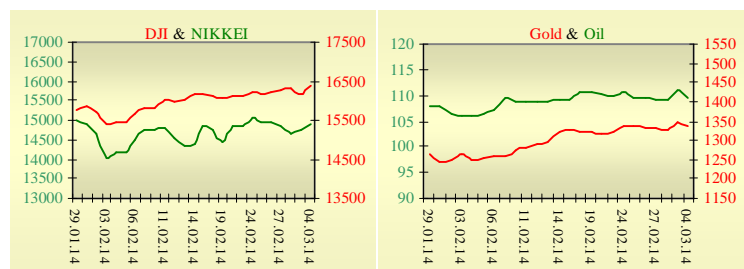
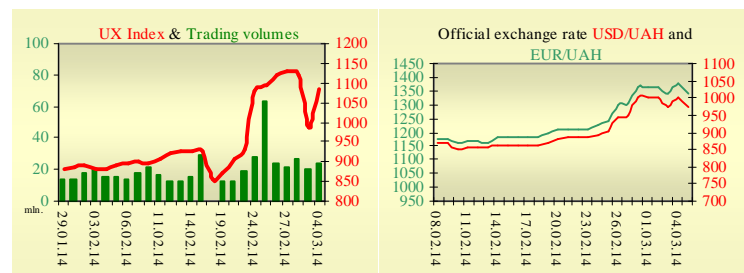


Morning stock market review 5 March 2014

Index	Closing	Change
Dow Jones	16 395.88	1.41%
S&P 500	1 873.91	1.53%
NASDAQ comp	4 351.97	1.75%
FTSE 100	6 823.77	1.72%
CAC 40	4 395.90	2.45%
DAX 30	9 589.15	2.46%
Nikkei 225	14 897.63	1.20%



UX	Index	Change	Volume, UAH mln.
	1 082.12	9.53%	23.7



Value for 9:57		
Futures	Index	Change
Dow Jones	16 369.00	-0.07%
S&P 500	1 869.40	-0.11%
NASDAQ 100	3 715.50	-0.03%

Commodity markets		
Oil Brent	109.30	-1.70%
Gold	1 334.75	-1.09%

Interbank loans	4 March		
	o/n	7 days	30 days
KIBID (UAH)	8.11	11.0	12.0
KIBOR (UAH)	14.2	16.0	18.0
KIBID (USD)	5.00		
KIBOR (USD)	9.20		

Interbank currency	Bid/Ask	
	closing 4 March	
UAH/USD	9.1000 / 9.5000	
UAH/EUR	0.2558 / 0.2641	
UAH/RUB	12.1060 / 13.0730	

Last closure

On Tuesday, March 4, trades in USA have come to the end with growth, as comments from Russian President Vladimir Putin signaled the Ukraine crisis won't immediately escalate. Stocks rallied after Putin said he's not considering taking control of Crimea and would send in troops to Ukraine only in an extreme case. In his first public remarks since Ukraine said its Crimean peninsula had been taken over by Russian forces, President Putin said he reserved the right to use force to defend ethnic Russians while there's "no such necessity" at present. U.S. Secretary of State John Kerry arrived in Kiev to offer an aid package to Ukraine's interim government, as President Barack Obama challenged Putin's rationale for intervening. National chain-store sales fell 1.3% in February from the comparable period in January, according to Redbook Research's latest indicator. The Johnson Redbook Retail Sales Index also showed seasonally adjusted sales for the period improved 2.9% from a year earlier, compared with a target for an increase of a 3.2%. For the fourth week of February, sales rose 2.7% from a year earlier. U.S. chain-store sales rose 1.5% year on year for the week that ended on March 1. Comparable-store sales barely improved from the previous week, rising just 0.3%. On the day's result, index Dow Jones rose by 1.41%, S&P has increased by 1.53%, Nasdaq grew by 1.75%.

