

On Thursday a wave of optimism dominated PFTS stock exchange, following the trend of major world stock exchanges. Spreads on most of securities were narrowing as last month's retreat leaders were turning the growth leaders. Coke processing gained significant 50.64% in average, banking sector and metallurgy went over 9.5% up each, energy companies' stocks quotation increased by 8.17%, pipe rolling rose by 2.35%, machine building – by 3% in average. PFTS index increased by 9.64% while overall stock trade volume rocketed 13 times up, to above average level for the first time during the last 5 months.

State debt of Ukraine shortens by 1.7%

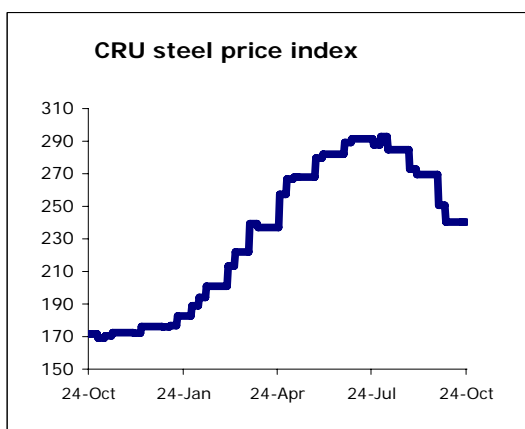
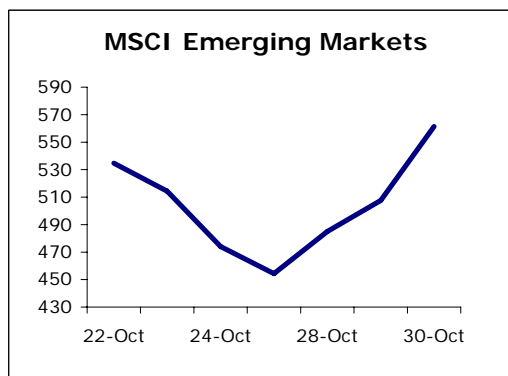
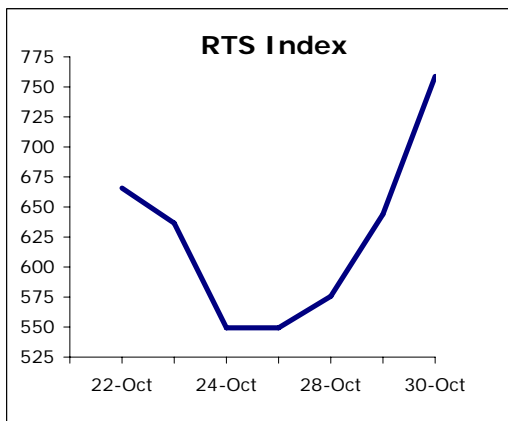
In September 2008 state debt of Ukraine and debt, guaranteed by the state has decreased by 1.7% (by \$0.295bln) to \$17.089bln, says the press release published by the Ministry of Finance of Ukraine on Thursday. According to the release, state debt of Ukraine has shrunk by 2.8% (by \$0.483bln) since the year beginning. Direct and guaranteed foreign debt of Ukraine amounted \$13.418bln, which is 78.52% of total state debt volume. During September the indicator has decreased by 1.4% (by \$0.186bln) January-September – by 3.1% (by \$0.43bln). Direct foreign debt amounted \$10.633bln. Internal debt amounted \$3.671bln (direct internal debt – \$3,403bln). By the 1st of October direct state debt of Ukraine amounted \$14.037bln, guaranteed - \$3.052bln.

Ukraine shortens export of rolled metal

In September 2008 Ukraine has decreased export of flat rolled metal by 1.6% (by 10.13ths mt) mom to 631.79ths mt with overall cost of \$672.75m, long-length and profile rolled metal – by 34% (by 154.83ths mt) to \$300.09ths mt leading income on export sales 40.8% down to \$310.99m, says the report of the State Statistics Committee of Ukraine. Export of hot-rolled flat metal declined by 6.6% (by 35.34ths mt) to 498.84ths mt, cold-rolled metal - by 5.4% (by 2.71ths mt) to 47.25ths mt, export of other typer of rolled metal increased by 48.3% (by 27.92ths mt) to 85.7ths mt. In January-September 2008 export of flat rolled metal from Ukraine has shortened by 19% yoy (by 126.86ths mt) to 6.779m mt with overall cost of \$5.716bln, long-length and profile rolled metal export – by 11.1% (by 613.68ths mt) to 4.920m mt with total value of \$4.343m.

