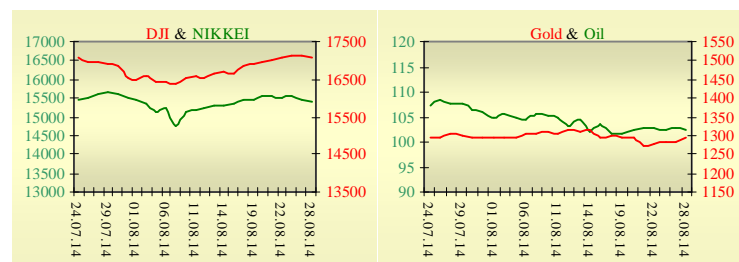
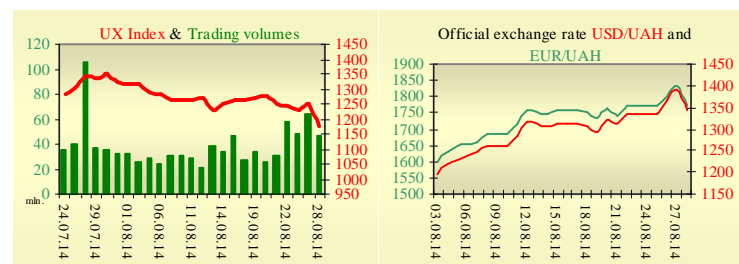


Morning stock market review 29 August 2014

Index	Closing	Change
Dow Jones	17 079.57	-0.25%
S&P 500	1 996.74	-0.17%
NASDAQ comp	4 557.70	-0.26%
FTSE 100	6 805.80	-0.36%
CAC 40	4 366.04	-0.66%
DAX 30	9 462.56	-1.12%
Nikkei 225	15 424.59	-0.23%



UX	Index	Change	Volume, UAH mln.
	1 174.97	-6.20%	46.6



Value for 9:52		
Futures	Index	Change
Dow Jones	17 091.00	0.08%
S&P 500	1 998.10	0.07%
NASDAQ 100	4 074.00	0.10%

Commodity markets		
Oil Brent	102.46	-0.25%
Gold	1 292.00	0.72%

Interbank loans	28 August		
	o/n	7 days	30 days
KIBID (UAH)	5.50	3.75	3.00
KIBOR (UAH)	9.17	8.75	7.00
KIBID (USD)	6.67		
KIBOR (USD)	10.6		

Interbank currency	Bid/Ask	
	closing 28.08	
UAH/USD	13.8000 / 13.9500	
UAH/EUR	18.1905 / 18.3925	
UAH/RUB	0.3707 / 0.3793	

Last closure

On Thursday, August 28, trades in USA have come to the end with decrease, as violence in Ukraine and disappointing retail earnings overshadowed data showing the economy expanded more than estimated. Gross domestic product grew at a seasonally adjusted annual rate of 4.2% in the second quarter after accounting for inflation. Initial claims for unemployment benefits fell by 1,000 to a seasonally adjusted 298,000 in the week ended Aug. 23. That was just below forecasts. The four-week moving average of claims, which smooths out weekly volatility, fell to 299,750. Pending home sales rebounded in July thanks to low interest rates and confidence in the U.S. economic recovery. Pending Home Sales Index climbed 3.3% to 105.9 in July from 102.5 in June. Despite having now risen in four of the last five months, pending home sales remain 2.3% below July 2013. On the day's result, index Dow Jones has declined by 0.25%, S&P has lowered by 0.17%, Nasdaq has decreased by 0.26%.

European stock exchanges closed with decrease of main indexes. Ukrainian President Petro Poroshenko called an emergency security meeting to defend against what he called a Russian "invasion" of his country, after pro-Russian separatists gained ground in intensified fighting in eastern regions. The U.S. State Department cited reports of fresh fighting and said the indications are that the incursion is being directed by Russia. Moscow denied it. The German Unemployment Change for the month of August came in at 2,000 versus 12,000 in July (revised higher). This missed market expectations calling for a fall in unemployment by 5,000. Despite an increase in unemployment, August German Unemployment Rate came in at 6.7%. This was consistent with five consecutive months and met with market forecasts of 6.7%. The European Commission said that industrial confidence fell to minus 5.3 in August from minus 3.8 in July and construction sentiment dropped to minus 28.4 from minus 28.2. Sentiment in the services industry declined to 3.1 from 3.6. Consumer confidence was at minus 10, in line with a preliminary reading on Aug. 21. On the day's result, British FTSE has declined by 0.36%, CAC 40 (France) has decreased by 0.66%, DAX (Germany) has lowered by 1.12%.

Septembers' contractual price on Brent oil, decreased by \$0.26 to \$102.46 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 6.20% to 1174.97. Share trades capacity on the application market was equal to UAH 12.7 million. Trades capacity on the derivatives market was equal to UAH 15.4 million. Total trades capacity for yesterday — UAH 62 million.

All ten shares of an index basket retreated. Worse than market looked shares of Azovstal Iron and Steel Works (-12.9%), Raiffeisen Bank Aval (-7.47%) and Donbasenergo (-6.58%).

Pro-Russian rebels widened attacks, taking several towns, including those near the Sea of Azov, opening a new front and a seaborne supply channel for the separatists. JPMorgan Chase & Co. and Nomura Holdings Inc. recommended investors cut holdings of Ukrainian debt, citing the conflict's impact on the economy and the fading prospect of a diplomatic resolution. Ukraine's GDP fall in January-July 2014 tentatively fell by 3.3% year-over-year and it could accelerate to 6% by the end of the year.

