

On Tuesday ash breeze on Ukrainian stock market went on while Monday growth turned to a fall to approximately the same level. The most remarkable occasion this day was Stakhanov Wagon Works going over 40% down as the news of additional stock issue went out, while Zaporizhkoks regained previous session fall, leading all the sector average almost 13% up. Despite the rise in coke processing and metallurgy, other stocks, especially banking (-4.65%) and machine building (-0.87%) bent PFTS index 1.21% down to 276.02 points at a stock trade volume remaining at a very low level.

**Basic inflation in Ukraine increases to 1.6%**

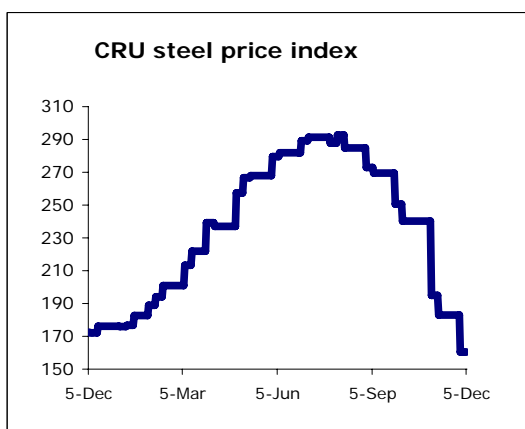
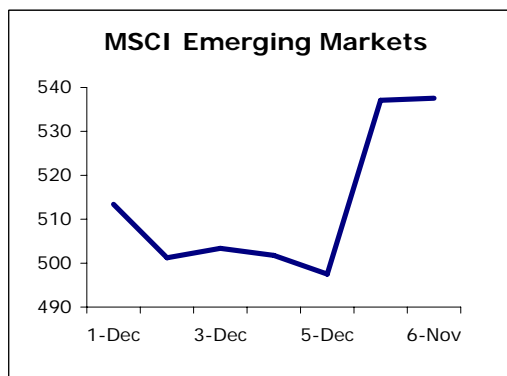
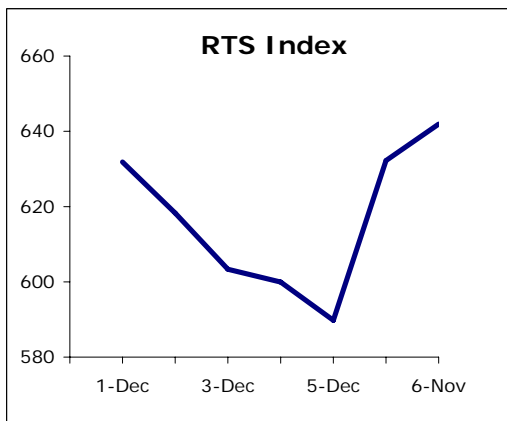
In November 2008 basic inflation in Ukraine has risen to 1.6% after 1.3% in October and 1.5% in September said a report by the State Statistics Committee of Ukraine. According to the committee estimation basic inflation has reached 18.9% since the year beginning, while consumer prices increased by 19.8%. In November a tendency of basic inflation exceeding CPI due to seasonal food price increase slowdown renewed. CPI in November accounted 1.5%.

**Net profit of Ukrainian banks rises by 60%**

During January-November 2008 net profit of Ukrainian banks accounted \$1.374bln which is a 60.3% yoy increase, says a message by the National Bank of Ukraine. Total net profit of banks in November 2008 has shortened by \$95.9mIn from \$191.78mIn in October. During the eleven months incomes of banks have risen by 74.6% yoy to \$14.33bln, expenditures – by 76% to \$12.945bln (including \$442.7mIn of income tax). During January-October own capital of banks has risen by 48.3% to \$14.137bln. Out of own capital, share of charter capital accounts 64.8%; general reserve, reserve fund and other funds – 9.8%; main assets reevaluation, intangible assets and investments into affiliates – 9.1%. Liabilities of banks have risen by 41.5% over the period: liabilities to individuals amount 27.2% of overall volume, to legal entities – 17.7%. Overall volume of assets of Ukrainian banks has risen by 43.7% to \$121.06bln. Share of credits in total assets volume amounts 81.8%.

