

DAILY MARKET REVIEW

15 May, Tuesday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 14 May some neutral external background formed on the Russian market. On Friday the US indices DJIA and S&P500 grew by 0.2-0.4% due to a rise in shares of the health sector. Papers of pharmaceutical companies went up on the results of the US president's speech on the regulation of drug prices – in spite of investors' fears they contained fewer specific hard offers. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.5% on the weakening of the trade confrontation between the US and China. Before a new round of negotiations planned for this week between the countries, the American president softened his position with regard to the Chinese telecommunications giant ZTE. On Sunday Donald Trump ordered the US Department of Commerce to find a way to quickly restore ZTE's activities in the country, whose work was suspended after the introduction of American sanctions in April. July Brent futures traded near \$76.7 per barrel, \$0.6 below the closing level on Friday, 11 May. Oil quotations were pressured by data from Baker Hughes oilfield services company about the increase in activity of American oil producers – the number of operating oil drilling rigs in the country has increased for the sixth week in a row and renewed a maximum of three years.

For the most part of the trading session, the MOEX Russia Index was in a small minus on average about half a percent, playing out a decline in oil prices and moderately negative sentiment on European markets. The Stoxx Europe 600 Index lost about a third of a percent, including on a statement by the US president's adviser on national security that Washington does not exclude the application of sanctions against European companies that continue to cooperate with Iran. In the second half of the day, the MOEX Russia Index moved to positive territory after the rise of Brent quotes above \$78 per barrel after the publication of the monthly OPEC report. In its April review, the cartel raised the forecast for world oil demand for the current year, reported the performance of the deal to limit production in April by 166%, and also stated its readiness to support the stability of the oil market. Additional support for the MOEX Russia Index, which closed at its historic high, was given by a slight increase in US indices at the beginning of trading on easing tensions in trade relations between the US and China.

As a result of the trading session, the MicexPWR Sector Index underperformed. The main contribution to a small decrease in MicexPWR in antiphase with the MOEX Russia Index was made by shares of Unipro and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

Russian manufacturers are ready to construct a digital power grid complex in Russia

During a working trip to Yaroslavl, Director General of Rosseti Pavel Livinsky visited an exhibition-presentation of manufacturers of various electrical equipment, elements of microelectronics, communication equipment, specialized vehicles and special uniforms for power engineers.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=33031

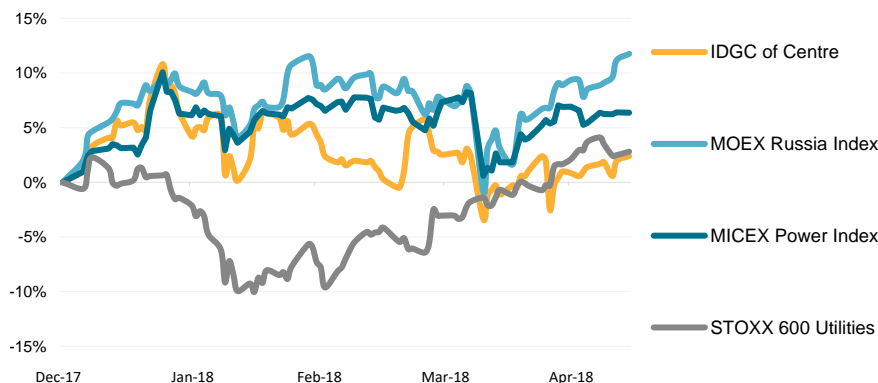
COMPANY NEWS

Lipetskenergo performed 476 new connections in the first quarter of 2018

IDGC of Centre - Lipetskenergo division performed grid connections in the amount of over 23 million rubles in the first quarter of 2018. A total of 473 grid connections with a total capacity of 13 MW were implemented. Of these, 83 grid connections are for legal entities, including large and socially significant facilities.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/63955/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 357,62	0,53%	11,75%
S&P 500	2 730,13	0,09%	2,11%
FTSE 100	7 710,98	-0,18%	0,30%
DAX	12 977,71	-0,18%	0,47%
DJStoxx 600	392,19	-0,05%	0,77%
Nikkei	22 865,86	0,47%	0,44%
Sensex	35 556,71	0,06%	4,40%
CSI300	3 909,29	0,94%	-3,02%
Bovespa	85 232,19	0,01%	11,56%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	61,74	-1,26%	7,13%
EURO/RUB	73,51	-0,89%	6,87%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 313,50	-0,44%	0,82%
Brent*, USD/bbl	78,23	1,44%	19,47%

* - July futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3645	15,39	249,26
IDGC of Centre & Volga Reg	0,3595	40,51	656,27

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,31%	2,80%
MICEX POWER Index	-0,05%	6,35%
IDGC of Centre**	0,41%	2,39%
IDGC of Centre and Volga Region**	1,27%	19,16%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,64%	2,21%
FGC UES	-0,48%	8,36%
IDGC of Volga	1,49%	25,82%
MOESK	-0,67%	-17,58%
IDGC of Northern Caucasus	-0,30%	-13,28%
IDGC of North-West	0,19%	4,04%
IDGC of Urals	-2,14%	9,07%
IDGC of Siberia	-1,32%	-1,75%
IDGC of South	-2,44%	7,19%
Lenenergo, ordinary shares	-0,59%	23,13%
TRK, ordinary shares	0,00%	-8,89%
Kubanenergo	2,76%	-14,54%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, PJSC
127018, Moscow, 2nd Yamskaya, 4
+7 (495) 747 92 92
<http://mrsk-1.com/en/investors/>

IR Division
+7 (495) 747 92 92, ext. 33-34
ir@mrsk-1.ru

Tickers
Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC:RM
MRKC:MM