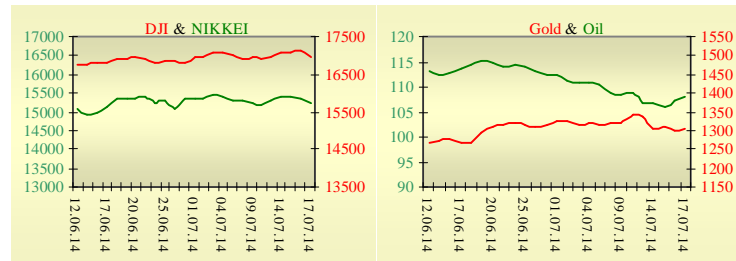
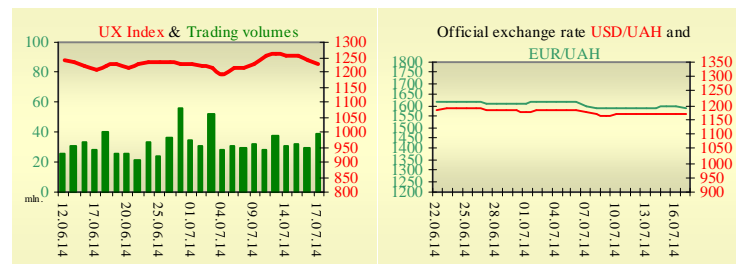


Morning stock market review 18 July 2014

Index	Closing	Change
Dow Jones	16 976.81	-0.94%
S&P 500	1 958.12	-1.18%
NASDAQ comp	4 363.45	-1.41%
FTSE 100	6 738.32	-0.68%
CAC 40	4 316.12	-1.21%
DAX 30	9 753.88	-1.07%
Nikkei 225	15 215.71	-1.01%



UX	Index	Change	Volume, UAH mln.
	1 224.28	-1.49%	39



Value for 10:01		
Futures	Index	Change
Dow Jones	16 917.00	-0.14%
S&P 500	1 952.70	-0.04%
NASDAQ 100	3 877.75	0.04%

Commodity markets		
Oil Brent	107.89	0.67%
Gold	1 302.50	0.11%

Interbank loans	17 July		
	o/n	7 days	30 days
KIBID (UAH)	6.50	1.50	3.00
KIBOR (UAH)	11.1	5.50	7.00
KIBID (USD)	4.80		
KIBOR (USD)	8.00		

Interbank currency	Bid/Ask	
	closing 17.07	
UAH/USD	11.6600	11.7200
UAH/EUR	15.7670	15.8521
UAH/RUB	0.3334	0.3350

Last closure

On Thursday, July 17, trades in USA have come to the end with decrease, while Treasuries rallied with gold as demand for haven assets rose amid escalating tension in Ukraine and the Middle East. Equities fell earlier in the day while bonds rallied as the U.S. and the European Union imposed sanctions on Russian banks, energy companies and defense firms in the latest attempt to pressure the country to end support for Ukrainian rebels. President Vladimir Putin has repeatedly denied Russian involvement in the fighting. U.S. Commerce Department said that the number of building permits issued last month fell by 4.2% to a seasonally adjusted 963,000 units from May's total of 991,000. Analysts expected building permits to rise by 4.2% to 1.04 million units in June. U.S. home construction tumbled in June due to a stretch of wet weather in the South, a decline that analysts said was likely a temporary departure from a trend of recovery in the housing market. Housing starts sank 9.3% last month to a seasonally adjusted annual pace of 893,000. It was the weakest showing since September 2013 and the second-straight monthly drop. Initial jobless claims fell 1% to 302,000 for the week ending July 12. After falling a revised 3.2% the previous week, analysts were pleasantly surprised by this latest report, having expected claims to actually increase around 5,000 to 310,000. Manufacturing activity in the mid-Atlantic region rose to its best level in more than three years in July, with booming new orders signaling better growth for factories and the overall economy. The Federal Reserve Bank of Philadelphia said that its manufacturing index jumped to 23.9 from June's 17.8, defying forecasts for a dip. Positive readings signal expansion. The new orders subindex shot up 17.4 points to 34.2, its best reading in 10 years. It suggests that manufacturing production will heat up over the summer. On the day's result, index Dow Jones has declined by 0.94%, S&P has lowered by 1.18%, Nasdaq has decreased by 1.41%.

European stock exchanges closed with decrease of main indexes, extending losses in the last 30 minutes of trading after a report that a Malaysian passenger jet crashed in Ukraine, as the European Union and the U.S. imposed further sanctions on Russia. The crisis in Ukraine escalated after a passenger jet crashed in the main battleground of the civil war, killing all 295 people on board. The government in Kiev blamed pro-Russian rebels for shooting down the Malaysian Airlines jet, while the separatists deny the accusation. The final reading consumer price index for the Eurozone remained unchanged, showing that inflation rose in June by just 0.5% from the same month last year. The ECB's target is for an increase in prices of just below 2%. On the day's result, British FTSE has declined by 0.68%, CAC 40 (France) has decreased by 1.21%, DAX (Germany) has lowered by 1.07%.