**Bogdan Corporation shortens production by 20.6% mom**

By results of November 2008, Bordan Corporation, one of the largest Ukrainian automobile manufacturers, shortened production of cars by 20.6% mom to 5772 vehicles. According to the corporation press office, yoy production decline in November accounted 5.6%. It is the first time since 2004 for Bogdan Corporation to shorten production in comparison to a previous period, added Sergiy Krasulya, the corporation press-secretary. Enterprises in Lutsk and Cherkassy cities are not only crucial for the cities, but are crucial for whole regions as Bogdan Corporation has fulfilled all the investment programs, building new plants and employing thousands of people, added Mr. Krasulya. He also added Ukrainian automobile market was falling in November 2008 by 38% yoy. In January-November the enterprise has manufactured 84,040 cars (Lada, Hyundai and Kia) after 48,679 cars during eleven months of 2007.



	2005	2006	2007	1H2008
GDP growth	2.6%	7%	7,3%	6,90%
Industrial output growth	3.1%	6.2%	10,20%	5,20%
CPI	10.3%	11.6%	16,60%	26,80%
NBU Reserves, \$ bln	19.395	22.362	31,71	35,5
Current Account Balance, \$ bln	2,513	-1,00	-8,2	-6,8
Debt/ GDP	18.36	16.44	13.67	8,9

### MotorSich expects production to fall by 25% in 4Q2008

MotorSich (MSICH) expects production in 4Q2008 to decline by a quarter. During 1-3Q2008 the company has increased production by 127% yoy, while the indicator for 4Q2008 will lower the increase to 102-103%, said Anatoliy Malysh, the chairman of supervisory board of the plant on Tuesday. The company doesn't have problems with sales or orders but experiences lack of turnover assets. MotorSich was forced to increase share of up-front payments, but it didn't give desired results: Russian purchasers experience lack of costs. Mr. Malysh also informed, the plant has dismissed 140 employees this year and might dismiss even more in 2009 in case being influenced by the crisis.

### Stakhanov Wagon Works triples charter capital

Stakhanov Wagon Works (SVGZ), one of the largest Ukrainian train car producing enterprises, member of AvtoKrAZ Holding, plans to increase its charter capital 3 times to \$32.34mln by \$21.56mln additional stock issue closed distribution. The decision on issuing stocks is included into agenda of the shareholders' meeting planned for the 26th of January 2009. Issued stocks are to be distributed on the 6th of April – 6th of May 2009. Attracted costs are to be used to raise the company turnover assets. This year Stakhanov Wagon Works had already doubled charter capital in October.

