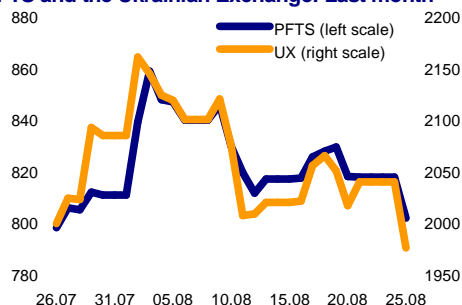


# UKRAINIAN STOCK MARKET

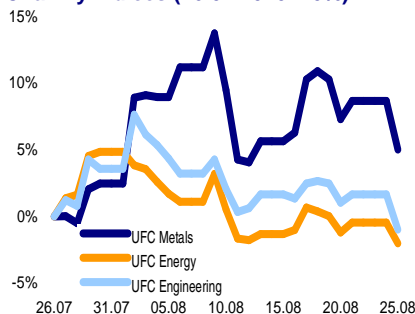
## Daily review

August 26, 2010

PFTS and the Ukrainian Exchange: Last month



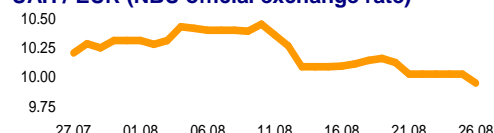
UFC family indices (26.07.2010 = 0%)



UAH / USD (NBU official exchange rate)



UAH / EUR (NBU official exchange rate)



## STRATEGY

### UFC Capital daily market view

**Equity market.** UX index was showing the “bear trend” for the most part of the trading day on August 25. The indicator has slightly changed a movement direction only before closing of trading session. The UX index fell 3.15% to 1,977.00 this session. Thus, the indicator hit downwards psychological level of 2,000.

Shares of Avdiivka Coke (AVDK; SELL) were the most popular among investors. Trading volume with these securities amounted to UAH 15.6 mln.

The worst performers on the order-driven market were shares of Galnaftogaz (GLNG) and Stirol (STIR; BUY), which fell by 11.2% and 5.5% respectively.

Indexes of the largest Russian and European stock exchanges also showed “bear trend” on Wednesday. Dow Jones opened below zero, what could be caused by unexpectedly weak data on new home sales in the USA in July. Home sales decreased by 12.4% to 276K, the lowest level since data began in 1963.

**Vitaly Gorovoy**

Major indices	25.08	21.08	Change
UX index	1977.00	2041.31	-3.15%
PFTS index	802.37	818.33	-1.95%
UFC index	194.06	193.03	0.53%
UC Metals	226.45	234.36	-3.38%
UFC Energy	422.43	429.20	-1.58%
UFC Engineering	153.95	158.06	-2.60%

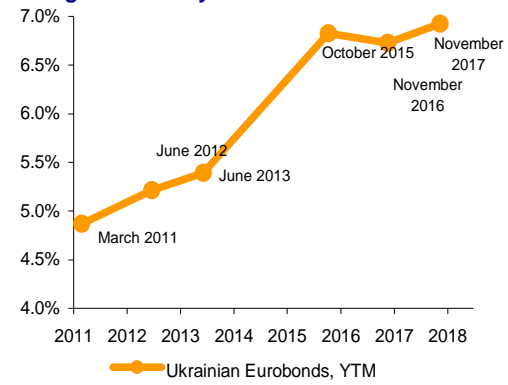
Foreign exchange rates	26.08	25.08	Change
UAH/USD	7.89000	7.89000	0.00%
UAH/EUR	9.95166	10.02898	-0.77%
UAH/RUR	0.25537	0.25860	-1.25%

General meetings		
26.08.2010	UNAF	Ukrnafta
27.08.2010	ONPZ	Lukoil-Odessa Oil Refinery
01.09.2010	SUNI	Sun InBev Ukraine
01.09.2010	PREN	Prykarpattiaoblenergo
01.09.2010	SUNI	Sun InBev Ukraine
02.09.2010	ZPST	Zaporizhstal
02.09.2010	-	Illich Steel
02.09.2010	MMKI	Mariupol Illich Iron and Steel
03.09.2010	SHCHZ	Pokrovskoe Coalmine
03.09.2010	LVON	Lvivoblenergo
07.09.2010	HAON	Kharkivoblenergo
07.09.2010	DNSS	Dnipropetsstal
09.09.2010	FARM	Farmak
10.09.2010	ODEN	Odesaoblenergo
14.09.2010	CHON	Cherkasyoblenergo
17.09.2010	CHVO	Cherkasy Khimvolokno
17.09.2010	UGZB	Ukrkazbank

