



CONCORDE CAPITAL

Ukraine / Equity Strategy

**PFTS up +14%**

Fits of volatility

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**Key market data**

**Performance**

UA CIU Index (as of Nov 04)	67.3
chg YTD/1m/1y	-70%/-29%/-65%
PFTS Index (as of Nov 04)	298.9
chg YTD/1m/1y	-75%/-20%/-74%
MSCI EM Index (as of Nov 03)	584.4
chg YTD/1m/1y	-53%/-21%/-54%

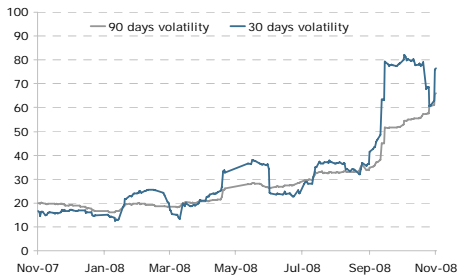
**Capitalization**

Investable Universe MCap	USD 21.2 bln
Investable Universe FF	USD 2.1 bln

**Avg daily trading, last 6M**

PFTS	USD 8.0 mln
Ukr stocks listed on LSE	USD 29.1 mln
Ukr stocks listed on WSE	USD 1.4 mln
Ukr DRs listed on FSE	USD 0.1 mln

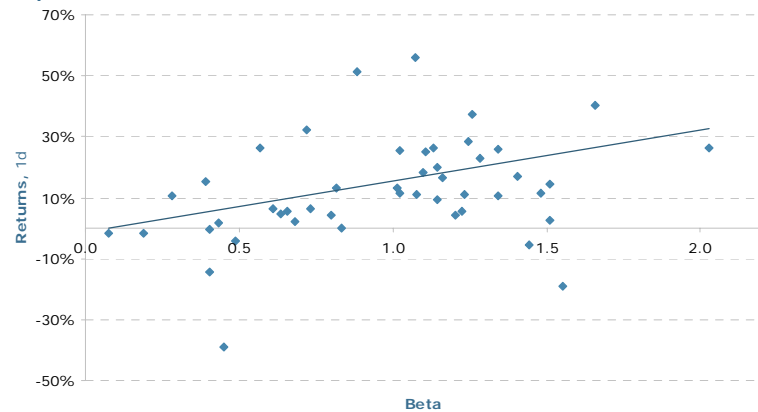
**PFTS index volatility**



Source: Bloomberg

- The PFTS surged 14% yesterday - its largest daily gain since 2003
- Overall, 72% of stocks on the board closed in the green and only 2% lower. Sectors leading the gains were electricity distributors (+26%), coke (19%) and steel (+15%)
- Market volatility has spiked since the beginning of September; the market is hiding many inefficiencies, with subdued volumes on the PFTS and spreads exceeding 10%, even for blue chips - exposing opportunities for savvy investors
- We expect to see more events like yesterday's bounce in the mid-term as even significant price movement will hardly alter the perception of cheap valuations on the PFTS, currently at a low P/E of 3x...6x
- We provide betas regressed vs. the UA CIU index for trading guidance

**Liquid stocks\*: Returns vs. Beta**



\* - First and second tier stocks. Beta calculated vs. UA CIU Index based on daily returns over the last 12M. Source: PFTS, Concorde Capital.

**Daily returns on first and second tier stocks, November 04**

Ticker	Name	Returns		Beta
		Mid*	Bid**	
ALKZ	Alchevsk Coke	143%	152%	1.2
AZGM	Azovzahalmash	56%	76%	1.1
ZPST	Zaporizhstal	51%	30%	0.9
ENMZ	Enakievo Steel	40%	46%	1.7
PGOK	Poltava Iron Ore	38%	25%	1.3
YASK	Yasynivsky Coke	32%	37%	0.7
LUAZ	Bogdan Automobile Plant	28%	38%	1.2
DOEN	Donbasenergo	26%	29%	1.1
LTPL	Luhanskteplovov	26%	30%	2.0
DNEN	Dniproenergo	26%	15%	0.6
ALMK	Alchevsk Iron & Steel	26%	29%	1.3
CEEN	Centrenergo	26%	27%	1.0
MSICH	Motor Sich	25%	26%	1.1
NITR	Nyzhnyodniprovsk Pipe	23%	11%	1.3
AZST	Azovstal	20%	19%	1.1
STIR	Stirol	18%	21%	1.1
BAVL	Raiffeisen Bank Aval	17%	17%	1.4
MTBD	Mostobud	16%	12%	1.2
SUNI	Sun InBev Ukraine	15%	101%	0.4
USCB	Ukrsofsbank	15%	13%	1.5
UTEL	Ukrtelecom	13%	16%	1.0
FORM	Bank Forum	13%	20%	0.8
MZVM	Mariupol Heavy Machinery	12%	14%	1.5
MMKI	MMK Illich Steel	11%	22%	1.0

Source: PFTS, Concorde Capital

Note: \*Returns calculated based on mid market price; \*\* Returns calculated based on bid market price

Ticker	Name	Returns		Beta
		Mid*	Bid**	
AVTO	UkrAvto	11%	16%	1.1
AVDK	Avdiyivka Coke	11%	11%	1.2
KSTL	ArcelorMittal Kryviy Rih	11%	30%	0.3
SVGZ	Stakhaniv Wagon	11%	15%	1.3
DMZP	DMP Petrovskogo Steel	9%	32%	1.1
DNON	Dniprooblenergo	6%	14%	0.6
ZAEN	Zakhidenergo	6%	5%	0.7
UNAF	Ukrnafta	5%	7%	1.2
KIEN	Kyivenergo	5%	14%	0.7
DNSS	Dniprospsststal	5%	12%	0.6
KREN	Krymenergo	4%	15%	0.8
SMASH	Sumy Frunze	4%	11%	1.2
KVBZ	Kryukiv Wagon	3%	1%	1.5
ZFER	Zaporizhya Ferroalloy	2%	8%	0.7
NVTR	Novomoskovsk Pipe	2%	9%	0.4
HAON	Kharkivoblenergo	0%	1%	0.8
DRMZ	Druzhkivka Machinery	-1%	1%	0.4
HRTR	Khartsyzk Pipe	-2%	1%	0.1
PGZK	Pivdenny Iron Ore	-2%	1%	0.2
DTRZ	Dnipropetrovsk Pipe	-4%	1%	0.5
SHCHZ	Shakhtoupravlenie Pokrovskoye	-6%	18%	1.4
RODB	Rodovid Bank	-15%	1%	0.4
MEGA	Megabank	-19%	-12%	1.6
SHKD	Komsomolets Donbasa	-39%	-78%	0.5

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