



Focus
Ukraine

Scope
Economics, bonds, equity & FX markets

Research team
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Daily Insight

October sector data indicates a mild recovery

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WEDNESDAY, 19 NOVEMBER 2014

UX Index (3 months to 19 Nov 2014)



Source: UX.

Key market indicators (as of 18 Nov 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	15.5290	+0.00	+88.46
USD/UAH (1Y NDF)	18.2000	+0.00	+93.21
EUR/USD	1.2536	+0.69	-8.78
USD/RUB	46.8545	-0.73	+42.55
KievPRIME O/N (%)	11.13	-12bp	+333bp
KievPRIME 1M (%)	17.00	+0bp	+75bp
SOVEREIGN EUROBONDS: yields and spreads			
Ukraine 15, Eurobond (%)	26.11	-192bp	+1,775bp
Ukraine 17, Eurobond (%)	18.26	-6bp	+871bp
Ukraine 22, Eurobond (%)	12.31	-1bp	+296bp
Ukraine 23, Eurobond (%)	12.16	-11bp	+312bp
Ukraine 5Y CDS	1,570bp	+44bp	+754bp
EQUITIES			
Stock market indices			
UX (Ukraine)	981.05	+1.87	+7.80
MSCI World	422.64	+0.72	+3.45
MSCI EM	988.66	+0.28	-1.40
RTS (Russia)	1,020.77	+1.66	-29.25
WIG-20 (Poland)	2,431.23	+0.51	+1.26
S&P 500 (USA)	2,051.80	+0.51	+11.01

Notes: Chg – percentage change, if not otherwise indicated; [1] – total traded volume for stocks listed in green- or red-shaded box means gain or loss, respectively, of the index or security.

Sources: Bloomberg, UX, Investment Capital Ukraine LLC.

Economics: News & Comments

October sector data indicates a mild recovery

Last month's statistical data on economic activity in the key sectors recorded several signs of increased output. The agricultural sector showed the best performance, up 7.5% YoY in October and down 0.9% MoM in seasonally adjusted terms. Although the industrial sector fell 16.3% YoY in the 10M14 period, it slowly increased by 0.05% MoM in seasonally adjusted terms. This confirmed that even an uncertain ceasefire in Donbass was sufficient to have people return to work there. Other sectors, including transportation, construction, and retail trade, showed declines in October both in YoY and MoM terms.

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Bonds: News & Comments

Liquidity recovers

Broader banking sector liquidity recovered yesterday once more above UAH50.0bn, up UAH 3.68bn to UAH 51.74bn as a result of a significant increase in total local currency debt repayments scheduled for the next 30 days, which rose UAH2.64bn to UAH5.63bn. Meanwhile, receiving only UAH0.07bn of new loans from the NBU, banks' correspondent accounts with the NBU slid UAH0.32bn to UAH29.46bn while total CDs outstanding rose UAH1.36bn to UAH16.65bn.

With the increase in liquidity, KyivPrime interest rates slightly diverged: the KyivPrime ON interest rate slid 12bp to 11.13% while the KyivPrime 1M interest rate remained steady at 17.00%.

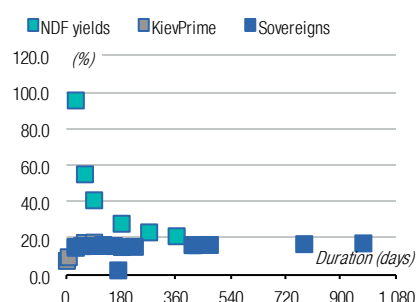
Eurobond YTM's slightly diverge

Ukrainian Eurobonds remained highly risky and yields only slightly diverged yesterday. As spreads of Ukrainian Eurobonds to the US benchmark mostly remained steady, US Treasury YTM's slid slightly yesterday while YTM's of Ukrainian Eurobonds, little changed, remained above 12%. Sovereign risks remained high due to the unstable political backdrop as well as the escalation to war in eastern Ukraine.