Other events		
02.09.2010	-	ECB Meeting
07.09.2010	-	BoY Meeting
09.09.2010	-	Bank of England Meeting

Most important expected statistics					
Date	Time (+02:00 GMT)	Country / Region	Indicator	Period	Bloomberg survey
26.08	15:30	USA	Initial Jobless Claims	Week before August 21	490K
26.08	15:30	USA	Continuing Claims	Week before August 14	4495K
27.08	11:30	UK	GDP (QoQ)	2Q	1.1%
27.08	11:30	UK	GDP (YoY)	2Q	1.6%
27.08	15:30	USA	GDP Price Index	2Q	1.8%

### Sovereign Eurobonds yields curve



Ukrainian bonds rating (Internal methodology *)		
Corporate		
Agromat, 1-B	OAGMTB	ufcBB
Amstor, 1-E	OAMSE	ufcCCC
Bogdan, 1-B	OLUAZB	ufcBB
Galychina, 1-C	OGLCHC	ufcB
Galnaftogaz, 1-E	OGNGE	ufcBBB
Donetskstal, 1-A	CODSTA	ufcBB
Kirovogradoblenergo, 1-A	OKIONA	ufcB
Konti, 1-B	OKKOB	ufcB
MAUP, 1-A	OMAUPA	ufcB
Sevastopolenergo, 1-A	OSENA2	ufcB
Sumykhimprom, 1-A	OSUMHA	ufcCC
Favorit, 1-B	COFRAB	under review
HARP Trading, 1-B	OHRPTB	ufcBB
Khlibprom, 1-D	OHLPD	ufcB
Financial		
Alfa Bank, 1-F	OALFF	ufcBBB-
Khreschatik Bank, 1-E	OBXRE	ufcBBB
Dongorbank, 3-C	ODGBC2	ufcB
Imexbank, 1-A	OIMEXA	ufcBB
Kreditprombank, 1-F	COKPBF	ufcCC
PUMB, 1-B	OPUMB	ufcA
Raiffeisen Bank Aval, 1-B	OBVLB	ufcA
Rodovid Bank, 1-C	ORODBC	ufcCC
Ukrgazbank, 1-A	OUGZBA	ufcCCC
Ukrsotsbank, 1-D	OUSCD	ufcA
Forum, 1-C	OPRXBC	ufcBBB

\*- Follow the link below to get to the internal methodology of UFC Capital for corporate bonds rating:

[http://www.ufc-capital.com/ru/analysis/bonds\\_rate.htm](http://www.ufc-capital.com/ru/analysis/bonds_rate.htm)