Import of iron ore shortens by 28%

Import of iron ore by Ukrainian enterprises in September 2008 has declined by 27.8% (by 60.11ths mt) mom to 155.93ths mt, says the report of the State Statistics Committee of Ukraine. Expenditures on ore acquisition have fallen by 31% (by \$7.5m) to \$16.73m. Import of non-agglomerated ore shortened by 31.8% (by 44.17ths mt) to 94.76ths mt, agglomerated ore – by 20.6% (by 15.88ths mt) to 61.23ths mt. Yoy iron ore import decrease in September amounted 55.4% (193.71ths mt). In January-September import of iron ore into Ukraine has risen by 18%, (by 425.2ths mt) oy 2.789m mt with overall cost of \$253.87m.



	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

Semi ready still products export shortens by 7%

In September 2008 export of semi-ready steel products has shrunk by 7% (by 67.47ths mt) mom to 896.02ths mt, says the report of the State Statistics Committee of Ukraine. Income from export has shortened by 13.6% (by \$121.69m) to \$771.25m. Yoy semi ready metal products export decline in September 2008 amounted 3.6% (33.22ths mt). In January-September 2008 export of semi-ready still products has risen by 18.7% (by 1.613m mt) to 10.221m mt with overall cost of \$7.399bln.

Lutsk Automobile Plant raises net profit 4.2 times

In January-September 2008 Lutsk Automobile Plant (LUAZ), member of Bogdan Corporation, has increased net profit 4.2 times yoy to \$66.37m. According to the company financial report, published in the informational system of Security and Stock Market State Commission of Ukraine, company net sales have risen 2.6 times to \$1.001bln. The plant net profit in 3Q2008 has reached \$41.33m, which is a 3.4 times yoy increase. During the period the plant produced 70.426ths cars; the Bogdan Corporation produced 75.371 cars, trucks and busses in total, which is a 92% yoy increase.

100USD/UAH	576,0400
100EUR/UAH	750,8681
10RUB/UAH	2,1702

Short market information

Most traded	Ticker	Volume, mln UAH
1	ZAEN	29,469
2	MSICH	2,244
3	LUAZ	1,023

Growth leaders	Ticker	change,%
1	SUNI	100,00
2	FORM	38,89
3	YASK	38,30

Retreat leaders	Ticker	change,%
1	AZGM	-20,00
2	DTRZ	-10,00
3	DNON	-6,67

Ferrexpo shortens production of pellets

Ferrexpo Plc, the owner of Poltava Ore Mining and Processing Enterprise (PGOK), will decrease production of pellets by 5-10% in 4Q2008 due to decrease of demand, as a number of clients of the enterprise have delayed says the company press release.

