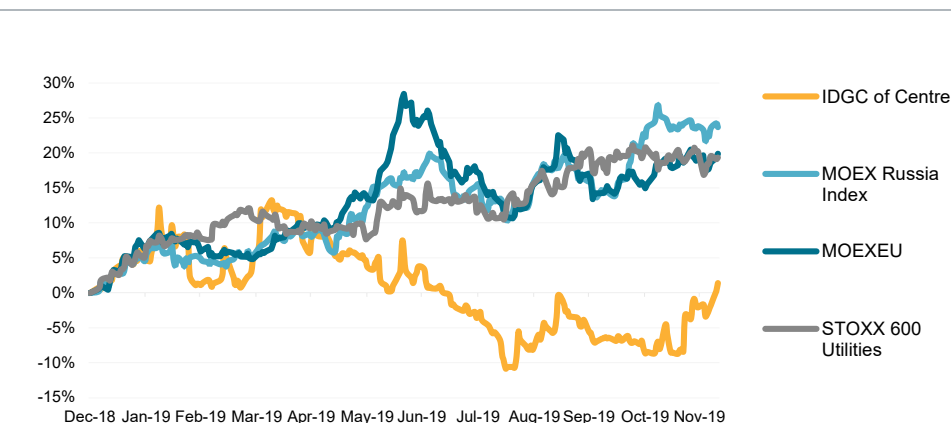
COMPANY NEWS

Since the beginning of the year more than 1,000 Kurskenergo's employees were trained and improved their skills

The branch "Rosseti Centre Kurskenergo" summed up the results of staff training for 11 months of 2019. More than 1,000 employees were given the opportunity to undergo vocational training and improve their skills.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/70853/>

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 932,4	-0,43%	23,76%
S&P 500	3 137,42	0,05%	25,15%
FTSE 100	7 212,35	-0,30%	7,20%
Nikkei	23 410,19	-0,09%	16,96%
Sensex	40 239,88	-0,61%	11,57%
CSI300	3 900,38	0,13%	29,55%
Bovespa	110 460,1	-0,47%	25,68%

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

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	63,7244	0,01%	-8,27%
EURO/RUB	70,5047	-0,36%	-11,27%

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

Liquidity	IDGC of	
	Centre	Centre & Volga Region
Number of transactions, pcs.	1 372	1 891
Trading volume, ₺ mln	12,0	34,3
Trading volume, mln pcs.	41,5	159,9
Average trading volume over the last 30 days, mln pcs.	31,6	267,4
% of the authorized capital	0,10%	0,14%

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	
		₺ bln	\$ mln
IDGC of Centre	0,29	12,24	192,13
IDGC of Centre & Volga Reg	0,2157	24,31	381,47

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,20%	19,39%
MOEXEU	0,53%	19,93%
IDGC of Centre**	1,12%	1,40%
IDGC of Centre & Volga Region**	1,08%	-18,60%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	4,66%	61,19%
FGC UES	0,52%	30,96%
IDGC of Volga	0,36%	-14,08%
MOESK	1,57%	67,05%
IDGC of Northern Caucasus	-0,40%	112,43%
IDGC of North-West	-0,49%	-8,02%
IDGC of Urals	0,25%	-11,38%
IDGC of Siberia	-1,15%	109,76%
IDGC of South	-0,17%	10,65%
Lenenergo, ordinary shares	0,85%	34,22%
TRK, ordinary shares	0,54%	20,13%
Kubanenergo	-1,91%	26,02%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)
Reuters

MRKC
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