



Global Retracement

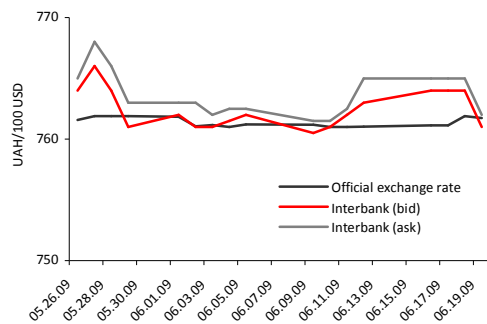
World Equity Indices

Index	Country	WOW,%	MTD,%	YTD,%
Dow Jones Indus.	USA	-2,95	0,46	-2,70
S&P 500	USA	-2,64	0,23	1,99
Nasdaq Comp	USA	-1,69	2,99	15,88
DAX-30	Germany	-4,53	-2,05	0,61
FTSE-100	Great Britain	-2,16	-1,63	-1,99
NIKKEI-225	Japan	-3,45	2,77	10,46
RTS	Russia	-10,28	-7,01	60,06
WSE WIG	Poland	-2,49	7,62	15,89
Prague Stock Ex.	Czech Republic	-2,65	7,78	8,59
PFTS	Ukraine	-6,92	-4,66	38,55

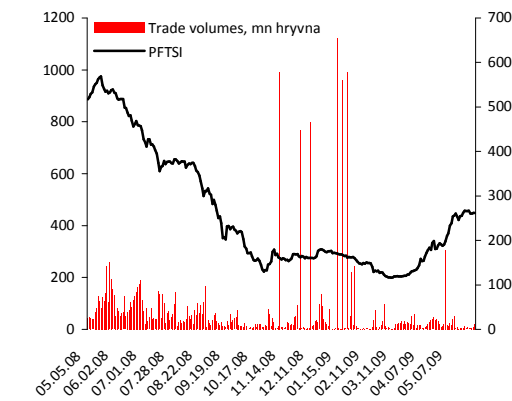
Commodities

	WTD,%	MTD,%	YTD,%
Golg	-0,56	-4,61	5,90
Brent Crude Oil	-3,46	4,89	28,06
EUR/USD	-0,43	-1,10	0,07

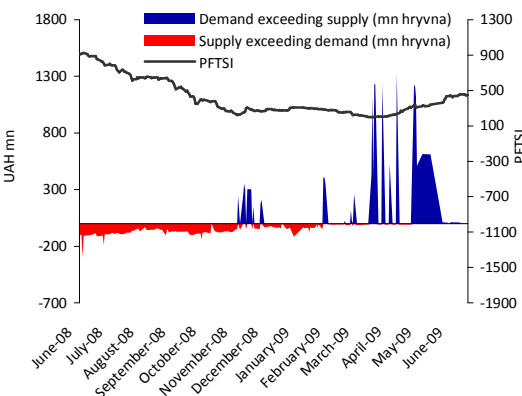
Currency Market



PFTSI VS Trade Volumes



Demand VS Supply on Ukrainian Stocks



World Markets

Investors took profits last week following an aggressive three-month rebound, with the stock market selling off on Monday and Tuesday before mixed trade finished out the week – US S&P 500 -2.6%, Dow -2.9%, Nasdaq Comp -1.7%, German DAX-30 -4.5%, British FTSE-100 -2.2%, Japanese NIKKEI-225 -3.5%, Russian RTS -10.3%.

Market participants now believe that things are less bad than before with the economy and earnings prospects, but the lack of action suggests investors are waiting for headlines to drive the market. Lackluster volume can be partially explained by the typical summer lull, but participants are also awaiting further data that confirms signs of an economic recovery, second quarter earnings season, legislation on regulatory reform for the Financial sector and reform proposals for the Health Care sector, among other items.

