



## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 3 May some neutral external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed with a decrease of 0.7% on the outcome of the Fed meeting and threats of deteriorating trade relations between the US and China. The US Central Bank as expected kept the base rate in the range from 1.50 to 1.75%. At the same time, the Fed noted an increase in prices in the US, saying that inflation in the medium term will rise close to the target level of 2%. However, investors were disappointed, writes MarketWatch, that the Central Bank did not give hints to accelerate the rate of interest rate increase in response to the expected increase in consumer prices. In addition, the Wall Street Journal reported that it was negative for investors that Donald Trump could issue a decree that would prohibit a number of Chinese companies from selling telecommunications equipment in the US. On Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific traded in a small minus with mixed changes of the main country indices. The Japanese exchanges are closed on Thursday and Friday due to public holidays. July Brent futures traded near \$73.3 per barrel, \$0.7 above the level of 2 May. Oil quotations are still supported by threats of the US withdrawal from the agreement on the Iranian atom and the resumption of sanctions against Iran.

Most of the trading session, the MOEX Russia Index followed the trends of oil prices. The neutral start of trading in the middle of the day was replaced by half a percent decrease after the drop in Brent quotes to \$72.5 per barrel, including under pressure from the Russian Energy Ministry's message that Russia for the second month in a row does not comply with the OPEC agreement+ on the limitation of production. Statistics published during the day were ambiguous and had no significant impact on the course of trading. In the Eurozone, inflation in April unexpectedly slowed to 1.2%, in the US data on the index of business activity in the services sector in April and the growth rates of productivity and labour costs in the first quarter were worse than expected, the number of applications for unemployment benefits remained close to a minimum for 50 years. In the second half of the day, the losses of the MOEX Russia Index exceeded a percent after the comparable fall in the main US indices, provoked by fear of the failure of the US-China trade talks. On Thursday, an American delegation led by the US Treasury Secretary arrived in China to participate in negotiations on import duties. At the same time, Chinese state media reported that Beijing intends to firmly resist pressure from Washington.

During the day changes of the MicexPWR Sector Index corresponded to the market. The main contribution to the final MicexPWR decline was made by shares of Inter RAO. Shares of Rosseti closed trading worse than the market under the pressure of Kommersant's message that the energy holding is going to pay interim dividends for the first quarter in the amount of 2.061 billion rubles. Analysts from VTB Capital called this decision "disappointing", linking low payments with preparation for the program of digitalization of grids with a volume of up to 1.3 trillion rubles until 2030. "... the yield of 1.2% on ordinary shares and only 2.9% on preferred shares seems to be weak even in comparison with the dividends of Rosseti for 2016, therefore we consider the news moderately negative for the shares," - in turn, Aton commented on the news.

## ELECTRIC POWER INDUSTRY NEWS

**"Rosseti" to allocate less than 10% of net profit under RAS for the 1st quarter of 2018 for dividends, about 2 billion rubles, says the newspaper**

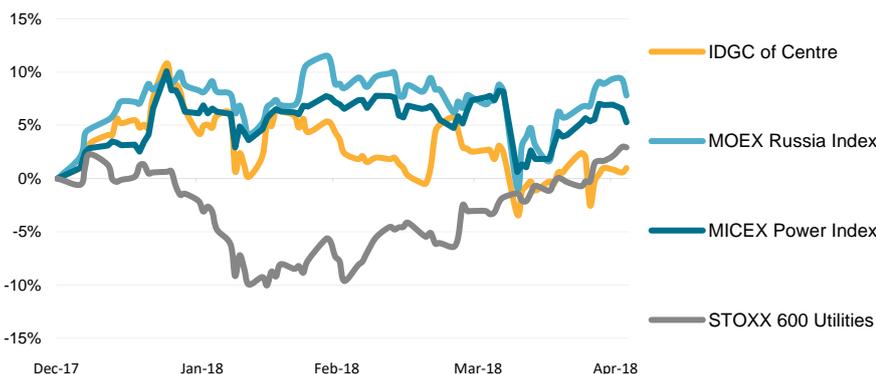
Read full text: <http://www.bigpowernews.ru/news/document82817.phtml>

## COMPANY NEWS

**Voronezh power engineers to spend 581 million rubles on repair of grids and equipment**

Read full text: [http://www.transform.ru/newdetail.shtml?new=\(13973\)](http://www.transform.ru/newdetail.shtml?new=(13973))

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 274,07	-1,40%	7,79%
S&P 500	2 629,73	-0,23%	-1,64%
FTSE 100	7 502,69	-0,54%	-2,41%
DAX	12 690,15	-0,88%	-1,76%
DJStoxx 600	384,62	-0,73%	-1,17%
Nikkei	22 472,78	0,00%	-1,28%
Sensex	35 103,14	-0,21%	3,07%
CSI300	3 793,00	0,78%	-5,90%
Bovespa	83 288,14	-1,49%	9,01%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	62,00	0,00%	7,58%
EURO/RUB	75,21	0,00%	9,33%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 312,06	0,54%	0,71%
Brent*, USD/bbl	73,62	0,35%	12,43%

\* - July futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3595	15,18	244,80
IDGC of Centre & Volga Reg	0,3665	41,30	666,19

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-0,03%	2,93%
MICEX POWER Index	-1,23%	5,27%
IDGC of Centre**	0,42%	0,98%
IDGC of Centre and Volga Region**	0,74%	21,48%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-2,41%	-1,26%
FGC UES	0,06%	7,90%
IDGC of Volga	0,51%	25,38%
MOESK	-0,67%	-17,69%
IDGC of Northern Caucasus	-0,59%	-12,50%
IDGC of North-West	10,00%	-0,58%
IDGC of Urals	-0,43%	9,31%
IDGC of Siberia	-0,42%	4,37%
IDGC of South	2,36%	-5,69%
Lenenergo, ordinary shares	1,89%	23,75%
TRK, ordinary shares	0,00%	-4,58%
Kubanenergo	-1,82%	-17,35%

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**