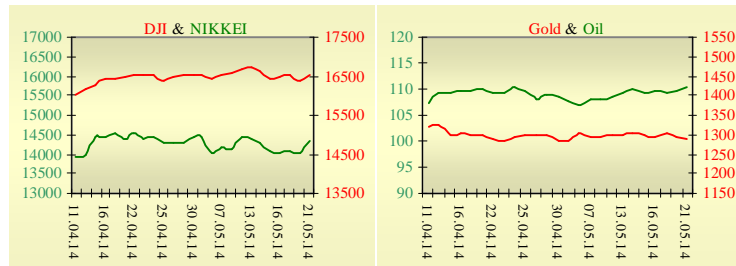
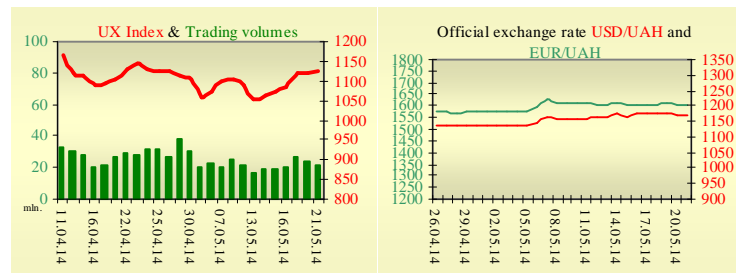


## Morning stock market review 22 May 2014

| Index              | Closing   | Change |
|--------------------|-----------|--------|
| <b>Dow Jones</b>   | 16 533.06 | 0.97%  |
| <b>S&amp;P 500</b> | 1 888.03  | 0.81%  |
| <b>NASDAQ comp</b> | 4 131.54  | 0.85%  |
| <b>FTSE 100</b>    | 6 821.04  | 0.28%  |
| <b>CAC 40</b>      | 4 469.03  | 0.37%  |
| <b>DAX 30</b>      | 9 697.87  | 0.61%  |
| <b>Nikkei 225</b>  | 14 337.79 | 2.11%  |



| UX | Index    | Change | Volume, UAH mln. |
|----|----------|--------|------------------|
|    | 1 123.47 | 0.28%  | 21.9             |



| Value for 10:01    |           |        |
|--------------------|-----------|--------|
| Futures            | Index     | Change |
| <b>Dow Jones</b>   | 16 541.00 | 0.25%  |
| <b>S&amp;P 500</b> | 1 888.40  | 0.18%  |
| <b>NASDAQ 100</b>  | 3 640.50  | 0.19%  |

| Commodity markets |          |        |
|-------------------|----------|--------|
| <b>Oil Brent</b>  | 110.55   | 0.78%  |
| <b>Gold</b>       | 1 287.25 | -0.63% |

| Interbank loans    | 21 May |        |         |
|--------------------|--------|--------|---------|
|                    | o/n    | 7 days | 30 days |
| <b>KIBID (UAH)</b> | 8.25   | 6.00   |         |
| <b>KIBOR (UAH)</b> | 14.0   | 14.0   |         |
| <b>KIBID (USD)</b> | 5.80   |        |         |
| <b>KIBOR (USD)</b> | 8.80   |        |         |

| Interbank currency | Bid/Ask           |                   |
|--------------------|-------------------|-------------------|
|                    | <b>UAH/USD</b>    | 11.9000 / 11.9300 |
| <b>UAH/EUR</b>     | 16.2760 / 16.3210 |                   |
| <b>UAH/RUB</b>     | 0.3448 / 0.3477   |                   |

### Last closure

On Wednesday, May 21, trades in USA have come to the end with growth, as Federal Reserve meeting minutes showed policy makers saw a muted risk of inflation from continued stimulus. The Fed's April meeting minutes showed policy makers said continued stimulus to push unemployment lower doesn't risk sparking an undesirable jump in the inflation rate. Officials are watching progress toward the goal of full employment as they consider the timing of the first interest-rate increase since 2006. Federal Reserve Bank of New York President William Dudley, speaking to the New York Association for Business Economics, said the pace of eventual interest rate increases "will probably be relatively slow," depending on the economy's progress and how financial markets react. Tiffany & Co. jumped 9% after the world's second-largest luxury jewelry seller reported profit that exceeded analysts' estimates. On the day's result, index Dow Jones rose by 0.97%, S&P has increased by 0.81%, Nasdaq grew by 0.85%.