As mentioned above, the stock market made its largest move on Monday, with the S&P declining 2.4%. The negative disposition was attributed to reports that G-8 ministers discussed over the weekend how they should prepare to unwind stimulus spending as the economic recovery begins to take root. The commodities market and material stocks were also under pressure following a surge in the dollar after Russian Finance Minister Alexei Kudrin reassured investors of Russia's confidence in the U.S. currency and the BRIC nations said they do not intend to discuss new global reserve currencies at their first summit.

Stocks attempted to rebound on Tuesday, but ended up extending Monday's declines. Industrial Production came in at -1.1% for May (consensus -1.0%), while the prior month was revised lower to -0.7% from -0.5%. That more than offset better-than-expected housing data, as Housing Starts came in at 532,000 in May (consensus 485,000) and Building Permits came in at 518,000 for the month (consensus 508,000).

The stock market actually continued its sell-off on Wednesday morning, as FedEx (FDX) issued disappointing fiscal Q1 (August) guidance and ratings agency Standard & Poor's lowered its ratings and revised its outlooks on 22 banks. But stocks were able to recover from their lows, finishing the session with mixed results.

Thursday and Friday produced more of the same. Volume was extremely low yesterday, with the NYSE hardly trading 1 billion shares. While it doubled today, trading over 2 billion shares, that was due to quarterly options expiration.

In Europe April's euro-zone trade figures revealed that the external sector is continuing to struggle. While the available data paint a mixed picture of the near term outlook for the sector, net exports should begin to support growth in the region towards the end of the year. The recent export figures suggest that the monthly pace of decline has clearly slowed since around the turn of the year, but April's 1.3% contraction still lowered the annual growth rate to a new record low of -24.3%. A sharper 2.7% monthly contraction in imports meant that the trade deficit narrowed from €1.8bn to €0.3bn, however.

The announcement by the Spanish Government that it plans to set up a fund to provide capital to the ailing banking sector is certainly good news. But on its own, it will not be enough to prevent the Spanish economy from lagging behind the rest of the euro-zone over the next couple of years.

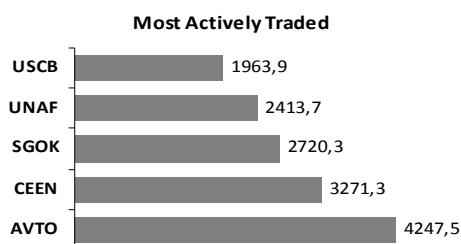
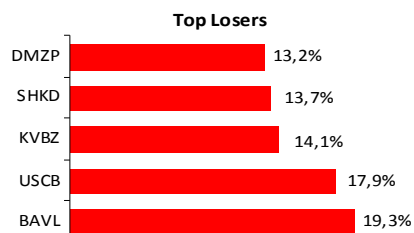
In its latest Financial Stability Review the ECB has taken a less gloomy view on the potential losses that euro-zone banks still have to face relative to a previous IMF



PFTS Basket

Ticker	Weight in		Average		
	Index, %	price, UAH	WOW,%	MTD,%	YTD,%
ZAEN	32,18	391,00	-1,01	0,95	0,51
UNAF	10,39	143,92	-11,11	0,87	28,50
CEEN	8,91	6,88	-1,76	-1,15	34,44
UTLM	7,77	0,38	3,20	-7,03	35,74
MMKI	5,97	1,37	-5,75	-4,87	43,86
MSICH	5,39	573,67	-1,49	3,43	55,05
BAVL	4,83	0,27	-21,15	-31,33	15,81
NITR	3,94	9,77	-9,85	-7,57	23,89
DNEN	3,61	826,67	-3,31	3,29	74,65
SMASH	2,99	27,75	-3,20	11,15	84,59
USCB	2,37	0,27	-17,94	-28,09	23,53
KIEN	2,12	13,03	-4,63	3,17	56,97
AZST	1,75	1,34	-11,28	-11,87	55,43
STIR	1,74	27,33	-5,53	-0,64	-12,58
ENMZ	1,63	110,29	-9,97	0,22	109,41
PGOK	1,22	22,13	-7,26	-3,42	88,69
KVBZ	1,05	11,47	-15,38	-10,14	34,38
ALMK	0,83	0,12	-5,07	-4,56	48,02
MZVM	0,73	20,63	-6,42	-0,32	52,13
AVDK	0,57	7,10	-12,53	-9,21	52,47

Top Gainers, Losers, Most Actively Traded



estimate published in April. Still, even under this more optimistic scenario euro-zone banks have so far incurred, at best, just half of their potential losses. The message from the various ranges of estimates is that bank deleveraging still has a long way to go.

