

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 18 May some moderately negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed with a decrease of 0.1-0.2%. Comments of Donald Trump that China "has become very spoiled by trade," writes Reuters, was forced to doubt his desire to avoid a trade war between the two largest economies in the world, increasing the excitement of investors before the start of the second round of talks between Washington and Beijing. In addition, the telecom sector, real estate sector and shares of electricity companies, sensitive to changes in interest rates, declined on the back of growing yields on ten-year US government bonds to the highest level since 2011 at 3.11%. On Friday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.3% on information from the US media that China offers the US president a number of concessions with respect to trade and promises to increase purchases of American goods in order to reduce the trade deficit with China up to \$200 billion a year. July Brent futures traded near \$79.6 per barrel, \$0.7 lower than the closing level on 17 May. The industry's experts attributed a small correction in the oil market after three days of growth to the continued strengthening of the dollar.

On Friday the MOEX Russia Index spent the trading session in a small plus within half a percent, playing out high oil levels and retreat of yields of US government bonds from highs of many years. At the same time, the activity of buyers on the domestic market was constrained by moderately negative sentiments on European markets. The Stoxx Europe 600 Index lost about a third of a percent mainly due to the fall of the Italian market on the information that populist parties agreed on the creation of a coalition government. According to media reports, the new government is preparing a plan, under which it is expected to reduce taxes and increase public spending. Some rating agencies have already hastened to warn that such a policy will lead to a decrease in the country's sovereign credit rating.

As a result of the trading session, the MicexPWR Index outperformed mainly due to securities of Inter RAO, which continue to play out strong statements for the first quarter and potential buyout of their shares from RusHydro and FGC UES. Support for shares of FGC UES, which updated of the annual maximum at the close, was the publication of strong IFRS financials for the first quarter – net profit compared to the same period in 2017 increased by 2.4 times, to 21 billion rubles, and Bloomberg's report that the Board of Directors of Rosseti will consider a new dividend policy of FGC UES on 25 May.

ELECTRIC POWER INDUSTRY NEWS

The Ministry of Energy proposes to take into account the positions of the special commission when revoking licenses from energy sales companies

The decision to revoke the license from energy sales companies may be taken by the licensing authority, while it is suggested to take into account conclusions of the commission consisting of representatives of the Ministry of Energy, the Ministry of Economic Development, the Federal Antimonopoly Service (FAS) of Russia and "Market Council" - such proposal is contained in the draft government resolution prepared by the Ministry of Energy "On Licensing Energy Sales Activities".

Read full text: <http://www.bigpowernews.ru/markets/document83012.phtml>

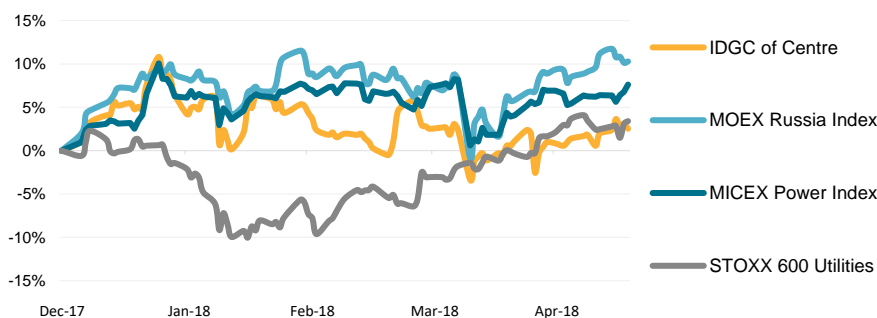
COMPANY NEWS

The volume of financing of Smolenskenergo's repair campaign in 2018 to be 331.39 million rubles

The planned amount of financing of the repair program of IDGC of Centre - Smolenskenergo division in 2018 will amount to 331.39 million rubles. The main volume of the repair program is carried out by Smolenskenergo by own forces, which makes it possible to reduce operational costs and maintain planned physical volumes of repairs. This year, 77% of the program is planned to be implemented by the forces of its own personnel, without engaging contractors.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/63996/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 326,94	0,15%	10,30%
S&P 500	2 712,97	-0,26%	1,47%
FTSE 100	7 778,79	-0,12%	1,18%
DAX	13 077,72	-0,28%	1,24%
DJStoxx 600	394,67	-0,28%	1,41%
Nikkei	22 930,36	0,40%	0,73%
Sensex	34 848,30	-0,86%	2,32%
CSI300	3 903,06	1,01%	-3,17%
Bovespa	83 081,88	-0,65%	8,74%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	61,82	-0,77%	7,27%
EURO/RUB	73,02	-1,02%	6,16%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 293,04	0,17%	-0,75%
Brent*, USD/bbl	78,51	-1,00%	19,90%

* - July futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3650	15,41	249,26
IDGC of Centre & Volga Reg	0,3520	39,67	641,68

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,31%	3,41%
MICEX POWER Index	0,79%	7,64%
IDGC of Centre**	-0,54%	2,53%
IDGC of Centre and Volga Region**	-0,85%	16,67%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,21%	0,95%
FGC UES	1,12%	14,19%
IDGC of Volga	-0,31%	24,70%
MOESK	-0,14%	-18,24%
IDGC of Northern Caucasus	0,30%	-14,32%
IDGC of North-West	-2,78%	7,50%
IDGC of Urals	-0,22%	7,40%
IDGC of Siberia	3,83%	-5,24%
IDGC of South	0,15%	12,04%
Lenenergo, ordinary shares	0,00%	21,35%
TRK, ordinary shares	0,00%	-9,70%
Kubanenergo	-1,02%	-13,78%

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

Tickers
Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC:RM
MRKC:MM