

On Wednesday Ukrainian stock exchange was showing a moderate fall at narrowing spreads. Bonds were traded far less actively in comparison to Tuesday while stock sector activity increased 1.3 times, however, remaining far below average. Despite a rise in energy, other sectors pulled market down: coke processing lost 8.2%, machine building – 3.78%, banking sector – 3.32%, ore mining – 3.16%, metallurgy – 1.73% which consequently resulted in PFTS index loosing 1.18% and stopping at 282.56 points.

**GDP fall in December slows down to 9.9%**

In December 2008 Ukrainian gross domestic product fall slowed down to 9.9% yoy after 14.4% in November. GDP dynamics enhancement is mostly related to industry fall slowing down, says a message by the State Statistics Committee of Ukraine. Yoy industrial production decrease in December accounted 26.6% after 28.6% in November mom production growth accounted 3.2% which is not seasonal in nature. Last year Ukrainian GDP increased by 2.1% yoy after 7.6% yoy increase in 2007.

**Ukrainian banks raise credits to agricultural companies**

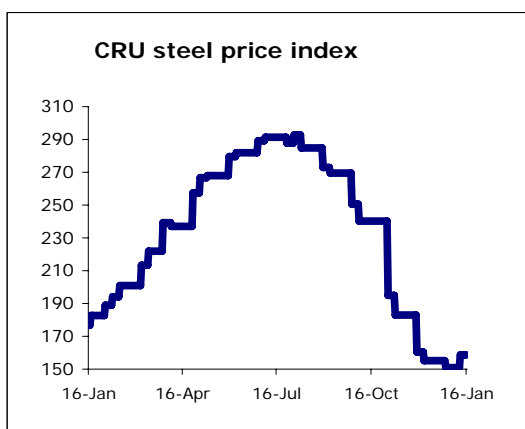
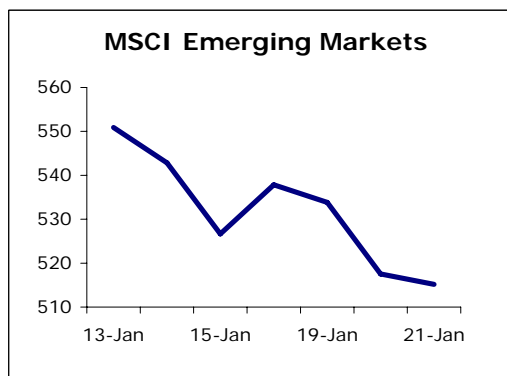
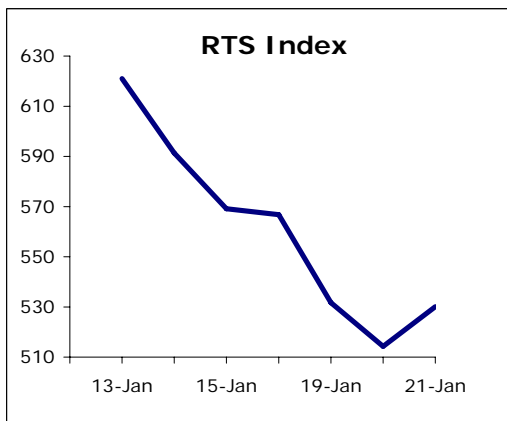
In 2008 Ukrainian commercial banks have granted agricultural entities credits with total value of UAH 11.598bln, which is almost a 50% yoy increase, said a message by the Ministry of Agricultural Policy of Ukraine. UAH 7.753bln of these were provided to agricultural companies on preferential terms, as the state partly compensated bank interest rates. Last year banks had also prolonged UAH 506.5mln of credits for agricultural companies, including UAH 383.1mln – on preferential terms. According to the Ministry, UAH 4bln more of credits need to be prolonged by the 1st of July 2009.

**Titanium concentrate export falls in November**

In November 2008 export of titanium concentrate from Ukraine has fallen by 42.6% (by 12.5ths mt mom to 16.87ths mt with overall cost of \$4.02mln, says a report by the State Statistics Committee of Ukraine. The concentrate was mostly exported to Russia and Czech Republic. Yoy export decline in November accounted 31.5% (by 7.75ths mt). In January-November 2008 export of titanium concentrate has shortened by 16.1% (by 50.5ths mt) to 263.3ths mt with overall cost of \$64.2mln.