Q1's sharp and broad-based fall in euro-zone employment confirms that households' incomes remain under downward pressure despite falling inflation. With employment set to fall further, consumer spending is unlikely to recover in the near term. The 0.8% quarterly fall was the sharpest since the series began in 1995. But it came as no surprise given earlier data revealing a marked increase in the unemployment rate, from 8.0% to 8.7%, over the same period.

The sharper than expected rise in the German ZEW index confirms that more and more investors expect economic conditions to improve, albeit from an extremely weak starting point. The increase, from 31.1 to 44.8, left the index at its highest in over 3 years. Note, though, that it is hardly surprising that some improvement is expected given the current severity of the recession. What's more, the index has not been a great predictor of actual GDP growth in the past. Elsewhere, May's final euro-zone inflation figures confirmed that the headline rate dropped to a series-low of zero, driven partly by a fall in core inflation (from 1.8% to 1.5%) after April's Easter-related increase. Meanwhile, labour costs growth edged down from 4.0% to 3.7% in Q1. The recent sharp rise in unemployment points to a much sharper fall to come, adding to deflationary pressures in the region.

Looking ahead to next week, there are a few notable earnings releases, including Walgreen (WAG) on Monday (6/22), Oracle (ORCL) on Tuesday (6/23) and Monsanto (MON) on Wednesday (6/24). There will also be some important economic releases, including Existing Home Sales on Tuesday, Durable Goods Orders on Wednesday and the Final reading for Q1 GDP on Thursday (6/25). However, market participants will still be awaiting resolutions for those items mentioned above, which could impact (further lull) trading.

Ukrainian Market

Last week Ukrainian stocks posted 5-15% losses. During 15-19th of June UX has declined by 7.5 %, PFTS index has lost 6.8%. Negative news coming from world markets became the formal reason for investors to start selling Ukrainian stocks. However, without this event brokers would find other excuse for correction as conversations on its coming have begun several weeks ago. «Blue chips» were the leaders of falling and most actively traded. Banks and "metallurgists" caught it most with UkrSotsbank (-17.9%) and Raiffaisen Bank Aval (-19.3%) posting the biggest losses. Azovstal (-11.5%), Enakievo Steel (-9.7%) and Alchevsk Iron&Steel (-9.3%) have also succeeded in falling more likely not due to negative macro statistics (industrial output in Ukraine has slumped by 31.8% in May), but prices for steel had fixed at level of 50-70% from their peak in III quarter 2008.

The key internal factor which will define Ukrainian market further direction is IMF mission visit of Ukraine. Earlier the IMF representatives intended to arrive to Ukraine on June, 24th, however last week IMF speaker has stated that the arrival may be delayed. Also IMF has worsened the Ukraine's GDP growth forecast for 2009 from -8% to -12% and has stated discontent with government does not discover data on GDP growth in IQ 2009. These events have forced many experts to doubt that Ukraine will receive the third tranche of the IMF loan in time. This week investors traditionally will steadfastly follow statistics from the USA.

