



REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 27 April some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 grew by 1.0% due to the rise of the technology sector led by Facebook (+9%) on strong quarterly reporting. Additional support to the markets was provided by the return of yields of 10-year US government bonds below 3%. On Friday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.6% on news from the Korean Peninsula and the outcome of the Bank of Japan meeting. For the first time in 11 years, the leaders of the DPRK and South Korea met in the framework of negotiations on the rapprochement of countries and the denuclearization of the peninsula. The Japanese Central Bank expectedly kept the current aggressive stimulating monetary policy, including the interest rate at the level of -0.1% and the volume of asset purchase. June Brent futures traded near \$74.5 per barrel, \$0.2 higher than the closing level on 26 April. Consolidation of quotations near the maximum for three and a half years, despite the strengthening of the dollar, is still due to the threat of US withdrawal from the deal on the Iranian atom. According to Bloomberg's sources, uncertainty in this matter has already affected the physical oil market, since traders do not want to sign contracts for the supply of oil and oil products from Iran for the period after 12 May, when the term of the revision of the agreement by Washington expires.

The MOEX Russia Index spent most of the trading session in a small plus on average within half a percent. The Russian market was supported by high oil prices and positive moods at European exchanges. The Bank of Russia expectedly kept the key rate at the level of 7.25% per annum. At the same time, experts drew attention to the change in the signals of the Central Bank about the future direction of monetary policy. "Given the growth of the country risk premium and the increase in interest rates in developed markets, the assessment of the neutral interest rate shifts closer to the upper limit of its range of values of 6-7%," the final statement reads. The MOEX Russia Index closed trading on the daily highs after the news that Oleg Deripaska agreed to reduce the stake in En+ below 50% and withdraw from the company's board of directors. Against this background, Russian investors ignored a slight decline in the major US indices on mixed statistics. The US GDP in the first quarter increased by 2.3%, exceeding expectations of economists. The PCE Core Index, which closely monitors the Fed in assessing inflation risks, has increased by 2.5% – this is the highest rate of increase since 2011. However, consumer spending, which accounts for more than 70% of the US GDP, rose 1.1% in annual terms in the first quarter – the minimum rate of increase since 2013.

During the trading session the MicexPWR Index outperformed. The main contribution to the final MicexPWR outperformance in comparison with the MOEX Russia Index was made by shares of FGC UES, which were supported by strong RAS financials for the first quarter, and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

"Rosseti" in the autumn-winter period of 2017/2018 reduced the specific failure rate by 9%, and emergency restoration work by 19%

Director General of the company "Rosseti" Pavel Livinsky during the speech at the All-Russian conference "On the results of the operation of subjects of the electric power industry in the autumn-winter period of 2017 - 2018" noted that thanks to new approaches to the preparation and management of energy facilities of the grid infrastructure during peak loads, despite the growth of the number of hazardous meteorological phenomena, it was possible to qualitatively improve the reliability of electricity supply.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=32976

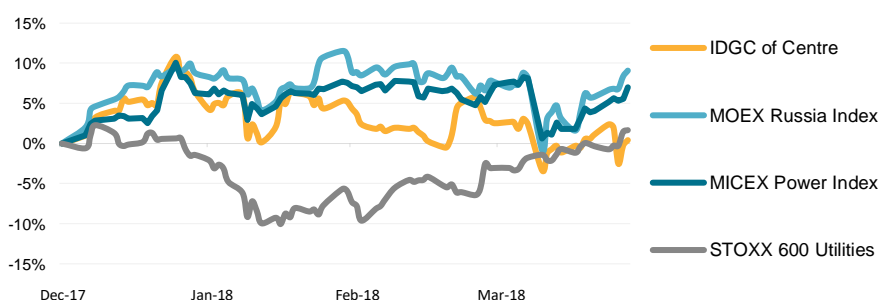
COMPANY NEWS

In 2018 IDGC of Centre to allocate about 150 million rubles for digitalization of the power grid complex in the Voronezh region

IDGC of Centre - Voronezhenergo division continues work on the modernization of electricity metering systems and increasing the level of digitalization of the power grid complex in the region.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/63845/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 301,49	0,68%	9,09%
S&P 500	2 669,91	0,11%	-0,14%
FTSE 100	7 502,21	1,09%	-2,41%
DAX	12 580,87	0,64%	-2,61%
DJStoxx 600	384,64	0,23%	-1,17%
Nikkei	22 467,87	0,66%	-1,30%
Sensex	34 969,70	0,74%	2,68%
CSI300	3 756,88	0,04%	-6,80%
Bovespa	86 444,66	0,07%	13,14%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	62,60	1,38%	8,63%
EURO/RUB	76,18	1,13%	10,75%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 324,00	0,55%	1,63%
Brent*, USD/bbl	74,64	-0,13%	13,47%

* - June futures

Source: Bloomberg, Company calculations

Shares	Price**, P	MCap**, P bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,3690	41,59	664,28

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,22%	1,66%
MICEX POWER Index	1,40%	7,03%
IDGC of Centre**	0,70%	0,42%
IDGC of Centre and Volga Region**	1,93%	22,31%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	2,31%	5,06%
FGC UES	1,81%	9,35%
IDGC of Volga	1,88%	21,24%
MOESK	1,92%	-17,35%
IDGC of Northern Caucasus	0,00%	-11,72%
IDGC of North-West	0,65%	-10,58%
IDGC of Urals	0,89%	8,35%
IDGC of Siberia	0,00%	6,99%
IDGC of South	5,67%	-3,34%
Lenenergo, ordinary shares	1,38%	22,60%
TRK, ordinary shares	-1,76%	-9,97%
Kubanenergo	-0,31%	-18,62%

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