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Yield curve of the local bond market

(as of market close on 18 Nov 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 18 Nov 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)

MONEY MARKET KIEV PRIME RATES (%)

O/n	11.13	-12bp	+125bp	+138bp	+333bp
1wk	12.00	+0bp	+100bp	+98bp	+220bp
1m	17.00	+0bp	+50bp	+75bp	+75bp
2m	18.00	+0bp	+0bp	+0bp	+160bp
3m	18.00	+0bp	+0bp	+0bp	+200bp

LIQUIDITY WIDE MEASUREMENT (UAHm)

CB acc's ¹	29,463	-1.07	-13.03	-1.01	-9.91
CDs ²	16,645	+8.92	+17.42	+44.38	+2,261.0
Sovgns ³	5,232	+0.00	+5.46	-9.21	+250.0
Total	51,340	+2.08	-3.16	+9.11	+47.10

HOLDERS OF UAH SOVEREIGN BONDS (UAHm)

C.bank	281,025	+0.00	+0.50	+3.07	+94.01
Banks	90,911	-0.32	+2.12	+9.17	+13.40
Resid's ⁴	22,064	-0.26	+41.92	+49.86	+77.98
Non-res ⁵	21,716	-0.09	+3.16	+11.22	+85.62
Total	415,715	-0.09	+2.58	+6.55	+66.88

NDF IMPLIED YIELDS (%)

3m	N/A	N/A	N/A	N/A	N/A
6m	N/A	N/A	N/A	N/A	N/A
9m	N/A	N/A	N/A	N/A	N/A
1yr	N/A	N/A	N/A	N/A	N/A

LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)

Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	N/A	+320bp	+0bp	+0bp	-676bp
Aug '15 ⁶	N/A	+87bp	+0bp	+87bp	-77ppt

EUROBONDS USD SOVEREIGN BOND YIELDS (%)

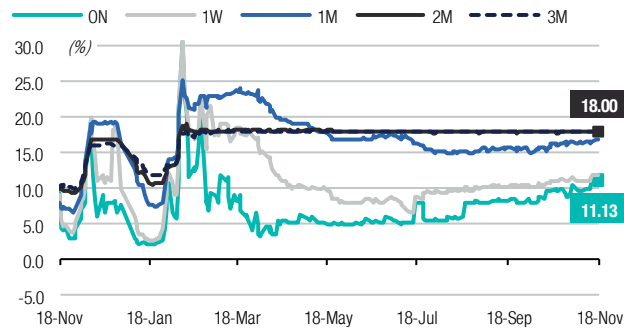
CDS 5yr	1,570	+44bp	+195bp	+198bp	+754bp
Jun '16	19.65	-17bp	+334bp	+267bp	+11bp
Jul '17	18.26	-6bp	+240bp	+199bp	+871bp
Sep '20	12.99	-1bp	+119bp	+99bp	+380bp
Sep '21	12.71	-1bp	+89bp	+79bp	+349bp
Sep '22	12.31	-1bp	+84bp	+91bp	+296bp
Feb '23	12.16	-11bp	+75bp	+98bp	+312bp

Notes: [1] banks' account balance at NBU; [2] certificates of deposits issued by NBU; [3] UAH sovereign bonds due next 30 days; [4] residents; [5] non-residents; [6] VAT bond.

Sources: Bloomberg, Investment Capital Ukraine LLC.

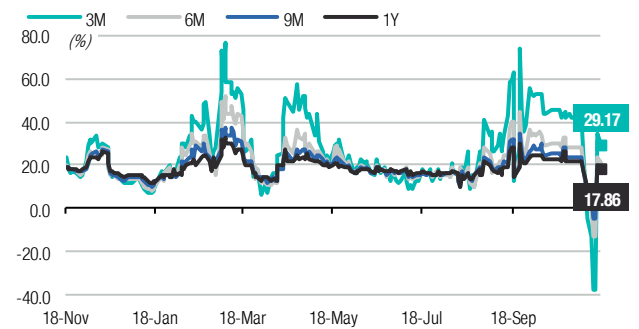
Chart page: Local bond market & Eurobond markets

Chart 1. Kiev Prime rates (%), last 12-month period



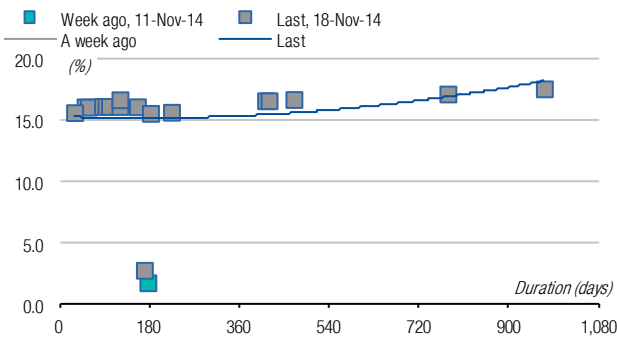
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 2. UAH NDF implied yields (%), last 12-month period