## Liquid shares of the Ukrainian issuers: fundamentals

Ticker	Company	Price	MCap	EV	Sales	EBITDA	Earnings	Book Value
		\$	\$ mln	\$ mln	\$ mln	\$ mln	\$ mln	\$ mln
<b>Steel</b>								
ALMK	Alchevsk Iron & Steel	0.021	553	1211	1292	54	-114	306
AZST	Azovstal	0.36	1 501	1677	2014	106	-27	1921
DNSS	Dniprospsstal	193.92	208	374	276	18	-15	22
ENMZ	Enakievo Steel	24.44	258	253	786	-89	-110	74
KSTL	ArcelorMittal Kryviy Rih	0.98	3 767	3854	2357**	75	-15	1451
MMKI	Mariupol Illich Iron and Steel	0.15	1 880	1842	1712	43	-33	1469
ZPST	Zaporizhstal	0.76	2 002	2172	1150	33	-37	788
<b>Iron ore</b>								
PGOK	Poltava Mining	5.32	1 015	1149	514	73	22	427
PGZK	Southern Mining	0.87	1 857	1881	273	5	-9	477
SGOK	Northern Mining	1.27	2 931	2953	753	331	160	1459
<b>Coke</b>								
ALKZ	Alchevsk Coke	0.052	155	181	507	32	9	198
AVDK	Avdiivka Coke	1.79	348	351	477	-23	-64	706
YASK	Yasinovka Coke	0.47	130	160	272	22	11	112
<b>Pipes</b>								
DTRZ	Dnipropetrovsk Pipes	11.49	12	30	62**	-10	-15	32
HRTR	Khartsyzsk Pipes	0.15	393	388	620	123	76	204
NITR	Nizhnedniprovsky Pipe Rolling	1.16	463	608	472**	22	-46	380
NVTR	Novomoskovsk Pipes	0.38	75	78	143**	19	-4	107
<b>Coal</b>								
SHCHZ	Chervonoarmiyska-Zakhidna Coalmine #1	0.65	550	564	278	44	3	160
SHKD	Komsomolets Donbasa Coalmine	0.50	166	268	140	42	-10	91
<b>Oil</b>								
UNAF	Ukrnafta	33.97	1 842	1857**	1841**	442**	303**	896**
<b>Power Generation</b>								
CEEN	Centrengo	1.68	622	709**	674**	22**	-3**	236**
DNEN	Dniproenergo	130.54	779	849**	634**	50**	13**	264**
DOEN	Donbasenergo	8.60	203	246**	364**	8**	-17**	82**
ZAEN	Zakhidenergo	66.73	853	940**	567**	-4**	-28**	114**
<b>Power Distribution</b>								
DNON	Dniprooblenergo	34.14	205	170**	1208**	32**	12**	34**
KIEN	Kyivenergo	2.03	220	276**	947**	-38**	-126**	154**
KREN	Krymenergo	0.41	71	72**	202**	14**	4**	15**
<b>Fertilizers</b>								
STIR	Stirol	11.48	311	273	244	-31	-42	294
<b>Machine engineering</b>								
AVTO	Ukravto	16.28	103	208	213	15	1	321
AZGM	Azovzagalmash	1.71	80	246	250	-2	-26	-43
DRMZ	Druzhkivka Machine Engineering	0.19	39	37	80	-5	-10	12
KVBZ	Kryukiv Railcar	3.71	425	423	182	18	9	154
LTPL	Luganskteplovov	0.55	122	132**	47**	-7**	-14**	-6**
LUAZ	Bogdan Motors	0.024	104	468**	185**	-1**	-37**	155**
MSICH	Motor Sich	275.67	573	607**	561**	180**	115**	375**
MZVM	Mariupol Heavy Machine Engineering	2.71	42	126	137	-3	-21	13
SMASH	Sumy Frunze Machine Engineering	6.71	477	634	424	111	52	141
SVGZ	Stakhanov Railcar	0.81	183	183	59	6	-7	50
TATM	Turboatom	0.59	251	229**	114**	33**	25**	142**
<b>Abrasives</b>								
ZABR	Zaporizhzhya Abrasives	0.23	7	12*	40	4	1	30*
<b>Food industry</b>								
SLAV	Slavutych Brewery and Beverages	0.34	319	400	268	75	28	156
SSOL	Slavuta Malt	1.48	37	50**	53**	9**	5**	14**
SUNI	Sun InBev Ukraine	0.049	462	481	423	120	50	195
<b>Construction</b>								
MTBD	Mostobud	45.06	26	44	90	7	0	54
<b>Telecommunications</b>								
UTLM	Ukrtelecom	0.073	1 359	1685**	880**	183**	-36**	863**
<b>Financial services</b>								
BAVL	Raiffeisen Bank Aval	0.056	1 675	-	-	-	-113**	811**
USCB	Ukrsotsbank	0.068	859	-	-	-	10**	765**
FORM	Forum	0.86	401	-	-	-	-235**	354**

Data for 2009.\* - data for April 2009 - March 2010; \*\* - data for July 2009 – June 2010.

