



REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 15 May some moderately positive external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed with a 0.1% decline on the back of weak reporting of retailers and mixed statistics: retail sales and inflation in April were below expectations, while the consumer confidence index rose to a maximum in four months in May. On Monday the composite index of the Asia-Pacific region MSCI ASIA Pacific added about 0.2%. Investors' optimism was facilitated by news that Beijing, within the framework of the Silk Road project, plans to invest \$78 billion both in its infrastructure and in the infrastructure of its partner countries. At the same time, weaker than expected data on industrial production and retail sales in China in April were a constraining factor for the markets. July Brent futures traded near the mark of \$51.8 per barrel, \$1.1 higher than the closing level on Friday, 12 May. Oil quotes actively grew on a joint statement by Russia and Saudi Arabia, in which the two largest oil-producing countries favoured extending the agreement on limiting production till the end of March 2018.

The MICEX Index spent the trading session on Monday with volatile flat changes near the zero mark – the rise of Brent quotations above \$52 per barrel was levelled by uncertainty over the dividends of state-owned companies and the strengthening of the ruble. The President of the Russian Federation stated that the rule on the payment of 50% of profits by state-owned companies in the form of dividends was not finally approved, specifying that when calculating Gazprom's dividends, paper profit will not be taken into account. Against this background, the shares of the gas concern fell 2%, pulling the MICEX Index, shares of electric grid companies were under pressure. The dollar-ruble pair by the end of trading on Moscow Exchange fell to the lows of this year on the growing oil and the CBR statements, firstly, that the purchase of currency by the regulator to replenish the gold and foreign exchange reserves is not yet planned, and secondly, that the weakening of the ruble has more disadvantages and risks than pluses in the form of potential economic growth. At the end of the day the MICEX Index could gain a foothold in positive territory due to the confident start of trading in the US, where the indices added about 0.5% after the growing shares of commodity companies.

During the trading session the MicexPWR Sector Index looked significantly worse than the broad market. The main contribution to the final decline in the sector indicator was made by shares of electric grid companies and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

Mr. Putin said that he discussed with Mr. Medvedev the issue of dividends of state companies

The Russian President Vladimir Putin said that the level of dividends for state-owned companies is still being discussed, their real incomes will be taken into account. He noted that he discussed the issue of dividends with the Russian Prime Minister Dmitry Medvedev.

Read full text: <https://ria.ru/economy/20170515/1494304934.html>

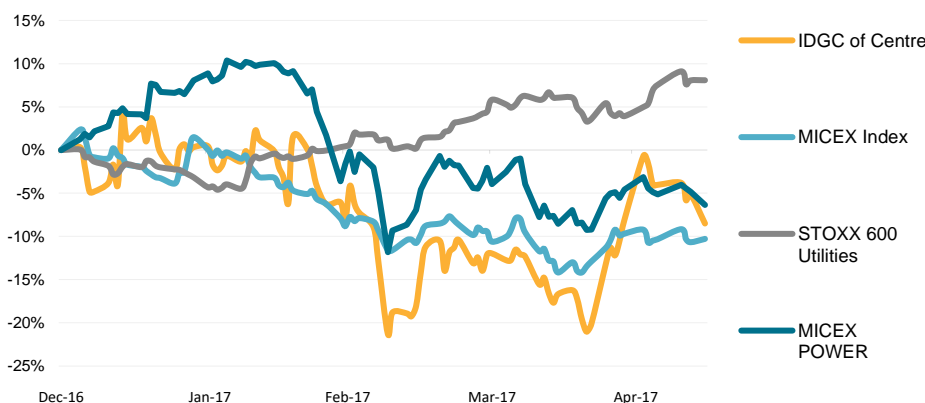
COMPANY NEWS

Kurskenergo in the first quarter saved about 7 million kWh due to the implementation of energy-saving measures

IDGC of Centre - Kurskenergo division summed up the implementation of the Energy Saving and Energy Efficiency Program in the first quarter of 2017. The overall effect of implementing energy-saving measures was 6.77 million kWh, which already exceeds the expected results of 2017 (6.25 million kWh).

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/60076/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 003,12	0,43%	-10,28%
S&P 500	2 402,32	0,48%	7,30%
FTSE 100	7 454,37	0,26%	4,36%
DAX	12 807,04	0,29%	11,55%
DJStoxx 600	395,97	0,09%	9,56%
STOXX Utilities	299,13	0,01%	8,08%
Nikkei	19 869,85	-0,07%	3,95%
Sensex	30 322,12	0,44%	13,88%
CSI300	3 399,19	0,41%	2,69%
Bovespa	68 474,19	0,37%	13,69%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,10	0,39%	4,35%
USD/RUB	57,16	0,08%	-5,76%
Euro/RUB	62,09	-0,11%	-2,69%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 230,82	0,19%	7,26%
Brent*, USD/bbl	51,82	1,93%	-11,72%

* - July futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4090
Capitalisation**, billion RUB	17,27
Capitalisation**, million USD	302,06

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-1,59%	-6,34%
Shares of IDGC of Centre**	-3,54%	-8,50%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-2,19%	-22,70%
FGC UES	-2,51%	-6,45%
IDGC of Volga	-4,73%	15,18%
MOESK	-0,71%	8,69%
IDGC of Northern Caucasus	0,00%	-24,72%
IDGC of Centre and Volga Reg	-10,5%	7,91%
IDGC of North-West	-2,50%	-22,00%
IDGC of Urals	-6,83%	-17,02%
IDGC of Siberia	-0,55%	-13,26%
IDGC of South	-0,29%	-33,40%
Lenenergo, ordinary shares	0,59%	-7,36%
TRK, ordinary shares	1,74%	-13,87%
Kubanenergo	-0,98%	-6,67%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

MRKC
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