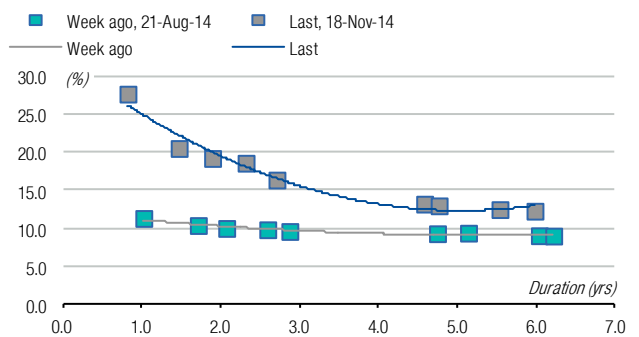
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 18 Nov 2014



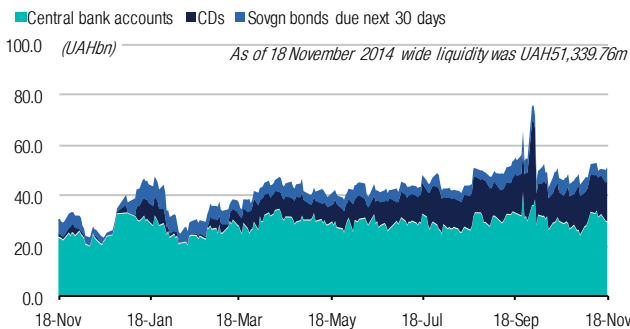
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 18 Nov 2014



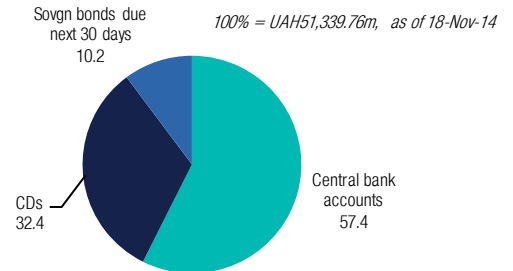
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 5. Banking sector liquidity (UAHbn), last 12-month period



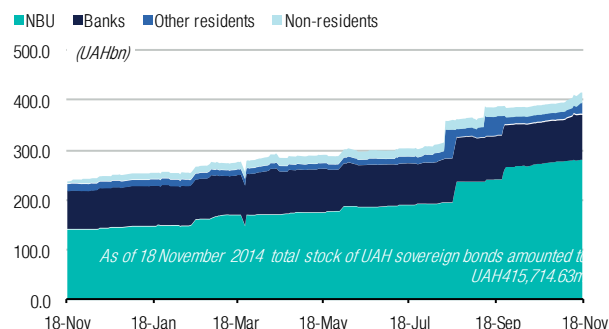
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 18 Nov 2014



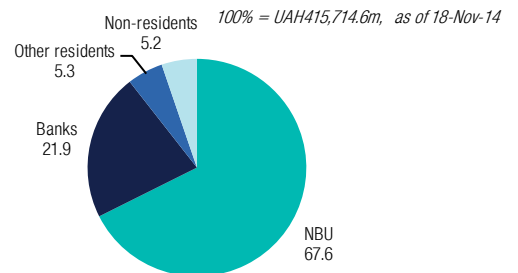
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 7. Holders of sovereign bonds (UAHbn), last 12 months



Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

Chart 8. Domestic sovereign debt (%) as of 18 Nov 2014



Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

Table 1. Ukrainian stocks (closing prices as of 18-Nov-2014)