100USD/UAH	743,0100
100EUR/UAH	953,8762
10RUB/UAH	2,6533

### Short market information

Most traded	Ticker	Volume, mln UAH
1	USCB	0,556
2	MSICH	0,540
3	DNSS	0,435

Growth leaders	Ticker	change,%
1	DNON	14,94
2	ZALK	5,00
3	UTEL	3,73

Retreat leaders	Ticker	change,%
1	SVGZ	-42,59
2	USCB	-13,06
3	LUAZ	-5,26

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ticker	name	bid	change, %	ask	change, %	spread, %	last deal	last deal date	vol, 09.12.08	deals, 09.12.08
<b>Power engineering</b>										
DNEN	Dniproenergo	451,00	0,22	485,00	-1,02	7,5	462,00	01.12.2008	0,0	0
DNON	Dniproblenergo	100,00	14,94	135,00	0,00	35,0	115,00	04.12.2008	0,0	0
CEEN	Centrenergo	5,05	0,00	5,20	-1,89	3,0	5,10	08.12.2008	0,0	0
ZAEN	Zakhidenergo	334,00	-0,89	349,00	-0,27	4,5	345,00	08.12.2008	0,0	0
DOEN	Donbasenergo	23,50	0,00	27,00	0,00	14,9	25,00	02.12.2008	0,0	0
KIEN	Kyivenergo	6,51	0,00	11,00	0,00	68,9	8,30	27.11.2008	0,0	0
<b>Pipe rolling</b>										
NITR	Nizhnodniprovsky Pipe Rolling Works	6,12	-0,49	7,50	0,00	22,5	6,52	13.11.2008	0,0	0
DTRZ	Dnipropetrovsk Tube Works	60,00	0,00	107,50	0,00	79,2	85,00	28.11.2008	0,0	0
<b>Metallurgy</b>										
KSTL	Arcelor Mittal Kryvy Rig	7,00	0,00	30,00	3,45	328,6	5,90	25.11.2008	0,0	0
MMKI	Mariupol Metallurgical Plant	0,62	0,00	0,78	0,00	25,6	0,59	02.12.2008	0,0	0
AZST	Azovstal	0,840	-4,55	0,840	-5,62	0,0	0,85	09.12.2008	159,5	7
ALMK	Alchevsk Metallurgical Plant	0,067	1,52	0,068	1,49	1,5	0,07	09.12.2008	108,3	4
DNSS	Dniprospsststal	2000,00	2,04	2440,00	16,19	22,0	2280,00	09.12.2008	435,4	8
ZFER	Zaporizhia Ferroalloy Plant	1,10	0,00	2,01	0,00	82,7	2,10	17.11.2008	0,0	0
ENMZ	Enakiyevo Metallurgical Plant	41,15	0,00	42,90	-2,17	4,3	41,00	09.12.2008	41,0	1
ZALK	Zaporizhia Aluminium	0,11	5,00	0,45	0,00	328,6	0,25	06.11.2008	0,0	0
<b>Mechanical engineering</b>										
SMASH	Sumy NVO im. Frunze	12,00	0,00	14,50	-3,97	20,8	12,55	04.12.2008	0,0	0
LUAZ	LuAZ	0,18	-5,26	0,23	0,00	27,8	0,19	09.12.2008	178,9	4
MSICH	Motor Sich	271,00	1,88	279,00	1,82	3,0	275,00	09.12.2008	540,3	10
MZVM	Mariupol Heavy Machine Building Plant	12,50	0,00	14,80	-0,67	18,4	15,00	27.11.2008	0,0	0
AZGM	Azovzagalmash	4,10	-3,53	7,00	-1,41	70,7	6,00	04.12.2008	0,0	0
LTPL	Luganskteplovoz	1,70	-2,86	2,15	-2,27	26,5	2,00	03.12.2008	0,0	0
SVGZ	Stakhaniv Wagon Works	1,55	-42,59	1,70	-40,35	9,7	1,75	09.12.2008	629,6	23
DRMZ	Druzhkivka Machine Building	1,20	0,00	1,50	0,00	25,0	2,00	28.11.2008	0,0	0
DGRM	Donetskirmash	0,05	0,00	1,40	0,00	2700,0	1,30	28.11.2008	0,0	0
<b>By-product-coking industry</b>										
AVDK	Avdiivka Chemical-Recovery Plant	4,55	0,66	4,75	0,00	4,4	4,52	05.12.2008	0,0	0
ZACO	Zaporizhkoks	0,25	0,00	1,50	50,00	500,0	0,40	08.12.2008	0,0	0
YASK	Yasynivsky By-product Coke Plant	0,68	-2,86	0,79	0,00	16,2	0,80	05.12.2008	0,0	0
<b>Ore mining and processing enterprises</b>										
PGOK	Poltava Ore Mining and Processing Enterprise	10,25	-0,97	11,25	-2,17	9,8	12,00	25.11.2008	0,0	0
PGZK	South Ore Mining and Processing Enterprise	7,00	2,94	8,49	0,00	21,3	8,00	08.12.2008	0,0	0
<b>Banking</b>										
BAVL	Raiffeisen Bank Aval	0,248	0,00	0,251	0,40	1,2	0,25	09.12.2008	100,1	2
USCB	Ukrsoobank	0,213	-13,06	0,220	-15,38	3,3	0,22	09.12.2008	556,1	15
FORM	Forum Bank	4,20	0,00	5,50	0,00	31,0	4,60	05.12.2008	0,0	0
<b>Other</b>										
UTEL	Ukrtelekom	0,250	3,73	0,265	-5,36	6,0	0,26	09.12.2008	38,3	1
UNAF	Ukrnafta	105,20	0,19	106,50	-2,29	1,2	106,00	09.12.2008	85,0	2
SUNI	Sun Interbrew Ukraine	0,100	0,00	0,175	0,00	75,0	0,18	02.12.2008	0,0	0
SHCHZ	Coal mine Chervonoarmiyska Zahidna #1	1,20	0,00	1,56	-0,64	30,0	1,28	04.12.2008	0,0	0
STIR	Concern Stirol	31,00	3,33	33,33	-2,69	7,5	33,00	09.12.2008	120,5	3
DNSh	Dniproshyna Tyre Factory	12,00	0,00	37,00	0,00	208,3	37,20	02.12.2008	0,0	0
<b>PFTS Index</b>										
		276,02			-1,21%				2 992,9	137,23%