## Liquid shares of the Ukrainian issuers: market multiples

Ticker	Company	EV/S	P/S	EV/ EBITDA	P/ E	P/BV
<b>Steel</b>		<b>1.19</b>	<b>1.06</b>	<b>47.26</b>	<b>neg.</b>	<b>1.69</b>
ALMK	Alchevsk Iron & Steel	0.94	0.43	22.24	neg.	1.81
AZST	Azovstal	0.83	0.75	15.76	neg.	0.78
DNSS	Dniprospetsstal	1.36	0.76	20.43	neg.	9.33
ENMZ	Enakievo Steel	0.32	0.33	neg.	neg.	3.47
KSTL	ArcelorMittal Kryviy Rih	1.64	1.60	51.21	neg.	2.60
MMKI	Mariupol Illich Iron and Steel	1.08	1.10	42.85	neg.	1.28
ZPST	Zaporizhstal	1.89	1.74	66.47	neg.	2.54
<b>Iron ore</b>		<b>3.88</b>	<b>3.77</b>	<b>14.64</b>	<b>33.64</b>	<b>2.46</b>
PGOK	Poltava Mining	2.24	1.98	15.79	46.04	2.38
PGZK	Southern Mining	6.89	6.80	365.41	neg.	3.89
SGOK	Northern Mining	3.92	3.89	8.93	18.33	2.01
<b>Coke</b>		<b>0.55</b>	<b>0.50</b>	<b>22.48</b>	<b>neg.</b>	<b>0.62</b>
ALKZ	Alchevsk Coke	0.36	0.31	5.73	16.53	0.79
AVDK	Avdiivka Coke	0.74	0.73	neg.	neg.	0.49
YASK	Yasinovka Coke	0.59	0.48	7.35	12.25	1.16
<b>Pipes</b>		<b>0.85</b>	<b>0.73</b>	<b>7.21</b>	<b>90.30</b>	<b>1.30</b>
DTRZ	Dnipropetrovsk Pipes	0.49	0.20	neg.	neg.	0.38
HRTR	Khartsyzsk Pipes	0.63	0.63	3.16	5.19	1.93
NITR	Nizhnedniprovsky Pipe Rolling	1.29	0.98	27.71	neg.	1.22
NVTR	Novomoskovsk Pipes	0.54	0.52	4.18	neg.	0.70
<b>Coal</b>						
SHCHZ	Pokrovskoe Coalmine	2.03	1.98	12.71	191.82	3.43
SHKD	Komsomolets Donbasa Coalmine	1.92	1.19	6.37	neg.	1.83
<b>Oil</b>						
UNAF	Ukrnafta	1.01	1.00	4.20	6.08	2.06
<b>Power Generation</b>		<b>1.23</b>	<b>1.10</b>	<b>36.19</b>	<b>neg.</b>	<b>3.53</b>
CEEN	Centrenergo	1.05	0.92	32.07	neg.	2.63
DNEN	Dniproenergo	1.34	1.23	17.04	58.95	2.95
DOEN	Donbasenergo	0.68	0.56	32.72	neg.	2.49
ZAEN	Zakhidenergo	1.66	1.50	neg.	neg.	7.49
<b>Power Distribution</b>		<b>0.22</b>	<b>0.21</b>	<b>57.99</b>	<b>neg.</b>	<b>2.43</b>
DNON	Dniproblenergo	0.14	0.17	5.28	17.40	5.95
KIEN	Kyivenergo	0.29	0.23	neg.	neg.	1.43
KREN	Krymenergo	0.36	0.35	5.00	19.46	4.65
<b>Fertilizers</b>						
STIR	Stirol	1.12	1.28	neg.	neg.	1.06
<b>Machine engineering</b>		<b>1.46</b>	<b>1.07</b>	<b>9.58</b>	<b>27.80</b>	<b>1.82</b>
AVTO	Ukravto	0.98	0.48	14.00	153.27	0.32
AZGM	Azovzagalmash	0.99	0.32	neg.	neg.	neg.
DRMZ	Druzhkivka Machine Engineering	0.47	0.50	neg.	neg.	3.25
KVBZ	Kryukiv Railcar	2.32	2.34	23.19	46.40	2.76
LTPL	Luganskteplovovoz	2.79	2.57	neg.	neg.	neg.
LUAZ	Bogdan Motors	2.53	0.57	neg.	neg.	0.67
MSICH	Motor Sich	1.08	1.02	3.38	4.98	1.53
MZVM	Mariupol Heavy Machine Engineering	0.91	0.30	neg.	neg.	3.31
SMASH	Sumy Frunze Machine Engineering	1.49	1.12	5.73	9.22	3.39
SVGZ	Stakhanov Railcar	3.12	3.12	33.04	neg.	3.69
TATM	Turboatom	2.01	2.21	6.97	9.90	1.77
<b>Abrasives</b>						
ZABR	Zaporizhzhya Abrasives	0.31	0.18	3.00	10.13	0.23
<b>Food industry</b>						
SLAV	Slavutych Brewery and Beverages	1.49	1.19	5.33	11.21	2.04
SSOL	Slavuta Malt	0.94	0.69	5.83	7.89	2.62
SUNI	Sun InBev Ukraine	1.14	1.09	4.01	9.27	2.37
<b>Construction</b>						
MTBD	Mostobud	0.49	0.29	6.71	179.95	0.48
<b>Telecommunications</b>						
UTLM	Ukrtelecom	1.91	1.54	9.19	neg.	1.58
<b>Financial services</b>					<b>neg.</b>	<b>1.52</b>
BAVL	Raiffeisen Bank Aval	x	x	x	neg.	2.07
USCB	Ukrsotsbank	x	x	x	82.13	1.12
FORM	Forum	x	x	x	neg.	1.13

Note: Multiples are estimated, based on the latest available data. Periods for which recent data are available are listed in the table "Liquid shares of Ukrainian issuers: fundamentals."

