

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 30 January some moderately negative external background formed on the Russian market. The US indices DJIA and S&P500, gaining more than 0.5% at daily highs after strong reporting by Apple, McDonald's and General Electric, completed trading in opposite directions near zero. A deterioration in investors' sentiment followed the press conference of the head of the Federal Reserve after the meeting – Jerome Powell acknowledged the seriousness of the problem with the outbreak of coronavirus in China and said "There is likely to be some disruption to activity in China and globally." In general, the results of the FOMC meeting coincided with the forecasts of experts and did not have a significant impact on the market – the Federal Reserve kept the key rate in the range of 1.5-1.75% and confirmed the good condition of the US economy. On Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 1.8% on information about the ongoing spread of the Chinese virus. According to official figures, the number of infected people has already approached 8,000 people – the indicator achieved in 2002-2003 during the SARS epidemic, when the Chinese economy was missing about 1 p.p. of the GDP growth. March Brent futures were trading around \$59.2 per barrel, \$0.7 below our close on 29 January. In addition to a general decrease in investors' interest in risky assets, the US Department of Energy reported an increase in oil reserves in the country.

On Thursday, global stock markets came under pressure from a new wave of concerns about the economic impact of the Chinese epidemic. According to experts, the growth rate of China's GDP in the first quarter may slow down to 4-5%, and further changes will depend on actions of the government to limit the spread of infection and additional budgetary and monetary incentives. Against this background, most of the day the loss of the MOEX Russia Index and the consolidated MSCI ACWI exceeded half a percent. Mixed statements of American companies and ambiguous statistics that emerged during the day – the US GDP growth in the fourth quarter by 2.1% remained at the level of the previous quarter, while consumer spending increased at the lowest pace for the year – faded into the background and did not significantly affect investors' moods. The main contribution to the reduction in the MOEX Russia Index was made by LUKOIL's shares, which lost about 3% on the news about the decrease in their weight in the MSCI indices due to the reduction in the number of shares after the repayment of securities purchased through buyback and keeping the free-float ratio unchanged. The provider's decision was unexpected for the market – analysts predicted that the MSCI would nevertheless increase the free-float ratio, counting on the influx of capital into LUKOIL's shares.

During the day, the electric utilities sector index outperformed. The main contribution to the final growth of the electric utilities sector index in antiphase with the MOEX Russia Index was made by shares of Rosseti.

ELECTRIC POWER INDUSTRY NEWS

Energy of "digits": how AI and mobility prevent energy losses

As part of the digitalization of the energy sector, two main trends can be distinguished: the implementation of mobile solutions and the use of artificial intelligence. These technologies can eliminate the notorious human factor and increase business efficiency by times.

Read full text: <https://www.it-world.ru/tech/business/151112.html>

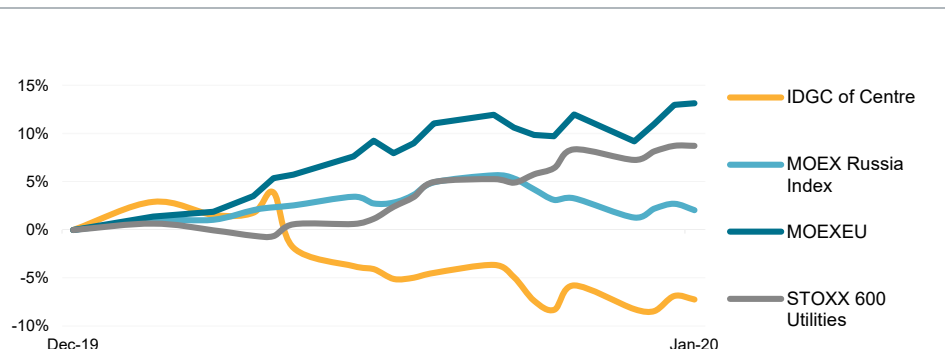
COMPANY NEWS

In 2019 the failure rate in Tverenergo's 6-110 kV grids was reduced by 35%

In 2019, in general, the branch "Rosseti Centre Tverenergo" noted the reduction in the failure rate. In particular, the total number of emergency outages in 35-110 kV grids decreased by 40% compared to 2018, and in 6-10 kV grids by 33%. Power engineers managed to achieve such results thanks to exercises held by Rosseti's Group of Companies in the autumn of 2018 on the territory of the Tver branch of Rosseti Centre to organize interaction during the elimination of mass violations at electric grid facilities, systematic work to modernize the electric grid complex, implementation of new technologies, replacement of equipment, a systematic approach to repair of power facilities, advanced training of operating and repair personnel.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/71293/>

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	3 108,58	-0,65%	2,06%
S&P 500	3 259,99	-0,41%	0,90%
FTSE 100	7 381,96	-1,36%	-2,13%
Nikkei	22 977,75	-1,72%	-2,87%
Sensex	40 913,82	-0,69%	-0,82%
CSI300	4 003,9	0,00%	-2,26%
Bovespa	113 378,1	-1,74%	-1,96%

Source: Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	62,3934	-0,69%	0,79%
EURO/RUB	68,6764	-0,79%	-0,96%

Source: Company calculations (19:00 MSK)

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
Number of transactions, pcs.	1 005	1 157
Trading volume, ₺ mln	14,0	23,0
Trading volume, mln pcs.	47,6	99,9
Average trading volume over the last 30 days, mln pcs.	77,6	301,9
% of the authorized capital	0,11%	0,09%

Source: Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,294	12,41	196,93
IDGC of Centre & Volga Reg	0,2305	25,98	416,34

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	-0,17%	8,76%
MOEXEU	0,15%	13,20%
IDGC of Centre**	-0,41%	-7,26%
IDGC of Centre & Volga Region**	0,52%	-3,56%

Source: Company calculations

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	2,25%	21,40%
FGC UES	0,22%	12,13%
IDGC of Volga	1,54%	0,23%
MOESK	1,05%	5,16%
IDGC of Northern Caucasus	-2,09%	2,93%
IDGC of North-West	-0,85%	-1,68%
IDGC of Urals	0,24%	3,27%
IDGC of Siberia	-1,53%	-16,50%
IDGC of South	-0,82%	-2,42%
Lenenergo, ordinary shares	-0,56%	0,14%
TRK, ordinary shares	0,00%	0,23%
Kubanenergo	-0,27%	15,25%

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