

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 14 May some moderately negative external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed trading with a 2.4% fall on concerns about the failure of the US-China trade negotiations after the escalation of the trade conflict between the two largest world economies. Last Friday, the US raised to 25% tariffs on Chinese exports worth \$200 billion a year. At the same time, Donald Trump warned China against retaliation, stating that "the situation will only get worse." Nevertheless, on Monday, Beijing announced an increase from 1 June to 25% of duties on US exports worth \$60 billion a year. As stated by the Chinese Foreign Ministry, China does not want a trade war with the US, but is ready to go there until the end. On Tuesday the composite index of the Asia-Pacific region, MSCI Asia Pacific, lost a percent, playing off the fall of the American market. At the same time, the S&P500 futures added 0.4% on Donald Trump's statements that he is optimistic about the resolution of the trade dispute with China, and that he has not yet made a decision to raise duties on the remaining Chinese exports. July Brent futures traded at around \$70.5 per barrel, at the level of our closure on 13 May. The sharp deterioration in investors' attitudes toward risky assets, triggered by the tightening of trade disputes between the US and China, was levelled by growing fears of an interruption in oil supplies after the publication of media reports about an attack on oil tankers in the Gulf of Oman.

The MOEX Russia Index spent the first half of the trading session in a half-percentage plus after the recovery of world markets – the European Stoxx Europe 600 Index and futures for US indices added more than 0.5% after active sales on Monday. Additional support to domestic investors was provided by an increase in oil prices – Brent quotes rose to \$71.5 per barrel on Saudi Arabia's statements about the drone attacks on the East-West oil pipeline. In the afternoon, the growth of the MOEX Russia Index exceeded 2% against the background of the 16% rally of Gazprom's shares at the maximum volume since March 2014, the reason for which was Interfax's message that the company's management proposes to raise dividends per share in 2018 to 16.61 rubles from 10.43 rubles recommended by the management board earlier.

During the trading session, the electric utilities sector index underperformed. The main contribution to the final MOEXEU growth was made by Inter RAO's shares, supported by both the expectations of strong IFRS financials for the first quarter, and information on the increase in the weight of these securities in the MSCI indices.

ELECTRIC POWER INDUSTRY NEWS

The Ministry of Justice registered an order of the Ministry of Energy, approving the requirements for communication channels for the functioning of relay protection and automation

On 8 May, the Ministry of Justice of the Russian Federation registered Order of the Ministry of Energy of Russia No. 97 of 13 February 2019 "On approval of requirements for communication channels for the operation of relay protection and automation".

Read full text: <http://www.bigpowernews.ru/news/document88097.phtml?1&q=>

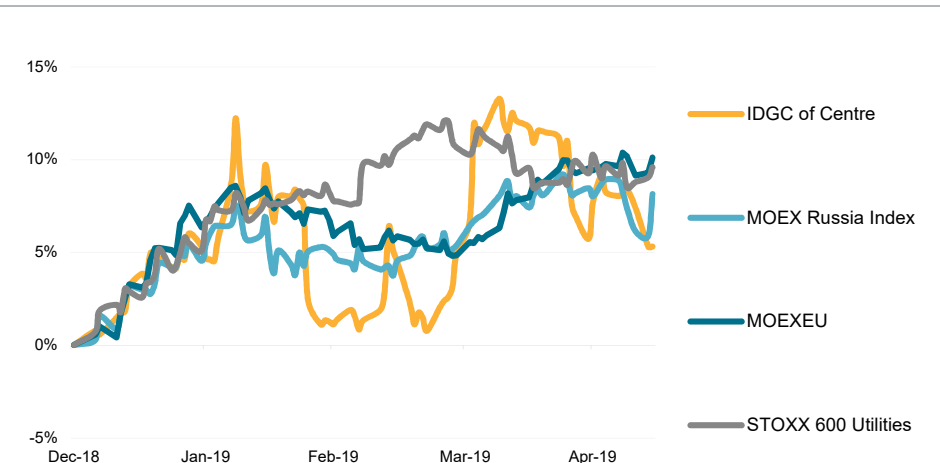
COMPANY NEWS

Belgorodenergo to invest 3.1 billion rubles with VAT in the regional electric grid complex

IDGC of Centre - Belgorodenergo division has started implementation of the investment program of 2019. Power engineers are planning to commission 77 MVA of transformer capacity, to construct and reconstruct 591 km of 0.4-110 kV power lines. The volume of capital investments will amount to 3.1 billion rubles, including VAT.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/68331/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 562,33	2,13%	8,15%
S&P 500	2 834,41	0,80%	13,07%
FTSE 100	7 241,60	1,09%	7,63%
DAX	11 991,62	0,97%	13,57%
DJStoxx 600	376,34	1,01%	11,46%
Nikkei	21 067,23	-0,59%	5,26%
Sensex	37 318,53	0,61%	3,47%
CSI300	3 645,15	-0,64%	21,08%
Bovespa	92 092,44	0,40%	4,78%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	65,47	0,37%	-5,76%
EURO/RUB	73,52	0,59%	-7,47%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 296,92	0,23%	1,13%
Brent*, USD/bbl	71,24	1,44%	32,42%

* - July futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	Change	
		MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre	0,3012	12,72	194,23
IDGC of Centre & Volga Reg	0,2856	32,19	491,62

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	0,50%	9,59%
MOEXEU Index	0,75%	10,11%
IDGC of Centre**	0,00%	5,31%
IDGC of Centre and Volga Region**	0,11%	7,77%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,79%	43,60%
FGC UES	-0,36%	12,21%
IDGC of Volga	-0,70%	8,78%
MOESK	0,57%	6,14%
IDGC of Northern Caucasus	2,79%	68,71%
IDGC of North-West	-0,37%	-2,52%
IDGC of Urals	-1,99%	-9,21%
IDGC of Siberia	3,94%	116,39%
IDGC of South	-0,54%	35,17%
Lenenergo, ordinary shares	0,36%	6,62%
TRK, ordinary shares	0,00%	9,74%
Kubanenergo	-0,15%	32,99%

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