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ticker	name	MCap, UAH mln	P/S	P/E	P/BV	EV/EBITDA	Stock price change, y.o.y., %	change to PFTS index change, y.o.y., %
<b>Electricity</b>								
DNEN	Dniproenergo	1 836,43	0,48	15,06	1,08	4,42	-81,70	-5,37
DNON	Dniproblenergo	704,01	0,10	24,84	-2,76	6,24	-86,81	-10,47
CEEN	Centrenergo	1 893,21	0,55	29,86	0,85	7,42	-80,21	-3,88
ZAEN	Zakhidenergo	4 367,97	1,21	87,45	3,04	19,68	-44,54	31,79
DOEN	Donbasenergo	597,02	0,41	22,50	0,63	7,29	-87,17	-10,84
KIEN	Kyivenergo	948,78	0,21	154,30	0,66	8,56	-79,15	-2,82
<b>Pipe rolling</b>								
NITR	Nizhniodniprovsky Pipe Rolling Works	2 723,19	0,58	6,28	1,49	4,66	-96,81	-20,48
DTRZ	Dnipropetrovsk Pipe Works	88,42	0,11	-9,47	0,61	5,21	-89,18	-12,85
<b>Metallurgy</b>								
KSTL	Mittal Steel Kryvy Rig	71 401,36	3,80	18,80	5,68	13,38	18,97	95,30
MMKI	Mariupol Metallurgical Plant	2 344,52	0,13	1,65	0,23	0,77	-89,86	-13,53
AZST	Azovstal	3 523,21	0,22	1,66	0,38	1,33	-85,58	-9,25
ALMK	Alchevsk Metallurgical Plant	1 739,83	0,19	5,35	0,48	4,27	-84,39	-8,06
DNSS	Dniprospeptsstal	2 386,57	0,64	6,92	2,97	3,77	-49,29	27,05
ZFER	Zaporizhia Ferroalloy Plant	3 544,70	1,58	90,99	7,59	23,87	24,40	100,73
ENMZ	Enakiyevo Metallurgical Plant	435,83	0,09	2,89	0,50	1,56	-90,09	-13,76
ZALK	Zaporizhia Aluminium	172,81	0,11	2,29	0,30	0,83	-89,81	-13,47
<b>Mechanical engineering</b>								
SMASH	Sumy NVO im. Frunze	941,88	0,69	11,12	1,03	7,20	-73,87	2,47
LUAZ	LuAZ	682,24	0,17	1,83	0,48	1,46	-81,07	-4,74
MSICH	Motor Sich	571,45	0,33	2,76	0,32	1,48	-81,22	-4,89
MZVM	Mariupol Heavy Machine Building Plant	210,04	0,08	145,66	0,65	7,30	-89,66	-13,33
AZGM	Azovzagalmash	258,10	0,11	249,85	1,91	2,52	-90,34	-14,01
LTPL	Luganskteplovovoz	421,93	0,79	-28,60	3,01	17,68	-75,35	0,98
SVGZ	Stakhaniv Wagon Building plant	122,63	0,10	2,46	0,76	1,50	-98,77	-22,44
DRMZ	Druzhkivka Machine Building	280,17	0,37	10,92	1,62	5,50	-60,64	15,69
DGRM	Donetskirmash	32,95	0,14	-0,91	-3,97	-6,03	-65,88	10,45
<b>By-product-coking industry</b>								
AVDK	Avdiivka Chemical-Recovery Plant	900,26	0,18	4,35	0,22	2,90	-77,70	-1,37
ZACO	Zaporizhkoks	104,41	0,05	2,91	0,25	4,06	-90,79	-14,46
YASK	Yasynivsky By-product Coke Plant	201,10	0,11	1,33	0,37	0,79	-86,46	-10,13
<b>Ore mining and processing enterprises</b>								
PGOK	Poltava Ore Mining and Processing Enterprise	1 513,60	0,54	4,36	0,82	3,08	-88,25	-11,92
PGZK	South Ore Mining and Processing Enterprise	16 602,64	5,76	27,49	10,71	16,95	39,30	115,63
<b>Banking</b>								
BAVL	Raiffeisen Bank Aval	5 688,44	n/a	9,68	1,02	n/a	-77,55	-1,22
USCB	Ukrsofsbank	2 208,30	n/a	6,10	0,68	n/a	-84,13	-7,79
FORM	Forum Bank	543,69	n/a	10,34	0,34	n/a	-88,60	-12,27
<b>Other</b>								
UTEL	Ukrtelekom	4 822,01	0,71	18,05	0,55	3,30	-76,96	-0,63
UNAF	Ukrnafta	5 740,09	1,16	4,64	0,64	2,65	-74,25	2,08
SUNI	Sun Interbrew Ukraine	1 307,72	0,55	4,45	1,21	1,94	-82,59	-6,26
SHCHZ	Coal mine Chervonoarmiyska Zahidna #1	1 170,98	0,81	21,88	0,87	4,46	-86,46	-10,13
STIR	Concern Stirol	872,48	0,32	3,95	0,43	3,21	-72,42	3,91
DNSH	Dniproshyna Tyre Factory	315,56	0,43	29,92	1,15	7,97	-73,37	2,96

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