

On Wednesday Ukrainian stock market turned bullish at positive news and UAH/USD exchange rate rapid rise. Spreads on most of stocks were narrowing; trade volume increased almost 3 times to average level as traders' pessimism melted. Despite fall in banking and coke processing sectors, all the heavy industries received a growth of 0.6-4.6%, leading PFTS index 1.99% up to 281.77 points by the session end.

Current account of Ukraine deficit shortens in 3Q2008

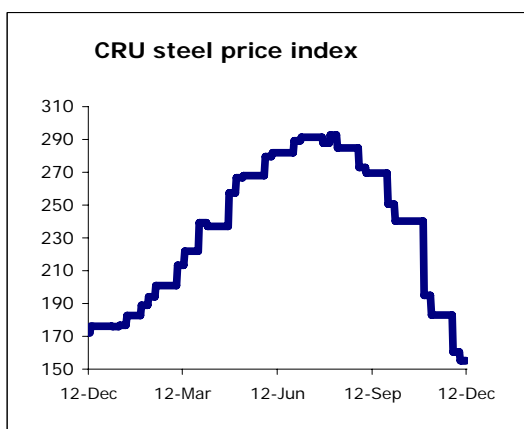
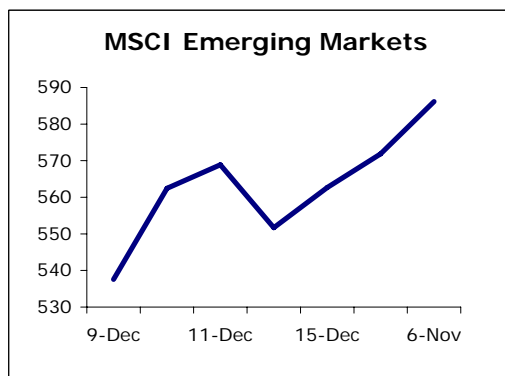
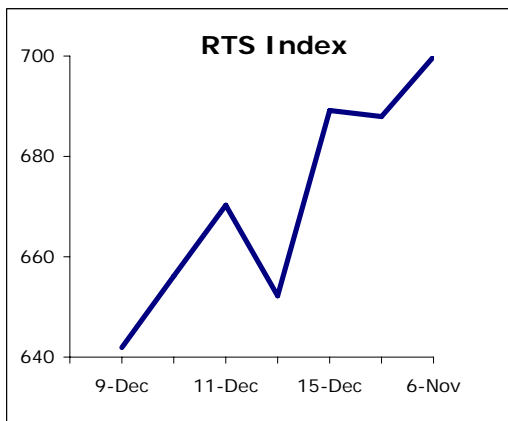
Deficit of current account of balance of payment of Ukraine in July-September 2008 accounted \$1.596bln, which is 47.5% less, than in April-July (\$3.04bln). According to the official web-site of the National Bank of Ukraine, goods and services trade balance has also shortened to \$2.063bln from \$3.616bln. According to the NBU profit of financial account of balance of payments accounted \$2.315bln which is almost the same as \$2.306bln. Inflow of foreign direct investments into Ukraine shortened to \$3.387bln from \$3.754bln in 2Q2008. Portfolio investment outflow for the period - \$709mln, after inflow of \$123mln. Balance of payment for January-September 2008 current account deficit amounts \$8.4bln which is 5.8% of GDP, however, high income on financial account compensates consolidated balance of payments to a profit of \$6.3bln.

Gross foreign debt of Ukraine rises by 7.6% in 3Q2008

Gross foreign debt of Ukraine in July-September 2008 has risen by 7.6% (by \$7.425bln) to \$105.429bln, said a message by the National Bank of Ukraine. The increase was determined by banks debt increase – of 9.6% (\$3.684bln) to \$42.117bln and other sectors of economy – by 9% (\$3,658bln) to \$44.339bln. Inter-company debt grew by 25.7% (by \$0.958bln) to \$4.685bln. Government internal debt fell by 4.8% (by \$0.72bln) to \$14.153bln, National Bank debt – by 53.4% (by \$0.155bln) to \$0.135bln. In January-September 2008 gross foreign debt of Ukraine increased by 27.5% (by \$22.766bln) from \$82.663bln including debt of banks – by 36% (by \$11.146bln) from \$30.971bln; other economy sector – by 32.4% (by \$10.861bln) from \$33.478bln; government debt shortened by 3.5%, (by \$520mln) from \$14.673bln.

