

DAILY MARKET REVIEW

28 May, Monday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 25 May some moderately negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed with a decline of 0.2-0.3%, on Friday the composite index of the Asia-Pacific region MSCI Asia Pacific showed comparable changes. The stock markets were pressured by increased geopolitical risks after the abolition of Donald Trump's "historic" meeting with the leader of the DPRK on 12 June in Singapore and media reports that the administration of the US president is considering the possibility of imposing a 25% duty on the import of cars and auto components for protection of the American car industry. July Brent futures traded near \$78.4 per barrel, \$0.8 below the closing level on 24 May. The drop in oil prices was promoted by the statement of the head of the Ministry of Energy of the Russian Federation that the participants in the OPEC + agreement can go on softly reducing their obligations to limit oil production if an understanding on market balancing is reached at the ministerial meeting in June.

The MOEX Russia Index spent most of the day on average in a half-percent plus, thanks to moderately positive sentiment in Europe and the weakening of the ruble, which supported papers of exporters. At the same time, the growth of the Russian market was restrained by the fall in oil prices. Brent quotes dropped to around \$76.2 per barrel on a Reuters report that Saudi Arabia and Russia are discussing increasing oil production within the global OPEC+ pact by about 1 million barrels per day. According to the head of the Ministry of Energy of Saudi Arabia, the oil market is already close to achieving a balance. In his turn, the Russian Energy Minister said that the smooth increase in production under OPEC+ could begin in the third quarter. The driver of the rise of the domestic market on Friday was Novatek's shares, which added 6.7% and updated the historical record on information about the purchase by French Total of 10% in the Novatek project "Arctic LNG 2".

During the trading session, the MicexPWR Index underperformed. The main contribution to the final MicexPWR decrease in antiphase with the MOEX Russia Index was made by shares of RusHydro and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

"Rosseti" to create an Internet portal to provide direct communication with electricity consumers

"Rosseti" Holding, within the framework of the St. Petersburg International Economic Forum, presented the Internet portal "Light Country", which will help establish direct contact with electricity consumers for the group's companies. The project was started up by Director General of PJSC "Rosseti" Pavel Livinsky

Read full text: https://www.rosseti.ru/press/news/index.php?ELEMENT_ID=33159

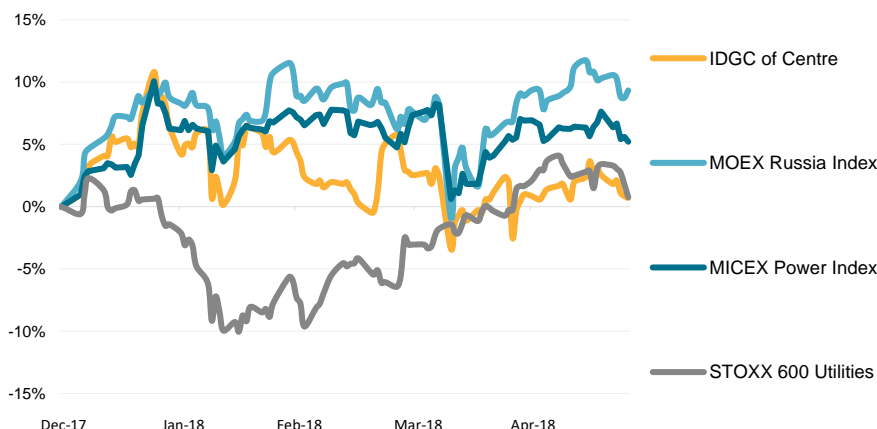
COMPANY NEWS

Kostromaenergo in the first quarter recovered in court from non-payers more than 70 million rubles for delivered electricity

IDGC of Centre - Kostromaenergo division continues its systematic work to recover accounts receivable for electricity transmission services. Its important direction is claims and lawsuits. In the first quarter, specialists of the legal unit of Kostromaenergo submitted to the court 49 claims for collection of receivables for a total amount of more than 87.5 million rubles. In 114 cases, including claims previously sent, decisions were made to recover 12.2 million rubles in favour of the company. During the same period 320 court orders were sent to bailiffs for a total of 70.1 million rubles.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/64083/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 306,57	0,55%	9,33%
S&P 500	2 721,33	-0,24%	1,78%
FTSE 100	7 730,28	0,18%	0,55%
DAX	12 938,01	0,65%	0,16%
DJStoxx 600	391,08	0,14%	0,49%
Nikkei	22 450,79	0,06%	-1,38%
Sensex	34 924,87	0,76%	2,55%
CSI300	3 816,50	-0,28%	-5,32%
Bovespa	78 897,66	-1,53%	3,27%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	61,41	-0,30%	6,56%
EURO/RUB	72,01	-0,24%	4,68%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 302,25	-0,18%	-0,04%
Brent*, USD/bbl	76,44	-2,98%	16,74%

* - July futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3585	15,14	246,46
IDGC of Centre & Volga Reg	0,3525	39,73	646,91

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-1,00%	0,76%
MICEX POWER Index	-0,37%	5,21%
IDGC of Centre**	-0,14%	0,70%
IDGC of Centre and Volga Region**	-0,28%	16,84%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,26%	-2,78%
FGC UES	-1,10%	10,77%
IDGC of Volga	-0,48%	21,92%
MOESK	0,42%	-19,58%
IDGC of Northern Caucasus	-2,71%	-15,89%
IDGC of North-West	-2,32%	5,38%
IDGC of Urals	-1,13%	4,53%
IDGC of Siberia	-3,20%	-7,42%
IDGC of South	-1,38%	7,86%
Lenenergo, ordinary shares	1,88%	18,33%
TRK, ordinary shares	0,00%	-12,94%
Kubanenergo	-1,20%	-15,94%

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