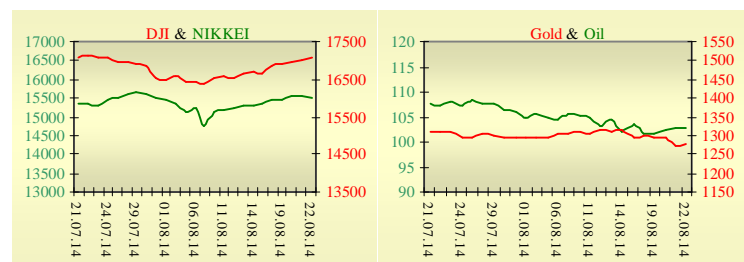
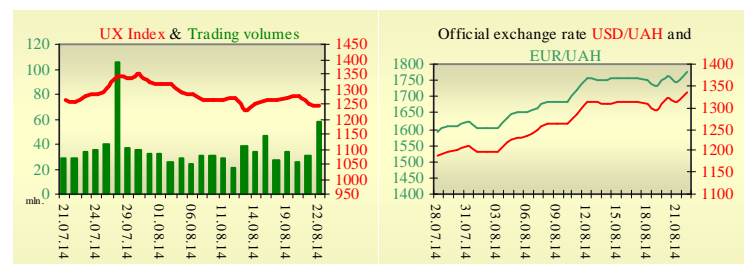


Morning stock market review 26 August 2014

Index	Closing	Change
Dow Jones	17 076.87	0.44%
S&P 500	1 997.92	0.48%
NASDAQ comp	4 557.35	0.41%
FTSE 100	6 775.25	-0.04%
CAC 40	4 342.11	2.10%
DAX 30	9 510.14	1.83%
Nikkei 225	15 521.22	-0.59%



UX	Index	Change	Volume, UAH mln.
	1 240.95	-0.81%	57.6



Value for 9:55		
Futures	Index	Change
Dow Jones	17 045.00	-0.06%
S&P 500	1 992.70	-0.11%
NASDAQ 100	4 062.25	-0.03%

Commodity markets		
Oil Brent	102.65	0.01%
Gold	1 277.25	0.15%

Interbank loans	22 August		
	o/n	7 days	30 days
KIBID (UAH)	6.86	1.50	3.00
KIBOR (UAH)	11.8	5.50	7.00
KIBID (USD)	5.50		
KIBOR (USD)	8.00		

Interbank currency	Bid/Ask	
	closing 22.08	
UAH/USD	13.6000 / 13.8000	
UAH/EUR	18.0452 / 18.3146	
UAH/RUB	0.3723 / 0.3754	

Last closure

On Monday, August 25, trades in USA have come to the end with growth, briefly sending the Standard & Poor's 500 Index (SPX) above 2,000 for the first time ever, as corporate dealmaking and prospects for economic stimulus in Europe bolstered confidence in the bull market. Fed's Yellen remains mum on timing of rate change. Encouraged by progress in the U.S. labor market, but uncertain if it is enough, the Federal Reserve Board chairwoman and other officials who gathered here for a central-bank conference left the public guessing about when they will start raising short-term interest rates. New-home sales slipped 2.4% to a seasonally adjusted annual rate of 412,000 units, the lowest level since March. While sales were weaker than economists had expected, data for the last three months was revised to show 33,000 more new homes sold than previously reported. The Chicago Fed National Activity Index (CFNAI) rose to +0.39 in the month of July, and the reading from June was revised to +0.21 from a preliminary +0.12. On top of the prior month being revised higher. The Dallas Fed's manufacturing index fell to 7.1. That was well short of the consensus forecast for 12.8, as well as July's 12.7 mark. However, a positive reading still signals expansion. On the day's result, index Dow Jones rose by 0.44%, S&P has increased by 0.48%, Nasdaq grew by 0.41%.

European stock exchanges closed with mixed dynamics of main indexes. CB chief Mario Draghi gave a big speech at Jackson Hole on Friday. There were two big ideas to come out of the speech: The first is that the ECB will do more to halt falling inflation. The other is that the ECB probably can't do it on its own, and that the destructive effects of austerity need to be reversed somehow. The Ifo Business Climate Index for industry and trade in Germany falls from 108.0 points in July to 106.3 points in August, marking the fourth decrease in succession. Ifo's assessment of current conditions slipped to 111.1 in August from 112.9, while a gauge of business expectations fell to 101.7 from 103.4 in July. Both measures fell more than economists anticipated. On the day's result, CAC 40 (France) grew by 2.10%, DAX (Germany) has increased by 1.83%.

