



REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 23 June some neutral external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed with a small decrease in the range of 0.1%. According to Reuters, the losses of the banking sector before the publication of the results of annual stress tests were levelled by the rise of healthcare companies after the Republicans introduced a bill to the Senate for reforming the industry instead of Obamacare. In general, analysts believe that the lack of publication of significant economic data and corporate reporting is likely to cause sluggish trade in the US stock market in the near future. On Friday the main country indices of the Asia-Pacific region traded mostly in a small plus. The Chinese CSI300 added almost a percent and closed at a high for a year and a half, continuing to play back the MSCI decision to include A-shares of the PRC in the MSCI indices in May 2018. August Brent futures traded near the mark of \$45.3 per barrel, \$0.3 below the closing level on 22 June. The market, according to Bloomberg, demonstrates the worst changes in the first half of the year in 20 years and finishes in the red for the fifth week in a row due to fears that production growth in the US, Libya, Nigeria will bring to nothing all the efforts of the OPEC+ countries. Oil production in the US exceeds 9.3 million barrels per day, Libya produces the maximum amount of oil over the past four years. At the same time, the stocks of oil stored in tankers in June reached the highest level since early 2017.

The MICEX Index spent most of the day in positive territory, adding on average about half a percent, mainly due to the stabilization of Brent crude above \$45 per barrel. According to analysts at Credit Suisse, Russian stocks currently look oversold and have a growth potential, even with the price of oil at \$45 per barrel. At the same time, the activity of investors on the Russian market on Friday was limited to moderately negative sentiments on the western markets, due to their own weak statistics – the rise in business activity in the Eurozone in June, according to preliminary data of IHS Markit, slowed to a minimum in five months. At the end of the day, our market was supported by the increase in Brent quotations to around \$45.7 per barrel and a slight increase in US indices at the beginning of trading after the publication of better-than-expected data on sales of new buildings in May.

As a result of the trading session, the the MicexPWR Sector Index looked better than the MICEX Index, mainly due to the growth of shares of Inter RAO and RusHydro. The fall of preference shares of Lenenergo and ordinary shares of IDGC of Volga, which lost 9% and 4% respectively after the ex-dividend date, looked different from the general trends of shares of electric grid companies.

ELECTRIC POWER INDUSTRY NEWS

The MED began to work out the "Unified directions of the tariff policy", which determine the principles of long-term tariff regulation, says the newspaper

To optimize the process of tariff formation, the Ministry of Economic Development plans to develop a new strategic document before the end of the year - "Unified directions of the tariff policy", a federal official told Izvestia and confirmed the source aware of the development of such a document.

Read full text: <http://www.bigpowernews.ru/markets/document77839.phtml>

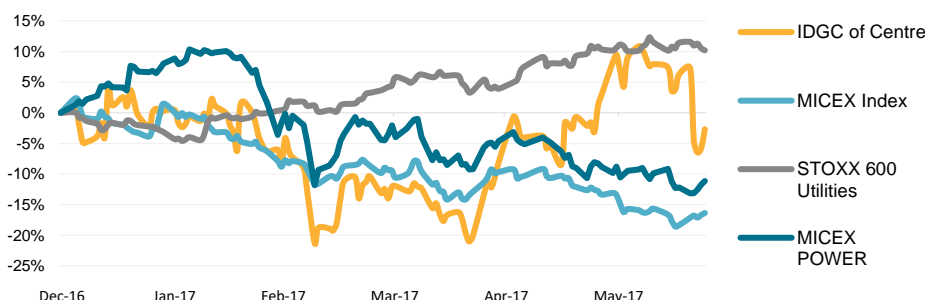
COMPANY NEWS

IDGC of Centre connected the first in the Tambov region sturgeon breeding farm to the grid

IDGC of Centre – Tambovenergo division completed the work on connection to the electric grid of the first in the Tambov region sturgeon breeding farm. To ensure the delivery of power to the new enterprise the power company constructed a 1.72 km power line that connected the facility with the 35/10 kV substation "Gorelskaya".

Read full text: <https://www.mrsk-1.ru/press-center/news/company/60451/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



| World indexes | Value | Change | |
|-----------------|-----------|---------|-------------|
| | | per day | fr 31.12.16 |
| MICEX | 1 867,46 | 0,40% | -16,36% |
| S&P 500 | 2 438,30 | 0,16% | 8,91% |
| FTSE 100 | 7 424,13 | -0,20% | 3,94% |
| DAX | 12 733,41 | -0,47% | 10,91% |
| DJStoxx 600 | 387,62 | -0,23% | 7,25% |
| STOXX Utilities | 305,00 | -0,30% | 10,20% |
| Nikkei | 20 132,67 | 0,11% | 5,33% |
| Sensex | 31 138,21 | -0,49% | 16,94% |
| CSI300 | 3 622,88 | 0,91% | 9,45% |
| Bovespa | 61 087,14 | -0,30% | 1,43% |

Source: Bloomberg, Company calculations

| Currency rates | Value | Change | |
|----------------|-------|---------|-------------|
| | | per day | fr 31.12.16 |
| Euro/USD | 1,12 | 0,34% | 6,44% |
| USD/RUB | 60,15 | 0,25% | -0,84% |
| Euro/RUB | 67,15 | 0,53% | 5,23% |

Source: Bloomberg, Company calculations

| Raw | Value | Change | |
|-----------------|----------|---------|-------------|
| | | per day | fr 31.12.16 |
| Gold, USD/oz | 1 256,71 | 0,50% | 9,52% |
| Brent*, USD/bbl | 45,54 | 0,71% | -22,58% |

* - August futures

Source: Bloomberg, Company calculations

| Shares of IDGC of Centre | Value |
|-------------------------------|--------|
| Last transaction, RUB | 0,4350 |
| Capitalisation**, billion RUB | 18,36 |
| Capitalisation**, million USD | 305,33 |

Source: Central Bank of Russia, Company calculations

| Russian indexes | Change | |
|----------------------------|---------|-------------|
| | per day | fr 31.12.16 |
| MICEX-Power Index | 0,68% | -11,12% |
| Shares of IDGC of Centre** | 3,33% | -2,68% |

Source: Bloomberg, Company calculations

| Grid companies | Change** | |
|------------------------------|----------|-------------|
| | per day | fr 31.12.16 |
| Rosseti, ordinary shares | -0,13% | -31,55% |
| FGC UES | 0,55% | -18,85% |
| IDGC of Volga | -3,93% | 22,23% |
| MOESK | 0,62% | -10,13% |
| IDGC of Northern Caucasus | 0,96% | -28,80% |
| IDGC of Centre and Volga Reg | 2,24% | 17,43% |
| IDGC of North-West | -0,25% | -28,36% |
| IDGC of Urals | 1,69% | -8,81% |
| IDGC of Siberia | -0,48% | -25,81% |
| IDGC of South | -1,12% | -32,44% |
| Lenenergo, ordinary shares | 0,57% | -19,98% |
| TRK, ordinary shares | 0,00% | -25,21% |
| Kubanenergo | -1,39% | -10,57% |

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