

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 6 December some moderately positive external background formed on the Russian market. The major US indices DJIA and S&P500 closed Thursday with an increase in the range of 0.2%. At the same time, at the beginning of the day, the indices lost a third of a percent on information that the House of Representatives of the US Congress could vote for the impeachment of Donald Trump by the end of the year. Despite the extremely low likelihood of approval of the impeachment in the Senate, controlled by the Republicans, experts note that political instability in the US is one of the reasons for the intransigence of the Chinese side in the trade negotiations. At the end of the day, buyers were once again supported by Donald Trump's optimistic statements that the negotiations with China were "very good." Following a slight growth in the US market on Friday, the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.4%. February Brent futures were trading around \$63.3 per barrel, \$0.3 below our close on 5 December. Media information that OPEC+ countries almost agreed to further reduce oil production by 500 thousand barrels per day (b/d) did not have a significant impact on the market. Analysts recall that the OPEC+ countries already exceed the previously agreed level of production reduction by about the same 500 thousand b/d, mainly due to the efforts of Saudi Arabia. In fact, experts say that it is about the redistribution of quotas and the removal of excess load from Saudi Arabia.

In the first half of the trading session on Friday, global stock exchanges traded in a small plus within a third of a percent on the statements of Donald Trump about the good prospects of a trade deal with China. Additional details about the course of the trade negotiations were reported by the US Treasury Secretary – according to him, consultations are in full swing, delegations are in constant communication and are actively working on the text of the agreement on the first phase of the trade deal. In the afternoon, investors' sentiment improved significantly after the release of strong American statistics indicating the good condition of the first world economy. In November the US unemployment fell from 3.6% in October to 3.5%, the lowest level since December 1969, the number of jobs increased by 266 thousand people, which was the highest growth since January; for September-October data on new jobs were improved by 40 thousand. In addition, data on consumer confidence were better than expected – the corresponding index calculated by the University of Michigan, exceeding forecasts, rose to highs since May. At the end of the trading session, additional support to our market was provided by the growth of Brent quotes above the \$64.5 mark on Saudi Arabia's statements that it would produce 400 thousand b/d less than its quota if the other OPEC+ participants fulfill their obligations in full.

At the end of the day, the electric utilities sector index underperformed – the buyers' activity was mainly concentrated in the first-tier shares.

ELECTRIC POWER INDUSTRY NEWS

Russia surpassed the US and is catching up with Europe with the real cost of electricity

Electricity prices for industrial consumers in Russia were higher than in the US and some EU countries, in particular France. Such calculations were made by the "Community of Energy Consumers" in an attempt to refute the data presented by the Ministry of Energy in the State Duma that the cost of electricity for the Russian industry is lower than in Europe.

Read full text: <https://www.kommersant.ru/doc/4187282?query=%D0%BF%D0%BE%20%D1%80%D0%B5%D0%B0%D0%BB%D1%8C%D0%BD%D0%BE%D0%B9>

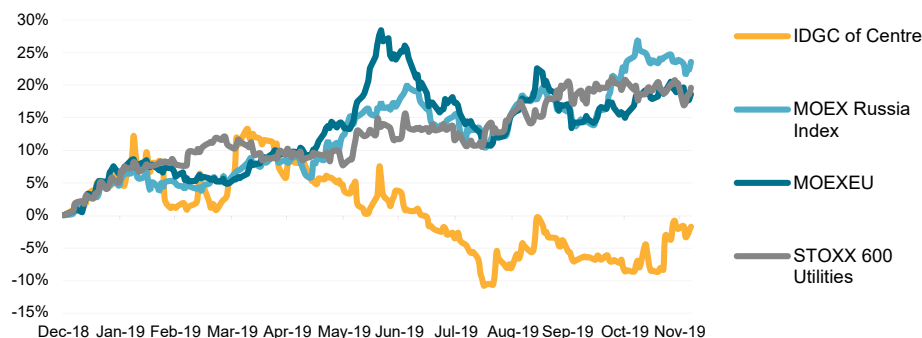
COMPANY NEWS

Since the beginning of 2019 Kurskenergo executed more than 1,600 contracts for connection to electric grids

The branch "Rosseti Centre Kurskenergo" summed up the work on connection to electric grids for 10 months of 2019. During the period under review, the company's specialists executed 1,636 grid connection agreements. The total connected capacity was 29.6 MW.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/70839/>

CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 928,76	1,02%	23,61%
S&P 500	3 147,06	0,95%	25,54%
FTSE 100	7 234,66	1,36%	7,53%
Nikkei	23 354,4	0,23%	16,69%
Sensex	40 445,15	-0,82%	12,13%
CSI300	3 902,39	0,59%	29,62%
Bovespa	111 121,5	0,45%	26,44%

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

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	63,8135	-0,59%	-8,14%
EURO/RUB	70,7245	-0,54%	-10,99%

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

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
Trading volume, ₺ mln	5,9	14,2
Trading volume, mln pcs.	21,1	67,2
Average trading volume over the last 30 days, mln pcs.	30,2	260,7
% of the authorized capital	0,05%	0,06%

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,281	11,86	185,90
IDGC of Centre & Volga Reg	0,2124	23,94	375,11

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,87%	19,61%
MOEXEU	0,75%	18,62%
IDGC of Centre**	0,72%	-1,75%
IDGC of Centre & Volga Region**	0,38%	-19,85%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	1,17%	52,73%
FGC UES	0,99%	30,50%
IDGC of Volga	0,24%	-15,05%
MOESK	0,19%	62,42%
IDGC of Northern Caucasus	0,33%	114,29%
IDGC of North-West	0,59%	-8,29%
IDGC of Urals	1,38%	-12,13%
IDGC of Siberia	-1,19%	102,44%
IDGC of South	1,61%	10,19%
Lenenergo, ordinary shares	0,29%	32,89%
TRK, ordinary shares	-1,33%	20,13%
Kubanenergo	0,33%	25,82%

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