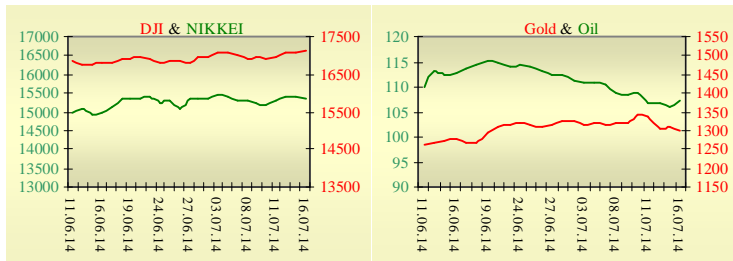
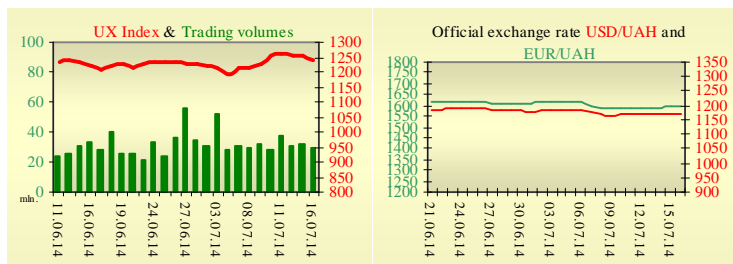


Morning stock market review 17 July 2014

Index	Closing	Change
Dow Jones	17 138.20	0.45%
S&P 500	1 981.57	0.42%
NASDAQ comp	4 425.97	0.22%
FTSE 100	6 784.67	1.11%
CAC 40	4 369.06	1.48%
DAX 30	9 859.27	1.44%
Nikkei 225	15 370.26	-0.06%



UX	Index	Change	Volume, UAH mln.
	1 242.79	-0.95%	30



Value for 10:02		
Futures	Index	Change
Dow Jones	17 036.00	-0.12%
S&P 500	1 969.60	-0.26%
NASDAQ 100	3 914.00	-0.21%

Commodity markets		
Oil Brent	107.17	1.08%
Gold	1 301.00	-0.68%

Interbank loans	16 July		
	o/n	7 days	30 days
KIBID (UAH)	6.56	5.50	13.5
KIBOR (UAH)	11.4	7.00	17.0
KIBID (USD)	4.60		
KIBOR (USD)	7.60		

Interbank currency	Bid/Ask	
	closing 16.07	
UAH/USD	11.6800 / 11.7200	
UAH/EUR	15.8069 / 15.8650	
UAH/RUB	0.3404 / 0.3426	

Last closure

On Wednesday, July 16, trades in USA have come to the end with growth, as companies from Time Warner Inc. to Intel Corp. rallied amid deals and earnings reports. Time Warner surged 17% as Rupert Murdoch's 21st Century Fox Inc. made a takeover bid that was rebuffed. Intel jumped 9.3% as its third-quarter sales forecast fueled optimism the personal-computer market is emerging from a two-year slump. International Business Machines Corp. rose 2.1% after agreeing with Apple Inc. to develop applications for corporate users of wireless devices. Federal Reserve Chair Janet Yellen went through round two in speaking on the Fed's Monetary Policy Report in her semi-annual monetary policy hearing to the House Financial Services Committee. The results, however, proved to be much of the same as her hearing before the Senate Banking Committee on Tuesday. "If the committee continues to see improvement in the labor market and continues to forecast ongoing progress in the labor market, it is our intention to conclude after the October meeting. Beyond that we would maintain 0 to 1/4 for the federal funds rates," Yellen said during the hearing. Dallas Fed President Richard Fisher said ending asset purchases this fall isn't enough – the Fed should start to taper the reinvestment of maturing securities in October. Monetary policy is a bit like duck hunting. If you want to bag a mallard, you don't aim where the bird is at present, you aim ahead of its flight pattern. To me, the flight pattern of the economy is clearly toward increasing employment and inflation that will sooner than expected pierce through the tolerance level of 2%. On the day's result, index Dow Jones rose by 0.45%, S&P has increased by 0.42%, Nasdaq grew by 0.22%.

