



## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 8 June some moderately negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed in different directions with changes within 0.4%. An increase in shares in the commodity sector was offset by a decline in shares of technology companies as part of the correction after the renewal of historical records. The markets were also pressured by pessimistic expectations about the outcome of the two-day summit of the G-7 countries. As the media note, tension between the US and the rest of the meeting is growing. The main issues that created controversy were international trade, a nuclear deal with Iran and the Paris climate agreement. On Friday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.8%. An additional negative factor was weak Japanese statistics, indicating a reduction in the country's GDP in the first quarter more than expectations. Thus, after eight quarters of growth, Japan's economy once again was on the verge of a recession. August Brent futures traded near \$76.8 per barrel, slightly below the closing level on 7 June. Oil quotes stabilized after growing by 2.5% on Thursday due to problems with supplies from Venezuela – according to media reports, due to the reduction in production and queues in ports of Venezuela, it lags behind the schedule of oil supplies to buyers for almost a month.

On Friday global stock markets were dominated by sellers as part of a worldwide decline in investors' interest in stock markets before the G-7 summit because of the fear of growing trade wars. According to analysts, Donald Trump's tough position on trade issues and the readiness of other countries for symmetrical answers makes the scenario of deepening trade contradictions probable. Experts of the World Bank warn that increased volatility in financial markets, including, with the tightening of the monetary policy by the Fed, and trade protectionism can lead to a slowdown in the global economy. Against this backdrop, in the second half of the day the loss of the MOEX Russia Index and the index of emerging markets MSCI EM exceeded 1.5%, futures for US indices and the European Stoxx Europe 600 Index were 0.5% down. The outpacing negative trends of emerging markets was caused, among other things, by the worsening of the attitude of global investors towards assets of the emerging markets in connection with growing problems of servicing external debt and negative local stories – economic difficulties in Turkey, South Africa and Argentina, and a turbulent situation in Brazil. The MOEX Russia Index closed trading at daily lows, despite improvement in sentiment on the western markets after the neutral start of trading in the US.

As a result of the trading session, the MicexPWR Sector Index outperformed – the main sales were concentrated in the first-tier shares.

## ELECTRIC POWER INDUSTRY NEWS

### Electricity generation in the UES of Centre for January-May 2018 declined by 6% with an increase in electricity consumption by more than 1%

According to the operational data of the Interregional Dispatching Office (ODU) of Centre, the power consumption in the Unified Energy System (UES) of Centre in May 2018 was 17,721.9 million kWh, which is 3% (550.8 million kWh) less than in May last year, said the ODU.

Read full text: <http://www.bigpowernews.ru/markets/document83289.phtml>

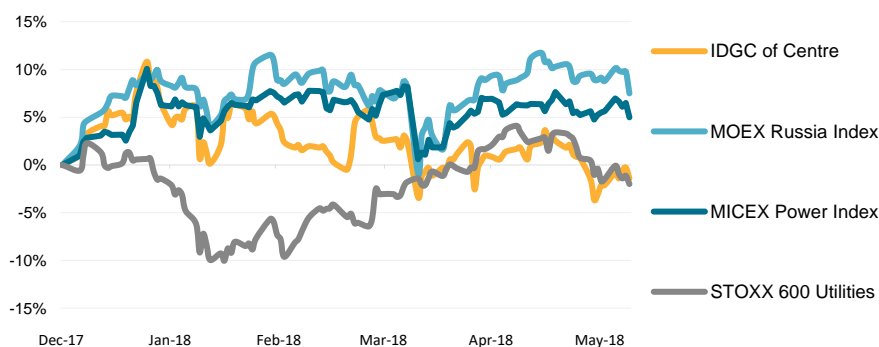
## COMPANY NEWS

### In 2018 IDGC of Centre implements about 400 nature protection measures

IDGC of Centre summed up the implementation of the Environmental Policy Program in the 1st quarter of 2018. In 2018, the company performs about 400 environmental measures in its regions of operation (11 subjects of the Central Federal District), more than 49 million rubles are planned to be allocated for this purpose.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/64229/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 267.92	-2.08%	7.50%
S&P 500	2 779.03	0.31%	3.94%
FTSE 100	7 681.07	-0.30%	-0.09%
DAX	12 766.55	-0.35%	-1.17%
DJStoxx 600	385.12	-0.21%	-1.04%
Nikkei	22 694.50	-0.56%	-0.31%
Sensex	35 443.67	-0.05%	4.07%
CSI300	3 779.62	-1.34%	-6.23%
Bovespa	72 942.07	-1.23%	-4.53%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	61.81	-0.31%	7.26%
EURO/RUB	73.07	0.28%	6.23%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 298.17	0.08%	-0.36%
Brent*, USD/bbl	76.46	-1.11%	17.41%

\* - August futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3510	14,82	239,73
IDGC of Centre & Volga Reg	0,3490	39,33	636,30

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0.87%	-2.00%
MICEX POWER Index	-1.40%	5.00%
IDGC of Centre**	-1.13%	-1.40%
IDGC of Centre and Volga Region**	-1.69%	15.68%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0.20%	-2.24%
FGC UES	-1.05%	12.93%
IDGC of Volga	-1.56%	28.98%
MOESK	-0.42%	-20.58%
IDGC of Northern Caucasus	-2.69%	-15.10%
IDGC of North-West	4.73%	10.77%
IDGC of Urals	-1.11%	5.97%
IDGC of Siberia	-1.89%	-9.17%
IDGC of South	-1.08%	7.19%
Lenenergo, ordinary shares	0.35%	18.85%
TRK, ordinary shares	0.00%	-11.05%
Kubanenergo	-1.16%	-23.98%

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**