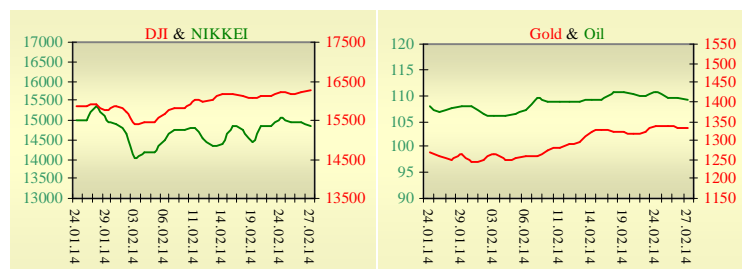
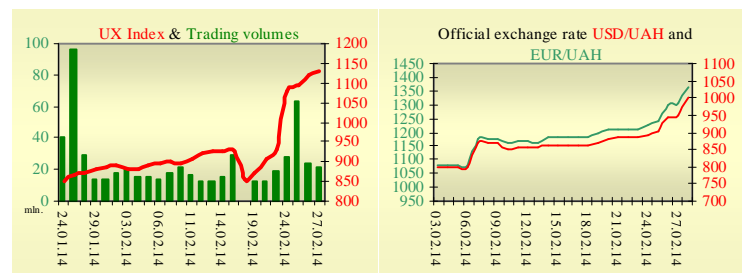


## Morning stock market review 28 February 2014

Index	Closing	Change
<b>Dow Jones</b>	16 272.65	0.46%
<b>S&amp;P 500</b>	1 854.29	0.49%
<b>NASDAQ comp</b>	4 318.93	0.63%
<b>FTSE 100</b>	6 810.27	0.16%
<b>CAC 40</b>	4 396.39	-0.01%
<b>DAX 30</b>	9 588.33	-0.76%
<b>Nikkei 225</b>	14 841.07	-0.55%



UX	Index	Change	Volume, UAH mln.
	1 129.08	0.75%	21.7



Value for 9:59		
Futures	Index	Change
<b>Dow Jones</b>	16 251.00	-0.12%
<b>S&amp;P 500</b>	1 851.40	-0.13%
<b>NASDAQ 100</b>	3 698.00	-0.09%

Commodity markets		
<b>Oil Brent</b>	108.96	-0.51%
<b>Gold</b>	1 332.25	0.03%

Interbank loans	27 February		
	o/n	7 days	30 days
<b>KIBID (UAH)</b>	7.14	11.0	12.0
<b>KIBOR (UAH)</b>	14.4	16.0	18.0
<b>KIBID (USD)</b>	5.60		
<b>KIBOR (USD)</b>	9.80		

Interbank currency	Bid/Ask	
	closing 27 February	
<b>UAH/USD</b>	10.8000 / 11.1000	
<b>UAH/EUR</b>	0.3146 / 0.3251	
<b>UAH/RUB</b>	14.7430 / 15.2935	

### Last closure

On Thursday, February 27, trades in USA have come to the end with growth, as Federal Reserve Chair Janet Yellen said the central bank may change its strategy for reducing asset purchases should the economy weaken. U.S. Commerce Department said that total durable goods orders, which include transportation items, declined by a seasonally adjusted 1% last month, compared to expectations for a 1.5% drop. Orders for durable goods in December were revised to a 5.3% decline from a previously reported drop of 4.2%. "Yellen said that they would consider pulling back on their tapering schedule if the economy slowed in a meaningful manner," Matt Maley, an equity strategist with Miller Tabak & Co., said in an interview from Boston. "She seems to be more willing to step back on the accelerator than she was when she last spoke to Congress." On the day's result, index Dow Jones rose by 0.46%, S&P has increased by 0.49%, Nasdaq grew by 0.63%.

European stock exchanges closed with mixed dynamics of main indexes, as tension escalated in Crimea, following Ukraine's change of government. Instability in the Ukraine, particularly if there's Russian intervention, will be taken very badly by markets. In February 2014 the Business Climate Indicator for the Eurozone increased slightly by 0.12 points to +0.37. Managers' appraisal of the past production, the stocks of finished products as well as the current level of overall order books and export order books marked an improvement; production expectations were virtually unchanged. In the Eurozone, the Economic Sentiment Indicator's marginal increase was due to enhanced confidence in construction and, to a lesser extent, services, retail trade and industry; at the same time, confidence among consumers worsened. Sentiment booked improvements in three out of the five largest Eurozone economies, i.e. Germany (+0.4), the Netherlands (+0.6) and, especially, Italy (+2.4), while it remained stable in Spain and deteriorated in France (-1.4). On the day's result, British FTSE rose by 0.16%, CAC 40 (France) has decreased by 0.01%, DAX (Germany) has lowered by 0.76%.