Company	Bloomberg Ticker	Listing	Share price performance (% change)					Valuation (US\$)			Free float (FF) & Liquidity					P/E			EV/EBITDA			EV/Sales			Ratios		
			Last price	Daily	MoM	YTD	YoY	Last price	Market cap (m)	EV (m)	FF (%)	FF mkt cap (US\$m)	Last day turnover (US\$ 000)	3M avg. turnover (US\$ 000)	FF share traded (%)	FF turnover (days)	2013	2014E	2014E	2013	2014E	2014E	2013	2014E	2014E	P/B (x)	Debt/Assets (%)
ENERGY																											
Cadogan Petrol...	CAD LN	London	10.63 GBp	+0.0	+11.8	+2.4	-15.0	0.17	38.4	-9.2	40.2	15.4	36.7	20.8	0.10	964	Neg.	N/A	N/A	1.4	N/A	N/A	Neg.	N/A	N/A	0.3	0.0
Centrenerg	CEEN UK	Kiev, UX	7.44 UAH	+2.7	-1.6	+56.0	+45.9	0.48	177.1	222.8	21.7	38.4	30.9	41.1	0.13	785	5.6	4.9	7.4	0.3	3.9	4.0	0.5	0.3	0.3	1.1	16.3
Coal Energy	CLE PW	Warsaw	0.68 PLN	-9.3	-20.0	-35.2	-69.6	0.20	9.1	135.0	25.0	2.3	98.4	40.0	1.04	96	Neg.	N/A	N/A	6.0	N/A	N/A	1.1	N/A	N/A	0.1	39.8
Donbasenergo	DOEN UK	Kiev, UX	29.82 UAH	+3.7	-0.7	+8.1	+12.5	1.92	45.4	96.6	14.2	6.5	10.1	7.8	0.08	1,296	1.3	1.3	1.4	0.1	1.9	1.5	0.3	0.2	0.3	1.1	25.1
JXK Oil & Gas	JXK LN	London	32.50 GBp	-6.1	-13.3	-54.5	-56.4	0.51	87.2	92.3	47.2	41.1	37.0	20.1	0.05	1,951	13.4	14.5	2.6	1.4	1.8	1.4	0.5	0.6	0.5	0.2	5.5
Regal Petroleum	RPT LN	London	5.50 GBp	-12.0	-25.4	-57.7	-64.5	0.09	27.5	-2.6	80.9	22.3	17.5	5.2	0.01	13,131	Neg.	13.8	N/A	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	145.00 UAH	+7.4	-14.7	+60.4	+60.4	9.34	119.5	194.5	5.0	6.0	0.2	1.8	0.02	5,014	3.2	N/A	N/A	1.3	N/A	N/A	0.3	N/A	N/A	1.2	0.0
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.02 UAH	+8.4	-23.8	-50.3	-53.7	0.00	32.1	1,877.7	3.9	1.2	1.0	2.1	0.19	540	Neg.	Neg.	N/A	Neg.	Neg.	N/A	2.0	1.2	N/A	N/A	85.7
Avdiyivsky Cok...	AVDK UK	Kiev, UX	1.92 UAH	+0.2	-24.4	-35.1	-40.3	0.12	24.1	21.0	4.0	1.0	0.4	3.4	0.26	383	Neg.	187.4	0.5	0.1	0.8	N/A	0.0	0.0	0.0	0.1	0.1
Azovstal	AZST UK	Kiev, UX	0.70 UAH	+7.4	+2.3	+4.3	-0.7	0.05	189.3	N/A	4.1	7.8	4.2	10.3	0.09	1,059	Neg.	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	77.35 GBp	-0.5	-10.5	-58.4	-56.7	1.21	711.2	913.7	22.4	159.3	1,134.9	979.0	0.69	144	2.7	2.7	5.9	1.8	1.9	2.9	0.6	0.6	0.7	0.6	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.37 UAH	+4.3	-15.7	-31.1	-34.7	0.02	6.4	7.1	9.0	0.6	0.0	2.3	0.05	2,044	Neg.	0.7	0.4	0.1	0.4	N/A	0.0	0.0	0.0	0.1	0.0
