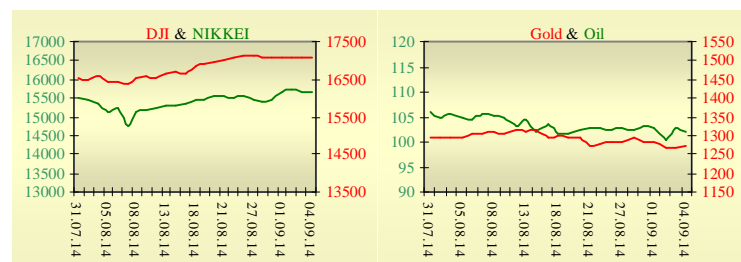
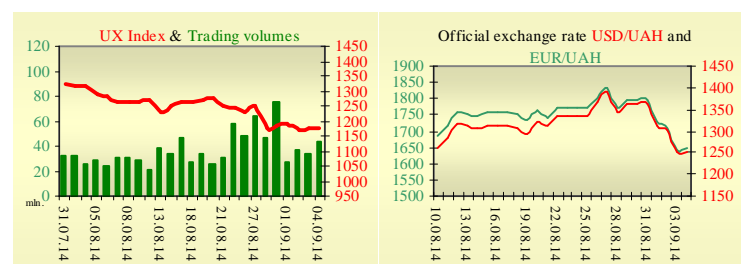


## Morning stock market review 5 September 2014

Index	Closing	Change
<b>Dow Jones</b>	17 069.58	-0.05%
<b>S&amp;P 500</b>	1 997.65	-0.15%
<b>NASDAQ comp</b>	4 562.29	-0.22%
<b>FTSE 100</b>	6 877.97	0.06%
<b>CAC 40</b>	4 494.94	1.65%
<b>DAX 30</b>	9 724.26	1.02%
<b>Nikkei 225</b>	15 668.68	-0.05%



UX	Index	Change	Volume, UAH mln.
	1 177.83	-0.18%	43.7



Value for 9:56		
Futures	Index	Change
<b>Dow Jones</b>	17 074.00	-0.02%
<b>S&amp;P 500</b>	1 996.70	-0.05%
<b>NASDAQ 100</b>	4 069.50	0.00%

Commodity markets		
<b>Oil Brent</b>	101.83	-0.91%
<b>Gold</b>	1 271.50	0.47%

Interbank loans	4 September		
	o/n	7 days	30 days
<b>KIBID (UAH)</b>	5.43	4.25	3.00
<b>KIBOR (UAH)</b>	9.86	8.75	7.00
<b>KIBID (USD)</b>	6.00		
<b>KIBOR (USD)</b>	9.33		

Interbank currency	Bid/Ask	
	closing 04.09	
<b>UAH/USD</b>	12.8500 / 13.1000	
<b>UAH/EUR</b>	16.8000 / 17.1500	
<b>UAH/RUB</b>	0.3470 / 0.3520	

### Last closure

On Thursday, September 4, trades in USA have come to the end with decrease, as energy producers sank with oil prices to overshadow new stimulus from the European Central Bank. Energy shares sank 1.3% for the biggest drop among the 10 main S&P 500 groups, as crude fell 1.1% in New York. Chevron Corp. and Exxon Mobil Corp. each lost 0.8% to pace declines in the Dow Jones Industrial Average. The ECB cut interest rates and will start buying assets, boosting the flow of funding for the euro-area economy while stopping short of broad-based quantitative easing. The move boosted European stocks and sent two-year note yields below zero in eight countries. Number of individuals filing for initial jobless benefits in the week ending August 30 increased by 4,000 to a seasonally adjusted 302,000 from the previous week's total of 298,000. Analysts had expected jobless claims to rise by 2,000 to 300,000 last week. The US trade deficit shrank for the third straight month in July helped by gains in exports especially from the automotive sector. The monthly trade balance came in at a negative \$40.5 billion, down from a \$40.8 billion deficit in June. Exports rose \$1.8 billion to \$198.0 billion, while imports gained \$1.6 billion to \$238.6 billion. The ISM non-manufacturing purchasing managers index rose to 59.6 in August from the prior month's 58.7. A reading above 50 indicates expansion in the service sector. Analysts had forecast the August PMI to drop to 57.5. On the day's result, index Dow Jones has declined by 0.05%, S&P has lowered by 0.15%, Nasdaq has decreased by 0.22%.