Quotations

		Bid	Ask	Close	Средняя	WOW,%	MTD,%	YTD,%	P/E	EV/EBITDA	EV/S
UNAF	Ukrnafta	142,8	145,0	144,0	143,9	-11,11	0,87	28,50	20,9	5,9	0,5
UTLM	Ukrtelecom	0,4	0,4	0,4	0,4	3,20	-7,03	35,74	38,5	4,8	n/a
Banks									12,9	n/a	n/a
BAVL	Raiffeizen Bank Aval	0,3	0,3	0,3	0,3	-21,15	-31,33	15,81	9,6	n/a	6,0
FORM	Bank Forum	6,2	6,5	6,3	6,3	-9,06	-11,15	17,76	45,0	n/a	6,0
USCB	Ukrsotsbank	0,3	0,3	0,3	0,3	-17,94	-28,09	23,53	16,2	n/a	n/a
RODB	Rodovid Bank	20,0	3500,0	170,0	1230,0	0,00	62,56	197,34	1,1	n/a	n/a
Electricity generation									21,2	9,9	0,7
CEEN	Centerenergo	6,9	7,0	6,8	6,9	-1,76	-1,15	34,44	15,3	7,6	0,6
DNEN	Dniproenergo	710,0	925,0	845,0	826,7	-3,31	3,29	74,65	20,4	12,3	0,7
DOEN	Donbasenergo	36,5	45,0	39,0	40,2	-5,71	-10,41	42,27	22,0	6,7	0,5
ZAEN	Zakhidenergo	388,0	395,0	390,0	391,0	-1,01	0,95	0,51	104,6	19,4	2,3
Electricity distribution									7,0	4,3	0,2
DNON	Dniprooblenergo	170,0	333,3	180,0	227,8	-8,89	5,13	60,41	n/a	5,5	0,1
HAON	Kharkivoblenergo	1,3	5,0	2,2	2,8	-24,11	-23,42	68,99	7,1	2,9	0,2
KIEN	Kievenergo	10,1	15,0	14,0	13,0	-4,63	3,17	56,97	6,9	5,8	1,2
KREN	Krymenergo	1,9	2,2	2,0	2,0	-6,92	-9,02	16,35	n/a	3,1	0,2
Steel									18,6	11,7	1,0
AZST	Azovstal	1,3	1,4	1,3	1,3	-11,28	-11,87	55,43	n/a	n/a	1,5
ALMK	Alchevsk Iron&Steel	0,1	0,1	0,1	0,1	-5,07	-4,56	48,02	18,6	11,8	0,4
DMKD	DMK Dzerzhynskogo	0,3	0,4	0,4	0,3	-4,72	-2,88	-4,72	2,1	n/a	1,3
DMZP	DMP Petrovskogo	0,3	0,5	0,3	0,4	-5,88	-5,08	21,74	n/a	n/a	0,4
DNSS	Dnipropetsstal	1150,0	1900,0	1500,0	1516,7	8,33	12,35	-40,13	36,9	11,5	1,0
ENMZ	Enakievo Steel	110,4	111,5	109,0	110,3	-9,97	0,22	109,41	16,0	6,3	0,9
KSTL	Mittal Steel Kriviy Righ	7,2	22,0	8,0	12,4	41,98	0,00	32,86	36,4	18,5	1,9
MMKI	Mariupol Illych Iron & Steel	1,0	1,6	1,5	1,4	-5,75	-4,87	43,86	n/a	n/a	0,1
Tubes									20,9	5,9	0,5
DTRZ	Dnipropetrovsk TW	65,0	90,0	60,0	71,7	-3,99	-2,27	-12,24	3,8	n/a	n/a
HRTR	Khartsyzsk TW	1,2	145,0	144,0	96,7	-40,26	-32,21	-13,65	20,9	5,9	0,5
NITR	Nizhnyodneprovsky Tubes	7,8	145,0	144,0	98,9	-38,89	-30,66	-11,67	20,9	5,9	0,5
NVTR	Novomoskovsk Tubes	0,9	145,0	144,0	96,6	-40,31	-32,26	-13,71	20,9	5,9	0,5
Iron ore									9,5	3,9	3,7
CGOK	Central Mining	1,2	2,6	2,0	1,9	0,00	5,45	-17,14	n/a	n/a	3,9
