

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 6 May some negative external background formed on the Russian market. The US indices DJIA and S&P500 closed Friday with growth of 0.7-1.0% due to strong labour market data – unemployment fell to 3.6%, having updated its minimum since 1969. But at the beginning of the week, investors' sentiment deteriorated sharply – on Monday the composite index of the Asia-Pacific region MSCI Asia-Pacific lost a percent, futures for US indices fell almost 2%, the Chinese CSI300 index collapsed by 5.9% – the maximum daily decline since February 2016. The markets were pressured by statements of the US President about a possible increase in duties on a number of Chinese goods, which threatened the course of trade negotiations between Washington and Beijing. On Sunday, Donald Trump wrote in his microblog on Twitter that he would raise duties on Chinese exports worth \$200 billion from 10% to 25% already on Friday, and in the near future he is preparing to levy 25% duty on other imports from China worth \$325 billion. The reason for the introduction of new duties, The Washington Post writes, may be that Donald Trump is unhappy with the slow progress of negotiations and believes that the Chinese side is trying to make changes to a practically ready-made agreement. July Brent futures traded around \$69.2 per barrel, \$2 below our 3 May close. Oil prices fell as part of a general investor's risk aversion prompted by the US President's statements.

On Monday, sellers dominated global stock markets on fears of disrupting US-China trade negotiations after the unexpected demarche of Donald Trump. In the middle of the day, the index of emerging markets MSCI EM, the European Stoxx Europe 600 Index, and futures for the US indices lost an average of about 1.5%. At the same time, the rate of decline in the MOEX Russia Index was one third less, and the Russian market was mainly supported by the recovery in oil prices. In the second half of the trading session, Brent quotes won back all the losses and consolidated in a slight plus – traders found such a drop in the oil prices unjustified in the face of growing threats of supply shortages due to geopolitical risks associated with Iran, Venezuela and Libya. In addition, the potential for reduction of our market was limited by the lack of sales of receipts on the London Stock Exchange, where Monday was a day off. At the end of the day, the MOEX Russia Index was able to rise to the zero mark after a turn of the main US indices from the lows of the start of trading.

At the end of the trading session, changes of the electric utilities sector index corresponded to the market. The main contribution to the MOEXEU slight decrease was made by shares of RusHydro.

ELECTRIC POWER INDUSTRY NEWS

The Ministry of Energy approved the requirements for equipment of power lines with relay protection and automation devices and sets

The Ministry of Justice of the Russian Federation registered Order of the Ministry of Energy of Russia No. 101 of February 13, 2019 "On approving requirements for equipping power lines and electric power facilities with a voltage class of 110 kV and above with relay protection and automation devices and sets, as well as principles of functioning of relay protection and automation devices and sets".

Read full text: <http://www.energyland.info/news-show-tek-electro-185635>

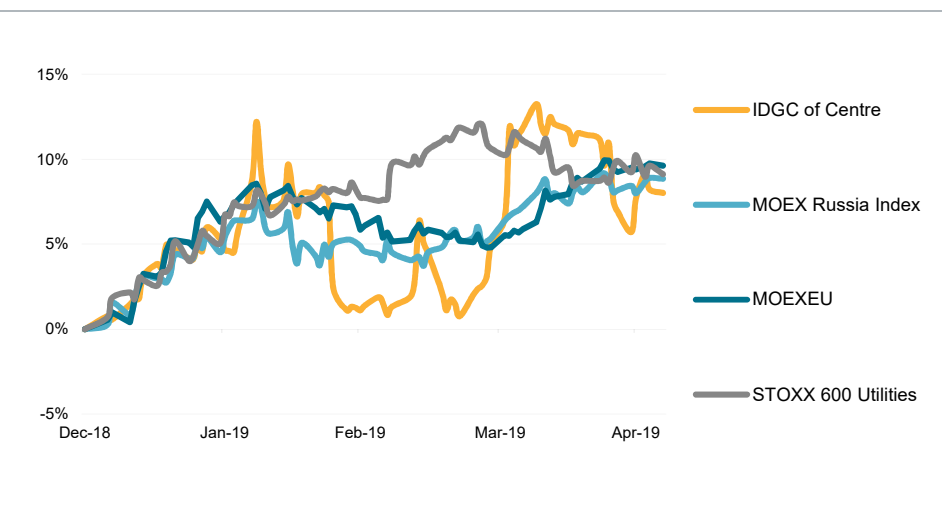
COMPANY NEWS

Smolenskenergo spent about 220 million rubles on repairs of power grids in 2018

IDGC of Centre - Smolenskenergo division summed up the results of the repair program for 2018, from which it follows that the branch coped with the tasks set by 100%. During the year, the branch's specialists repaired 2,003.9 km of power lines of all voltage classes in different districts of the region. 7,846 insulators, 1,186 poles and 84.54 km of wire were replaced.

Read full text: <https://smi2go.ru/publications/109716/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.18
MOEX Russia	2 579,75	-0,05%	8,88%
S&P 500	2 932,47	-0,45%	16,98%
FTSE 100	7 380,64	0,00%	9,70%
DAX	12 286,88	-1,01%	16,36%
DJStoxx 600	386,95	-0,88%	14,60%
Nikkei	22 258,73	0,00%	11,21%
Sensex	38 600,34	-0,93%	7,02%
CSI300	3 684,62	-5,84%	22,39%
Bovespa	95 008,66	-1,04%	8,10%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.18
USD/RUB	64,63	0,00%	-6,97%
EURO/RUB	72,31	0,00%	-9,00%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.18
Gold, USD/oz	1 281,10	0,16%	-0,11%
Brent*, USD/bbl	71,24	0,55%	32,42%

* - July futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre & Volga Reg	0,2849	32,11	496,78

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.18
STOXX 600 Utilities	-0,46%	9,15%
MOEXEU Index	-0,12%	9,65%
IDGC of Centre**	-0,19%	8,04%
IDGC of Centre and Volga Region**	0,39%	7,51%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.18
Rosseti, ordinary shares	0,36%	39,26%
FGC UES	0,85%	12,22%
IDGC of Volga	0,24%	7,76%
MOESK	0,28%	6,74%
IDGC of Northern Caucasus	-11,31%	70,29%
IDGC of North-West	0,90%	1,08%
IDGC of Urals	1,50%	-4,55%
IDGC of Siberia	-0,84%	108,00%
IDGC of South	0,07%	28,10%
Lenenergo, ordinary shares	-0,69%	9,26%
TRK, ordinary shares	0,00%	9,74%
Kubanenergo	-0,29%	40,98%

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