August's contractual price on Brent oil, grew by \$0.11 to \$105.96 per barrel.

In Ukraine

Trades on the Ukrainian stock exchange opened by decrease, day passed without certain dynamics. Value of the UX index has declined by 1.49% to 1224.28. Share trades capacity on the application market was equal to UAH 10.2 million. Trades capacity on the derivatives market was equal to UAH 8.7 million. Total trades capacity for yesterday — UAH 47.8 million.

From ten shares of an index basket, nine retreated. Better than market looked shares of Ukrnafta (+5.58%). Worse than market looked shares of Raiffeisen Bank Aval (-3.54%).

Prime Minister Yatsenyuk instructed state-owned company Ukrnafta, to transfer to the state budget of 1.3 billion UAH of dividends.

Premarket

External background at the opening is negative. A Malaysia Airlines passenger jet crashed in a rebel-controlled part of eastern Ukraine on Thursday, spurring swift accusations from Ukrainian officials that "terrorists" shot down the aircraft.

The United States has concluded a missile shot down the plane, but hasn't pinpointed who was responsible. The Boeing 777 with 298 people aboard fell from the sky near the town of Torez in the Donetsk region of eastern Ukraine, officials said. A top Ukrainian official said the plane, which was on the way from Amsterdam to Kuala Lumpur, was flying at about 10,000 meters (nearly 33,000 feet) when the missile hit. The Obama administration believes Ukraine did not have the capability in the region — let alone the motivation — to shoot down the plane.

The Asian indexes are decreasing today. Nikkei has lowered by 1.01%, Hong Kong Hang Seng declining by 0.41%.

Futures on American indexes are changing today from +0.05% to -0.14%.

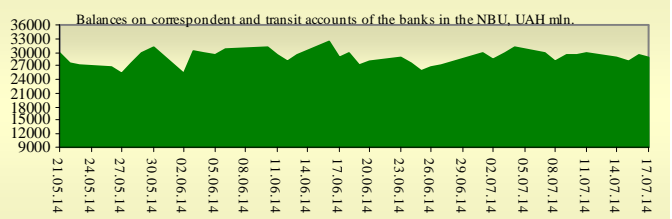
Russian indexes as of 10:00 a.m. are decreasing — RTS decreasing by 2.65%, MICEX lowers growing by 1.96%.

Our expectations

We expect opening of the Ukrainian market by decrease.

In the U.S. will be published the Reuter's/University of Michigan's consumer sentiment index (4:55 PM).

IMF chief Christine Lagarde and Germany Finance Minister Wolfgang Schaeuble take part in a debate on the future of the euro zone.



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	0.0355	neg	0.57	18.43	37.42	neg
AZST	Azovstal Iron and Steel Works	0.796	24.72	0.17	0.15	neg	0.3
ENMZ	Enakievo Metallurgical Plant	41.75	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	3.148	neg	0.08	0.07	neg	0.14
YASK	Yasynivka Cokery Plant	0.69	neg	0.09	0.09	3.11	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	7.57	0.34	0.92	4.56	0.44
SGOK	North Ore Mining and Processing Plant	8.1	4.54	1.4	1.64	2.68	1.12
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	0.6704	33.31	1.43	1.42	4.11	1.45
Energy industry							
CEEN	Centerenergo	7.635	6.64	0.31	0.4	4.42	1.12
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	430.2	1.99	0.27	0.27	1.08	0.39
DNON	DTEK Dniπροoblenergo	88.888	neg	0.03	0.04	1.32	0.43
DOEN	Donbasenergo	38	1.44	0.16	0.29	1.66	0.64
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	1.6	neg	0.1	0.24	2.28	0.19
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	Prykarpattyoblenergo	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	130.5	3.69	0.15	0.25	2.2	1.12
ZAON	Zaporizhoblenergo	2	18.17	0.08	0.27	7.48	1.02
ZHEN	Zhytomyrblenergo	1.5535	5.45	0.14	0.16	1.07	0.09
ZOEN	Zakarpattyoblenergo	1.44	1.89	0.19	0.43	2.72	0.56
Mechanical engineering							
KRAZ	AvtoKRAZ	0.0855	2.15	0.31	2.77	17.18	0.26
KVBZ	Krukivsky Carriage Works	18.8936	11.71	0.88	0.9	10.68	0.78
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	2442	3.42	0.6	0.63	1.55	0.51
MZVM	Mariupol Heavy Machine Building Plant	0.1	neg	0.22	0.22	0.56	0.14
SMASH	Sumy Frunze Machine Building Plant	4.497	neg	0.14	0.8	39.77	0.31
SVGZ	Stakhanov railway car building works	1.1	neg	0.22	0.93	27.79	0.38
Oil and gas industry							

UNAF	Ukrnafta	264.4	46.71	0.67	0.66	5.91	0.79
Banks							
BAVL	Raiffeisen Bank Aval	0.1445	7.94	x	x	x	0.6
FORM	Forum Bank	0.219	neg	x	x	x	0.09
USCB	Ukrsotsbank	0.165	980.39	x	x	x	0.39
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 Stinol	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