Septembers' contractual price on Brent oil, grew by \$0.36 to \$102.65 per barrel.

In Ukraine

On Friday, August 22, trades on the Ukrainian stock exchange opened by decrease, day passed with without certain dynamics. Value of the UX index has declined by 0.81% to 1240.95. Share trades capacity on the application market was equal to UAH 4.8 million. Trades capacity on the derivatives market was equal to UAH 8.2 million. Total trades capacity for yesterday — UAH 65.9 million.

From ten shares of an index basket, six declined. Leaders of growth were shares of Azovstal Iron and Steel Works (+9.3%). Worse than market looked shares of Motor Sich (-3.05%) and Avdiivka Coke Plant (-1.5%).

The National Bank of Ukraine from weakened the official exchange rate of the hryvnia from UAH 13.112790/\$1 to UAH 13.365434/\$1, breaking the historic minimum registered on August 20 at UAH 13.223077/\$1. The total losses of the Ukrainian commercial banks amounted to UAH 3.261 bn (US \$240 mn), informed the National Bank of Ukraine. In January-July the revenues of the banks amounted to UAH 121.4 bn (US \$8.96 bn), while the expenses – UAH 123.4 bn (US \$9.11 bn). Thus, the banks suffered losses in the amount of UAH 2.011 bn (US \$150 mn).

Premarket

External background at the opening is neutral. Ukrainian President Petro Poroshenko has terminated the powers of the Verkhovna Rada of the seventh convocation. The election of the new parliament will be held on October 26, 2014.

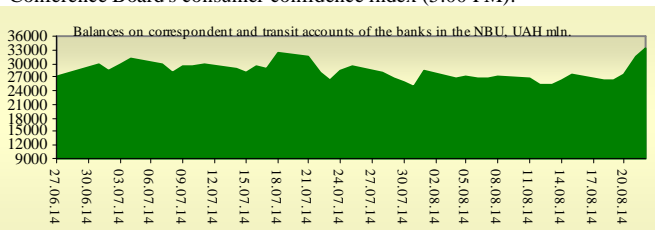
The Asian indexes are decreasing today. Nikkei has lowered by 0.59%, Hong Kong Hang Seng declining by 0.30%.

Futures on American indexes are decreasing today from 0.03% to 0.11%.

Russian indexes as of 10:00 a.m. are rising — RTS increasing by 0.18%, MICEX growing by 0.14%.

