



## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 7 June some moderately positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 increased by 0.9-1.4%, on Thursday the composite stock index of the Asia-Pacific region MSCI Asia Pacific added 0.6%. The markets were supported by investors' confidence in the good state of the world economy, backed by strong US statistics, and mitigating fears of the proliferation of trade wars. The World Bank improved the forecast for the US GDP growth in 2018-2019 from 2.5% to 2.7% and from 2.2% to 2.5%, respectively, China's GDP – from 6.4% to 6.5% in 2018. In the US the foreign trade deficit in April fell to a minimum in seven months, the growth rate of labour costs in the first quarter accelerated to a maximum for the year. The latter factor, among other things, led to a return of the US Treasury yields to the 3% mark, which had a positive impact on the financial sector, which led the rise of the markets. According to the media, China offered Washington to increase purchases of American goods by \$70 billion a year to reduce the US deficit in their trade relations, in exchange for the US refusal to impose duties on Chinese exports worth a total of \$50 billion. August Brent futures traded near \$75.8 per barrel, \$0.6 above the closing level on 6 June. Oil quotes rose on the message from Reuters referring to the Iraqi oil minister that the increase in production is not on the agenda of the OPEC+ meeting on 22 June, as, according to the minister, the market is stable and the prices are good.

The MOEX Russia Index spent most of the trading session in a small plus within half a percent after growing oil. The activity of Russian buyers was constrained by inexpressive changes of Western markets in anticipation of complicated negotiations at the upcoming G-7 summit. According to Bloomberg's sources, the French president made it clear to Donald Trump that progress is needed in discussing the issues of duties, a nuclear deal with Iran and the Paris climate agreement before he is ready to sign a joint statement. In turn, the Chancellor of Germany said that the lack of opportunities for compromise means that leaders cannot agree to the signing of the traditional final communiqué. Published during the day ambiguous statistics had no significant effect on the mood of investors. The estimate of the GDP growth in the Eurozone in the first quarter, as expected, was confirmed at 2.5% in annual terms, orders for industrial enterprises in Germany fell in April for the fourth month, in the US the number of applications for unemployment benefits was slightly higher than expected.

During the trading session, the MicexPWR Sector Index outperformed. The main contribution to the final MicexPWR outperformance in comparison with the MOEX Russia Index was made by shares of FGC UES and Unipro. From the news of the power grid sector, one can note the statement of the head of Rosseti that the management of the company does not exclude this year the payment of interim dividends in addition to those recommended by the board of directors for the first quarter of 2018.

## ELECTRIC POWER INDUSTRY NEWS

### The government to work out the expediency of transferring tariff regulation to the Ministry of Economic Development, says the source

Prime Minister Dmitry Medvedev instructed to work out the expediency of transferring tariff regulation from the Federal Antimonopoly Service to the Ministry of Economic Development, a source in the government's financial and economic unit told Tass.

Read full text: <http://www.bigpowernews.ru/markets/document83276.phtml>

## COMPANY NEWS

### IDGC of Centre implements the investment program of 2018 ahead of planned targets

IDGC of Centre summed up the results of the investment program implementation for 4 months of 2018. During this period, the company commissioned 47 MVA of capacity, which is 8.5% higher than the planned value, and 614 kilometres of power lines, exceeding the plan by 4%.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/64220/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY

World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 316,07	0,03%	9,78%
S&P 500	2 770,37	-0,07%	3,62%
FTSE 100	7 704,40	-0,10%	0,22%
DAX	12 811,05	-0,15%	-0,83%
DJStoxx 600	385,94	-0,24%	-0,83%
Nikkei	22 823,26	0,87%	0,26%
Sensex	35 463,08	0,81%	4,13%
CSI300	3 831,01	-0,17%	-4,96%
Bovespa	73 851,47	-2,98%	-3,34%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	62,01	0,04%	7,60%
EURO/RUB	72,86	0,48%	5,93%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 297,18	0,06%	-0,43%
Brent*, USD/bbl	77,32	2,60%	18,73%

\* - August futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.17
IDGC of Centre	0,3550	14,99		241,71
IDGC of Centre & Volga Reg	0,3550	40,01		645,22

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,27%	-1,14%
MICEX POWER Index	0,36%	6,49%
IDGC of Centre**	0,28%	-0,28%
IDGC of Centre and Volga Region**	2,01%	17,67%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,23%	-2,44%
FGC UES	1,01%	14,13%
IDGC of Volga	1,32%	31,03%
MOESK	-0,69%	-20,24%
IDGC of Northern Caucasus	0,00%	-12,76%
IDGC of North-West	-0,54%	5,77%
IDGC of Urals	-0,44%	7,16%
IDGC of Siberia	0,00%	-7,42%
IDGC of South	-2,70%	8,36%
Lenenergo, ordinary shares	-0,96%	18,44%
TRK, ordinary shares	4,76%	-11,05%
Kubanenergo	0,50%	-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**