Premarket

External background at the opening is moderately negative. Japan's average household spending fell a real 5.9% on year in July, coming in weaker than the MNI survey median forecast of -3.0%. It was the fourth straight y/y drop after -3.0% in June, -8.0% in May and -4.6% in April, when the sales tax was raised to 8% from 5%. German retail sales declined unexpectedly in July from June. The retail turnover declined by real 1.4% month-on-month in July, reversing the 1% increase in June.

The Asian indexes are decreasing today. Nikkei has lowered by 0.23%, Hong Kong Hang Seng declining by 0.05%.

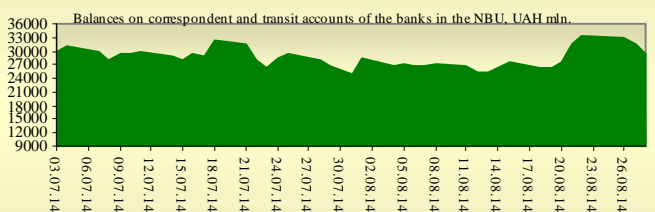
Futures on American indexes are decreasing today from 0.08% to 0.10%. Russian indexes as of 9:54 a.m. are decreasing — RTS decreasing by 0.43%, MICEX lowers by 0.02%.

Our expectations

We expect opening of the Ukrainian market decrease.

In Europe will be published index IFO in Germany (11:00 AM) and data on CPI in the E.U. (12:00 AM).

In the U.S. will be published Personal Spending (3:30 PM), Chicago PMI (3:30 PM), and data on Michigan Consumer Expectations (4:55 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	0.0325	neg	0.52	18.38	37.32	neg
AZST	Azovstal Iron and Steel Works	0.7792	24.2	0.17	0.15	neg	0.3
ENMZ	Enakievo Metallurgical Plant	36.44	neg	0.03	0.08	3.58	neg
MMKI	Ilyich Iron and Steel Works of Mariupol	0.1	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	2.866	neg	0.07	0.07	neg	0.13
YASK	Yasynivka Cokery Plant	0.5274	neg	0.07	0.07	2.36	0.02
Quarrying industry							
CGOK	Central Ore Mining and Processing Plant	6.7	4.29	1.34	1.33	2.55	1.06
PGOK	Poltava Ore Mining and Processing Plant	16.305	8.23	0.37	0.95	4.71	0.48
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	0.75	1.27	0.13	0.57	1.53	0.14
SHCHZ	Pokrovske Mine Management	0.6	neg	0.17	0.31	1.71	0.25
Pipe industry							
NVTR	Interpipe Novomoskovsk Pipe-Production Plant	0.3	neg	0.04	0.21	3.81	0.09
HRTR	Khartsyzsk Tube Works	0.55	9.54	0.72	0.71	2.41	1.07
Energy industry							
CEEN	Centerenergo	7.641	20.63	0.38	0.48	8.26	1.16
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	1.139	15.51	0.13	0.12	2.56	0.6
DNEN	Dniproenergo	395	2.49	0.25	0.3	1.38	0.39
DNON	DTEK Dniprooblenergo	50.001	neg	0.02	0.04	1.33	0.21
DOEN	Donbasenergo	35.2	1.21	0.14	0.28	1.48	0.5
DOON	Donetskoblenergo	5.001	1.96	0.06	0.15	1.03	0.28
HAON	Kharkivoblenergo	2.2	5.9	0.15	0.13	1.6	0.27
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	1.93	neg	0.11	0.25	3.22	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	0.7	neg	0.13	0.27	1.62	0.17
PREN	Prykarpattiaoblenergo	1.6	2.08	0.16	0.18	1	0.13
VOEN	Volynoblenergo	0.5	171.31	0.31	0.3	4.34	0.36
ZAEN	DTEK Zakhidenergo	134.4	19.15	0.16	0.29	3.11	1.27
ZAON	Zaporizhoblenergo	1.4	9.29	0.06	0.27	5.94	0.65
ZHEN	Zhytomyroblenergo	1.635	neg	0.14	0.17	1.36	0.1
ZOEN	Zakarpattiaoblenergo	1.6	1.7	0.21	0.47	2.47	0.63
Mechanical engineering							
KRAZ	AvtoKRAZ	0.0889	2.24	0.32	2.79	17.26	0.27
KVBZ	Krukivsky Carriage Works	15.9083	9.86	0.74	0.76	9.04	0.66
LTPL	Luganskteplovovoz	1.0148	1.41	0.07	0.29	2.87	0.3
LUAZ	Bogdan Motors	0.046	neg	0.26	4.06	neg	neg
MSICH	Motor Sich	2270	2.32	0.5	0.49	1.1	0.44
MZVM	Mariupol Heavy Machine Building Plant	0.09	0.46	0.21	0.21	0.18	0.13
SMASH	Sumy Frunze Machine Building Plant	3	neg	0.09	0.75	37.44	0.21
SVGZ	Stakhanov railway car building works	0.903	neg	0.31	1.51	60.52	0.3
Oil and gas industry							

UNAF	Ukrnafta	321.7	15.46	0.75	0.74	5.97	0.91
Banks							
BAVL	Raiffeisen Bank Aval	0.1275	7.01	x	x	x	0.53
USCB	Ukrsotsbank	0.1695	1007.13	x	x	x	0.4
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 Stiroil	11.4	neg	0.15	2.09	neg	neg
SUNI	Sun Interbrew Ukraine	0.22	neg	0.62	0.62	5.92	1.53
UTLM	Ukrtelecom	0.1999	51.7	0.58	0.94	4.05	0.73
ZATR	Zaporizhtransformator	1.24	8.33	1.01	1.82	6.72	7.43

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