PGOK	Poltava Mining	20,0	24,4	22,0	22,1	-7,26	-3,42	88,69	9,5	3,9	0,7
PGZK	Pivdenny Mining	6,5	8,5	8,0	7,7	-2,13	-8,04	-2,54	n/a	n/a	3,6
SGOK	Pivnichny Mining	2,0	3,0	2,5	2,5	-2,60	-6,25	10,29	n/a	n/a	6,5
Coke									7,0	3,8	0,8
AVDK	Avdeevka Coke	6,9	7,5	7,0	7,1	-12,53	-9,21	52,47	1,5	2,0	0,1
ALKZ	Alchevsk Coke	0,2	0,2	0,3	0,2	-10,61	-3,28	-18,06	10,4	4,3	1,1
BKOK	Bagliyykoks	0,1	0,4	0,6	0,4	-7,38	-12,40	-28,48	n/a	n/a	n/a
ZACO	Zaporizhya Coke	0,9	1,3	1,4	1,2	-7,11	-9,72	-47,31	7,1	8,3	0,6
YASK	Yasinovka Coke	1,2	1,4	1,2	1,3	-11,63	-12,64	62,39	7,0	3,2	1,1
Engineering									9,4	7,0	1,7
AVTO	Ukravto	86,0	99,0	95,0	93,3	-11,08	0,00	46,69	n/a	n/a	2,3
AZGM	Azovzagalmash	9,0	13,0	12,0	11,3	-5,56	3,03	75,71	2400,0	22,6	1,4
DGRM	Donetskgoramash	0,1	0,4	0,0	0,2	0,00	0,00	-73,18	n/a	n/a	1,0
HMBZ	Svitlo Shahtarya	0,3	0,4	0,6	0,4	-10,34	-21,21	26,21	n/a	n/a	2,1
KVBZ	Kriukov Car Building	10,8	12,6	11,0	11,5	-15,38	-10,14	34,38	10,1	5,7	2,0
LTPL	Luganskteplovoz	1,7	2,7	2,9	2,4	-6,45	-9,94	64,03	32,6	16,4	3,4
LUAZ	LUAZ	0,2	0,2	0,2	0,2	-3,51	-5,17	25,00	2,3	8,3	0,2
MSICH	Motor Sich	550,0	592,0	579,0	573,7	-1,49	3,43	55,05	5,7	2,3	2,2
MZVM	Mariupol Heavy Engineering	19,2	22,0	20,7	20,6	-6,42	-0,32	52,13	400,0	4,7	1,0
SMASH	Sumy Frunze Machinery	27,3	30,0	26,0	27,8	-3,20	11,15	84,59	8,6	4,5	2,7
SNEM	Nasosenergomash	0,3	1,5	2,5	1,4	0,00	0,00	-3,41	n/a	n/a	1,2
SVGZ	Stakhanovsk Car Building	0,9	1,3	1,4	1,2	-7,11	-9,72	-47,31	7,1	8,3	0,6
Others									10,8	8,3	1,0
DNSH	Dniproshina	10,0	35,0	10,0	18,3	0,00	-11,29	-20,31	n/a	12,1	0,9
KFTP	Kriukovka Cellulose & Paper	0,9	1,3	1,4	1,2	-7,11	-9,72	-47,31	7,1	8,3	0,6
MTBD	Mostobud	290,0	409,0	320,0	339,7	-2,95	-12,91	42,52	n/a	n/a	0,3
NORD	Nord	10,0	120,0	100,0	76,7	-6,12	-6,12	-30,72	n/a	n/a	0,6
SHCHZ	Mine Krasnoarmeyskaya	2,5	3,0	2,8	2,8	-2,82	-6,14	34,31	10,8	4,3	7,2
SHKD	Mine Komsomolets Donbasa	3,0	7,0	3,6	4,5	-10,23	-6,21	17,85	32,7	6,7	6,0
STIR	Tirol	26,0	28,5	27,5	27,3	-5,53	-0,64	-12,58	32,1	11,3	0,9
ZABR	Zaporizhya Abrasives	0,7	1,0	0,7	0,8	-0,84	-20,74	-41,91	0,9	n/a	1,2
ZALK	Zaporizhya Alluminium	0,1	0,4	0,5	0,3	-21,60	-24,62	-2,00	n/a	n/a	1,1
ZFER	Zaporizhya Ferroalloys	0,4	1,5	2,1	1,3	2,60	2,33	2,33	n/a	n/a	2,3

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