



REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 18 April some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed with a rise of 0.9-1.1%, on Wednesday the composite stock index of the Asia-Pacific region MSCI Asia Pacific added more than 0.5%. Investors were supported by strong quarterly reports of a number of large companies, good statistics – in March the rise in industrial production and the growth in the number of new buildings exceeded forecasts, and expectations for a drastic improvement in the situation on the Korean peninsula. According to The Washington Post, the former head of the CIA, Mike Pompeo, nominated for the post of the US Secretary of State, made a secret visit to Pyongyang, where he held talks with the leader of North Korea on the preparation of a bilateral summit. The US president, confirming the fact of this meeting, said that the meeting of the leaders of the US and North Korea could take place in "early June or even earlier." In addition, the media reported that the PRC president intends to visit North Korea in the near future, and Seoul plans to start negotiations with Pyongyang on signing a peace treaty. June Brent futures traded near \$72.1 per barrel, \$0.8 above the closing level on 17 April. Oil prices rose on the report of the American Petroleum Institute about an unexpected drop in oil reserves in the country last week.

The Russian market is still dominated by buyers, playing out the risk reduction of a new round of US sanctions. Interfax on Wednesday quoted a source at the Russian Foreign Ministry saying that the Russian embassy in Washington received a letter from the US presidential administration that Washington does not plan to impose new sanctions on Moscow in the near future. Additional support for our market was provided by moderately positive sentiments on global markets – the emerging markets index MSCI EM added about 0.5%, on average, futures for US indices and major European indices traded in a small plus. Statistics published during the day had no significant effect on the course of trading. Inflation in the Eurozone in March was 1.3% against the expected 1.4%. According to analysts, the insufficient increase in inflation could be an unexpected obstacle for the ECB, whose leaders are preparing to discuss the normalization of monetary policy at the next meetings. The MOEX Russia Index closed trading near the daily highs – at the end of the day, a positive factor for our market was the update by the Brent quotes of a three-year high on the data of the US Department of Energy, which recorded a decline in oil and gasoline reserves in the country contrary to the forecast.

During the trading session the MicexPWR Index underperformed – the reduction of sanction risks is still mainly played out in the first-tier shares. The main contribution to the final MicexPWR increase was made by shares of Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

The growth of the energy price is recognized mainly as competitive

The reform of RAO UES and the mandatory investment contracts, with a return on investment guarantee for ten years, gave the energy sector an impetus for investment, as noted in the final ACRA study. The sector increased its EBITDA margin to 25%, while prices grew slower than inflation. Large industrial consumers were in the relative gain due to the introduction of competition in the sector, according to ACRA. However, the industry itself does not agree with this, traditionally believing that it is now overpaying for energy, and expects rapid growth in payments in the future.

Read full text:

<https://www.kommersant.ru/doc/3607066?query=%D1%82%D0%B0%D1%80%D0%B8%D1%84>

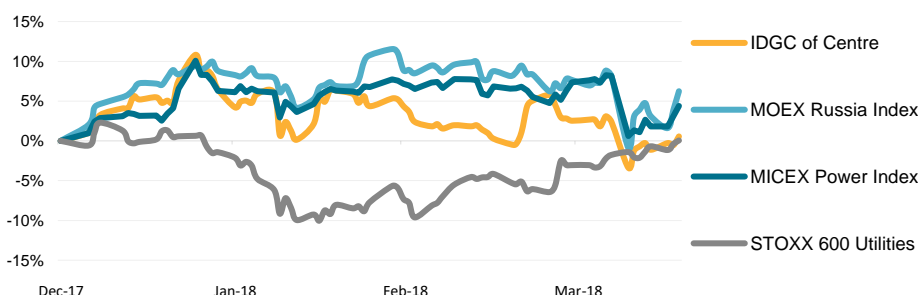
COMPANY NEWS

Orelenergo's specialists in the 1st quarter of 2018 received more than 10 thousand customer requests

Over the reporting period, the branch received more than 10 thousand customer requests, most of them - in absentia, through IDGC of Centre's website, the portal-tp.rf service and the Direct Line of Power Engineers. 2,955 requests were filed at customer service points.

Read full text: <http://intheexpress.ru/press/p389502.html>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.17
MOEX Russia	2241,49	2,30%	6,24%
S&P 500	2714,44	0,30%	1,53%
FTSE 100	7317,34	1,26%	-4,82%
DAX	12590,83	0,04%	-2,53%
DJStoxx 600	381,85	0,28%	-1,88%
Nikkei	22158,2	1,42%	-2,67%
Sensex	34331,68	-0,18%	0,81%
CSI300	3766,28	0,47%	-6,56%
Bovespa	85614,68	1,82%	12,06%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.17
USD/RUB	61,1454	-1,82%	6,10%
EURO/RUB	75,8448	-1,30%	10,26%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change	
		per day	fr 31.12.17
Gold, USD/oz	1350,43	0,22%	3,64%
Brent*, USD/bbl	72,82	1,73%	8,90%

* - June futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares	Price**, ₽	MCap**, \$ mln	
		₽ bln	\$ mln
IDGC of Centre	0,358	15,11	247,18
IDGC of Centre & Volga Reg	0,3247	36,59	598,46

Source: Central Bank of Russia, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.17
STOXX 600 Utilities	0,46%	0,05%
MICEX POWER Index	1,29%	4,39%
IDGC of Centre**	1,13%	0,56%
IDGC of Centre and Volga Region**	1,82%	7,62%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.17
Rosseti, ordinary shares	1,63%	-4,86%
FGC UES	0,85%	6,26%
IDGC of Volga	1,68%	6,19%
MOESK	2,54%	-19,24%
IDGC of Northern Caucasus	1,48%	-10,68%
IDGC of North-West	1,68%	-6,92%
IDGC of Urals	1,18%	2,15%
IDGC of Siberia	-1,70%	0,87%
IDGC of South	2,27%	-9,70%
Lenenergo, ordinary shares	-0,09%	18,85%
TRK, ordinary shares	0,30%	-8,63%
Kubanenergo	4,23%	-18,24%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, PJSC
127018, Moscow, 2nd Yamskaya, 4
+7 (495) 747 92 92
<http://mrsk-1.com/en/investors/>

IR Division
+7 (495) 747 92 92, ext. 33-34
ir@mrsk-1.ru

Tickers
Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC:RM
MRKC:MM