**Dniprospectstal shortens production by 2%**

In 2008 Dniprospectstal Electrometallurgical Plant (DNSS) has shortened production by 2% yoy to just over UAH 3.674mln in current prices. According to a message by the company press office, in December 2008 production volume accounted UAH 121mln falling from UAH 187.415mln in November. In Natural indicators production fell by 12.1% yoy to 482.823ths mt. Rolled metal output shortened by 10.1% to 315.351ths mt. Last year enterprise average salary growth amounted 24.5%.



	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

### AutoKrAZ creates a dealer network in Central Asia

AutoKrAZ Holding (KRAZ), a Ukrainian heavy truck producer, plans creating own dealer network in Kazakhstan, Azerbaijan and Uzbekistan involving company regional partners in 2009, says Igor Fomenko, the holding deputy director for foreign economic relations. According to Mr. Fomenko, Azerbaijan and Uzbekistan suffered least from current economic crisis so the holding expects to reach an agreement on a large party of trucks to these countries. Last year the holding decreased production by 13% (by 572 trucks) to 3634 units.

### Ukraine shortens metal consumption raising its import

Last year consumption of metal in Ukraine has fallen by 19.3% yoy to 8.8mln mt, said Vladimir Vlasnyuk, the director of Ukrpromvnesheexpertiza. According to Mr. Vlasnyuk, last year Ukraine has increased import of metal by 9.5% yoy to 2.3mln mt while Ukrainian metallurgical enterprises decreased internal sales by 26.1% to 6.5mln mt. Vladimir Severnyuk, the deputy Minister for Industrial Policy also acknowledged the fact that out of 2.3mln mt of metal imported last year, 1mln mt is rolled metal, analogical to one produced in Ukraine. Volume of metal export has also shrunk due to world metal market situation. Share of semi-ready products in total export accounted 48% in 2008 rising from 42% in 2007.