European stock exchanges closed with growth of main indexes. The European Central Bank's surprise decision to cut interest rates as well as start buying securitized debt brought investors out from the sidelines, sending the region's benchmark index to a two-month high. In the U.K., the Bank of England maintained its benchmark rate at 0.5%, the level it held since March 2009, as predicted. The August Eurozone Retail PMI came in at 45.8 compared to the prior month's reading of 47.6. It was the lowest reading in 15-months and missed market expectations calling for 47.6. Factory orders in Germany rebounded sharply in July following two monthly falls. Orders were up 4.6% from the previous month, far better than 1.5% increase widely anticipated in the markets. The increase follows an upwardly adjusted decline of 2.7% in June and a 1.7% fall in May. On the day's result, British FTSE rose by 0.06%, CAC 40 (France) grew by 1.65%, DAX (Germany) has increased by 1.02%.

Octobers' contractual price on Brent oil, decreased by \$0.94 to \$101.83 per barrel.

### In Ukraine

Trades on the Ukrainian stock exchange opened by growth, day passed dynamics. Value of the UX index has declined by 0.18% to 1177.83. Share trades capacity on the application market was equal to UAH 12.6 million. Trades capacity on the derivatives market was equal to UAH 10.1 million. Total trades capacity for yesterday — UAH 53.9 million.

From ten shares of an index basket, six retreated. Leaders of growth were shares of Raiffeisen Bank Aval (+2.28%). Worse than market looked shares of Ukrnafta (-3.78%) and Avdiivka Coke Plant (-2%).

Ukrnafta cancelled a general shareholder meeting scheduled for 11 September. The company said the reason for cancellation was some technical issues. Also Ukrnafta announced a plan to hold a general shareholders meeting on 10 October 2014. Ukraine received on September 4 a second tranche from the IMF under the stand-by Arrangement in the amount of SDR 914.7 million (about \$1.39 billion).

### Premarket

External background at the opening is negative. German industrial output grew more than forecast in July, signaling that Europe's largest economy is headed for a third-quarter rebound. Production, adjusted for seasonal swings, rose 1.9% from June, when it expanded a revised 0.4%. The Asian indexes are decreasing today. Nikkei has lowered by 0.05%, Hong Kong Hang Seng declining by 0.21%.

Futures on American indexes are slightly changing today from -0.01% to +0.03%.

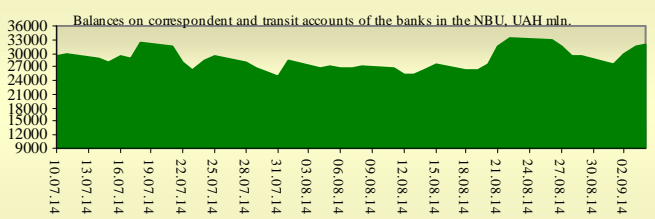
Russian indexes as of 10:00 AM are decreasing — MICEX decreasing by 0.29%, RTS lowers by 0.14%.

### Our expectations

We expect opening of the Ukrainian market on neutral territory.

In Europe will be published GDP in the E.U. (12:00 AM).

In the U.S. will be published nonfarm payrolls (3:30 PM) and unemployment rate (3:30 PM).