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ticker	name	bid	change, %	ask	change, %	spread, %	last deal	last deal date	vol, 30.10.08	deals, 30.10.08	
Power engineering											
DNEN	Dniproenergo	360,00	2,86	500,00	11,11	38,9	450,00	30.10.2008	108,3	2	
DNON	Dniproblenergo	70,00	-6,67	100,00	0,00	42,9	68,00	24.10.2008	0,0	0	
CEEN	Centrenergo	5,20	24,70	5,32	8,57	2,3	5,25	30.10.2008	613,4	6	
ZAEN	Zakhidenergo	277,00	15,42	283,00	13,20	2,2	281,90	30.10.2008	29 469,0	19	
DOEN	Donbasenergo	22,00	12,82	25,00	11,11	13,6	22,00	30.10.2008	440,0	2	
KIEN	Kyivenergo	8,00	6,67	15,00	0,00	87,5	15,00	30.10.2008	15,0	1	
Pipe rolling											
NITR	Nizhnodniprovsky Pipe Rolling Works	6,05	8,04	6,40	6,67	5,8	5,80	28.10.2008	0,0	0	
DTRZ	Dnipropetrovsk Tube Works	45,00	-10,00	140,00	0,00	211,1	120,00	29.10.2008	0,0	0	
Metallurgy											
KSTL	Arcelor Mittal Kryvy Rig	3,15	3,28	8,00	0,00	154,0	7,00	24.10.2008	0,0	0	
MMKI	Mariupol Metallurgical Plant	0,50	0,00	0,77	-3,75	54,0	0,65	27.10.2008	0,0	0	
AZST	Azovstal	0,830	9,21	0,850	3,66	2,4	0,85	30.10.2008	560,3	13	
ALMK	Alchevsk Metallurgical Plant	0,053	29,27	0,056	16,67	5,7	0,05	30.10.2008	970,6	12	
DNSS	Dniprospsststal	1500,00	15,38	2500,00	56,25	66,7	1800,00	30.10.2008	194,3	5	
ZFER	Zaporizhia Ferroalloy Plant	1,25	4,17	2,55	4,08	104,0	2,08	22.10.2008	0,0	0	
ENMZ	Enakiyevo Metallurgical Plant	32,00	0,00	38,00	2,70	18,8	37,50	30.10.2008	37,5	1	
ZALK	Zaporizhia Aluminium	0,25	25,00	0,75	0,00	200,0	0,15	27.10.2008	0,0	0	
Mechanical engineering											
SMASH	Sumy NVO im. Frunze	10,50	15,38	15,50	3,33	47,6	10,50	14.10.2008	0,0	0	
LUAZ	LuAZ	0,13	12,61	0,25	0,00	100,0	0,25	30.10.2008	1 023,4	2	
MSICH	Motor Sich	195,00	16,77	224,00	28,74	14,9	190,00	30.10.2008	2 243,7	7	
MZVM	Mariupol Heavy Machine Building Plant	9,50	5,56	15,00	0,00	57,9	9,00	29.10.2008	0,0	0	
AZGM	Azovzagalmash	4,00	-20,00	7,00	0,00	75,0	6,95	29.10.2008	0,0	0	
LTPL	Luganskteplovoz	1,00	20,48	2,55	2,00	155,0	1,90	30.10.2008	19,0	1	
SVGZ	Stakhaniv Wagon Works	3,45	15,00	4,19	-0,24	21,4	4,20	29.10.2008	0,0	0	
DRMZ	Druzhkivka Machine Building	0,40	0,00	0,90	-10,00	125,0	2,00	14.10.2008	0,0	0	
DGRM	Donetskirmash	0,10	0,00	0,90	0,00	800,0	0,94	30.09.2008	0,0	0	
By-product-coking industry											
AVDK	Avdiivka Chemical-Recovery Plant	4,51	10,00	5,35	7,00	18,6	5,00	30.10.2008	25,0	1	
ZACO	Zaporizhkoks	0,31	3,33	7,00	133,33	2158,1	2,50	04.09.2008	0,0	0	
YASK	Yasynivsky By-product Coke Plant	0,65	38,30	0,90	12,50	38,5	0,60	29.10.2008	0,0	0	
Ore mining and processing enterprises											
PGOK	Poltava Ore Mining and Processing Enterprise	9,80	5,95	13,20	-2,22	34,7	13,50	30.10.2008	13,5	1	
PGZK	South Ore Mining and Processing Enterprise	6,01	0,00	8,40	-1,18	39,8	7,43	29.10.2008	0,0	0	
Banking											
BAVL	Raiffeisen Bank Aval	0,230	6,98	0,250	4,17	8,7	0,23	29.10.2008	0,0	0	
USCB	Ukrsoobank	0,240	9,09	0,270	14,89	12,5	0,25	30.10.2008	535,0	5	
FORM	Forum Bank	5,00	38,89	9,00	0,00	80,0	4,50	28.10.2008	0,0	0	
Other											
UTEL	Ukrtelekom	0,261	3,98	0,400	21,21	53,3	0,30	29.10.2008	0,0	0	
UNAF	Ukrnafta	97,00	19,02	99,50	17,06	2,6	99,00	30.10.2008	445,1	9	
SUNI	Sun Interbrew Ukraine	0,050	100,00	0,250	177,78	400,0	0,07	30.10.2008	59,2	2	
SHCHZ	Coal mine Chervonoarmiyska Zahidna #1	1,60	33,33	1,80	13,21	12,5	1,59	30.10.2008	668,9	2	
STIR	Concern Stirol	27,50	1,89	33,00	22,22	20,0	25,39	30.10.2008	25,0	1	
DNSh	Dniproshyna Tyre Factory	14,00	26,13	32,00	0,00	128,6	50,00	02.10.2008	0,0	0	
PFTS Index											
		249,05	9,64%					37 466,0	1200,66%		