European stock exchanges closed with growth of main indexes, as Portuguese banks led a rally by euro-zone lenders and a report showed China's economy expanded at a better-than-expected pace. In China, a report showed that economic growth increased for the first time in three quarters. Gross domestic product rose 7.5% in the April-June period from a year earlier. The eurozone was estimated to have scored a trade surplus of 15.4 billion euros (20.8 billion U.S. dollars) in May. It was up from a surplus of 14.6 billion euros in the same period last year. Compared with April, the eurozone's seasonally-adjusted exports rose by 0.6% and imports by 0.5% in May. On the day's result, British FTSE rose by 1.11%, CAC 40 (France) grew by 1.48%, DAX (Germany) has increased by 1.44%.

August's contractual price on Brent oil, decreased by \$0.17 to \$105.85 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 0.95% to 1242.50. Share trades capacity on the application market was equal to UAH 7.5 million. Trades capacity on the derivatives market was equal to UAH 5.6 million. Total trades capacity for yesterday — UAH 35.6 million.

From ten shares of an index basket, eight declined. Leaders of growth were shares of Ukrstobank (+1.08%). Worse than market looked shares of Centerenergo (-1.98%). The National Bank of Ukraine (NBU) increased its discount rates from July 17 by 3%, to 12.5%.

Premarket

External background at the opening is mixed. The Obama administration escalated its sanctions Wednesday against Russia over the fighting in Ukraine, marking a return to confrontation with President Vladimir Putin after determining that his hints at cooperation were leading nowhere. The U.S. moves to impose restrictions on the Russian state-controlled oil giant OAO Rosneft and other top firms are aimed at squeezing Russia's already struggling economy and financial system. The sanctions stop well short of crimping international business ties or blocking deals with entire sectors of the Russian economy. European Union leaders intend to expand sanctions against Russia.

The Asian indexes are decreasing today. Nikkei has lowered by 0.06%, Hong Kong Hang Seng declining by 0.19%.

Futures on American indexes are decreasing today from 0.12% to 0.26%.

Russian indexes as of 10:00 a.m. are decreasing — RTS decreasing by 3.06%, MICEX lowers by 1.71%.

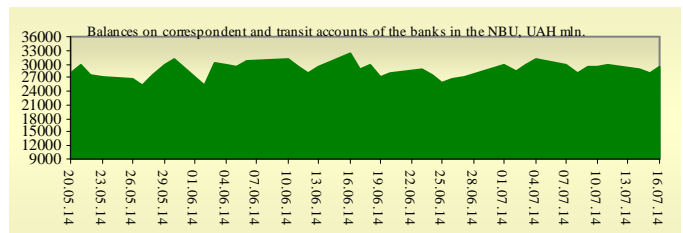
Our expectations

We expect opening of the Ukrainian market by decrease.

In Europe will be published Consumer Price Index in the E.U. (11:30 AM).

In the U.S. will be published Building Permits (3:30 PM), Housing Starts (3:30 PM), Initial Jobless Claims (3:30 PM) and The Philadelphia Federal Reserve Manufacturing Index (5:00 PM).

