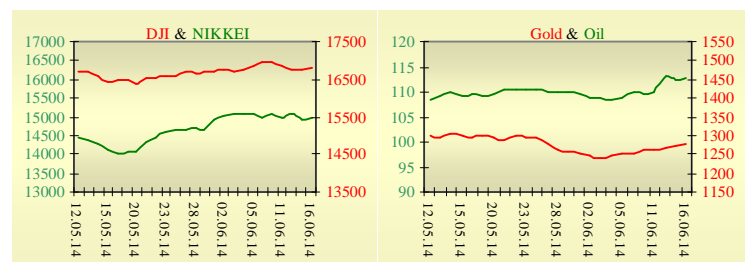
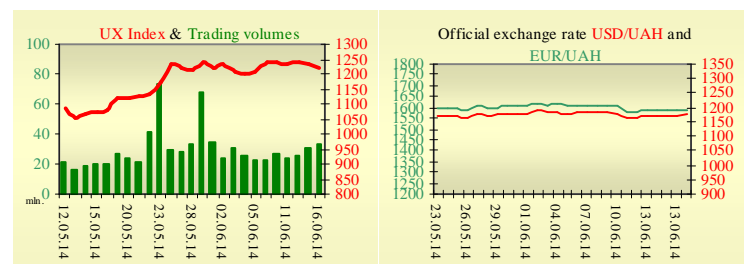


Morning stock market review 17 June 2014

Index	Closing	Change
Dow Jones	16 781.01	0.03%
S&P 500	1 937.78	0.08%
NASDAQ comp	4 321.11	0.24%
FTSE 100	6 754.64	-0.34%
CAC 40	4 510.05	-0.73%
DAX 30	9 883.98	-0.29%
Nikkei 225	14 975.97	0.29%



UX	Index	Change	Volume, UAH mln.
	1 222.57	-1.05%	33.6



Value for 10:05		
Futures	Index	Change
Dow Jones	16 719.00	0.10%
S&P 500	1 931.40	0.11%
NASDAQ 100	3 777.50	0.13%

Commodity markets		
Oil Brent	112.94	0.42%
Gold	1 276.25	0.25%

Interbank loans	16 June		
	o/n	7 days	30 days
KIBID (UAH)	5.56	3.42	8.00
KIBOR (UAH)	10.3	8.17	1 12.5
KIBID (USD)	5.80		
KIBOR (USD)	9.00		

Interbank currency	Bid/Ask	
	closing 06.16	
UAH/USD	11.8000 / 12.0000	
UAH/EUR	15.9995 / 16.2720	
UAH/RUB	0.3390 / 0.3448	

Last closure

On Monday, Jun 16, trades in USA have come to the end with growth, as corporate deals and growth in American manufacturing overshadowed escalating tension in Iraq. Iraq's sectarian violence showed no sign of abating, with Sunni Muslim militants and government forces fighting to control Tal Afar. Prime Minister Nouri al-Maliki, a Shiite, is fighting to reverse the advance of ISIL militants, who captured Iraqi's largest northern city and other towns last week. Ukraine said, Russia cut natural gas supplies after demanding fuel payments be made in advance, the first time shipments have been affected in this year's crisis in relations between the two countries. Tensions escalated at the weekend with 49 servicemen killed when pro-Russia fighters shot down an aircraft. US net long-term securities transactions totaled -\$24.2bn in April compared with \$4.1bn in March. US Industrial production rose a seasonally adjusted 0.6% from April. Capacity utilization ticked up 0.2% point to 79.1% in May. Manufacturing activity index in the New York Region continued to climb in June. Following a nearly four-year high of 19.0 in May, the so-called Empire State general business conditions index came out at 19.3 in June, suggesting that business conditions improved significantly for manufacturers in the region. On the day's result, index Dow Jones rose by 0.03%, S&P has increased by 0.08%, Nasdaq grew by 0.24%.