European stock exchanges closed with growth of main indexes, as investors speculated that the military standoff in Ukraine will not lead to war. About 16,000 Russian soldiers have blocked airports and main roads on the Crimean peninsula, Yuriy A. Sergeyev, Ukraine's ambassador to the United Nations, said yesterday in New York. Russia's ambassador to the UN said that threats posed by extremists legitimized his country's intervention in Crimea, where Russian speakers make up the majority. The U.S. ambassador to the UN condemned the mobilization and said "there was no evidence of threats against ethnic Russians." Putin ended a series of military exercises involving about 150,000 soldiers in western Russia and ordered the troops back to base, according to a statement from the Kremlin. The Eurozone's producer price index fell by 0.3% over the month (-1.4% year-on-year) during January. The consensus estimate had been for a reading of -0.1% (-1.3% year-on-year). The number of Spanish people registered as unemployed fell in February for the first time since the global financial crisis started, official figures show. The jobless total was down by 1,949 to 4.81 million. Though modest, it is the first drop for the month since 2007 and a further sign that the Spanish economy is recovering. On the day's result, British FTSE rose by 1.72%, CAC 40 (France) grew by 2.45%, DAX (Germany) has increased by 2.46%. February's contractual price on Brent oil, decreased by \$1.90 to \$109.30 per barrel.

In Ukraine

Trades on the Ukrainian stock exchange opened by growth, day passed with positive dynamics. Value of the UX index has increased by 9.53% to 1082.12. Share trades capacity on the application market was equal to UAH 9 million. Trades capacity on the derivatives market was equal to UAH 8.3 million. Total trades capacity for yesterday — UAH 32 million.

All ten shares of an index basket have grown in price. Leaders of growth were shares of Donbasenergo (+14.91%) and Raiffeisen Bank Aval (+13.9%). Assets rebounded on Tuesday as President Vladimir Putin said he would only use force in neighboring Ukraine as a last resort. The mood on the markets was calmer after panic selling on Monday when escalating tensions between Ukraine and Russia. Putin slammed Western powers for backing what he called an armed seizure of power in Ukraine, but also emphasized that he saw no immediate need for Russian military intervention, which he described as a last resort. Sales of motor vehicles of all types (including used cars) in Ukraine in January-February fell by 28% compared to the same period in 2013, to 32,533 vehicles.

Premarket

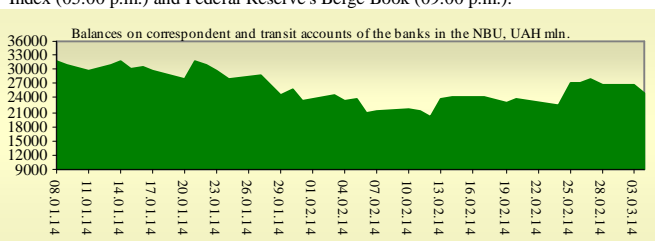
External background at the opening is moderately negative. Ukraine will buy Russian natural gas at \$268.5 per 1,000 cubic meters by the end of March this year, and then the Russian side may return the old price about \$400 per 1,000 cubic meters. The HSBC China services Purchasing Managers' Index rose to 51.0 in February from 50.7 in January. A reading above 50 indicates expansion in service-sector activity, while a reading below that shows a contraction.

The Asian indexes are showing mixed dynamics today. Nikkei rose by 1.20%, Hong Kong Hang Seng declining by 0.28%.

Futures on American indexes are decreasing today from 0.07% to 0.12%. Russian indexes as of 10:00 a.m. are decreasing— RTS decreasing by 1.59%, MICEX lowers by 1.43%.

Our expectations

We expect opening of the Ukrainian market by decrease. In Europe will be published Services Purchasing Managers' Index in Spain (10:13 a.m.), in Italy (10:43 a.m.), in France (10:48 a.m.), in Germany (10:53 a.m.), in the E.U. (10:58 a.m.) in the U.K. (11:28 a.m.). Also will be published on GDP (12:00 a.m.) and Retail Sales (12:00 a.m.) in the E.U. In the U.S. will be published ADP National Employment Report (03:15 p.m.), Institute of Supply Management (ISM) Non-Manufacturing Purchasing Managers' Index (05:00 p.m.) and Federal Reserve's Beige Book (09:00 p.m.).



