



REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 19 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 0.3-0.4% within the correction after a nearly 2% drop on Wednesday. Investors were supported, including, by strong data from the US labour market, where the number of those who continue to receive benefits for the week was the lowest since 1988, and the average number of Americans receiving unemployment benefits has reached a minimum since 1974 in the last month. The main country stock indices of the Asia-Pacific region on Friday also stabilized and showed predominantly weakly positive trends. At the same time, MarketWatch notes, investors continue to take a wait-and-see attitude, assessing the increased political risks in the US and Brazil. July Brent futures traded near the mark of \$52.8 per barrel, \$0.3 higher than the closing level on 18 May. Oil quotes are growing on the optimism of traders regarding the extension of the agreement on limiting production – on Thursday Saudi Arabia expressed its readiness to act as an intermediary for the OPEC+ deal and, more importantly, to compensate for its own expense possible violations of other participants to reduce.

The MICEX Index spent the trading session sideways near the zero mark, despite the growth of Brent quotations above \$53.5 per barrel and the restoration of the western markets. Attempts of the Russian market to grow after sales of Thursday was offset by a fall in Gazprom's shares, which for the second day in a row have been under pressure of information that the Board of Directors decided to pay dividends for 2016 only at 20% of net profit under IFRS.

As a result of the trading session the changes of the MicexPWR Sector Index corresponded to the MICEX Index. The main contribution to the MicexPWR reduction was made by shares of FGC UES and Rosseti, remaining under pressure of worsening dividend expectations. As analysts noted, the applied approach to determining the amount of payments to Gazprom's shareholders raises the risks of investors' disappointment with the recommendations of dividends on shares of FGC UES and Rosseti. An additional negative factor for investors in this respect was the statement by Deputy Head of the Ministry of Economic Development, N. Podguzov, that the department adheres to the position on allocating by Rosseti for dividends 50% of net profit, adjusted for revenues from grid connections and investment obligations of troubled subsidiaries.

ELECTRIC POWER INDUSTRY NEWS

Consumers offer to postpone the launch of new nuclear power plants and hydroelectric power stations, anticipating an increase in the price of electricity and capacity by 1.5 times, says the newspaper

Industrial consumers are concerned about the sharp increase in electricity and capacity prices in the European part of Russia and in the Urals (the first price zone) since the beginning of 2017. This was written 20 April to Deputy Prime Minister Arkady Dvorkovich by Director of the Community of Energy Consumers Vasily Kiselyov, writes "Vedomosti", which managed to get acquainted with the text of the letter.

Read full text: <http://www.bigpowernews.ru/markets/document77210.phtml>

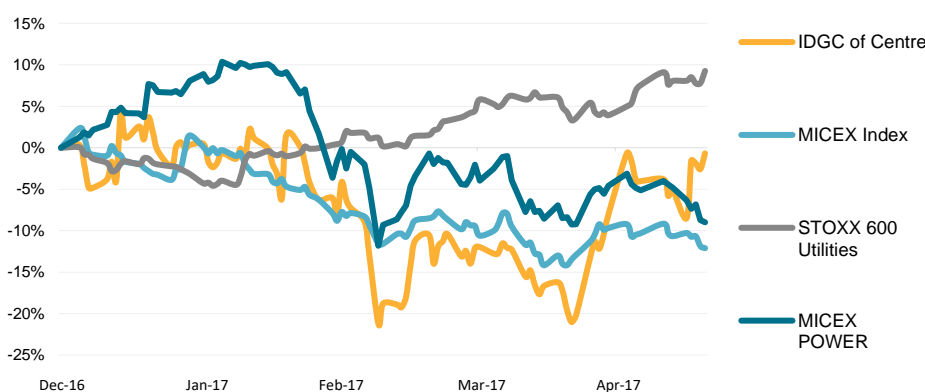
COMPANY NEWS

FAS supported the position of IDGC of Centre on violation of competition conditions by the organizers of the tender for the sale of property of the Voronezh city power grid

IDGC of Centre familiarized itself with the Decision and the Instruction of the Office of the Federal Antimonopoly Service for the Voronezh region on the results of consideration of the complaint against the actions of the tender organizers during the tender for the right to purchase the property of MUE Voronezhskaya Gorelektroset (MUE VGES).

Read full text: <https://www.mrsk-1.ru/press-center/news/company/60139/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 962,40	-0,27%	-12,11%
S&P 500	2 381,73	0,68%	6,38%
FTSE 100	7 470,71	0,46%	4,59%
DAX	12 638,69	0,39%	10,08%
DJStoxx 600	391,51	0,60%	8,33%
STOXX Utilities	302,40	1,36%	9,26%
Nikkei	19 590,76	0,19%	2,49%
Sensex	30 464,92	0,10%	14,42%
CSI300	3 403,85	0,17%	2,83%
Bovespa	62 639,31	1,69%	4,00%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,12	0,72%	6,55%
USD/RUB	57,47	1,29%	-5,26%
Euro/RUB	64,00	1,65%	0,29%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 255,93	0,71%	9,45%
Brent*, USD/bbl	53,61	2,09%	-8,67%

* - July futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4440
Capitalisation**, billion RUB	18,74
Capitalisation**, million USD	326,18

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-0,28%	-8,99%
Shares of IDGC of Centre**	1,95%	-0,67%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-1,55%	-24,86%
FGC UES	-2,13%	-9,55%
IDGC of Volga	-0,61%	16,16%
MOESK	-1,96%	0,22%
IDGC of Northern Caucasus	-0,61%	-25,85%
IDGC of Centre and Volga Reg	0,59%	3,65%
IDGC of North-West	4,08%	-21,09%
IDGC of Urals	0,00%	-16,11%
IDGC of Siberia	-3,41%	-22,10%
IDGC of South	3,60%	-34,16%
Lenenergo, ordinary shares	-0,40%	-10,08%
TRK, ordinary shares	0,00%	-13,87%
Kubanenergo	1,64%	-7,59%

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