European stock exchanges closed with decrease of main indexes, as Russia cut supplies of gas to Ukraine. Russia's OAO Gazprom cut off gas supplies to Ukraine. The state-run energy company will continue to supply its customers in the European Union through the same pipeline. It warned the European Commission of possible risks to the transit of gas. The scale of the task facing Mario Draghi, president of the European Central Bank, in his attempt to prevent Europe sliding into a damaging deflationary spiral was underlined on Monday when new data showed inflation falling to a five-year low in May. Official data for the 18-member currency zone showed prices rose by just 0.5%, supporting concerns that consumers remain wary of spending while the economy appears weak. Germany's growth in the first quarter of 0.8% was four times the average for the eurozone, well ahead of France's 0.1% and a contraction in output in Italy and the Netherlands, which fell 0.1% and 1.4% respectively. On the day's result, British FTSE has declined by 0.34%, CAC 40 (France) has decreased by 0.73%, DAX (Germany) has lowered by 0.29%.

Julys' contractual price on Brent oil, decreased by \$0.19 to \$113.22 per barrel.

In Ukraine

Trades on the Ukrainian stock exchange opened by decrease, day passed with negative dynamics. Value of the UX index has declined by 1.05% to 1222.57. Share trades capacity on the application market was equal to UAH 13.2 million. Trades capacity on the derivatives market was equal to UAH 10.4 million. Total trades capacity for yesterday — UAH 44 million.

From ten shares of an index basket, eight have declined. Better than market looked were shares of Azovstal Iron and Steel Works (+0.13%) and (+0.%). Worse than market looked shares of Alchevsk Metallurgical Plant (-2.94%) and Avdiivka Coke Plant (-2.68%).

Gazprom switched Ukraine to advance payment for gas from 9:00 a. m. on June 16, and filed a suit at the Stockholm arbitration, demanding the return of USD 4.5 billion. Naftogaz also has filed a suit at the Arbitration Institute of the Stockholm Chamber of Commerce, demanding changes in price and refund of USD 6 billion overpayment.

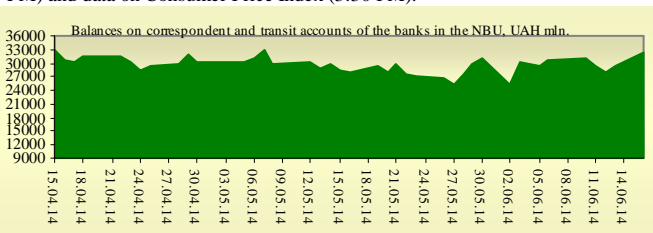
Premarket

External background at the opening is neutral. Foreign direct investment into China fell 6.7% year-on-year to \$8.6 billion in May. For the first five months of the year FDI – which excludes investment in financial sectors – was up 1.6% at \$48.91 billion. The Asian indexes are showing mixed dynamics today. Nikkei rose by 0.29%, Hong Kong Hang Seng declining by 0.52%.

Futures on American indexes are growing today from 0.10% to 0.13%. Russian indexes as of 10:03 a.m. are rising decreasing showing mixed dynamics — RTS increasing by 0.07%, MICEX growing by 0.45%.