Financial ratios for Ukrainian issuers

Ticker	Name	Closing price, UAH	P/E	P/S	EV/S	EV/Ebitda	P/B
Metallurgy							
ALMK	Alchevsk Metallurgical Plant	0.0404	neg	5.95	90.75	neg	0.82
AZST	Azovstal Iron and Steel Works	0.7375	neg	0.15	0.88	neg	0.25
ENMZ	Enakievo Metallurgical Plant	37.62	1.2	0.03	0.95	163.68	neg
MMKI	Ilyich Iron and Steel Works of Mariupol	0.17	neg	0.09	0.08	0.68	0.28
Coke industry							
ALKZ	Alchevsk Cokery Plant	0.0888	4.53	0.04	0.07	3.56	0.17
AVDK	Avdiivka Cokery Plant	3.079	neg	0.07	0.07	neg	0.12
YASK	Yasynivka Cokery Plant	0.7	2.86	0.06	0.07	1.15	0.12
Quarrying industry							
CGOK	Central Ore Mining and Processing Plant	8.99	11.95	1.94	2.09	4.83	2.31
PGOK	Poltava Ore Mining and Processing Plant	12.5	4.47	0.24	0.55	2.8	0.33
SGOK	North Ore Mining and Processing Plant	9.666	4.84	1.62	1.84	3.42	1.46
Mining industry							
SHKD	DTEK Mine Komsomolets Donbassa	0.75	neg	0.12	0.53	1.13	0.16
SHCHZ	Pokrovske Mine Management	0.6	1.32	0.12	0.32	1.08	0.22
Pipe industry							
NVTR	Interpipe Novomoskovsk Pipe-Production Plant	0.2499	neg	0.03	0.21	2.87	0.08
HRTR	Khartsyzsk Tube Works	0.579	4.03	0.32	0.31	2.31	1.2
Energy industry							
DNON	DTEK Dniiproblenergo	95	2.09	0.14	0.34	2.26	0.35
CEEN	Centerenergo	5.3775	6.58	0.26	0.33	5.02	0.78
DNEN	Dniiproenergo	354	1.68	0.23	0.2	0.89	0.36
DOEN	Donbasenergo	40.48	2.58	0.18	0.23	2.07	0.86
KREN	DTEK Krymenergo	0.901	3.8	0.06	0.2	0.76	0.1
ZAEN	DTEK Zakhidenergo	121	8.02	0.14	0.19	3.03	0.98
ZHEN	Zhytomyroblenergo	1	2.48	0.09	0.11	0.61	0.06
Mechanical engineering							
KRAZ	AvtoKrAZ	0.0415	neg	0.19	3.14	neg	0.13
KVBZ	Krukivsky Carriage Works	21.95	4.53	0.41	0.45	3.24	0.92
LTPL	Luganskteplovoz	1.541	3.13	0.15	0.35	2.42	0.47
LUAZ	Bogdan Motors	0.0304	0.3	0.18	4.33	neg	0.21
MSICH	Motor Sich	1927.25	3.37	0.45	0.48	2.09	0.45
MZVM	Mariupol Heavy Machine Building Plant	0.105	neg	0.12	1.01	6.65	0.14
SMASH	Sumy Frunze Machine Building Plant	3.1	0.88	0.08	0.69	4.16	0.21
SVGZ	Stakhanov railway car building works	1.245	3.99	0.14	0.43	3.63	0.35
Oil and gas industry							
UNAF	Ukrnafta	197.3	14	0.71	0.69	4.91	0.59
Banks							
BAVL	Raiffeisen Bank Aval	0.1573	8.65	x	x	x	0.65
FORM	Forum Bank	0.773	neg	x	x	x	0.34
USCB	UkrSotsbank	0.1873	1112.89	x	x	x	0.44
Other industries							
MTBD	Mostobud	19	neg	0.31	19.06	neg	0.06
STIR	Concern Stirol	13.99	neg	0.06	0.14	neg	neg
UTLM	Ukrtelecom	0.132	30.5	0.37	0.68	3.05	0.46

ANALYTICAL DEPARTMENT

Vitaly Murashkin
VMurashkin@itt-group.com
Head of Department

Yegor Burkov
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