Yenakievo Steel	ENMZ UK	Kiev, UX	18.20 UAH	+5.0	-35.9	-43.1	-46.7	1.17	12.4	3.9	9.4	1.2	2.2	3.0	0.43	232	Neg.	Neg.	N/A	0.7	0.1	N/A	0.0	0.0	N/A	0.8	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	0.49 EUR	+2.1	-2.0	-60.5	-62.3	0.61	56.6	110.7	34.0	19.3	1.2	11.4	0.07	1,538	Neg.	N/A	N/A	Neg.	N/A	N/A	1.6	N/A	N/A	1.1	35.9
Agroliga	AGL PW	Warsaw	10.55 PLN	+5.6	-19.3	-59.3	-64.6	3.13	4.8	5.7	16.7	0.8	5.1	2.7	0.46	216	1.2	N/A	N/A	1.6	N/A	N/A	0.3	N/A	N/A	0.4	5.7
Agroton	AGT PW	Warsaw	1.47 PLN	+2.8	-23.4	-24.6	-35.5	0.44	9.5	54.8	26.2	2.5	78.1	50.5	2.63	38	Neg.	1.4	1.2	20.5	18.3	N/A	0.7	0.6	0.7	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	18.95 PLN	-3.3	-45.4	-71.7	-71.3	5.63	140.7	384.5	31.0	43.7	28.5	68.8	0.24	412	4.4	Neg.	2.5	5.1	3.2	3.6	0.8	0.8	0.8	0.4	38.2
Avangard	AVGR LI	London Intl	5.20 USD	+0.0	-20.0	-55.7	-58.1	5.20	332.1	465.9	21.7	72.1	5.9	63.7	0.03	3,311	1.4	2.9	2.6	1.5	2.6	2.6	0.7	0.8	0.8	0.3	17.8
IMC	IMC PW	Warsaw	6.84 PLN	+1.3	-2.3	-43.7	-50.9	2.03	63.6	204.7	23.9	15.2	0.5	15.1	0.02	5,281	2.4	Neg.	2.4	3.8	3.9	4.1	1.8	1.2	1.1	0.4	38.7
Kernel Holding...	KER PW	Warsaw	25.19 PLN	+2.8	+14.0	-33.8	-41.8	7.48	596.2	1,281.2	58.8	350.4	540.9	835.2	0.20	508	Neg.	4.0	3.7	5.7	3.9	4.1	0.5	0.5	0.5	0.6	39.1
KSG Agro	KSG PW	Warsaw	1.39 PLN	+12.1	+24.1	-87.2	-88.8	0.41	6.2	117.3	34.4	2.1	269.1	252.1	4.23	24	Neg.	0.5	0.3	13.5	N/A	N/A	1.6	1.2	1.1	0.4	44.5
MHP	MHPC LI	London Intl	11.20 USD	+0.9	-4.7	-34.3	-32.4	11.20	1,183.5	2,393.8	22.3	264.2	203.0	831.0	0.17	577	7.6	11.4	4.2	6.1	5.0	4.8	1.6	1.7	1.5	2.0	47.0
Milkiland	MLK PW	Warsaw	2.19 PLN	-8.8	-37.4	-82.5	-82.9	0.65	20.3	146.2	20.0	4.1	11.9	6.4	0.27	372	1.5	Neg.	50.3	4.4	4.8	4.4	0.3	0.4	0.4	0.1	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	1.14 EUR	+0.0	+95.1	-78.8	-76.3	1.43	152.0	879.8	20.0	30.4	0.0	2.0	0.00	63,317	1.7	1.7	0.7	5.3	3.2	2.9	1.8	2.1	2.0	0.4	45.3
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.20 EUR	+0.0	+22.2	-37.5	-33.1	0.25	12.8	188.4	13.1	1.7	1.0	0.2	0.01	13,098	Neg.	N/A	N/A	Neg.	N/A	N/A	5.5	N/A	N/A	0.1	45.5
FINANCIAL SERVICES																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.10 UAH	+0.2	-16.6	-8.6	-13.2	0.01	200.3	N/A	3.8	7.7	26.7	15.9	0.31	321	3.1	Neg.	16.3	N/A	N/A	N/A	N/A	N/A	N/A	0.5	22.4
Ukrsotsbank	USCB UK	Kiev, UX	0.13 UAH	-14.6	-5.1	-31.7	-31.7	0.01	149.7	N/A	4.5	6.7	0.2	0.9	0.03	3,451	Neg.	9.5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.3	28.2