Our expectations

We expect opening of the Ukrainian market on neutral territory. In the U.S. will be published Core Durable Goods Orders (3:30 PM), the S&P/Case-Shiller 20-city home price index (4:00 PM) and the Conference Board's consumer confidence index (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	0.0341	neg	0.55	18.41	37.37	neg
AZST	Azovstal Iron and Steel Works	0.871	27.05	0.18	0.16	neg	0.33
ENMZ	Enakievo Metallurgical Plant	38.7	neg	0.03	0.08	3.65	neg
MMKI	Ilyich Iron and Steel Works of Mariupol	0.1004	neg	0.05	0.04	neg	0.17
Coke industry							
ALKZ	Alchevsk Cokery Plant	0.0629	9.5	0.04	0.11	4.63	0.13
AVDK	Avdiivka Cokery Plant	2.955	neg	0.07	0.07	neg	0.13
YASK	Yasynivka Cokery Plant	0.655	neg	0.09	0.09	2.95	0.03
Quarrying industry							
CGOK	Central Ore Mining and Processing Plant	6.5	4.17	1.3	1.29	2.47	1.03
PGOK	Poltava Ore Mining and Processing Plant	15.68	7.91	0.36	0.93	4.64	0.46
SGOK	North Ore Mining and Processing Plant	8.15	4.57	1.41	1.65	2.7	1.12
Mining industry							
SHKD	DTEK Mine Komsomolets Donbassa	0.75	1.27	0.13	0.57	1.53	0.14
SHCHZ	Pokrovske Mine Management	0.573	neg	0.16	0.31	1.67	0.24
Pipe industry							
NVTR	Interpipe Novomoskovsk Pipe-Production Plant	0.3001	neg	0.04	0.21	3.81	0.09
HRTR	Khartsyzsk Tube Works	0.601	10.43	0.78	0.78	2.63	1.17
Energy industry							
CEEN	Centerenergo	7.9496	21.47	0.39	0.49	8.52	1.21
CHEN	Chernivtsioblenergo	1.3	9.39	0.11	0.23	2.84	0.45
CHEON	Chernigivoblenergo	1.4	1.98	0.16	0.16	1.51	0.36
CHON	Cherkasyoblenergo	1	13.61	0.11	0.1	2.22	0.52
DNEN	Dniπροenergo	415	2.62	0.26	0.31	1.44	0.41
DNON	DTEK Dniπροoblenergo	80	neg	0.03	0.05	1.73	0.34
DOEN	Donbasenergo	37.9867	1.31	0.16	0.29	1.54	0.54
DOON	Donetskoblenergo	5.001	1.96	0.06	0.15	1.03	0.28
HAON	Kharkivoblenergo	2	5.36	0.14	0.11	1.43	0.24
HMON	Khmelnitskoblenergo	1.5	17.94	0.2	0.19	2.05	0.28
KION	Kirovogradoblenergo	1.6	neg	0.18	0.32	3.05	0.21
KOEN	Kyivoblenergo	1.111	neg	0.35	0.34	10.29	0.48
KREN	DTEK Krymenergo	1.98	neg	0.11	0.25	3.25	0.22
LVON	Lvivoblenergo	1.2	neg	0.1	0.13	1.16	0.07
MOEN	Mykolayivoblenergo	1.41	34.56	0.16	0.42	5.47	0.6
ODEN	Odesaoblenergo	0.4625	neg	0.08	0.22	1.35	0.11
PREN	Prykarpattyablenergo	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	138.2	19.69	0.17	0.29	3.16	1.31
ZAON	Zaporizhoblenergo	1.4	9.29	0.06	0.27	5.94	0.65
ZHEN	Zhytomyroblenergo	1.62	neg	0.14	0.17	1.35	0.1
ZOEN	Zakarpattyablenergo	1.6	1.7	0.21	0.47	2.47	0.63
Mechanical engineering							
KRAZ	AvtoKRAZ	0.0895	2.25	0.33	2.79	17.27	0.27
KVBZ	Krukivsky Carriage Works	16.8	10.41	0.78	0.8	9.53	0.7
LTPL	Luganskteplovovoz	1.1973	1.66	0.09	0.31	2.99	0.35
LUAZ	Bogdan Motors	0.05	neg	0.28	4.08	neg	neg
MSICH	Motor Sich	2346.5	2.39	0.52	0.51	1.13	0.45
MZVM	Mariupol Heavy Machine Building Plant	0.112	0.57	0.27	0.27	0.23	0.16
SMASH	Sumy Frunze Machine Building Plant	3	neg	0.09	0.75	37.44	0.21
SVGZ	Stakhanov railway car building works	0.933	neg	0.32	1.52	60.93	0.31
Oil and gas industry							

UNAF	Ukrnafta	315.1	15.15	0.73	0.72	5.85	0.9
Banks							
BAVL	Raiffeisen Bank Aval	0.1393	7.66	x	x	x	0.58
FORM	Forum Bank	#H/Д	neg	x	x	x	#H/Д
USCB	Ukrsotsbank	0.1719	1021.39	x	x	x	0.41
Other industries							
KFTP	Slavic wallpapers	36	1.7	0.18	0.13	0.63	0.31
MTBD	Mostobud	22.5	neg	0.13	7.17	neg	neg
SLVT	Slavutych	1.182	neg	0.17	6.26	neg	neg
STIR	Concern Stirol	12.5	neg	0.16	2.1	neg	neg
SUNI	Sun Interbrew Ukraine	0.22	neg	0.62	0.62	5.92	1.53
UTLM	Ukrtelecom	0.1725	44.62	0.5	0.86	3.71	0.63
ZATR	Zaporizhtransformator	1.24	8.33	1.01	1.82	6.72	7.43

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