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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	1 687,32	0,44	13,84	0,99	4,05	-83,18	-4,54
DNON	Dniproblenergo	509,29	0,07	17,97	-1,99	4,09	-90,45	-11,81
CEEN	Centrenergo	1 943,08	0,57	30,65	0,87	7,56	-79,69	-1,05
ZAEN	Zakhidenergo	3 581,35	0,99	71,70	2,50	16,28	-54,53	24,12
DOEN	Donbasenergo	555,64	0,38	20,94	0,59	7,04	-88,06	-9,42
KIEN	Kyivenergo	1 246,19	0,27	202,67	0,86	10,31	-72,62	6,03
Pipe rolling								
NITR	Nizhniodniprovsky Pipe Rolling Works	2 489,26	0,53	5,74	1,36	4,37	-97,08	-18,44
DTRZ	Dnipropetrovsk Pipe Works	97,65	0,12	-10,46	0,67	5,65	-88,05	-9,40
Metallurgy								
KSTL	Mittal Steel Kryvy Rig	21 516,90	1,14	5,66	1,71	3,89	-64,15	14,50
MMKI	Mariupol Metallurgical Plant	2 128,34	0,12	1,50	0,21	0,69	-90,80	-12,15
AZST	Azovstal	3 523,21	0,22	1,66	0,38	1,33	-85,58	-6,93
ALMK	Alchevsk Metallurgical Plant	1 404,75	0,16	4,32	0,39	3,94	-87,40	-8,75
DNSS	Dniprospeptsstal	2 150,06	0,57	6,24	2,68	3,37	-54,31	24,33
ZFER	Zaporizhia Ferroalloy Plant	4 331,15	1,93	111,17	9,28	28,44	52,00	130,64
ENMZ	Enakiyevo Metallurgical Plant	362,98	0,07	2,41	0,41	1,30	-91,75	-13,10
ZALK	Zaporizhia Aluminium	311,36	0,20	4,12	0,55	1,57	-81,63	-2,99
Mechanical engineering								
SMASH	Sumy NVO im. Frunze	924,11	0,68	10,91	1,01	7,10	-74,36	4,29
LUAZ	LuAZ	624,00	0,15	1,67	0,44	1,35	-82,69	-4,04
MSICH	Motor Sich	435,34	0,25	2,10	0,24	1,14	-85,69	-7,05
MZVM	Mariupol Heavy Machine Building Plant	188,50	0,07	130,72	0,59	6,81	-90,72	-12,07
AZGM	Azovzagalmash	255,77	0,10	247,60	1,89	2,48	-90,43	-11,78
LTPL	Luganskteplovoz	389,05	0,73	-26,37	2,77	16,36	-77,27	1,37
SVGZ	Stakhaniv Wagon Building plant	288,27	0,24	5,79	1,78	3,62	-97,11	-18,46
DRMZ	Druzhkivka Machine Building	134,90	0,18	5,26	0,78	3,46	-81,05	-2,40
DGRM	Donetskirmash	22,73	0,10	-0,62	-2,74	-5,56	-76,47	2,17
By-product-coking industry								
AVDK	Avdiiivka Chemical-Recovery Plant	954,47	0,20	4,61	0,23	2,99	-76,36	2,28
ZACO	Zaporizhkoks	436,13	0,23	12,16	1,06	8,64	-61,53	17,12
YASK	Yasynivsky By-product Coke Plant	212,04	0,11	1,40	0,39	0,83	-85,73	-7,08
Ore mining and processing enterprises								
PGOK	Poltava Ore Mining and Processing Enterprise	1 619,20	0,57	4,67	0,88	3,23	-87,44	-8,79
PGZK	South Ore Mining and Processing Enterprise	15 445,06	5,36	25,58	9,97	15,80	29,59	108,23
Banking								
BAVL	Raiffeisen Bank Aval	5 471,84	n/a	9,32	0,98	n/a	-78,40	0,24
USCB	Ukrsovsbank	2 601,00	n/a	7,18	0,80	n/a	-81,30	-2,66
FORM	Forum Bank	784,70	n/a	14,92	0,49	n/a	-83,55	-4,90
Other								
UTEL	Ukrtelekom	6 189,02	0,91	23,16	0,70	4,00	-70,43	8,22
UNAF	Ukrnafta	5 327,96	1,08	4,30	0,60	2,48	-76,10	2,55
SUNI	Sun Interbrew Ukraine	1 426,60	0,60	4,86	1,32	2,12	-81,01	-2,36
SHCHZ	Coal mine Chervonoarmiyska Zahidna #1	1 442,51	1,00	26,95	1,08	5,50	-83,33	-4,68
STIR	Concern Stirol	820,54	0,31	3,72	0,40	3,00	-74,06	4,58
DNSH	Dniproshyna Tyre Factory	315,56	0,43	29,92	1,15	7,97	-75,00	3,64

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