



REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 11 January some moderately negative external background formed on the Russian market. On Wednesday the major US indices DJIA and S&P500 closed with a decline of 0.1% within profit taking after the strong start of the year. The S&P500 index updated the records based on the results of each of the first six trading sessions this year, writes MarketWatch, which was noted only in 1964 and is considered the most successful beginning of the year. The reason for the correction, among other things, was a jump in yields on US government bonds on Bloomberg's information that China could slow or suspend purchases of US Treasury bonds. On Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific lost about half a percent. March Brent futures traded near \$69.1 per barrel, \$0.2 higher than the closing level on 10 January. Positive background for the oil market was data from the US Department of Energy, which registered a decline in oil reserves in the country last week more than forecast and a significant reduction in production – by 290,000 barrels per day.

A half-percentage decline in the MOEX Russia Index at the beginning of trading was replaced by a comparable increase in the afternoon. The domestic market was supported by new highs in the oil market – Brent quotes tested the mark of \$69.8 per barrel. At the same time, buyers' activity was constrained by uncertain changes of European markets, provoked by ambiguous statistics and strong strengthening of the euro. On the one hand, the growth in industrial production in the Eurozone increased in November to 1%, higher than the forecast, on the other hand, Germany's GDP growth in 2017 by 2.2%, although it turned out to be a record for six years, has not reach analysts' forecasts yet, who were expecting an increase of 2.5%. In turn, the strengthening of the euro against the dollar was provoked by the publication of the "hawkish" Minutes of the December meeting of the ECB, which say that the regulator can revise the plans for the monetary policy in early 2018, "if the economy continues to increase and inflation approaches the goal of the Governing Council even more." At the end of the day, additional support for our market was provided by a slight increase in US indices, which ignored the worse-than-expected statistics on the changes of producer prices in December and applications for unemployment benefits, the number of which rose to a maximum in three months.

During the trading session the MicexPWR Sector Index underperformed. The main contribution to the final MicexPWR decline in antiphase with the MOEX Russia Index was made by shares of Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

The Ministry of Energy approved the investment program of Rosseti Group for 2018-2020

The volume of the investment program of Rosseti Group approved by the Ministry of Energy for the period of 2018-2020 amounted to 736.135 billion rubles, including VAT. The press service of the power grid holding company said to TASS.

Read full text: <http://tass.ru/ekonomika/4867019>

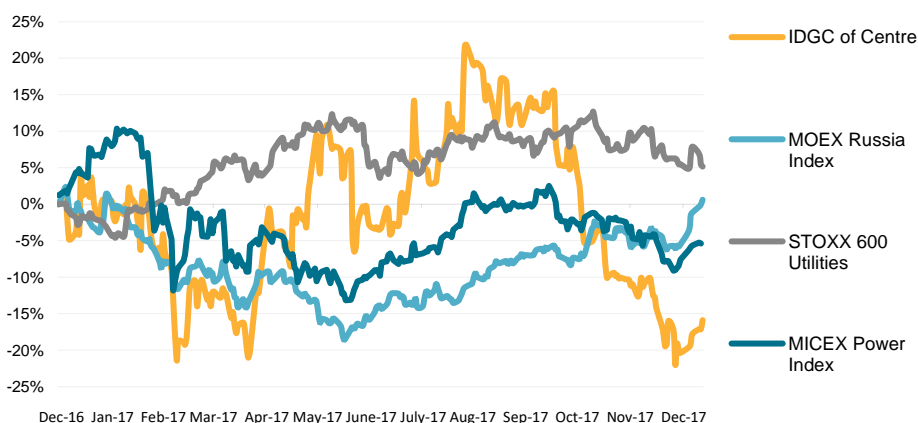
COMPANY NEWS

Acting Governor of the Voronezh region Alexander Gusev held a working meeting with Acting Head of Voronezhenergo Evgeny Golubchenko

On 11 January, Governor of the Voronezh region Alexander Gusev held a working meeting with Evgeny Golubchenko, Acting Deputy General Director of IDGC of Centre - Voronezhenergo division director. The parties discussed prospects for cooperation between the Voronezh region government and the Voronezh branch of IDGC of Centre.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/62849/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 246,45	0,64%	6,48%
S&P 500	2 767,56	0,70%	3,51%
FTSE 100	7 762,94	0,19%	0,98%
DAX	13 202,90	-0,59%	2,21%
DJStoxx 600	397,25	-0,34%	2,07%
Nikkei	23 710,43	-0,33%	4,15%
Sensex	34 503,49	0,20%	1,31%
CSI300	4 205,59	-0,05%	4,33%
Bovespa	79 365,44	1,49%	3,88%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	56,87	-0,30%	-1,31%
EURO/RUB	67,88	-0,48%	-1,31%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 322,44	0,42%	1,51%
Brent*, USD/bbl	69,26	0,09%	3,57%

* - March futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	Change	
			per day	fr 31.12.17
IDGC of Centre	0,3760	15,87		279,11
IDGC of Centre & Volga Reg	0,3089	34,81		612,10

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,28%	5,16%
MICEX POWER Index	-0,11%	3,38%
IDGC of Centre**	1,48%	5,62%
IDGC of Centre and Volga Region**	-0,66%	0,40%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,30%	2,69%
FGC UES	0,49%	2,07%
IDGC of Volga	-0,74%	4,29%
MOESK	-0,78%	-1,56%
IDGC of Northern Caucasus	0,51%	3,39%
IDGC of North-West	4,00%	5,00%
IDGC of Urals	1,77%	9,79%
IDGC of Siberia	0,00%	2,62%
IDGC of South	1,91%	7,02%
Lenenergo, ordinary shares	4,02%	10,42%
TRK, ordinary shares	0,00%	0,54%
Kubanenergo	-0,63%	0,13%

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