Naftogaz of Ukraine raises investments

In January-November 2008 enterprises of Naftogaz of Ukraine, the state Ukrainian oil and gas mining, transportation and distribution monopolist, have increased amount of investments into company development to \$443.1mln which is a 7.8% yoy increasesays the Ministry of Fuel and Energy of Ukraine. The holding included \$246.75mln of main assets into operation. Payments to the state and local budgets doubled to \$2.916bln. Payments to budget for the period accounted 102.9% after 108.6% for the same period last year. Debt of enterprises, controlled by Naftogaz by the first of October accounted \$9.27bln, exceeding debt to the concern by \$3.384bln.



	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

100USD/UAH	786,4800
100EUR/UAH	1105,7122
10RUB/UAH	2,8579

Short market information

Most traded	Ticker	Volume, mln UAH
1	MSICH	3,532
2	UNAF	2,399
3	ALMK	2,069

Growth leaders	Ticker	change,%
1	AVDK	11,92
2	LUAZ	10,00
3	SHCHZ	8,91

Retreat leaders	Ticker	change,%
1	USCB	-4,10
2	MZVM	-4,00
3	STIR	-3,33

Sumy NVO im. Frunze raises production by 40%

In 2009 Sumy NVO im. Frunze (SMASH), one of the world largest producers of equipment for oil, gas and chemical industries will have increased volume of production by 40% yoy to \$249.2mln. According to the company press office, sales will have risen 1.5 times from \$281.4mln in 2007 to \$425.4mln this year. According to Igor Konovalov, the company director general, such indicators were reached by implementing new management methods, new technologies and planning system enhancements.

General fund of Ukrainian state budget over-fulfilled on income

In January-November 2008 general fund of the state budget of Ukraine was fulfilled by 104.4% on income and on 97.5% on expenditures (without credits given, state debt service expenditures and inter-budget transfers), says a web site of the State Treasury of Ukraine. Overall income for the period accounted UAH 166.827bln, which is UAH 54.956bln yoy increase. Overall volume VAT compensated for the period accounted UAH 31.421bln. During the period payouts on both internal and external state debt were in-full in-time. Debt service expenditures accounted UAH 2.973bln, debt liquidation - UAH 4.149bln.

