

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 17 April some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 rose by 0.8-0.9% due to reduction of geopolitical tensions around Syria and strong quarterly reports of a number of large companies. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.2% following the fall of the Chinese CSI300 by 1.6%. The PRC market was pressured by fears of escalating the trade dispute between China and the US, which neutralized the positive factor of strong statistics – China's GDP growth in the first quarter of 2018 was 6.8%, the growth rate of retail sales in March accelerated to 10.1%. Experts note the worsening prospects for the PRC economy due to a possible decline in exports – one of the key drivers of the country's economy – after introduction of the US various barriers to Chinese goods. In particular, according to media reports, Washington, in addition to the already announced plans to raise duties on Chinese goods, plans to impose restrictions against Chinese IT companies to increase pressure on Beijing. ZTE is already under the US trade sanctions, which ranks the fifth in revenue among world telecommunications equipment manufacturers, has been banned from delivering ZTE products to the country, US companies are prohibited from selling any ZTE products, any US companies are prohibited from trading with ZTE. June Brent futures traded near \$71.9 per barrel, \$0.2 above the closing level on 16 April. Oil quotations were supported by the statement of the Kuwait Oil Minister that the OPEC+ countries will consider at the June meeting the possibility of extending the agreement on limiting production to 2019.

On Tuesday the Russian market was dominated by buyers, the positive factor for investors was the reduction in fears of the expansion of the Russian Federation's sanctions war against the West. On Monday, US media reported that Donald Trump postponed the introduction of additional sanctions against Russia – according to sources from The Washington Post, the president did not want to impose such sanctions "without new actions by Russia that would have pushed him to it." In turn, the State Duma postponed the adoption of the bill on counter-sanctions against the US for a month, citing the fact that the document is "raw" and requires discussion with the expert community. Against this backdrop, the driver of the rise of Russian stock indices were shares of Sberbank, the most affected in the period of active sales in our market. Additional support for Sberbank's securities was provided by the information that the Supervisory Board of the Bank recommended the meeting of shareholders to approve dividends for 2017 in the amount of 12 rubles per share (36.2% of profit under IFRS), which exceeded Interfax's consensus forecast at the level of 11.6 rubles.

During the trading session the MicexPWR Index underperformed, the main contribution to the final rise of MicexPWR was made by shares of FGC UES and Rosseti.

ELECTRIC POWER INDUSTRY NEWS

Low temperatures in Russia and Europe supported extractive industries and the electric power industry, says the Ministry of Economic Development

Low temperatures in Russia and Europe at the end of February and March provided support to extractive industries and the electric power industry, the Ministry of Economic Development said in an information and analytical commentary on the "Economy Picture".

Read full text: <http://www.bigpowernews.ru/markets/document82562.phtml?1&q=>

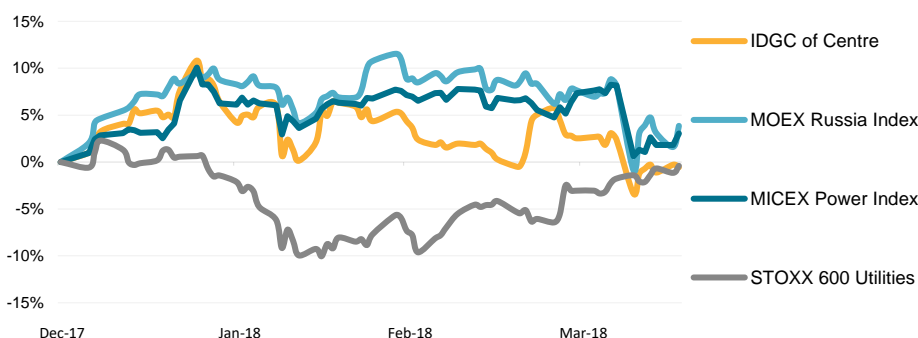
COMPANY NEWS

In 2017 Smolenskenergo's investments in the development of the power grid complex of the region amounted to 933.619 million rubles

Of this amount, 531.755 million rubles were allocated to increase the reliability of grids through technical re-equipment and reconstruction, 386.719 million rubles were allocated for new construction and expansion.

Read full text: http://energy2020.ru/general_news/news11130.php

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2191,19	2,22%	3,86%
S&P 500	2706,91	1,09%	1,25%
FTSE 100	7226,05	0,39%	-6,01%
DAX	12585,57	1,57%	-2,57%
DJStoxx 600	380,77	0,80%	-2,16%
Nikkei	21847,59	0,06%	-4,03%
Sensex	34395,06	0,26%	0,99%
CSI300	3748,64	-1,58%	-7,00%
Bovespa	83774,52	1,10%	9,65%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	62,2794	1,38%	8,07%
EURO/RUB	76,8403	1,44%	11,71%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1344,58	-0,10%	3,19%
Brent*, USD/bbl	71,43	0,01%	6,82%

* - June futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares	Price**, ₺	Change	
		₺ bln	MCap**, \$ mln
IDGC of Centre	0,354	14,95	239,97
IDGC of Centre & Volga Reg	0,3189	35,94	577,07

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,76%	-0,40%
MICEX POWER Index	1,21%	3,06%
IDGC of Centre**	-0,28%	-0,56%
IDGC of Centre and Volga Region**	0,06%	5,70%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	4,56%	-6,39%
FGC UES	2,25%	5,37%
IDGC of Volga	-0,74%	4,43%
MOESK	0,71%	-21,25%
IDGC of Northern Caucasus	1,81%	-11,98%
IDGC of North-West	4,16%	-8,46%
IDGC of Urals	2,17%	0,95%
IDGC of Siberia	-1,26%	2,62%
IDGC of South	0,38%	-11,71%
Lenenergo, ordinary shares	1,96%	18,96%
TRK, ordinary shares	0,00%	-8,89%
Kubanenergo	-0,49%	-21,56%

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