## Eurobonds

Issuer	bid	ask	Yield (bid)	Yield (offer)	Coupon	Volume, mln	Currency	Maturity
Ukraine, 2011	100.50	101.00	5.87%	4.87%	6.875%	600	USD	04.03.2011
Ukraine, 2012	101.50	102.00	5.50%	5.21%	6.385%	500	USD	26.06.2012
Ukraine, 2013	105.00	105.75	5.68%	5.39%	7.650%	1 000	USD	11.06.2013
Ukraine, 2015	91.50	92.00	6.95%	6.83%	4.950%	600	EUR	13.10.2015
Ukraine, 2016	98.50	99.25	6.88%	6.73%	6.580%	1 000	USD	21.11.2016
Ukraine, 2017	98.50	99.00	7.02%	6.93%	6.750%	700	USD	14.11.2017
IUD, 2010	20.00	40.00	5248%	2154%	9.250%	150	USD	23.09.2010
Azovstal, 2011	100.00	100.75	9.13%	7.55%	9.125%	175	USD	28.02.2011
Kyiv, 2011	100.00	101.00	8.60%	7.41%	8.625%	200	USD	15.07.2011
UkrSibbank, 2011	101.75	102.25	7.25%	6.70%	9.250%	250	USD	04.08.2011
Ukreximbank, 2011	100.50	101.00	7.13%	6.62%	7.650%	500	USD	07.09.2011
UkrSibbank, 2011	100.50	101.00	7.33%	6.92%	7.750%	500	USD	21.12.2011
Privatbank, 2012	97.50	98.50	9.91%	9.13%	8.000%	500	USD	06.02.2012
Alfa Bank (Ukraine), 2012	101.00	102.00	12.38%	11.79%	13.000%	841	USD	30.07.2012
Ukreximbank, 2012	99.00	99.50	7.32%	7.06%	6.800%	250	USD	04.10.2012
Kyiv, 2012	96.50	97.50	10.02%	9.50%	8.250%	250	USD	26.11.2012
Finance and Credit, 2014	82.50	86.00	17.53%	15.98%	10.500%	100	USD	25.01.2014
VAB Bank, 2014	73.00	76.50	21.19%	19.54%	10.500%	125	USD	14.06.2014
Naftogaz of Ukraine, 2014	108.50	109.50	7.06%	6.79%	9.500%	1 595	USD	30.09.2014
PUMB, 2014	91.00	93.50	13.82%	13.00%	11.000%	275	USD	31.12.2014
Ukreximbank, 2015	103.50	104.00	7.47%	7.34%	8.375%	500	USD	27.04.2015
DTEK, 2015	100.75	101.25	9.29%	9.16%	9.500%	500	USD	28.04.2015
MHP, 2015	102.00	102.50	9.70%	9.57%	10.250%	585	USD	29.04.2015
Metinvest, 2015	104.00	104.50	9.18%	9.05%	10.250%	500	USD	20.05.2015
Kyiv, 2015	90.00	91.00	10.55%	10.28%	8.000%	250	USD	06.11.2015
Privatbank, 2016	93.50	95.00	10.34%	9.96%	8.750%	150	USD	09.02.2016
Ukreximbank, 2016	95.25	97.00	9.54%	9.11%	8.400%	125	USD	09.02.2016

## OVDPs

Issuer, ticker	bid	ask	Yield (bid)	Yield (offer)	Coupon	Maturity
Ukraine, 63309*	990.69	992.67	7.00%	5.50%	-	13.10.2010
Ukraine, 61725*	984.15	986.38	7.00%	6.00%	-	17.11.2010
Ukraine, 63648*	962.44	965.38	9.25%	8.50%	-	26.01.2011
Ukraine, 74173*	959.78	963.86	9.50%	8.50%	-	02.02.2011
Ukraine, 54456	1 126.99	1 131.49	10.50%	9.80%	20.00%	27.04.2011
Ukraine, 66526*	927.35	935.25	10.75%	9.50%	-	18.05.2011
Ukraine, 61089	1 237.00	1 244.70	11.45%	10.75%	25.14%	12.10.2011
Ukraine, 62012	1 149.92	1 158.67	11.50%	10.75%	20.00%	23.11.2011
Ukraine, 53912	1 112.46	1 118.15	12.25%	11.85%	15.70%	11.04.2012
Ukraine, 61451	1 209.13	1 223.84	12.50%	11.75%	20.00%	31.10.2012
Ukraine, 64018	1 249.97	1 266.21	13.25%	12.50%	20.00%	20.02.2013

Note: For issues marked \* simple yields are specified, while for the rest issues – effective yields



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