



REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 5 June some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed by 0.4-0.7% thanks to the rise of shares of technology companies led by Apple, Amazon and Microsoft, which updated historical highs. As analysts say, the good state of the US economy and solid corporate profits so far outweigh the fears associated with world trade and increased protectionism. The ministers of finance and the heads of the central banks of six G7 countries at the weekend condemned the US actions to introduce duties on steel and aluminum, pointing to their unilateral nature. On the eve the composite index of the Asia-Pacific region MSCI Asia Pacific was near zero with mixed changes of the main country indices. The Chinese index CSI300, which added 1%, was supported, including, by the report of Moody's agency, which says that the Chinese economy shows signs of accelerating structural changes, and this is a positive factor. August Brent futures traded near \$75.7 per barrel, slightly below the closing level on 4 June. Oil prices stabilized after falling 2% on Monday on expectations of increasing production by OPEC+.

Most of the trading session, the MOEX Russia Index was in a small minus within half a percent. Moderately positive sentiment on European markets was offset by a decrease in Brent quotations to around \$74 per barrel. Oil prices were pressured by a message from Bloomberg that the US asked Saudi Arabia and a number of other OPEC countries to increase oil production by 1 million barrels per day. According to analysts, this may be due to an increase in gasoline prices in the US to a maximum level in three years. Published during the day ambiguous statistics had no significant effect on the mood of investors. In the Eurozone the business activity growth slowed to the lowest level since November 2016, the retail sales growth in April was worse than forecast. At the same time, in the US the index of business activity in the service sector in May increased more than expected.

During the trading session changes of the MicexPWR Sector Index in general corresponded to the MOEX Russia Index. The main contribution to the final MicexPWR decline was made by shares of FGC UES and RusHydro.

ELECTRIC POWER INDUSTRY NEWS

Association of GP and ESC conducted a round table on licensing of energy sales activities

Participants of a roundtable discussed with representatives of the Ministry of Energy of Russia, experts of Association of GP and ESC and Association "NP Market Council" the most pressing issues related to the licensing of energy sales activities.

Read full text: http://www.advis.ru/php/view_news.php?id=1DDFFC02-796E-7442-A37C-36C67224B1FB

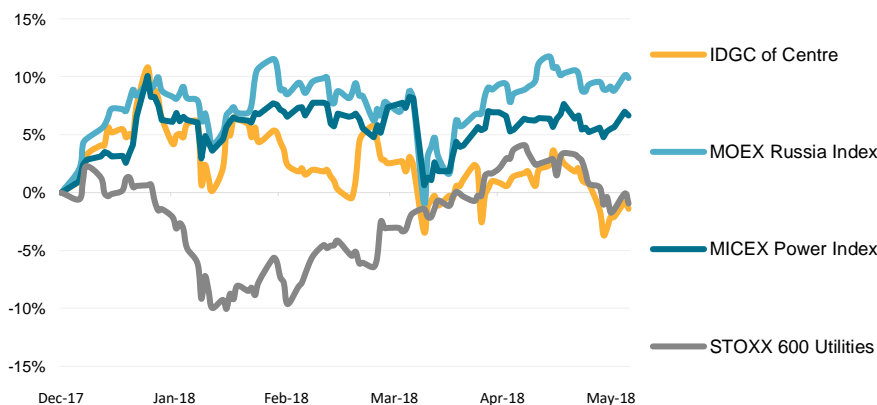
COMPANY NEWS

IDGC of Centre for four months reduced receivables for electricity transmission services by almost a quarter of a billion rubles

IDGC of Centre summed up the work to reduce receivables for electricity transmission services for four months of 2018. During this period, the company managed to achieve a reduction in the total amount of debt by 238 million rubles. The amount of debt of electricity suppliers of last resort was reduced by 51 million rubles, and energy sales companies - by 128 million rubles. The debt of territorial grid companies was decreased by 28 million rubles, and the debt receivable of consumers with "direct" contracts - by 31 million rubles.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/64187/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 318,23	-0,23%	9,88%
S&P 500	2 748,80	0,07%	2,81%
FTSE 100	7 686,80	-0,70%	-0,01%
DAX	12 787,13	0,13%	-1,01%
DJStoxx 600	386,89	-0,31%	-0,59%
Nikkei	22 539,54	0,28%	-0,99%
Sensex	34 903,21	-0,31%	2,49%
CSI300	3 845,32	0,99%	-4,60%
Bovespa	76 641,73	-2,49%	0,31%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	61,93	-0,44%	7,46%
EURO/RUB	72,44	-0,38%	5,31%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 296,40	0,34%	-0,49%
Brent*, USD/bbl	75,38	0,12%	15,76%

* - August futures

Source: Bloomberg, Company calculations

Shares	Price**, P	MCap**, P bln	MCap**, \$ mln
IDGC of Centre	0,3510	14,82	239,28
IDGC of Centre & Volga Reg	0,3445	38,82	626,92

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,87%	-0,95%
MICEX POWER Index	-0,28%	6,67%
IDGC of Centre**	-0,57%	-1,40%
IDGC of Centre and Volga Region**	-1,57%	14,19%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,30%	-2,18%
FGC UES	-1,23%	13,98%
IDGC of Volga	-1,20%	28,59%
MOESK	0,42%	-19,58%
IDGC of Northern Caucasus	0,00%	-13,02%
IDGC of North-West	1,49%	4,81%
IDGC of Urals	-2,21%	5,73%
IDGC of Siberia	0,00%	-6,99%
IDGC of South	-0,15%	8,86%
Lenenergo, ordinary shares	0,79%	19,17%
TRK, ordinary shares	0,00%	-15,09%
Kubanenergo	-5,78%	-23,09%

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