



REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 16 March some neutral external background formed on the Russian market. On Thursday major US indices closed in different directions – the DJIA rose by 0.5%, the S&P500 fell 0.1%. On the one hand, the markets were supported by good statistics – the index of manufacturing activity of the Federal Reserve Bank of New York in March jumped to a maximum since October last year, the number of applications for unemployment benefits fell more than forecasts. On the other hand, investors are concerned about the unpredictability of personnel reshuffles in the White House – according to media reports, after the dismissals of the economic adviser and the head of the State Department, the US president is looking for a replacement for the national security adviser. In addition, media reports have become negative for the market that special prosecutor R. Muller, who is conducting an investigation into possible ties between D. Trump and Russia, has requested documents related to the business of D. Trump. The composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.2% on Friday with mixed changes of the main country stock indices. May Brent futures traded near \$65.2 per barrel, slightly above the closing level on 15 March. The positive background of the monthly review of the International Energy Agency (IEA) was largely offset by the strengthening of the dollar. IEA experts increased the forecast for oil demand this year and confirmed the fulfillment of the deal by OPEC+ countries by 147% in February. At the same time, analysts of the agency warned that if OPEC production remains at the current level, then the deficit in the oil market may already come in the second quarter of 2018.

The MOEX Russia Index spent the first half of the trading session in a small minus within half a percent – geopolitical risks associated with the "case of Skripal" still pressure the Russian market. Nevertheless, in the middle of the day, the MOEX Russia Index was able to move to positive territory in the absence of new negative news in this situation. Moreover, some decrease in the intensity of passions around the incident in Salisbury may be evidenced by the statement of the Chancellor of Germany that Germany and Europe as a whole are not planning to boycott the 2018 World Cup in Russia. Against this background, traders after three days of sales preferred to reduce short positions before the weekend. Additional support to the domestic market was provided by the stability of oil prices near \$65 per barrel and a half-percentage increase on average of the western indices on good statistics. In the US, industrial production in February rose at a record pace since October 2017, the consumer confidence index in March peaked in 14 years.

During the day, changes of the MicexPWR Sector Index in general corresponded to the market. The main contribution to the final MicexPWR rise was made by shares of Inter RAO, which recovered after active sales in the middle of the week, and shares of FGC UES, which in the absence of significant news jumped 3% at the auction closing.

ELECTRIC POWER INDUSTRY NEWS

Management of "Rosseti" by 1 July to update the program of innovative development of the company

The board of directors of "Rosseti" instructed the company's management to make changes in the program of innovative development of "Rosseti", taking into account the plans for digitalization of the power grid complex and submit it to the board of directors by 1 July 2018, reported "Rosseti".

Read full text: <http://www.bigpowernews.ru/news/document82136.phtml>

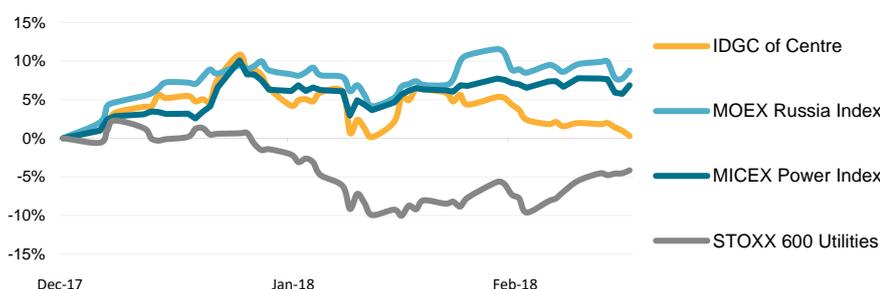
COMPANY NEWS

IDGC of Centre has published its audited consolidated financial statements under International Financial Reporting Standards (IFRS) for 2017

IDGC of Centre has published its consolidated financial statements for 2017 in accordance with IFRS. Consolidated revenues of the Company for the period amounted to 91,1 bln RUB, including from electric energy transmission – 87,6 bln RUB, from grid connection – 1,6 bln RUB, from resale of electric energy and power – 0,5 bln RUB and other revenue – 1,4 bln RUB. Earnings before interest, taxes, depreciation and amortization (EBITDA) increased to 19,0 bln RUB. Profit for the period was 3,0 bln RUB.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/63398/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 294,60	0,97%	8,76%
S&P 500	2 752,01	0,17%	2,93%
FTSE 100	7 164,14	0,34%	-6,81%
DAX	12 389,58	0,36%	-4,09%
DJStoxx 600	377,71	0,22%	-2,95%
Nikkei	21 676,51	-0,58%	-4,78%
Sensex	33 176,00	-1,51%	-2,59%
CSI300	4 056,42	-0,97%	0,63%
Bovespa	84 886,48	-0,05%	11,10%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	57,02	0,14%	-1,06%
EURO/RUB	70,52	-0,03%	2,51%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 314,24	-0,14%	0,88%
Brent*, USD/bbl	66,21	1,67%	0,18%

* - May futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.17
IDGC of Centre	0,3570	15,07		264,33
IDGC of Centre & Volga Reg	0,3315	37,36		655,21

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,41%	-4,15%
MICEX POWER Index	1,05%	6,84%
IDGC of Centre**	-0,70%	0,28%
IDGC of Centre and Volga Region**	0,94%	9,88%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,64%	1,11%
FGC UES	2,40%	10,58%
IDGC of Volga	2,25%	17,24%
MOESK	-0,62%	-10,68%
IDGC of Northern Caucasus	0,57%	-8,59%
IDGC of North-West	0,62%	-5,96%
IDGC of Urals	1,56%	9,07%
IDGC of Siberia	0,43%	3,06%
IDGC of South	3,33%	-1,34%
Lenenergo, ordinary shares	0,27%	15,31%
TRK, ordinary shares	1,41%	-3,23%
Kubanenergo	1,78%	-5,10%

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