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ticker	name	bid	change, %	ask	change, %	spread, %	last deal	last deal date	vol, 17.12.08	deals, 17.12.08
Power engineering										
DNEN	Dniproenergo	470,50	6,69	570,00	17,53	21,1	485,00	17.12.2008	97,0	1
DNON	Dniproblenergo	85,06	0,00	145,00	0,00	70,5	100,00	12.12.2008	0,0	0
CEEN	Centrenergo	5,10	4,08	5,16	2,79	1,2	5,15	17.12.2008	1 817,4	8
ZAEN	Zakhidenergo	380,00	6,44	400,00	9,59	5,3	382,00	17.12.2008	1 869,7	5
DOEN	Donbasenergo	24,00	0,00	26,00	-5,45	8,3	26,00	17.12.2008	1 205,0	4
KIEN	Kyivenergo	6,51	0,00	11,00	0,00	68,9	8,30	27.11.2008	0,0	0
Pipe rolling										
NITR	Nizhnodniprovsky Pipe Rolling Works	6,14	0,00	7,15	2,14	16,4	6,25	15.12.2008	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
Metallurgy										
KSTL	Arcelor Mittal Kryvy Rig	8,00	0,00	11,00	0,00	37,5	11,00	16.12.2008	0,0	0
MMKI	Mariupol Metallurgical Plant	0,66	5,48	0,78	0,00	18,8	0,59	02.12.2008	0,0	0
AZST	Azovstal	0,785	0,64	0,800	1,91	1,9	0,79	17.12.2008	150,7	5
ALMK	Alchevsk Metallurgical Plant	0,070	1,45	0,072	2,86	2,9	0,07	17.12.2008	2 069,4	16
DNSS	Dniprospsststal	2200,00	2,33	2700,00	8,00	22,7	2300,00	17.12.2008	41,4	1
ZFER	Zaporizhia Ferroalloy Plant	0,25	0,00	1,89	26,00	656,0	2,10	17.11.2008	0,0	0
ENMZ	Enakiyevo Metallurgical Plant	44,70	3,23	46,50	6,65	4,0	45,70	17.12.2008	235,1	8
ZALK	Zaporizhia Aluminium	0,16	0,00	0,45	0,00	181,3	0,25	06.11.2008	0,0	0
Mechanical engineering										
SMASH	Sumy NVO im. Frunze	13,00	8,33	15,00	7,14	15,4	12,20	17.12.2008	200,4	2
LUAZ	LuAZ	0,11	10,00	0,16	0,00	45,5	0,14	16.12.2008	0,0	0
MSICH	Motor Sich	315,00	7,88	390,00	31,31	23,8	350,00	17.12.2008	3 531,9	12
MZVM	Mariupol Heavy Machine Building Plant	9,60	-4,00	13,90	0,00	44,8	15,00	27.11.2008	0,0	0
AZGM	Azovzagalmash	4,00	5,26	6,50	0,00	62,5	5,00	11.12.2008	0,0	0
LTPL	Luganskteplovoy	1,55	0,00	1,95	0,00	25,8	2,04	12.12.2008	0,0	0
SVGZ	Stakhaniv Wagon Works	1,30	4,00	1,49	0,00	14,6	1,25	17.12.2008	3,1	1
DRMZ	Druzhkivka Machine Building	0,25	0,00	1,50	0,00	500,0	2,00	28.11.2008	0,0	0
DGRM	Donetskirmash	0,10	0,00	1,00	-28,06	900,0	1,30	28.11.2008	0,0	0
By-product-coking industry										
AVDK	Avdiivka Chemical-Recovery Plant	4,60	11,92	4,93	14,65	7,2	4,70	17.12.2008	630,2	14
ZACO	Zaporizhkoks	0,40	0,00	2,00	-33,33	400,0	0,40	08.12.2008	0,0	0
YASK	Yasynivsky By-product Coke Plant	0,70	6,06	0,75	-1,32	7,1	0,76	17.12.2008	11,3	1
Ore mining and processing enterprises										
PGOK	Poltava Ore Mining and Processing Enterprise	8,00	5,26	12,00	0,00	50,0	7,60	16.12.2008	0,0	0
PGZK	South Ore Mining and Processing Enterprise	6,90	0,00	9,50	13,10	37,7	8,40	17.12.2008	84,0	1
Banking										
BAVL	Raiffeisen Bank Aval	0,233	-2,10	0,242	-1,22	3,9	0,24	17.12.2008	1 055,2	2
USCB	Ukrsoobank	0,187	-4,10	0,210	-8,30	12,3	0,20	17.12.2008	19,5	1
FORM	Forum Bank	4,00	0,00	4,60	0,00	15,0	4,10	16.12.2008	0,0	0
Other										
UTEL	Ukrtelekom	0,250	1,63	0,260	0,00	4,0	0,26	17.12.2008	348,7	4
UNAF	Ukrnafta	107,30	2,98	109,90	1,31	2,4	107,50	17.12.2008	2 399,3	17
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	1,10	8,91	1,55	0,00	40,9	1,28	04.12.2008	0,0	0
STIR	Concern Stirol	26,10	-3,33	26,70	-10,70	2,3	27,30	17.12.2008	1 642,0	5
DNSh	Dniproshyna Tyre Factory	12,00	0,00	37,00	0,00	208,3	37,20	02.12.2008	0,0	0
PFTS Index										
		281,77		1,99%				17 411,3		189,76%