Notes: mln - millions; FF - free float; n/a - not available; neg. - negative; a company name (the left column of the table) is shortened to fit the column and hence in some cases is not displayed in full; *** - P/E is above 10,000x. Sources: Bloomberg, ICU.

FX: News & Comments

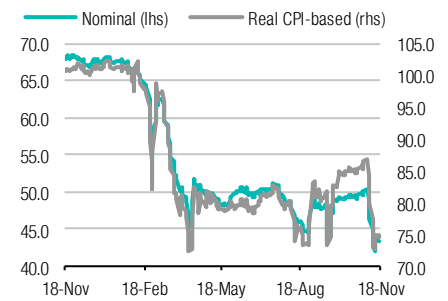
UAH stable as external catalysts subside

The hryvnia appears to be stabilizing as the NBU recorded another small increase in both the official nominal and weighted average exchange rate yesterday. Bloomberg reported the USD/UAH rate closed at 15.529, flat to previous day. Several factors are the cause. First, the US dollar index rally subsided and the DXY index is now trading sideways. Second, the Russian ruble's steep devaluation, which correlated with the US dollar's rally, also stopped. With the ruble hovering around 47/USD, it is only logical for the hryvnia to take a pause after such a rapid and severe decline.

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ICU's UAH trade-weighted indices

(Last 12-month history to 19 Nov 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 18 Nov 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	15.5290	+0.00	-2.03	+20.40	+88.46
NBU avg	15.2602	-0.49	-3.24	+17.83	+87.22
Ttl vlm ¹	433.59	+42.15	+86.62	+2.43	-84.53
\$ volume ²	379.25	+54.37	+139.9	+19.70	-82.85
NDF 3M	16.6500	+0.00	+16.03	+16.03	+96.23
NDF 6M	17.1000	+0.00	+15.54	+15.54	+94.76
NDF 1Y	18.2000	+0.00	+15.56	+15.56	+93.21
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	43.203	-0.49	+1.98	-12.42	-36.03
UAH real CPI	74.413	-0.49	+1.98	-12.42	-26.38
UAH real PPI	106.233	-0.49	+1.98	-12.42	-23.46
USD nom'l	87.575	-0.40	+0.05	+2.90	+9.42
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	46.8545	-0.73	+0.35	+15.28	+42.55
EUR/USD	1.2536	+0.69	+0.49	-1.76	-8.78
USD/CNY	6.1213	-0.09	-0.06	-0.06	+1.11
USD/PLN	3.3635	-0.83	-0.48	+1.74	+11.26
USD/TRY	2.2212	-0.44	-1.57	-1.10	+3.40
USD/BYR	10,850.00	+0.09	+0.79	+1.64	+13.73
USD/KZT	180.9600	+0.02	+0.05	-0.64	+17.30
OTHER MAJOR CURRENCIES					
USD/JPY	116.8600	+0.18	+0.93	+9.34	+10.97
GBP/USD	1.5633	-0.05	-1.80	-2.86	-5.58
USD/CHF	0.9583	-0.68	-0.64	+1.27	+7.32
AUD/USD	0.8720	+0.14	+0.39	-0.27	-2.21
USD/CAD	1.1296	-0.11	-0.35	+0.17	+6.34
USD/BRL	2.5828	-1.00	+1.04	+6.05	+9.34
USD/KRW	1,099.28	+0.49	+0.69	+3.14	+4.71
COMMODITIES					
Gold(\$/oz)	1,196.99	+0.88	+2.81	-3.34	-0.72
WTI crude ³	74.61	-1.36	-4.27	-9.84	-24.19
Brent crd ³	76.85	-0.86	-4.34	-9.71	-30.65
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	265.83	-0.59	-1.60	-2.50	-5.12

Notes: [1] trading volume in all foreign currencies (US\$m); [2] trading volume in the pair USD/UAH (US\$m); [3] crude oil price (USD per barrel); [4] the Thomson Reuters/Jefferies CRB Index. A green-/red-shaded box means gain or loss, respectively, of the investment into the asset. Currencies are gaining when their exchange rates strengthen versus USD.

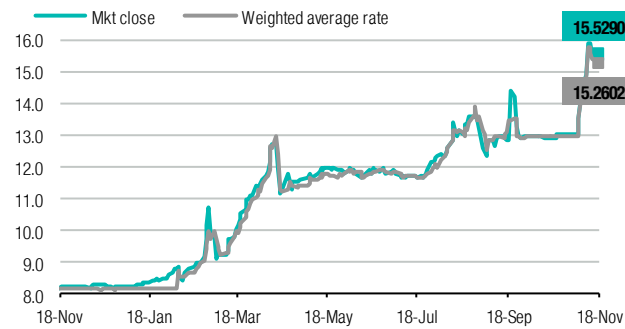
Sources: Bloomberg, Investment Capital Ukraine LLC.

Readers may follow the ICU trade-weighted indices of the local-currency, the hryvnia (UAH), on the ICU [website](#) and Bloomberg (type: ALLX UTWI <GO>).

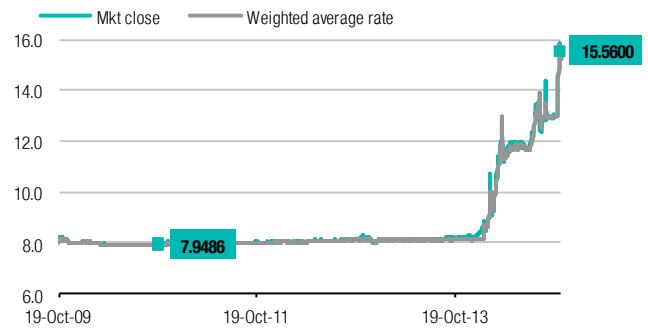
Section on FX market is continued on next page.