February's contractual price on Brent oil, decreased by \$0.56 to \$108.96 per barrel.

### In Ukraine

Trades on the Ukrainian stock exchange opened by decrease, day passed without certain dynamics. Value of the UX index has increased by 0.75% to 1129.08. Share trades capacity on the application market was equal to UAH 9.6 million. Trades capacity on the derivatives market was equal to UAH 4.6 million. Total trades capacity for yesterday — UAH 28 million.

From ten shares of an index basket, five have grown in price. Leaders of growth were shares of Ukrnafta (+7.40%) and Raiffeisen Bank Aval (+2.79%). Worse than market looked shares of Ukrspotsbank (-4.56%).

The International Monetary Fund will in the next few days send a team of experts to Kyiv for prior consultations with the Ukrainian government on economic assistance to the country. The U.S. authorities are considering providing financial assistance to Ukraine in the form of loan guarantees, the amount of which may reach \$1 billion. The hryvnia exchange rate will stand at about UAH 9.80-9.90 per U.S. dollar. Newly appointed Ukrainian Finance Minister Oleksandr Shlapak told this to reporters.

### Premarket

External background at the opening is moderately negative. Japan's factory output in January soared 4.0% on-month. The reading beat predictions of a 3.0% rise and was much higher than a 0.9% rise in December. Retail sales in January climbed 4.4% on year in January. That beat forecasts for an increase of 3.8% following the 2.5% gain in December. German retail sales increased by 2.5 per cent in January compared with December. The Asian indexes are showing mixed dynamics today. Nikkei rose by 0.01%, Hong Kong Hang Seng declining by 0.1%.

Futures on American indexes are decreasing today from 0.13% to 0.09%.

Russian indexes as of 9:53 a.m. are decreasing—RTS decreasing by 1.06%, MICEX lowers by 1.01%.

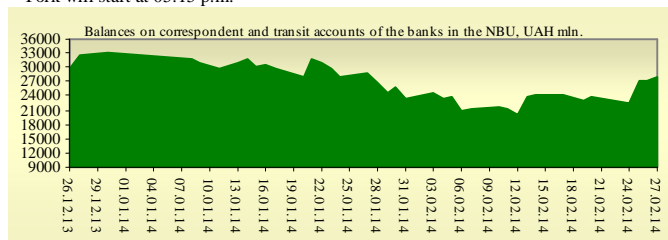
### Our expectations

We expect opening of the Ukrainian market by decrease. Lawmakers in Crimea, part of the Russian-speaking south of Ukraine, agreed to hold a referendum on the status of the region on May 25, Interfax reported. Russia ordered a series of surprise military exercises along its border with Ukraine late yesterday. The country's Black Sea fleet leases its main base in Sevastopol on the Crimean peninsula. Oleksandr Turchynov, Ukraine's acting president following the departure of Viktor Yanukovich at the weekend, said he would regard operations by Russia's Black Sea forces outside their base as aggression.

In the E.U. will be published Consumer Price Index (12:00 a.m.).

In the U.S. will be published GDP (03:30 p.m.), Chicago PMI (03:30 p.m.), Reuter's/University of Michigan's consumer sentiment index (03:30 p.m.), and pending home sales index (05:00 p.m.).

Federal Reserve Gov. Jeremy Stein and Minneapolis Fed President Narayana Kocherlakota on panel discussing monetary policy and financial stability, in New York will start at 05:15 p.m.



