

DAILY MARKET REVIEW

1 June, Friday

2018



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 31 May some moderately positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 increased by 1.3%, on Thursday the composite stock index of the Asia-Pacific region MSCI Asia Pacific added 0.9%. The markets were supported mainly by hopes for resolving the political crisis in Italy. According to media reports, the Italian parties "Movement of 5 stars" and "League of the North" can again try to form a coalition government, which will avoid new parliamentary elections. In addition, according to recent sociological surveys, most Italians are opposed to exiting from the Eurozone. An additional positive factor for investors in the Asian session was data on unexpected acceleration of production activity in China to a maximum of eight months, which weakened fears of a slowdown in the second world economy. July Brent futures traded near \$77.1 per barrel, \$0.3 below the closing level on 30 May. Oil quotes consolidated after a 3% growth on Wednesday on Reuters sources that the OPEC+ agreement on production restriction will last until the end of 2018, and a gradual increase in production this year is possible only in the event of a physical oil shortage on the market.

Most of the trading session, the MOEX Russia Index and the emerging markets index MSCI EM spent on average on a half-percent plus within the return of investors' interest in emerging markets on the weakening of European political problems. In addition, the Russian market was supported by a rise in prices for Brent crude above \$78 per barrel. At the end of the day the MOEX Russia Index reduced its growth rates following a worsening of moods on global markets and a drop in oil prices after the publication of US Department of Energy statistics. The Stoxx Europe 600 Index trading in a small plus moved to almost a percentage drop, the US indices at the beginning of trading lost half a percent on threats of escalating trade wars. The media reported that the US administration, having not achieved concessions from its trading partners, has been imposing duties on steel and aluminum from the EU, Canada and Mexico since 1 June. In response, the European Commission said that the EU will respond proportionately and file a lawsuit with the WTO. In turn, the Brent quotes, having returned to the morning levels, were pressured by a message from the US Department of Energy about the growth of oil production in the country to the next record.

As a result of the trading session, changes of the MicexPWR Sector Index corresponded to the MOEX Russia Index. The main contribution to the MicexPWR growth was made by shares of RusHydro.

ELECTRIC POWER INDUSTRY NEWS

"Rosseti" in 1Q 2018 increased net profit under IFRS by 39.4% – up to 33 billion rubles

Net profit of Rosseti Group in the first quarter of 2018 amounted to 32.9 billion rubles, which is 39.4% more than the same period last year, the company's report says.

Read full text: <http://www.bigpowernews.ru/news/document83181.phtml>

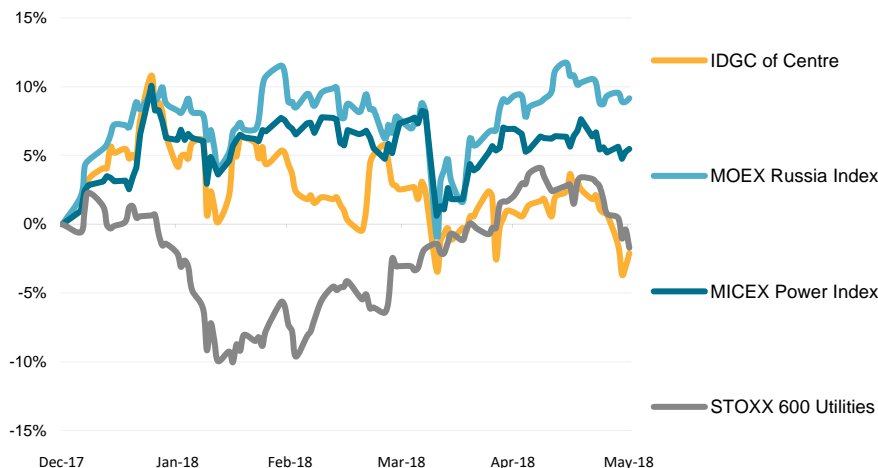
COMPANY NEWS

IDGC of Centre held its Annual General Meeting of Shareholders following the results of 2017

31 May 2018, IDGC of Centre held its Annual General Meeting of Shareholders (hereinafter – the Meeting) in Moscow, chaired by Top Adviser of PJSC "Rosseti", Chair of the Board of Directors of IDGC of Centre Yuri Mangarov. Nearly 90% of shareholders and representatives of the Company's shareholders took part in the Meeting, taking into account absentee voting participants.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/64143/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2 302,88	0,23%	9,15%
S&P 500	2 705,27	-0,69%	1,18%
FTSE 100	7 678,20	-0,15%	-0,12%
DAX	12 604,89	-1,40%	-2,42%
DJStoxx 600	383,06	-0,63%	-1,57%
Nikkei	22 201,82	0,83%	-2,47%
Sensex	35 322,38	1,19%	3,72%
CSI300	3 802,38	2,12%	-5,67%
Bovespa	76 753,62	0,00%	0,46%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	62,59	-0,08%	8,61%
EURO/RUB	72,52	-0,01%	5,43%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1 298,51	-0,22%	-0,33%
Brent*, USD/bbl	77,56	-0,21%	19,10%

* - July futures

Source: Bloomberg, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,3485	14,71	235,05
IDGC of Centre & Volga Reg	0,3425	38,60	616,66

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	-1,33%	-1,71%
MICEX POWER Index	0,21%	5,48%
IDGC of Centre**	1,01%	-2,11%
IDGC of Centre and Volga Region**	0,15%	13,52%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	-0,52%	-2,84%
FGC UES	0,30%	12,62%
IDGC of Volga	0,95%	23,72%
MOESK	-0,98%	-21,13%
IDGC of Northern Caucasus	0,30%	-14,06%
IDGC of North-West	0,18%	5,19%
IDGC of Urals	1,65%	3,10%
IDGC of Siberia	-0,47%	-6,55%
IDGC of South	-1,11%	4,68%
Lenenergo, ordinary shares	1,17%	17,08%
TRK, ordinary shares	0,00%	-13,75%
Kubanenergo	1,72%	-17,09%

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