Chart page #1: Foreign-exchange market

Chart 9. Spot market rates USD/UAH: last 12-month and 5-year periods (UAH per USD, left and right respectively)

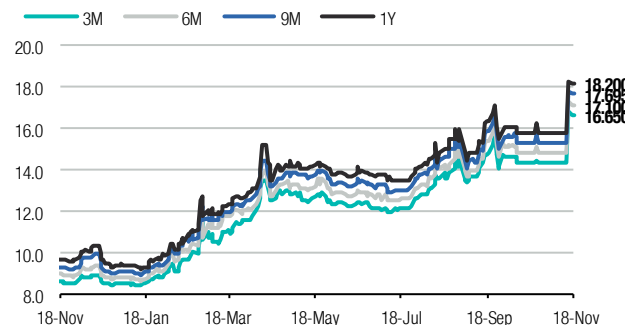


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

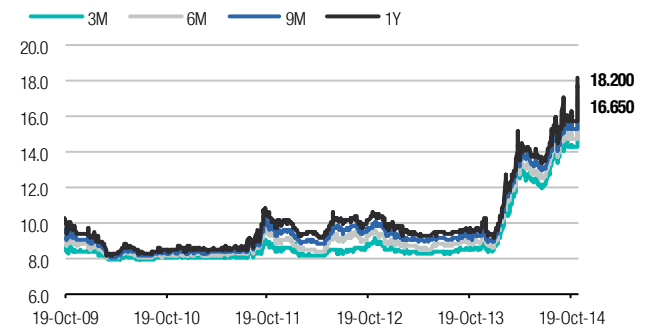


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

Chart 10. NDF market rates USD/UAH: last 12-month and 5-year periods (UAH per USD, left and right respectively)

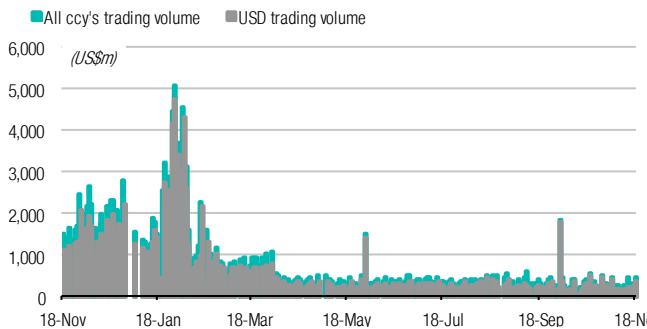


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

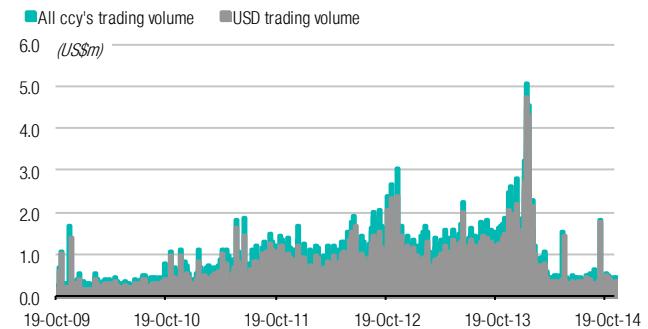


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

Chart 11. Trading volume: last 12-month and 5-year periods (US\$m, left and right respectively)

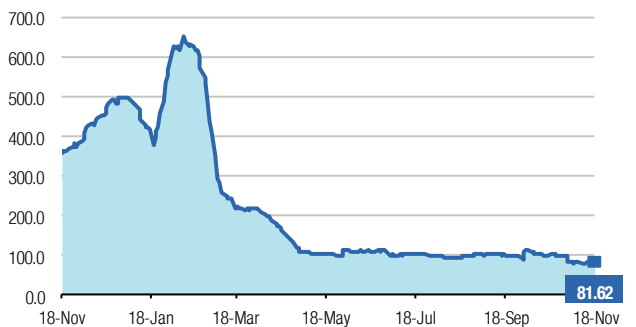


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

Chart 12. 30D MA* ratio of FX market turnover to merchandise trade: last 12m and 5yr periods (% , left and right respectively)

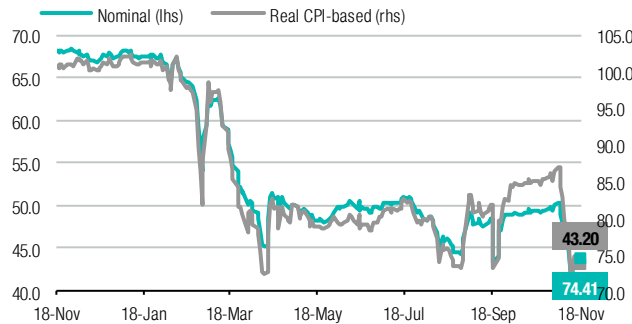


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

Chart page #2: ICU's UAH trade-weighted indices

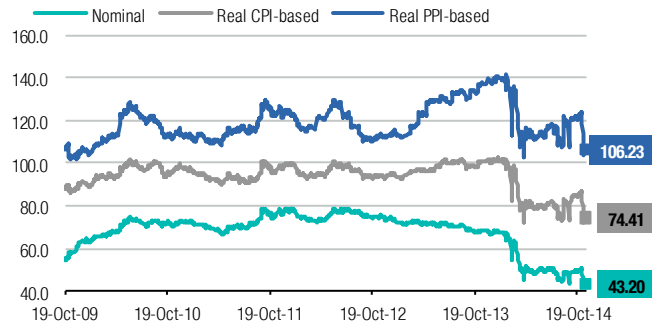
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August 2013.