Federal Reserve Bank of St. Louis President James Bullard speaks on the U.S. economy and monetary policy at 8:35 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	0.036	neg	0.58	18.44	37.44	neg
AZST	Azovstal Iron and Steel Works	0.8073	25.07	0.17	0.15	neg	0.31
ENMZ	Enakievo Metallurgical Plant	42	neg	0.04	0.09	neg	neg
MMKI	Ilyich Iron and Steel Works of Mariupol	0.1133	neg	0.06	0.05	neg	0.19
Coke industry							
ALKZ	Alchevsk Cokery Plant	0.0602	9.09	0.03	0.11	4.56	0.12
AVDK	Avdiivka Cokery Plant	3.1623	neg	0.08	0.07	neg	0.14
YASK	Yasynivka Cokery Plant	0.68	neg	0.09	0.09	3.06	0.03
Quarrying industry							
CGOK	Central Ore Mining and Processing Plant	6.95	4.45	1.39	1.38	2.65	1.1
PGOK	Poltava Ore Mining and Processing Plant	15.2	7.67	0.34	0.92	4.59	0.44
SGOK	North Ore Mining and Processing Plant	7.785	4.36	1.34	1.58	2.59	1.07
Mining industry							
SHKD	DTEK Mine Komsomolets Donbassa	0.858	1.45	0.15	0.59	1.59	0.16
SHCHZ	Pokrovske Mine Management	0.742	neg	0.21	0.36	1.93	0.31
Pipe industry							
NVTR	Interpipe Novomoskovsk Pipe-Production Plant	0.379	neg	0.04	0.22	3.97	0.11
HRTR	Khartsyzsk Tube Works	0.7223	35.89	1.54	1.53	4.43	1.56
Energy industry							
CEEN	Centerenergo	7.8527	6.83	0.32	0.41	4.52	1.15
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	0.98	5.23	0.11	0.09	1.53	0.49
DNEN	Dniproenergo	437	2.02	0.27	0.27	1.09	0.4
DNON	DTEK Dniprooblenergo	88.888	neg	0.03	0.04	1.32	0.43
DOEN	Donbasenergo	38.6	1.46	0.16	0.29	1.67	0.65
DOON	Donetskoblenergo	7	2.74	0.08	0.17	1.19	0.39
HAON	Kharkivoblenergo	1.2	6.32	0.08	0.07	0.87	0.15
HMON	Khmelnitskoblenergo	1.25	6.72	0.17	0.17	1.6	0.23
KION	Kirovogradoblenergo	1.511	neg	0.17	0.33	3.44	0.2
KOEN	Kyivoblenergo	1.111	neg	0.35	0.35	5.2	0.47
KREN	DTEK Krymenergo	1.7	neg	0.11	0.25	2.34	0.2
LVON	Lvivoblenergo	1.9	neg	0.17	0.19	1.71	0.11
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	1.559	2.03	0.16	0.17	0.98	0.13
VOEN	Volynoblenergo	0.5	171.31	0.31	0.3	4.34	0.36
ZAEN	DTEK Zakhidenergo	142.2	4.02	0.16	0.27	2.31	1.22
ZAON	Zaporizhoblenergo	1.995	18.12	0.08	0.27	7.47	1.02
ZHEN	Zhytomyroblenergo	1.5535	5.45	0.14	0.16	1.07	0.09
ZOEN	Zakarpattiaoblenergo	1.39	1.82	0.19	0.43	2.68	0.54
Mechanical engineering							
KRAZ	AvtoKrAZ	0.083	2.09	0.3	2.76	17.12	0.25
KVBZ	Krukivsky Carriage Works	18.7	11.59	0.87	0.89	10.57	0.77
LTPL	Luganskteplovovoz	1.15	1.59	0.08	0.3	2.96	0.34
LUAZ	Bogdan Motors	0.054	neg	0.2	0.2	neg	0.4
MSICH	Motor Sich	2485	3.48	0.61	0.64	1.58	0.52
MZVM	Mariupol Heavy Machine Building Plant	0.1	neg	0.22	0.22	0.56	0.14
SMASH	Sumy Frunze Machine Building Plant	4.5	neg	0.14	0.8	39.77	0.31
SVGZ	Stakhanov railway car building works	1.151	neg	0.24	0.94	28.11	0.4
Oil and gas industry							

UNAF	Ukrnafta	250.9	44.32	0.63	0.63	5.61	0.75
Banks							
BAVL	Raiffeisen Bank Aval	0.1497	8.23	x	x	x	0.62
FORM	Forum Bank	0.279	neg	x	x	x	0.12
USCB	Ukrsotsbank	0.168	998.21	x	x	x	0.4
Other industries							
KFTP	Slavic wallpapers	36	1.7	0.18	0.13	0.63	0.31
MTBD	Mostobud	15	neg	0.09	7.13	neg	neg
SLVT	Slavutych	1.191	neg	0.17	6.26	neg	neg
STIR	Concern Stirol	12	neg	0.15	2.1	neg	neg
SUNI	Sun Interbrew Ukraine	0.22	neg	0.62	0.62	5.92	1.53
UTLM	Ukrtelecom	0.17	43.97	0.49	0.86	3.68	0.62
ZATR	Zaporizhtransformator	1.7	11.41	1.38	2.19	8.1	10.18

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