



## REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 23 January some neutral external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 fell 1.2-1.4%. Traders from the US, who returned after a holiday on Monday, played out the deterioration in the global economic outlook after the IMF's forecast decline and the publication of weak data on China's GDP changes over the past year. An additional negative factor for investors was the weak statistics – sales of houses on the secondary market in the US fell in December at the highest rate in three years. On Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.3%, futures for US indices added 0.2%. Support to buyers was provided by statements by the Ministry of Finance of the People's Republic of China that the government may announce new fiscal stimulating measures in March, including more substantial tax cuts and increased spending on infrastructure projects. March Brent futures traded around \$61.9 per barrel, \$1.1 above our 22 January close. Positive background for quotes, including, was information about the intention of the Chinese authorities to increase the stimulation of the weakening economy.

On Wednesday, buyers dominated the Russian market – on the daily highs the growth of the MOEX Russia Index was approaching a percent. Investors were supported by a rise in Brent quotes above \$62 per barrel and an improvement in sentiment in western markets. In the afternoon, the European Stoxx Europe 600 Index and US indices added more than half a percent on strong quarterly statements of several large companies, including IBM and Procter & Gamble. Positive background for the markets was also the information of the media that the US Senate on Thursday will hold a vote on two competing bills, each of which can bring the cessation of the shutdown and the resumption of the US government in full.

During the trading session the electric utilities index looked significantly better than the market. The main contribution to the MOEXEU outperformance in comparison with the MOEX Russia Index was made by shares of FGC UES and ROSSETI. The rally in ordinary shares of ROSSETI continues – quotes, having updated the maximum since October 2017, stopped at 2% of the nominal value, the turnover in pieces was the highest in the entire history of trading at Moscow Exchange. At the same time, experts at VTB Capital point out that there are no fundamental reasons for the almost 30% rise in securities since last December. Firstly, the predicted dividend yield of "ordinary shares" is more than two times lower than the average values for shares of Russian energy companies and securities in the MSCI Russia Index. Secondly, analysts note that there are no reasons for significant profit growth – the company's business plan provides for an increase in EBITDA at 2-4% in 2019-20. Thirdly, the jump in prices of ROSSETI's shares is not supported by an increase in the value of shares of subsidiaries. In this regard, VTB Capital's analysts offer to open short positions on ordinary shares of ROSSETI when prices rise above par value and buy FGC UES's shares based on good dividends (the experts' predicted dividend yield of FGC UES's shares is 11.3%).

## ELECTRIC POWER INDUSTRY NEWS

### The government stopped discussing the introduction of social energy consumption standards for the population (version 1)

Following the meeting, Deputy Prime Minister Dmitry Kozak made a decision to discontinue indefinitely the discussion of electricity tariff differentiation for the population, as well as the abolition of benefits for households with electric stoves and the rural population, Mr. Kozak's representative Ilya Dzhus told reporters.

Read full text: <http://www.bigpowernews.ru/markets/document86606.phtml>

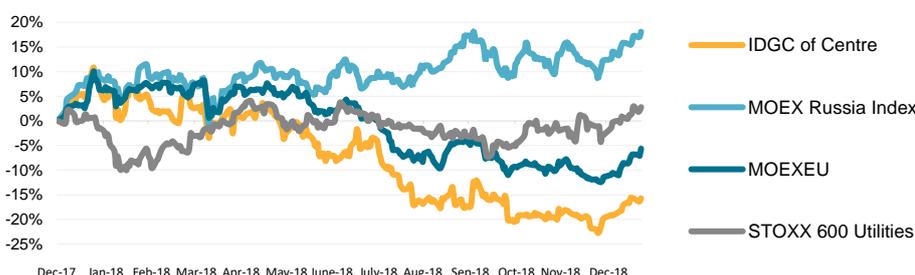
## COMPANY NEWS

### General Director of IDGC of Centre - the managing organization of IDGC of Centre and Volga Region met with staff of the Tver branch of the company

During a production meeting, which took place today, on 23 January in Tver, the head of the company discussed with Tver power engineers questions concerning the future development of Tverenergo's power grid complex.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/67095/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 491,49	0,92%	5,16%
S&P 500	2 638,70	0,22%	5,26%
FTSE 100	6 842,88	-0,85%	1,71%
DAX	11 071,54	-0,17%	4,85%
DJStoxx 600	354,89	-0,06%	5,11%
Nikkei	20 593,72	-0,14%	2,89%
Sensex	36 108,47	-0,92%	0,11%
CSI300	3 141,05	-0,07%	4,33%
Bovespa	96 558,42	1,53%	9,87%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	66,55	0,28%	-4,20%
EURO/RUB	75,55	0,01%	-4,92%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 282,72	-0,19%	0,02%
Brent*, USD/bbl	61,14	-0,59%	13,64%

\* - March futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3000	12,67	190,31
IDGC of Centre & Volga Reg	0,2727	30,73	461,80

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,68%	5,00%
MOEXEU Index	1,63%	6,56%
IDGC of Centre**	0,74%	4,90%
IDGC of Centre and Volga Region**	1,07%	2,91%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	3,39%	25,33%
FGC UES	2,45%	8,44%
IDGC of Volga	3,58%	7,76%
MOESK	2,31%	7,42%
IDGC of Northern Caucasus	1,84%	2,86%
IDGC of North-West	0,00%	8,11%
IDGC of Urals	2,59%	7,26%
IDGC of Siberia	3,14%	28,00%
IDGC of South	5,39%	22,13%
Lenenergo, ordinary shares	2,61%	11,53%
TRK, ordinary shares	-4,23%	17,53%
Kubanenergo	2,54%	15,98%

Source: MOEX, Company calculations

\*\* - at the price of last transaction at MOEX

**IDGC of Centre, PJSC**  
127018, Moscow, 2nd Yamskaya, 4  
+7 (495) 747 92 92  
<http://mrsk-1.com/en/investors/>

**IR Division**  
+7 (495) 747 92 92, ext. 33-34  
[ir@mrsk-1.ru](mailto:ir@mrsk-1.ru)

**Tickers**  
Moscow Exchange (MOEX)  
Bloomberg  
Reuters

**MRKC**  
**MRKC:RM**  
**MRKC:MM**