## Financial ratios for Ukrainian issuers

Ticker	Name	Closing price, UAH	P/E	P/S	EV/S	EV/Ebitda	P/B
<b>Metallurgy</b>							
ALMK	Alchevsk Metallurgical Plant	0.0425	neg	6.26	91.06	neg	0.86
AZST	Azovstal Iron and Steel Works	0.819	neg	0.16	0.9	neg	0.27
ENMZ	Enakievo Metallurgical Plant	39.69	1.27	0.03	0.95	163.99	neg
MMKI	Ilyich Iron and Steel Works of Mariupol	0.175	neg	0.09	0.09	0.7	0.29
<b>Coke industry</b>							
ALKZ	Alchevsk Cokery Plant	0.096	4.9	0.04	0.08	3.71	0.19
AVDK	Avdiivka Cokery Plant	3.199	neg	0.07	0.07	neg	0.12
YASK	Yasynivka Cokery Plant	0.74	3.02	0.06	0.07	1.21	0.13
<b>Quarrying industry</b>							
CGOK	Central Ore Mining and Processing Plant	8.83	11.74	1.9	2.05	4.75	2.27
PGOK	Poltava Ore Mining and Processing Plant	12.47	4.46	0.24	0.55	2.8	0.33
SGOK	North Ore Mining and Processing Plant	9.554	4.78	1.6	1.82	3.39	1.44
<b>Mining industry</b>							
SHKD	DTEK Mine Komsomolets Donbassa	0.9	neg	0.14	0.55	1.18	0.19
SHCHZ	Pokrovske Mine Management	0.5	1.1	0.1	0.3	1.01	0.18
<b>Pipe industry</b>							
NVTR	Interpipe Novomoskovsk Pipe-Production Plant	0.2946	neg	0.03	0.21	2.94	0.09
HRTR	Khartsyzsk Tube Works	0.615	4.28	0.34	0.33	2.46	1.28
<b>Energy industry</b>							
DNON	DTEK Dniiproblenergo	93	2.05	0.13	0.34	2.24	0.34
CEEN	Centerenergo	5.625	6.88	0.27	0.34	5.2	0.82
DNEN	Dniiproenergo	384.9	1.83	0.24	0.22	0.98	0.39
DOEN	Donbasenergo	40.694	2.6	0.18	0.23	2.08	0.86
KREN	DTEK Krymenergo	0.939	3.96	0.06	0.2	0.76	0.1
ZAEN	DTEK Zakhidenergo	126.5	8.38	0.15	0.2	3.14	1.03
ZHEN	Zhytomyroblenergo	1.147	2.85	0.1	0.12	0.69	0.07
<b>Mechanical engineering</b>							
KRAZ	AvtoKrAZ	0.039	neg	0.17	3.13	neg	0.12
KVBZ	Krukivsky Carriage Works	23	4.74	0.43	0.47	3.38	0.97
LTPL	Luganskteplovoz	1.545	3.14	0.15	0.35	2.42	0.47
LUAZ	Bogdan Motors	0.036	0.35	0.21	4.37	neg	0.24
MSICH	Motor Sich	2075	3.63	0.49	0.51	2.24	0.48
MZVM	Mariupol Heavy Machine Building Plant	0.108	neg	0.12	1.01	6.67	0.14
SMASH	Sumy Frunze Machine Building Plant	3.294	0.93	0.09	0.7	4.19	0.22
SVGZ	Stakhanov railway car building works	1.302	4.17	0.15	0.44	3.68	0.37
<b>Oil and gas industry</b>							
UNAF	Ukrnafta	203.9333	14.47	0.73	0.71	5.08	0.61
<b>Banks</b>							
BAVL	Raiffeisen Bank Aval	0.1551	8.53	x	x	x	0.64
FORM	Forum Bank	0.7875	neg	x	x	x	0.34
USCB	UkrSotsbank	0.1939	1152.1	x	x	x	0.46
<b>Other industries</b>							
MTBD	Mostobud	19	neg	0.31	19.06	neg	0.06
STIR	Concern Stirol	14.085	neg	0.06	0.14	neg	neg
UTLM	Ukrtelecom	0.1469	33.95	0.41	0.72	3.24	0.51

## **ANALYTICAL DEPARTMENT**

Vitaly Murashkin  
[VMurashkin@itt-group.com](mailto:VMurashkin@itt-group.com)  
Head of Department

Yegor Burkov  
[EBurkov@itt-group.com](mailto:EBurkov@itt-group.com)

30 Fizkultury street  
03150 Kyiv Ukraine  
Telephone: +38 044 246 68 41  
Fax: +38 044 287 21 12  
[www.itt-group.com](http://www.itt-group.com)