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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., %
Electricity								
DNEN	Dniproenergo	2 041,46	0,53	16,74	1,20	4,93	-79,65	-3,81
DNON	Dniproblenergo	689,22	0,10	24,31	-2,70	6,08	-87,08	-11,24
CEEN	Centrenergo	1 895,06	0,55	29,89	0,85	7,42	-80,19	-4,35
ZAEN	Zakhidenergo	4 988,31	1,38	99,87	3,48	22,36	-36,66	39,18
DOEN	Donbasenergo	591,11	0,40	22,27	0,62	7,25	-87,30	-11,46
KIEN	Kyivenergo	948,78	0,21	154,30	0,66	8,56	-79,15	-3,31
Pipe rolling								
NITR	Nizhniodniprovsky Pipe Rolling Works	2 657,21	0,57	6,13	1,46	4,58	-96,89	-21,05
DTRZ	Dnipropetrovsk Pipe Works	88,42	0,11	-9,47	0,61	5,21	-89,18	-13,34
Metallurgy								
KSTL	Mittal Steel Kryvy Rig	36 665,56	1,95	9,65	2,92	6,77	-38,91	36,93
MMKI	Mariupol Metallurgical Plant	2 401,50	0,13	1,69	0,24	0,80	-89,62	-13,78
AZST	Azovstal	3 323,98	0,20	1,57	0,36	1,27	-86,39	-10,56
ALMK	Alchevsk Metallurgical Plant	1 830,04	0,20	5,63	0,51	4,35	-83,58	-7,74
DNSS	Dniprospsststal	2 633,82	0,70	7,64	3,28	4,19	-44,03	31,81
ZFER	Zaporizhia Ferroalloy Plant	2 439,12	1,09	62,61	5,22	17,45	-14,40	61,44
ENMZ	Enakiyevo Metallurgical Plant	472,91	0,09	3,14	0,54	1,69	-89,25	-13,41
ZALK	Zaporizhia Aluminium	189,93	0,12	2,51	0,33	0,92	-88,80	-12,96
Mechanical engineering								
SMASH	Sumy NVO im. Frunze	995,19	0,73	11,75	1,09	7,52	-72,39	3,45
LUAZ	LuAZ	449,28	0,11	1,21	0,31	1,02	-87,53	-11,70
MSICH	Motor Sich	732,49	0,42	3,54	0,41	1,88	-75,93	-0,09
MZVM	Mariupol Heavy Machine Building Plant	180,80	0,07	125,38	0,56	6,63	-91,10	-15,26
AZGM	Azovzagalmash	244,15	0,10	236,35	1,80	2,31	-90,86	-15,02
LTPL	Luganskteplovovz	383,57	0,72	-26,00	2,74	16,14	-77,59	-1,75
SVGZ	Stakhaniv Wagon Building plant	105,27	0,09	2,11	0,65	1,28	-98,94	-23,10
DRMZ	Druzhkivka Machine Building	181,59	0,24	7,08	1,05	4,11	-74,49	1,35
DGRM	Donetskfirmash	25,00	0,11	-0,69	-3,02	-5,66	-74,12	1,72
By-product-coking industry								
AVDK	Avdiivka Chemical-Recovery Plant	922,53	0,19	4,45	0,22	2,94	-77,15	-1,31
ZACO	Zaporizhkoks	143,19	0,07	3,99	0,35	4,60	-87,37	-11,53
YASK	Yasynivsky By-product Coke Plant	198,36	0,11	1,31	0,37	0,78	-86,65	-10,81
Ore mining and processing enterprises								
PGOK	Poltava Ore Mining and Processing Enterprise	1 408,00	0,50	4,06	0,76	2,93	-89,07	-13,23
PGZK	South Ore Mining and Processing Enterprise	17 578,01	6,10	29,11	11,34	17,92	47,48	123,32
Banking								
BAVL	Raiffeisen Bank Aval	5 414,85	n/a	9,22	0,97	n/a	-78,63	-2,79
USCB	Ukrsofsbank	2 024,70	n/a	5,59	0,62	n/a	-85,45	-9,61
FORM	Forum Bank	482,03	n/a	9,17	0,30	n/a	-89,89	-14,06
Other								
UTEL	Ukrtelekom	4 775,19	0,70	17,87	0,54	3,28	-77,18	-1,34
UNAF	Ukrnafta	5 889,22	1,19	4,76	0,66	2,72	-73,58	2,26
SUNI	Sun Interbrew Ukraine	1 307,72	0,55	4,45	1,21	1,94	-82,59	-6,75
SHCHZ	Coal mine Chervonoarmiyska Zahidna #1	1 124,31	0,78	21,01	0,84	4,28	-87,00	-11,16
STIR	Concern Stirol	716,11	0,27	3,24	0,35	2,57	-77,36	-1,52
DNSH	Dniproshyna Tyre Factory	315,56	0,43	29,92	1,15	7,97	-73,37	2,47

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