Chart 13. Nominal and CPI-based real TWIs of UAH, history of last 12-month period



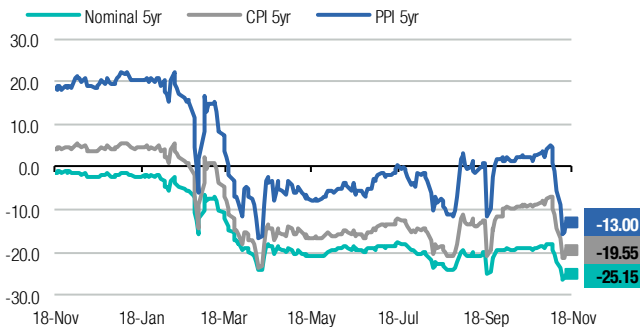
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

Chart 14. Nominal, CPI- and PPI-based TWIs of UAH, history of last 5-year period

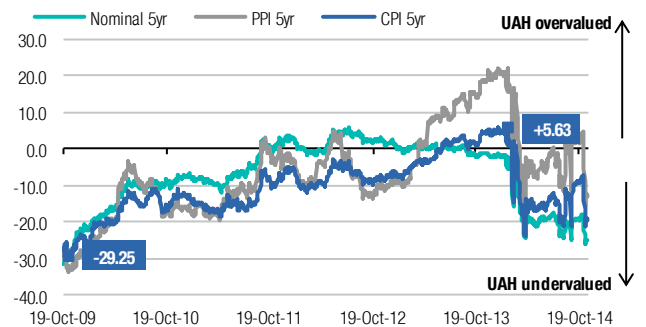


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

Chart 15. Deviation of UAH trade-weighted indices from their 5-year moving averages: last 12-month and 5-year periods (% , left and right respectively)

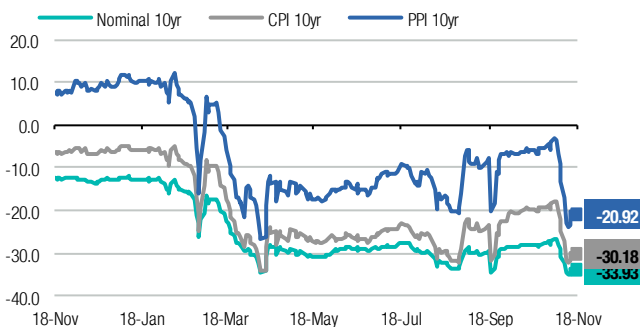


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

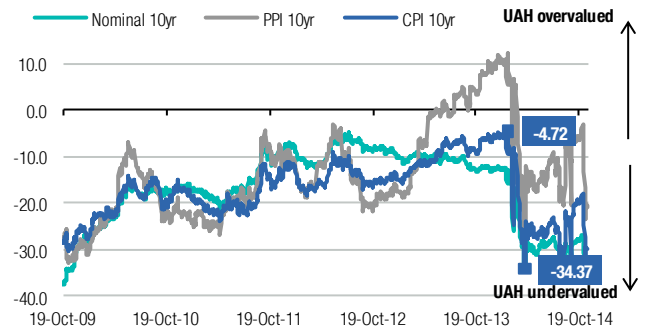


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

Chart 16. Deviation of UAH trade-weighted indices from their 10-year moving averages: last 12-month and 5-year periods (% , left and right respectively)



Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.



Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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Disclosures

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Buy: Forecasted 12-month total return greater than 20%

Hold: Forecasted 12-month total return 0% to 20%

Sell: Forecasted 12-month total return less than 0%

Note: total return is share price appreciation to a target price in relative terms plus forecasted dividend yield.

DEBT RATING DEFINITIONS

Buy: Forecasted 12-month total return significantly greater than that of relevant benchmark

Hold: Forecasted 12-month total return is in line with or modestly deviates from relevant benchmark

Sell: Forecasted 12-month total return significantly less than that of relevant benchmark



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