European stock exchanges closed with growth of main indexes, as a gauge of euro-area confidence increased in May more than forecast. U.K. retail sales increased for a third month in April, stoking speculation the Bank of England will move closer to raising interest rates as the economy strengthens. The Bank of England said the case for an interest-rate increase is strengthening as the economy recovers and the risk of financial imbalances mounts. On the day's result, British FTSE rose by 0.73%, CAC 40 (France) grew by 0.28%, DAX (Germany) has increased by 0.37%. Junes' contractual price on Brent oil, grew by \$0.86 to \$110.55 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 0.28% to 1123.47. Share trades capacity on the application market was equal to UAH 4.8 million. Trades capacity on the derivatives market was equal to UAH 1.3 million. Total trades capacity for yesterday — UAH 23.2 million.

From ten shares of an index basket, seven have risen. Leaders of growth were shares of Enakievo Metallurgical Plant (+1.73%) and Avdiivka Coke Plant (+1.63%). Worse than market looked shares of Raiffeisen Bank Aval (-1.70%).

The Cabinet of Ministers at a meeting on May 21 decided to issue government domestic loan bonds for VAT refunds, the press service of the government has reported. The nominal value of the bonds will be UAH 1,000 each, the circulation term is five years, and the yield rate is set at the level of the NBU discount rate. The consumer confidence index worsened by 5.5 points in April, to 61 points, according to a monthly survey by GfK Ukraine. The propensity to consume in April did not change, with the index at 55.5.

### Premarket

External background at the opening is moderately positive. China's initial HSBC manufacturing purchasing managers index for May came in at 49.7 — still on the contraction side but up sharply from April's 48.1.

The Asian indexes are growing today. Nikkei rose by 2.11%, Hong Kong Hang Seng increasing by 0.68%.

Futures on American indexes are growing today from 0.19% to 0.25%.

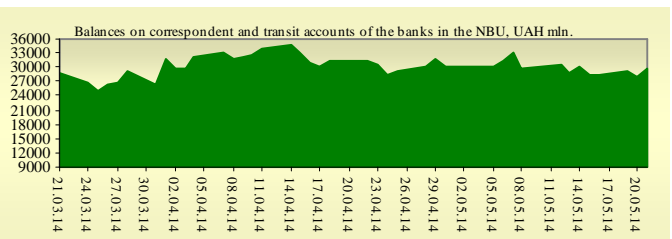
Russian indexes as of 10:00 AM are showing mixed dynamics — RTS increasing by 0.29%, MICEX lowers by 0.18%.

### Our expectations

We expect opening of the Ukrainian market on neutral territory.

In Europe will be published Manufacturing Purchasing Managers' Index and Services Purchasing Managers' Index in France (10:00 AM), in Germany (10:30 AM) and in the E.U. (11:30 AM). Data on GDP in the U.K. will be published at 11:00 AM.

In the U.S. will be published initial jobless claims (3:30 PM) and data on existing home sales (5:00 PM).



