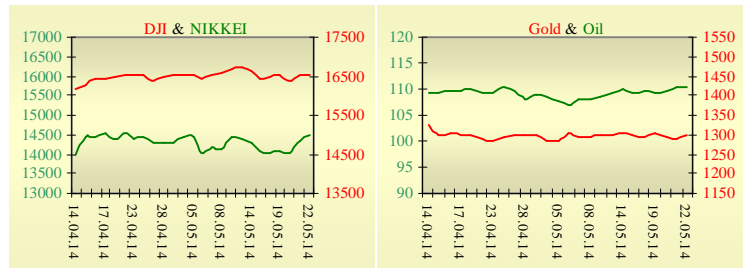
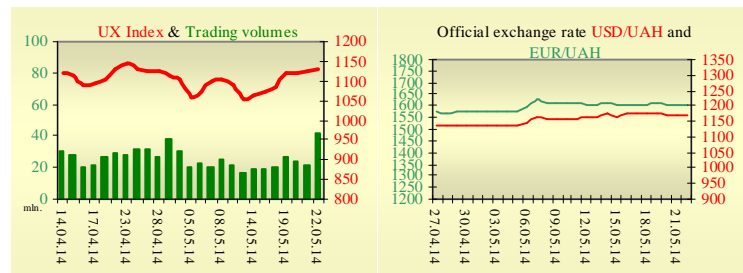


Morning stock market review 23 May 2014

Index	Closing	Change
Dow Jones	16 543.08	0.06%
S&P 500	1 892.49	0.24%
NASDAQ comp	4 154.34	0.55%
FTSE 100	6 820.56	-0.01%
CAC 40	4 478.21	0.21%
DAX 30	9 720.91	0.24%
Nikkei 225	14 462.17	0.87%



UX	Index	Change	Volume, UAH mln.
	1 131.57	0.72%	41.6



Value for 10:02		
Futures	Index	Change
Dow Jones	16 535.00	0.04%
S&P 500	1 891.00	0.04%
NASDAQ 100	3 650.50	0.06%

Commodity markets		
Oil Brent	110.36	-0.17%
Gold	1 298.50	0.87%

Interbank loans	22 May		
	o/n	7 days	30 days
KIBID (UAH)	5.75	3.25	3.00
KIBOR (UAH)	11.0	9.75	7.00
KIBID (USD)	5.40		
KIBOR (USD)	8.60		

Interbank currency	Bid/Ask	
	closing 05.22	
UAH/USD	11.9200 / 12.0000	
UAH/EUR	16.2915 / 16.4050	
UAH/RUB	0.3474 / 0.3494	

Last closure

On Thursday, May 22, trades in USA have come to the end with growth, as data showing strength in manufacturing boosted confidence in the global economy. The number of Americans filing new claims for jobless benefits rose last week, but the total number of unemployed people drawing benefits has hit a post recession low. Initial claims for unemployment benefits rose by 28,000 to a seasonally adjusted 326,000 in the week ended May 17. That wiped out a drop the previous week that took initial claims to their lowest level in seven years. Economists had predicted claims would rise to 310,000. A broad measure of U.S. home sales rose in April for the first time this year, a sign the housing recovery regained momentum during the crucial spring selling season. Sales of existing homes rose 1.3% in April to a seasonally adjusted annual rate of 4.65 million. That was slightly lower than a 4.68 million, 6.8% lower their year-ago level. Hewlett-Packard dropped 2.3% to \$31.78. The world's second-biggest personal-computer maker said sales in the second quarter fell 1% to \$27.3 billion from a year earlier, lower than the \$27.4 billion analysts projected for the period. On the day's result, index Dow Jones rose by 0.06%, S&P has increased by 0.24%, Nasdaq grew by 0.55%.

European stock exchanges closed with mixed dynamics of main indexes, as better-than-forecast manufacturing figures in China and the U.S. offset euro-area output data. In China, a preliminary purchasing managers' index from HSBC Holdings Plc and Markit Economics rose to 49.7 in May, a five-month high. That exceeded the 48.3 median estimate of analysts. April's final reading was at 48.1. Readings below 50 signal contraction. The euro zone economy is continuing its steady, albeit slow, expansion, according to a private sector report published on Thursday that showed Germany again driving the region. Markit's broad purchasing managers index for May came in at 53.9, little changed from 54 in April. A number above 50 indicates expansion, while a number below that level suggests contraction. Economists consider the purchasing managers figures, which are based on surveys of around 5,000 euro zone companies, to be one of the better real-time indicators of the health of the bloc's economy. UK GDP grew by 0.8% over the first quarter, driven by consumer strength, as the budget deficit in April proved larger than expected. Over the past 12 months, the economy grew 3.1%, in line with expectations, representing the biggest annual increase since the fourth quarter of 2007. On the day's result, British FTSE has declined by 0.01%, CAC 40 (France) grew by 0.21%, DAX (Germany) has increased by 0.24%. Junes' contractual price on Brent oil, decreased by \$0.19 to \$110.36 per barrel.

