



REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 6 June some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed in different directions with changes within 0.1% – the rise in technology sector shares on corporate news was offset by a decline in securities of financial companies. The markets were supported by strong US statistics – the index of business activity in the service sector in May increased more than expected. At the same time, buyers' activity was constrained by fears of proliferation of trade wars following Mexico's announcement of retaliatory measures against US duties – the country will impose import duties of 15-25% on steel products and agricultural products from the US. On Wednesday the composite stock index of the Asia-Pacific region, MSCI Asia Pacific, added 0.4% on information that the PRC and the US are preparing mutual concessions in the framework of trade negotiations. So, China offers to increase purchases of American goods, and the US finalizes an agreement allowing the Chinese company ZTE to resume purchases from US suppliers. August Brent futures traded near \$76.1 per barrel, \$1.8 higher than the closing level on 5 June. The rise in oil prices was promoted by a report of the American Petroleum Institute on reduction of oil reserves in the country last week.

The MOEX Russia Index spent the first half of the trading session with low volatile changes near zero. In the middle of the day the MOEX Russia Index moved to negative territory after negative trends on European markets and the drop in prices for Brent crude below \$75 per barrel. The European Stoxx Europe 600 Index lost about half a percent due to the strengthening of the euro on the statement of the ECB chief economist that the decision on the timing of the reduction of incentive programs can be taken as early as June. In turn, a negative factor for oil prices was data from the US Department of Energy, which recorded an increase in oil reserves in the country contrary to the forecast, a sharp increase in gasoline reserves and an increase in production to a new historical record. At the end of the day, sentiment on the western markets improved, the main indices were fixed in positive area after publication of good statistics from the US, where the growth rate of labour costs in the first quarter accelerated to a maximum for the year, the deficit of the foreign trade balance in April fell to a minimum in seven months. At the same time, the MOEX Russia Index closed lower by 0.1% under the pressure of inexpressive changes of oil quotes.

As a result of the trading session, the MicexPWR Sector Index underperform. The main contribution to the MicexPWR underperformance in comparison with the MOEX Russia Index was made by shares of RusHydro, FGC UES and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

Mr. Titov asked the Prosecutor General's Office to check the possible sharp increase in energy tariffs in 2019

The Prosecutor General's Office of the Russian Federation together with the Institute of Business Ombudsman will try to contain a sharp increase in electricity tariffs in 2019, which may occur due to changes in tariff regulation for energy sales companies, the press service of business ombudsman Boris Titov said.

Read full text: <http://www.bigpowernews.ru/markets/document83270.phtml>

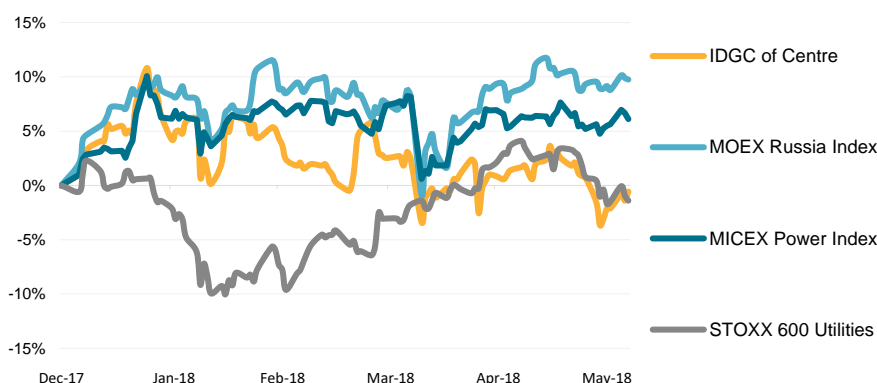
COMPANY NEWS

Kurskenergo successfully implements the energy saving program

Implementation of measures of the program for energy saving and increasing energy efficiency is one of the important activities of IDGC of Centre - Kurskenergo division. In the first quarter of 2018, the effect from the implementation of energy-saving measures in the branch amounted to 537.2 thousand kWh, which exceeds the planned effect by 32.3 thousand kWh.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/64201/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 315,45	-0,12%	9,75%
S&P 500	2 772,35	0,86%	3,69%
FTSE 100	7 712,37	0,33%	0,32%
DAX	12 830,07	0,34%	-0,68%
DJStoxx 600	386,88	0,00%	-0,59%
Nikkei	22 625,73	0,38%	-0,61%
Sensex	35 178,88	0,79%	3,29%
CSI300	3 837,35	-0,21%	-4,80%
Bovespa	76 117,23	-0,68%	-0,37%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	61,98	0,09%	7,55%
EURO/RUB	72,51	0,10%	5,42%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 296,40	0,00%	-0,49%
Brent*, USD/bbl	75,36	-0,03%	15,72%

* - August futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3540	14,95	241,12
IDGC of Centre & Volga Reg	0,3480	39,22	632,74

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,46%	-1,40%
MICEX POWER Index	-0,53%	6,11%
IDGC of Centre**	0,85%	-0,56%
IDGC of Centre and Volga Region**	1,02%	15,35%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,49%	-2,66%
FGC UES	-0,87%	12,99%
IDGC of Volga	0,57%	29,32%
MOESK	-0,14%	-19,69%
IDGC of Northern Caucasus	0,30%	-12,76%
IDGC of North-West	1,47%	6,35%
IDGC of Urals	1,81%	7,64%
IDGC of Siberia	-0,47%	-7,42%
IDGC of South	2,30%	11,37%
Lenenergo, ordinary shares	0,35%	19,58%
TRK, ordinary shares	0,00%	-15,09%
Kubanenergo	-0,50%	-23,47%

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