

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 25 April some neutral external background formed on the Russian market. On Wednesday major US indices closed the trading session with a decline of 0.2% on ambiguous investors' perception of the current corporate reporting season. On the one hand, out of 30% of the companies reporting from the S&P500 index, the number of reports that exceeded profit forecasts corresponded to the average value of this indicator over the past two years. On the other hand, firstly, experts point out that the expected profits were initially underestimated, including on fears of an escalation of the trade conflict with China, and secondly, for the proceeds, the number of positive surprises was minimal for two years. On Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific fell 0.3% after the fall of the Chinese market. The CSI300 index, having lost 2.2%, dropped to three-week lows on a statement by the PRC Prime Minister on switching the Chinese Central Bank to using targeted tools instead of a large-scale liquidity injection, which caused investors to fear that the pace of stimulation of the economy would slow down. Additional pressure on the markets was caused by weak statistics from South Korea, where the GDP in the first quarter decreased by 0.3%, while analysts expected the economy to grow by the same 0.3%. June Brent futures traded around \$74.9 per barrel, \$0.4 above our 24 April close. The Brent quotes updated the 6-month high, despite the sharp strengthening of the dollar – the DXY index rose to a maximum of two years ago, and the US Department of Energy reports that oil reserves grew by 5.5 million barrels and production returned to a record of 12.2 million barrels per day. The oil market is still supported by concerns about the shortage of supplies after the reduction of Iranian exports due to the US sanctions.

For the second day in a row, sellers have been dominating the Russian market in the context of deteriorating investors' attitudes towards risk in general and assets of emerging markets in particular. In the second half of the trading session, the rate of decline in the MSCI EM index exceeded a percent, the loss of the MOEX Russia Index reached 0.8%. High oil prices kept the domestic market from higher declines – Brent quotes tested the mark of \$75 per barrel on media reports that, due to quality problems, a number of Western countries suspended oil exports from Russia via the Druzhba pipeline. According to Reuters, the decline in exports from the Russian Federation was about 700 thousand barrels per day or 0.7% of the world oil demand.

At the end of the trading session, the electric utilities sector index outperformed mainly due to steady growth of Inter RAO's shares (+1.4%).

ELECTRIC POWER INDUSTRY NEWS

ROSSETI defined pilot projects for the use of power storage systems

The use of innovative power storage systems in the electric grid complex was discussed at a meeting of the Commission for the management of innovative development of ROSSETI, which was held under the guidance of Deputy Director General for Strategic Development and Technological Innovations of the holding Evgeny Olkhovich.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=35024

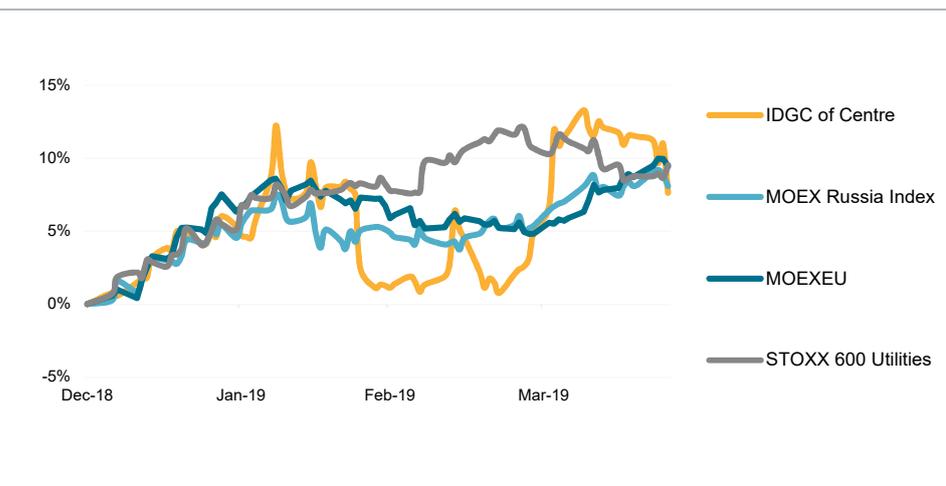
COMPANY NEWS

IDGC of Centre published its financial statements for 1Q 2019 under RAS, net profit was 1,1 bln RUB

According to the prepared in accordance with the Russian Accounting Standards statements for 1Q 2019, IDGC of Centre's revenue was 25,1 bln RUB, including from electric energy transmission – 24,3 bln RUB, from grid connections – 0,3 bln RUB, from resale of electric energy – 0,2 bln RUB and other revenue – 0,3 bln RUB. Sales profit was 2,5 bln RUB. Earnings before interest, taxes, depreciation and amortization (EBITDA²) reached 5,3 bln RUB. Net profit was 1,1 bln RUB.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/68175/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 560,94	-0,70%	8,09%
S&P 500	2 926,17	-0,04%	16,73%
FTSE 100	7 434,13	-0,50%	10,49%
DAX	12 282,60	-0,25%	16,32%
DJStoxx 600	390,15	-0,21%	15,55%
Nikkei	22 307,58	0,48%	11,46%
Sensex	38 730,86	-0,83%	7,38%
CSI300	3 941,82	-2,19%	30,93%
Bovespa	96 552,03	1,59%	9,86%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	63,98	0,30%	-7,90%
EURO/RUB	71,72	-0,04%	-9,75%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 277,17	0,11%	-0,41%
Brent*, USD/bbl	74,35	-0,30%	38,20%

* - June futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3078	12,99	203,11
IDGC of Centre & Volga Reg	0,2751	31,00	484,58

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,80%	9,52%
MOEXEU Index	-0,47%	9,44%
IDGC of Centre**	-3,02%	7,62%
IDGC of Centre and Volga Region**	-0,22%	3,81%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	-1,40%	39,48%
FGC UES	0,01%	12,02%
IDGC of Volga	-0,05%	4,95%
MOESK	0,00%	5,30%
IDGC of Northern Caucasus	6,73%	67,71%
IDGC of North-West	-0,56%	-4,50%
IDGC of Urals	0,46%	-5,85%
IDGC of Siberia	-1,81%	101,27%
IDGC of South	-0,15%	24,89%
Lenenergo, ordinary shares	0,00%	8,51%
TRK, ordinary shares	0,00%	10,39%
Kubanenergo	2,15%	36,07%

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