## Financial ratios for Ukrainian issuers

| Ticker                        | Name   | Closing price,<br>UAH | P/E    | P/S  | EV/S  | EV/Ebitda | P/B  |
|-------------------------------|--|-----------------------|--------|------|-------|-----------|------|
| <b>Metallurgy</b>             |  |                       |        |      |       |           |      |
| ALMK                          | Alchevsk Metallurgical Plant                 | 0.0319                | neg    | 4.7  | 89.5  | neg       | 0.65 |
| AZST                          | Azovstal Iron and Steel Works                | 0.7197                | neg    | 0.14 | 0.88  | neg       | 0.24 |
| ENMZ                          | Enakievo Metallurgical Plant                 | 34.48                 | 1.1    | 0.03 | 0.95  | 163.21    | neg  |
| MMKI                          | Ilyich Iron and Steel Works of Mariupol      | 0.1406                | neg    | 0.08 | 0.07  | 0.55      | 0.23 |
| <b>Coke industry</b>          |  |                       |        |      |       |           |      |
| ALKZ                          | Alchevsk Cokery Plant                        | 0.0601                | 3.07   | 0.03 | 0.06  | 2.93      | 0.12 |
| AVDK                          | Avdiivka Cokery Plant                        | 3.111                 | neg    | 0.07 | 0.07  | neg       | 0.12 |
| YASK                          | Yasynivka Cokery Plant                       | 0.615                 | 2.51   | 0.05 | 0.06  | 1.02      | 0.11 |
| <b>Quarrying industry</b>     |  |                       |        |      |       |           |      |
| CGOK                          | Central Ore Mining and Processing Plant      | 7.299                 | 9.7    | 1.57 | 1.72  | 3.99      | 1.87 |
| PGOK                          | Poltava Ore Mining and Processing Plant      | 13.25                 | 4.74   | 0.25 | 0.56  | 2.87      | 0.35 |
| SGOK                          | North Ore Mining and Processing Plant        | 8.278                 | 4.14   | 1.39 | 1.61  | 2.99      | 1.25 |
| <b>Mining industry</b>        |  |                       |        |      |       |           |      |
| SHKD                          | DTEK Mine Komsomolets Donbassa               | 0.9725                | neg    | 0.15 | 0.56  | 1.2       | 0.2  |
| SHCHZ                         | Pokrovske Mine Management                    | 0.5425                | 1.19   | 0.11 | 0.31  | 1.04      | 0.19 |
| <b>Pipe industry</b>          |  |                       |        |      |       |           |      |
| NVTR                          | Interpipe Novomoskovsk Pipe-Production Plant | 0.2665                | neg    | 0.03 | 0.21  | 2.89      | 0.08 |
| HRTR                          | Khartsyzsk Tube Works                        | 0.78                  | 5.43   | 0.43 | 0.42  | 3.13      | 1.62 |
| <b>Energy industry</b>        |  |                       |        |      |       |           |      |
| DNON                          | DTEK Dniiproblenergo                         | 101.11                | 2.23   | 0.15 | 0.35  | 2.32      | 0.37 |
| CEEN                          | Centerenergo                                 | 6.36                  | 7.78   | 0.3  | 0.37  | 5.74      | 0.92 |
| DNEN                          | Dniiproenergo                                | 520                   | 2.47   | 0.33 | 0.31  | 1.36      | 0.53 |
| DOEN                          | Donbasenergo                                 | 43.77                 | 2.8    | 0.2  | 0.25  | 2.2       | 0.93 |
| KREN                          | DTEK Krymenergo                              | 1.7                   | 7.18   | 0.11 | 0.25  | 0.96      | 0.18 |
| ZAEN                          | DTEK Zakhidenergo                            | 137                   | 9.08   | 0.16 | 0.21  | 3.34      | 1.11 |
| ZHEN                          | Zhytomyroblenergo                            | 1.5555                | 3.86   | 0.14 | 0.16  | 0.9       | 0.09 |
| <b>Mechanical engineering</b> |  |                       |        |      |       |           |      |
| KRAZ                          | AvtoKRAZ                                     | 0.0746                | neg    | 0.33 | 3.29  | neg       | 0.23 |
| KVBZ                          | Krukivsky Carriage Works                     | 15.8917               | 3.28   | 0.3  | 0.34  | 2.43      | 0.67 |
| LTPL                          | Luganskteplovoz                              | 1.43                  | 2.91   | 0.14 | 0.34  | 2.34      | 0.43 |
| LUAZ                          | Bogdan Motors                                | 0.04                  | 0.39   | 0.24 | 4.39  | neg       | 0.27 |
| MSICH                         | Motor Sich                                   | 1945                  | 3.4    | 0.46 | 0.48  | 2.1       | 0.45 |
| MZVM                          | Mariupol Heavy Machine Building Plant        | 0.0953                | neg    | 0.11 | 1     | 6.58      | 0.13 |
| SMASH                         | Sumy Frunze Machine Building Plant           | 4.288                 | 1.21   | 0.11 | 0.72  | 4.35      | 0.29 |
| SVGZ                          | Stakhanov railway car building works         | 1.04                  | 3.33   | 0.12 | 0.41  | 3.44      | 0.29 |
| <b>Oil and gas industry</b>   |  |                       |        |      |       |           |      |
| UNAF                          | Ukrnafta                                     | 245.1                 | 17.39  | 0.88 | 0.86  | 6.12      | 0.73 |
| <b>Banks</b>                  |  |                       |        |      |       |           |      |
| BAVL                          | Raiffeisen Bank Aval                         | 0.1565                | 8.6    | x    | x     | x         | 0.65 |
| FORM                          | Forum Bank                                   | 0.8585                | neg    | x    | x     | x         | 0.37 |
| USCB                          | UkrSotsbank                                  | 0.1576                | 936.42 | x    | x     | x         | 0.37 |
| <b>Other industries</b>       |  |                       |        |      |       |           |      |
| MTBD                          | Mostobud                                     | 19                    | neg    | 0.31 | 19.06 | neg       | 0.06 |
| STIR                          | Concern Stirol                               | 13.7                  | neg    | 0.06 | 0.14  | neg       | neg  |
| UTLM                          | Ukrtelecom                                   | 0.1605                | 37.09  | 0.45 | 0.75  | 3.41      | 0.56 |

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