In Ukraine

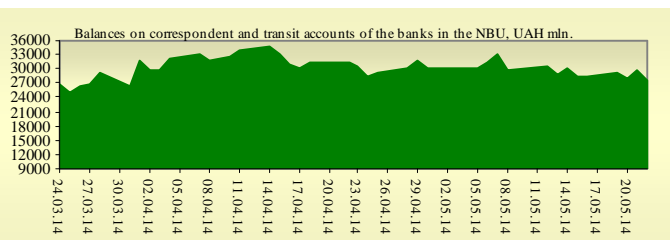
Trades on the Ukrainian stock exchange opened on neutral territory, day passed without certain dynamics. Value of the UX index has increased by 0.72% to 1131.57. Share trades capacity on the application market was equal to UAH 6.5 million. Trades capacity on the derivatives market was equal to UAH 1.6 million. Total trades capacity for yesterday — UAH 43.2 million. From ten shares of an index basket, six have risen. Leaders of growth were shares of UkrSotsbank (+3.93%) and Azovstal Iron and Steel Works (+3.24%). Worse than market looked shares of Raiffeisen Bank Aval (-1.6%). Ukraine has paid a \$32.9 million coupon on 2016 eurobonds, the Finance Ministry reported on Wednesday. The ministry said that the securities worth \$1 billion were issued in November 2006 at 6.58% per annum. The coupon is paid twice a year.

Premarket

External background at the opening is neutral. The World Bank approved nearly \$1.5 billion in financing for three projects in Ukraine to help the embattled country undertake critical reforms and build infrastructure. The new projects are funded as part of a \$27 billion aid package promised by the international community to Ukraine as it struggles with deep economic and political crises. The Asian indexes are growing today. Nikkei rose by 0.87%, Hong Kong Hang Seng increasing by 0.12%. Futures on American indexes are slightly growing today from 0.04% to 0.07%. Russian indexes as of 10:00 a.m. are decreasing — RTS decreasing by 0.41%, MICEX lowers by 0.45%.

Our expectations

We expect opening of the Ukrainian market by decrease. In Europe will be published German Ifo business climate index (11:00 AM). In the U.S. will be published New Home Sales (5:00 PM).



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	0.032	neg	4.71	89.51	neg	0.65
AZST	Azovstal Iron and Steel Works	0.742	neg	0.15	0.88	neg	0.25
ENMZ	Enakievo Metallurgical Plant	34.69	1.11	0.03	0.95	163.24	neg
MMKI	Ilyich Iron and Steel Works of Mariupol	0.1412	neg	0.08	0.07	0.56	0.23
Coke industry							
ALKZ	Alchevsk Cokery Plant	0.0601	3.07	0.03	0.06	2.93	0.12
AVDK	Avdiivka Cokery Plant	3.088	neg	0.07	0.07	neg	0.12
YASK	Yasynivka Cokery Plant	0.601	2.45	0.05	0.06	1	0.1
Quarrying industry							
CGOK	Central Ore Mining and Processing Plant	7.29	9.69	1.57	1.72	3.98	1.87
PGOK	Poltava Ore Mining and Processing Plant	13.2	4.72	0.25	0.56	2.87	0.35
SGOK	North Ore Mining and Processing Plant	8.468	4.24	1.42	1.64	3.05	1.28
Mining industry							
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
Pipe industry							
NVTR	Interpipe Novomoskovsk Pipe-Production Plant	0.2665	neg	0.03	0.21	2.89	0.08
HRTR	Khartsyzsk Tube Works	0.7801	5.43	0.43	0.42	3.13	1.62
Energy industry							
DNON	DTEK Dniiproblenergo	100	2.2	0.14	0.35	2.31	0.37
CEEN	Centerenergo	6.3813	7.81	0.3	0.38	5.75	0.93
DNEN	Dniiproenergo	496.9	2.36	0.32	0.29	1.29	0.5
DOEN	Donbasenergo	43.565	2.78	0.2	0.24	2.19	0.92
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
Mechanical engineering							
KRAZ	AvtoKrAZ	0.0746	neg	0.33	3.29	neg	0.23
KVBZ	Krukivsky Carriage Works	15.5	3.2	0.29	0.33	2.38	0.65
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	1990	3.48	0.47	0.49	2.15	0.46
MZVM	Mariupol Heavy Machine Building Plant	0.0953	neg	0.11	1	6.58	0.13
SMASH	Sumy Frunze Machine Building Plant	4.0003	1.13	0.1	0.71	4.3	0.27
SVGZ	Stakhanov railway car building works	1.04	3.33	0.12	0.41	3.44	0.29
Oil and gas industry							
UNAF	Ukrnafta	245.3143	17.4	0.88	0.86	6.13	0.73
Banks							
BAVL	Raiffeisen Bank Aval	0.1548	8.51	x	x	x	0.64
FORM	Forum Bank	0.939	neg	x	x	x	0.41
USCB	UkrSotsbank	0.1636	972.07	x	x	x	0.39
Other industries							
MTBD	Mostobud	19.1	neg	0.31	19.06	neg	0.06
STIR	Concern Stirol	13.65	neg	0.06	0.14	neg	neg
UTLM	Ukrtelecom	0.1644	37.99	0.46	0.77	3.46	0.57

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