Our expectations

We expect opening of the Ukrainian market on neutral territory. In Europe will be published Consumer Price Index in the U.K. (11:30 AM) and ZEW Economic Sentiment for Germany and EU (12:00 AM) In the U.S. will be published Building Permits (3:30 PM), Housing Starts (3:30 PM) and data on Consumer Price Index (3:30 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	0.0363	neg	0.58	18.45	37.45	neg
AZST	Azovstal Iron and Steel Works	0.765	23.76	0.16	0.14	neg	0.29
ENMZ	Enakievo Metallurgical Plant	42.94	neg	0.04	0.09	neg	neg
MMKI	Ilyich Iron and Steel Works of Mariupol	0.168	neg	0.09	0.07	neg	0.29
Coke industry							
ALKZ	Alchevsk Cokery Plant	0.0604	9.12	0.03	0.11	4.57	0.12
AVDK	Avdiivka Cokery Plant	3.23	neg	0.09	0.07	neg	0.14
YASK	Yasynivka Cokery Plant	0.717	neg	0.1	0.09	3.23	0.03
Quarrying industry							
CGOK	Central Ore Mining and Processing Plant	7.339	4.7	1.47	1.45	2.8	1.17
PGOK	Poltava Ore Mining and Processing Plant	14.99	7.56	0.34	0.92	4.56	0.44
SGOK	North Ore Mining and Processing Plant	8.275	4.64	1.43	1.67	2.73	1.14
Mining industry							
SHKD	DTEK Mine Komsomolets Donbassa	0.999	1.69	0.18	0.61	1.65	0.19
SHCHZ	Pokrovske Mine Management	0.6	neg	0.17	0.31	1.71	0.25
Pipe industry							
NVTR	Interpipe Novomoskovsk Pipe-Production Plant	0.379	neg	0.04	0.22	3.97	0.11
HRTR	Khartsyzsk Tube Works	0.9399	46.7	2	1.99	5.77	2.03
Energy industry							
CEEN	Centerenergo	7.356	6.4	0.3	0.39	4.3	1.08
CHEN	Chernivtsioblenergo	1.3	4	0.11	0.21	2.17	0.41
CHEON	Chernigivoblenergo	1.23	1.74	0.14	0.14	1.32	0.32
CHON	Cherkasyoblenergo	1.15	6.14	0.13	0.11	1.85	0.58
DNEN	Dniproenergo	490.6	2.27	0.3	0.31	1.23	0.45
DNON	DTEK Dniprooblenergo	100	neg	0.03	0.04	1.44	0.49
DOEN	Donbasenergo	41.45	1.57	0.17	0.3	1.74	0.7
DOON	Donetskoblenergo	7.006	2.74	0.09	0.17	1.2	0.39
HAON	Kharkivoblenergo	1.25	6.59	0.09	0.07	0.91	0.15
HMON	Khmelnitskoblenergo	1.345	7.23	0.18	0.18	1.72	0.25
KION	Kirovogradoblenergo	1.33	neg	0.15	0.31	3.23	0.17
KOEN	Kyivoblenergo	1.111	neg	0.35	0.35	5.2	0.47
KREN	DTEK Krymenergo	1.65	neg	0.11	0.25	2.31	0.19
LVON	Lvivoblenergo	2	neg	0.17	0.2	1.79	0.12
MOEN	Mykolayivoblenergo	1.39	14.16	0.16	0.43	14.17	0.59
ODEN	Odesaoblenergo	0.75	neg	0.14	0.29	1.92	0.18
PREN	Prykarpattiaoblenergo	1	1.3	0.1	0.12	0.66	0.08
VOEN	Volynoblenergo	0.9	308.36	0.57	0.55	7.95	0.64
ZAEN	DTEK Zakhidenergo	150	4.24	0.17	0.28	2.39	1.29
ZAON	Zaporizhoblenergo	1.57	14.26	0.06	0.25	6.99	0.8
ZHEN	Zhytomyroblenergo	1.897	6.65	0.17	0.19	1.27	0.11
ZOEN	Zakarpattiaoblenergo	1.05	1.38	0.14	0.38	2.39	0.41
Mechanical engineering							
KRAZ	AvtoKRAZ	0.071	1.79	0.26	2.72	16.85	0.21
KVBZ	Krukivsky Carriage Works	17.48	10.83	0.81	0.83	9.9	0.72
LTPL	Luganskteplovovoz	1.383	1.92	0.1	0.32	3.12	0.41
LUAZ	Bogdan Motors	0.0572	neg	0.21	0.21	neg	0.43
MSICH	Motor Sich	2337	3.27	0.57	0.6	1.49	0.49
MZVM	Mariupol Heavy Machine Building Plant	0.116	neg	0.25	0.25	0.66	0.17
SMASH	Sumy Frunze Machine Building Plant	4.298	neg	0.13	0.8	39.46	0.3
SVGZ	Stakhanov railway car building works	1.125	neg	0.23	0.93	27.95	0.39
Oil and gas industry							

UNAF	Ukrnafta	258.5	45.66	0.65	0.65	5.78	0.78
Banks							
BAVL	Raiffeisen Bank Aval	0.155	8.52	x	x	x	0.64
FORM	Forum Bank	0.3553	neg	x	x	x	0.15
USCB	Ukrsotsbank	0.1677	996.43	x	x	x	0.4
Other industries							
KFTP	Slavic wallpapers	36	1.7	0.18	0.13	0.63	0.31
MTBD	Mostobud	27	neg	0.16	7.2	neg	neg
SLVT	Slavutych	1.182	neg	0.17	6.26	neg	neg
STIR	Concern Stinol	13.5	neg	0.17	2.11	neg	neg
SUNI	Sun Interbrew Ukraine	0.1677	neg	0.47	0.47	4.51	1.17
UTLM	Ukrtelecom	0.1765	45.65	0.51	0.88	3.76	0.65
ZATR	Zaporizhtransformator	1.6	10.74	1.3	2.11	7.8	9.59

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