



REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 11 May some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed with an increase of 0.8-0.9%, on Friday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.9%. The markets were supported by data on the US inflation – the basic consumer price index (Core CPI) in April grew by 2.1% against the forecast of 2.2%. Weak inflation, writes Bloomberg, reduces the need for a more rapid tightening of the monetary policy of the Fed, which is favourable for risky assets. At the same time, the number of applications for unemployment benefits remained near the minimum for 49 years, which indicates the good condition of the world's largest economy. July Brent futures traded near \$77.3 per barrel, \$0.2 higher than the closing level on 10 May. Oil quotes are consolidating near the maximum for three and a half years. According to experts, the premium for a possible reduction of Iranian exports is in a greater degree already discounted in the price, while the growing uncertainty about the prospects of the OPEC+ agreement limits the potential for a rise of oil prices.

On Friday the Russian market was dominated by buyers – in the middle of the day the growth of the MOEX Russia Index was approaching 1.5% due to high oil prices and the resumption of investors' demand for emerging market assets – the MSCI EM index added about a percent. As noted by analysts, the decrease in the probability of accelerating the exit strategy by the Fed after the publication of statistics on the April's inflation led to the return of yields of ten-year US government bonds below the level of 3% and the weakening of the dollar, which increased the attractiveness of assets of emerging markets. At the same time, buyers' activity on the Russian market was constrained by inexpressive trends of European markets, where investors continue to monitor the attempts to form a coalition government of Italy. At the end of the day, the Russian market was supported by a slight increase in US indices at the beginning of the day on good statistics: the index of consumer confidence in May remained at the April's level slightly below the maximum for 14 years, the budget surplus in April was a record. Against this backdrop, the MOEX Russia Index closed trading by an increase of 1.4%, halting a third of a percent from the historical record registered on 26 February.

During the trading session, the MicexPWR Index underperformed, the main contribution to the final MicexPWR underperformance in comparison with the MOEX Russia Index was made by shares of RusHydro, Lenenergo (common) and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

The media learned that Mr. Novak keeps the post of Minister of Energy

Acting Minister of Energy Alexander Novak will retain his post in the new government. This is reported by the newspaper Kommersant, citing sources in the industry and the White House. According to them, officially this will be announced this week.

Read full text: <https://www.rbc.ru/politics/14/05/2018/5af9162f9a79478d4b63ce58?from=main>

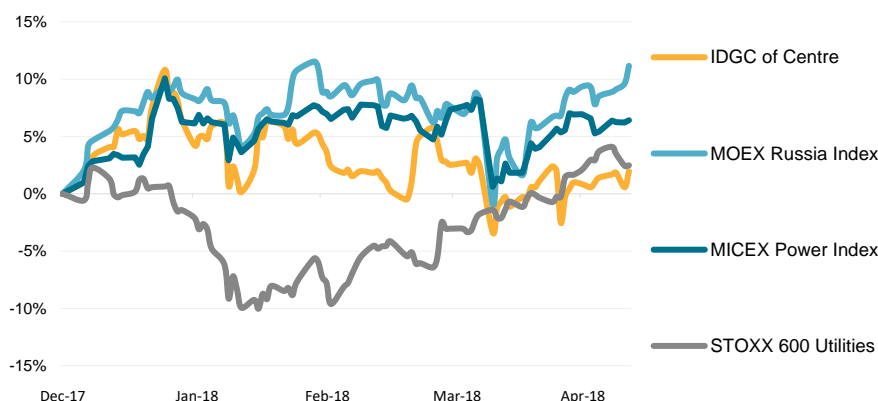
COMPANY NEWS

Specialists of Tambovenergo in the first quarter returned more than 4 million kilowatt-hours of stolen electricity to productive supply

IDGC of Centre - Tambovenergo division summed up the results of work on curbing non-metered and non-contractual electricity consumption for the first quarter of 2018. During raids conducted in the specified period with the participation of employees of Distribution Zones, specialists from the security department and the company's electricity metering department, more than 60 facts of illegal power consumption with a total volume of 3.93 million kWh were identified.

Read full text: <http://inthePress.ru/press/p390689.html>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 345,26	1,40%	11,16%
S&P 500	2 727,72	0,17%	2,02%
FTSE 100	7 724,55	0,31%	0,48%
DAX	13 001,24	-0,17%	0,65%
DJStoxx 600	392,40	0,11%	0,83%
Nikkei	22 758,48	1,16%	-0,03%
Sensex	35 535,79	0,82%	4,34%
CSI300	3 872,84	-0,52%	-3,92%
Bovespa	85 220,23	-0,75%	11,54%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	62,52	-0,77%	8,49%
EURO/RUB	74,18	-1,15%	7,84%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 319,30	-0,17%	1,27%
Brent*, USD/bbl	77,12	-0,45%	17,78%

* - July futures

Source: Bloomberg, Company calculations

Shares	Price**, ₽	MCap**, ₽ bln	MCap**, \$ mln
IDGC of Centre	0,3630	15,33	245,11
IDGC of Centre & Volga Reg	0,3550	40,01	639,89

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,04%	2,48%
MICEX POWER Index	0,17%	6,41%
IDGC of Centre**	1,40%	1,97%
IDGC of Centre and Volga Region**	0,00%	17,67%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	0,90%	1,56%
FGC UES	-0,31%	8,89%
IDGC of Volga	0,12%	23,96%
MOESK	0,54%	-17,02%
IDGC of Northern Caucasus	-0,30%	-13,02%
IDGC of North-West	-0,37%	3,85%
IDGC of Urals	2,41%	11,46%
IDGC of Siberia	1,79%	-0,44%
IDGC of South	-0,76%	9,87%
Lenenergo, ordinary shares	-3,80%	23,85%
TRK, ordinary shares	0,00%	-8,89%
Kubanenergo	-0,15%	-16,84%

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