100USD/UAH	770,0000
100EUR/UAH	994,0700
10RUB/UAH	2,3589

### Short market information

Most traded	Ticker	Volume, mln UAH
1	DOEN	0,660
2	YASK	0,576
3	UNAF	0,472

Growth leaders	Ticker	change,%
1	LTPL	3,60
2	AZGM	2,86
3	YASK	2,50

Retreat leaders	Ticker	change,%
1	ZACO	-12,50
2	KSTL	-12,38
3	BAVL	-10,59

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ticker	name	bid	change, %	ask	change, %	spread, %	last deal	last deal date	vol, 21.01.09	deals, 21.01.09		
<b>Power engineering</b>												
DNEN	Dniproenergo	450,00	0,00	500,00	0,00	11,1	430,00	15.01.2009	0,0	0		
DNON	Dniproblenergo	101,00	0,00	200,00	0,00	98,0	181,00	25.12.2008	0,0	0		
CEEN	Centrenergo	4,95	-1,00	5,10	0,99	3,0	5,00	21.01.2009	25,0	1		
ZAEN	Zakhidenergo	370,10	0,84	376,00	0,80	1,6	372,00	21.01.2009	26,8	1		
DOEN	Donbasenergo	26,00	2,36	29,00	7,41	11,5	26,10	21.01.2009	660,0	3		
KIEN	Kyivenergo	5,75	0,00	11,00	0,00	91,3	4,50	15.01.2009	0,0	0		
<b>Pipe rolling</b>												
NITR	Nizhnodniprovsky Pipe Rolling Works	6,65	0,00	14,00	0,00	110,5	50,00	29.12.2008	0,0	0		
DTRZ	Dnipropetrovsk Tube Works	50,00	0,00	100,00	0,00	100,0	60,00	19.01.2009	0,0	0		
<b>Metallurgy</b>												
KSTL	Arcelor Mittal Kryvy Rig	7,01	-12,38	11,00	0,00	56,9	10,00	30.12.2008	0,0	0		
MMKI	Mariupol Metallurgical Plant	0,66	0,00	0,90	-10,00	36,4	1,00	19.12.2008	0,0	0		
AZST	Azovstal	0,817	-0,37	0,835	0,00	2,2	0,83	21.01.2009	41,0	2		
ALMK	Alchevsk Metallurgical Plant	0,077	-2,53	0,080	-1,23	3,9	0,08	21.01.2009	82,2	3		
DNSS	Dniprospsststal	2100,00	0,00	2770,00	-0,72	31,9	2790,00	14.01.2009	0,0	0		
ZFER	Zaporizhia Ferroalloy Plant	0,25	0,00	1,40	0,00	460,0	2,10	17.11.2008	0,0	0		
ENMZ	Enakiyevo Metallurgical Plant	47,50	0,96	47,85	-1,14	0,7	47,40	21.01.2009	295,2	6		
ZALK	Zaporizhia Aluminium	0,11	0,00	0,50	0,00	354,5	0,25	06.11.2008	0,0	0		
<b>Mechanical engineering</b>												
SMASH	Sumy NVO im. Frunze	14,25	0,00	15,10	-0,98	6,0	15,00	19.01.2009	0,0	0		
LUAZ	LuAZ	0,12	1,74	0,16	0,00	32,5	0,16	30.12.2008	0,0	0		
MSICH	Motor Sich	371,00	1,09	379,00	1,74	2,2	374,00	21.01.2009	74,8	1		
MZVM	Mariupol Heavy Machine Building Plant	13,00	-1,52	14,39	-0,07	10,7	13,50	13.01.2009	0,0	0		
AZGM	Azovzagalmash	3,60	2,86	10,00	0,00	177,8	5,00	11.12.2008	0,0	0		
LTPL	Luganskteplovoz	1,15	3,60	1,55	0,00	34,8	1,78	30.12.2008	0,0	0		
SVGZ	Stakhaniv Wagon Works	1,23	-5,38	1,43	0,00	16,3	1,40	21.01.2009	63,0	2		
DRMZ	Druzhkivka Machine Building	0,80	0,00	1,00	-50,00	25,0	2,64	30.12.2008	0,0	0		
DGRM	Donetskirmash	0,11	0,00	0,59	-1,67	436,4	0,89	30.12.2008	0,0	0		
<b>By-product-coking industry</b>												
AVDK	Avdiivka Chemical-Recovery Plant	4,35	-1,81	4,50	-2,17	3,4	4,40	21.01.2009	22,0	1		
ZACO	Zaporizhkoks	0,35	-12,50	1,25	-26,47	257,1	0,42	21.01.2009	21,0	2		
YASK	Yasynivsky By-product Coke Plant	0,62	2,50	0,68	0,00	10,6	0,64	21.01.2009	576,0	2		
<b>Ore mining and processing enterprises</b>												
PGOK	Poltava Ore Mining and Processing Enterprise	10,50	-8,70	11,75	-4,08	11,9	11,00	21.01.2009	44,5	3		
PGZK	South Ore Mining and Processing Enterprise	7,50	0,00	8,40	0,00	12,0	7,70	23.12.2008	0,0	0		
<b>Banking</b>												
BAVL	Raiffeisen Bank Aval	0,152	-10,59	0,180	-7,69	18,4	0,16	21.01.2009	86,0	3		
USCB	Ukrsoobank	0,150	-3,23	0,170	1,19	13,3	0,17	20.01.2009	0,0	0		
FORM	Forum Bank	4,10	0,00	6,00	0,00	46,3	4,40	30.12.2008	0,0	0		
<b>Other</b>												
UTEL	Ukrtelekom	0,260	0,00	0,280	-2,78	7,7	0,28	19.01.2009	0,0	0		
UNAF	Ukrnafta	102,70	-0,29	104,70	0,67	1,9	104,25	21.01.2009	472,0	10		
SUNI	Sun Interbrew Ukraine	0,120	0,00	0,150	0,00	25,0	0,13	14.01.2009	0,0	0		
SHCHZ	Coal mine Chervonoarmiyska Zahidna #1	1,21	0,00	1,40	-3,45	15,7	2,75	30.12.2008	0,0	0		
STIR	Concern Stirol	24,55	0,00	26,10	-0,08	6,3	26,25	19.01.2009	0,0	0		
DNSh	Dniproshyna Tyre Factory	9,00	-10,00	38,00	0,00	322,2	29,60	14.01.2009	0,0	0		
<b>PFTS Index</b>												
									282,56	-1,18%	2 489,5	129,76%