### Financial ratios for Ukrainian issuers

Ticker	Name	Closing price, UAH	P/E	P/S	EV/S	EV/Ebitda	P/B
<b>Metallurgy</b>							
ALMK	Alchevsk Metallurgical Plant	0.032	neg	0.51	18.38	37.31	neg
AZST	Azovstal Iron and Steel Works	0.7767	24.12	0.16	0.14	neg	0.3
ENMZ	Enakievo Metallurgical Plant	34.27	neg	0.03	0.08	3.5	neg
MMKI	Ilyich Iron and Steel Works of Mariupol	0.1001	neg	0.05	0.04	neg	0.17
<b>Coke industry</b>							
ALKZ	Alchevsk Cokery Plant	0.048	7.25	0.03	0.1	4.26	0.1
AVDK	Avdiivka Cokery Plant	2.674	neg	0.07	0.06	neg	0.12
YASK	Yasynivka Cokery Plant	0.53	neg	0.07	0.07	2.37	0.02
<b>Quarrying industry</b>							
CGOK	Central Ore Mining and Processing Plant	6.85	4.39	1.37	1.36	2.61	1.09
PGOK	Poltava Ore Mining and Processing Plant	17.13	8.64	0.39	0.97	4.8	0.5
SGOK	North Ore Mining and Processing Plant	8.1	4.54	1.4	1.64	2.68	1.12
<b>Mining industry</b>							
SHKD	DTEK Mine Komsomolets Donbassa	0.75	1.27	0.13	0.57	1.53	0.14
SHCHZ	Pokrovske Mine Management	0.5	neg	0.14	0.29	1.55	0.21
<b>Pipe industry</b>							
NVTR	Interpipe Novomoskovsk Pipe-Production Plant	0.3489	neg	0.04	0.22	3.91	0.1
HRTR	Khartsyzsk Tube Works	0.55	9.54	0.72	0.71	2.41	1.07
<b>Energy industry</b>							
CEEN	Centerenergo	7.7718	20.99	0.38	0.48	8.37	1.18
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	Dniπροenergo	390.1	2.46	0.24	0.3	1.36	0.38
DNON	DTEK Dniπροoblenergo	70	neg	0.03	0.05	1.6	0.29
DOEN	Donbasenergo	32.66	1.12	0.13	0.27	1.43	0.46
DOON	Donetskoblenergo	5.001	1.96	0.06	0.15	1.03	0.28
HAON	Kharkivoblenergo	1.45	3.89	0.1	0.08	0.95	0.18
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	1.22	neg	0.11	0.13	1.18	0.07
MOEN	Mykolayivoblenergo	1.41	34.56	0.16	0.42	5.47	0.6
ODEN	Odesaoblenergo	0.67	neg	0.12	0.26	1.58	0.16
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	130.1	18.53	0.16	0.28	3.05	1.23
ZAON	Zaporizhoblenergo	1.4	9.29	0.06	0.27	5.94	0.65
ZHEN	Zhytomyroblenergo	1.5	neg	0.13	0.16	1.26	0.09
ZOEN	Zakarpattiaoblenergo	1	1.06	0.13	0.39	2.05	0.39
<b>Mechanical engineering</b>							
KRAZ	AvtoKRAZ	0.0851	2.14	0.31	2.77	17.17	0.26
KVBZ	Krukivsky Carriage Works	15.7	9.73	0.73	0.75	8.92	0.65
LTPL	Luganskteplovovoz	1.026	1.42	0.07	0.3	2.87	0.3
LUAZ	Bogdan Motors	0.0476	neg	0.26	4.07	neg	neg
MSICH	Motor Sich	2303	2.35	0.51	0.5	1.11	0.44
MZVM	Mariupol Heavy Machine Building Plant	0.0955	0.48	0.23	0.23	0.19	0.13
SMASH	Sumy Frunze Machine Building Plant	2.997	neg	0.09	0.75	37.44	0.21
SVGZ	Stakhanov railway car building works	0.989	neg	0.34	1.54	61.7	0.33
<b>Oil and gas industry</b>							

UNAF	Ukrnafta	323.255	15.54	0.75	0.74	6	0.92
<b>Banks</b>							
BAVL	Raiffeisen Bank Aval	0.1346	7.4	x	x	x	0.56
USCB	Ukrsotsbank	0.1687	1002.37	x	x	x	0.4
<b>Other industries</b>							
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	10.4	neg	0.13	2.07	neg	neg
SUNI	Sun Interbrew Ukraine	0.22	neg	0.62	0.62	5.92	1.53
UTLM	Ukrtelecom	0.2	51.73	0.58	0.94	4.05	0.73
ZATR	Zaporizhtransformator	1.24	8.33	1.01	1.82	6.72	7.43

## ANALYTICAL DEPARTMENT

Vitaly Murashkin  
[VMurashkin@itt-group.com](mailto:VMurashkin@itt-group.com)  
Head of Department

Yegor Burkov  
[EBurkov@itt-group.com](mailto: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](http://www.itt-group.com)