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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., %
<b>Electricity</b>								
DNEN	Dniproenergo	1 863,90	0,49	15,29	1,10	4,49	-80,79	-6,14
DNON	Dniproblenergo	901,74	0,13	31,81	-3,53	8,42	-81,59	-6,95
CEEN	Centrenergo	1 856,27	0,54	29,28	0,83	7,31	-80,95	-6,30
ZAEN	Zakhidenergo	4 771,51	1,32	95,53	3,32	21,42	-33,68	40,96
DOEN	Donbasenergo	650,22	0,44	24,50	0,69	7,61	-84,15	-9,51
KIEN	Kyivenergo	907,55	0,20	147,59	0,63	8,32	-80,64	-5,99
<b>Pipe rolling</b>								
NITR	Nizhniodniprovsky Pipe Rolling Works	4 128,77	0,88	9,53	2,26	6,41	-94,70	-20,06
DTRZ	Dnipropetrovsk Pipe Works	79,18	0,10	-8,48	0,54	4,78	-90,29	-15,65
<b>Metallurgy</b>								
KSTL	Mittal Steel Kryvy Rig	34 755,09	1,85	9,15	2,77	6,41	-43,36	31,28
MMKI	Mariupol Metallurgical Plant	2 614,34	0,15	1,84	0,26	0,88	-88,15	-13,51
AZST	Azovstal	3 464,49	0,21	1,63	0,37	1,31	-85,68	-11,04
ALMK	Alchevsk Metallurgical Plant	2 023,36	0,23	6,23	0,56	4,54	-87,57	-12,93
DNSS	Dniprospsststal	2 617,70	0,70	7,59	3,26	4,17	-48,19	26,45
ZFER	Zaporizhia Ferroalloy Plant	1 880,63	0,84	48,27	4,03	14,21	-64,13	10,51
ENMZ	Enakiyevo Metallurgical Plant	494,43	0,10	3,28	0,56	1,77	-90,18	-15,54
ZALK	Zaporizhia Aluminium	189,93	0,12	2,51	0,33	0,92	-89,39	-14,75
<b>Mechanical engineering</b>								
SMASH	Sumy NVO im. Frunze	1 043,17	0,76	12,32	1,14	7,80	-72,05	2,60
LUAZ	LuAZ	452,61	0,11	1,21	0,32	1,03	-88,33	-13,68
MSICH	Motor Sich	779,25	0,45	3,76	0,44	2,00	-77,09	-2,44
MZVM	Mariupol Heavy Machine Building Plant	210,73	0,08	146,14	0,66	7,31	-89,70	-15,06
AZGM	Azovzagalmash	316,23	0,13	306,13	2,34	3,37	-86,94	-12,29
LTPL	Luganskteplovovz	295,90	0,56	-20,06	2,11	12,63	-79,62	-4,98
SVGZ	Stakhaniv Wagon Building plant	100,37	0,08	2,02	0,62	1,22	-97,39	-22,75
DRMZ	Druzhkivka Machine Building	186,78	0,25	7,28	1,08	4,19	-83,86	-9,21
DGRM	Donetskirmash	15,91	0,07	-0,44	-1,92	-5,24	-88,03	-13,39
<b>By-product-coking industry</b>								
AVDK	Avdiivka Chemical-Recovery Plant	856,70	0,18	4,14	0,21	2,82	-79,42	-4,77
ZACO	Zaporizhkoks	95,46	0,05	2,66	0,23	3,94	-91,33	-16,68
YASK	Yasynivsky By-product Coke Plant	177,16	0,10	1,17	0,33	0,69	-89,88	-15,24
<b>Ore mining and processing enterprises</b>								
PGOK	Poltava Ore Mining and Processing Enterprise	1 566,40	0,56	4,52	0,85	3,15	-86,13	-11,48
PGZK	South Ore Mining and Processing Enterprise	17 042,09	5,91	28,22	11,00	17,39	14,39	89,03
<b>Banking</b>								
BAVL	Raiffeisen Bank Aval	3 784,69	n/a	6,44	0,68	n/a	-84,15	-9,51
USCB	Ukrsofsbank	1 632,00	n/a	4,50	0,50	n/a	-87,88	-13,23
FORM	Forum Bank	566,11	n/a	10,77	0,35	n/a	-88,05	-13,40
<b>Other</b>								
UTEL	Ukrtelekom	5 056,09	0,74	18,92	0,58	3,42	-76,60	-1,95
UNAF	Ukrnafta	5 623,50	1,14	4,54	0,63	2,60	-71,53	3,11
SUNI	Sun Interbrew Ukraine	1 283,94	0,54	4,37	1,19	1,91	-82,06	-7,42
SHCHZ	Coal mine Chervonoarmiyska Zahidna #1	1 107,34	0,76	20,69	0,83	4,22	-87,97	-13,33
STIR	Concern Stirol	686,95	0,26	3,11	0,34	2,45	-76,70	-2,06
DNSH	Dniproshyna Tyre Factory	315,56	0,43	29,92	1,15	7,97	-75,49	-0,84

**Contact information:**

**CEO**

Hennadii Khelemskyi  
info@exim-active.com

**Head of analysis and research department**

Maxim Zbarazhsky  
zbarazhsky@exim-active.com

**Analysts**

Mykhailo Proskurivskyi  
proskurivskyi@exim-active.com

Konstantin Meselevskiy  
meselevskiy@exim-active.com

**Exim-Capital**

**11/b Vorovskogo Street,  
Kyiv , Ukraine**

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