



Focus  
**Ukraine**

Scope  
**Economics, bonds, equity & FX markets**

Research team  
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# Daily Insight

## 3Q 2014 fixed investments hit a record low

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**TUESDAY, 25 NOVEMBER 2014**

### UX Index (3 months to 25 Nov 2014)



Source: UX.

### Key market indicators (as of 24 Nov 2014)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	15.1000	-0.66	+83.25
USD/UAH (1Y NDF)	18.2000	+0.00	+93.21
EUR/USD	1.2442	+0.41	-9.47
USD/RUB	44.8364	-2.18	+36.41
KievPRIME O/N (%)	11.00	+0bp	+320bp
KievPRIME 1M (%)	17.00	+0bp	+75bp

### SOVEREIGN EUROBONDS: yields and spreads

Ukraine 15, Eurobond (%)	24.96	+168bp	+1,661bp
Ukraine 17, Eurobond (%)	17.53	+94bp	+797bp
Ukraine 22, Eurobond (%)	12.13	+63bp	+279bp
Ukraine 23, Eurobond (%)	12.09	+59bp	+304bp
Ukraine 5Y CDS	1,526bp	+24bp	+710bp

### EQUITIES

Stock market indices			
UX (Ukraine)	988.50	+0.62	+8.62
MSCI World	426.24	+0.22	+4.33
MSCI EM	1,011.23	+0.69	+0.85
RTS (Russia)	1,076.16	+1.64	-25.41
WIG-20 (Poland)	2,410.65	-0.31	+0.40
S&P 500 (USA)	2,069.41	+0.29	+11.96

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

## 3Q 2014 fixed investments hit a record low

In its quarterly report on fixed investments for January-September 2014, the State Statistics Office announced that investments over the nine-month period declined by 27.0% to UAH135.5bn versus an 18.9% decline to UAH167.0bn during the same period last year. The Donetsk and Lugansk oblasts, both of which have been affected by war and account for 9.5% and 2.9% of the total, fell most significantly, down 49.2% and 51.2%, respectively (each declined 45% in nominal terms). However, investment contraction was widespread with only two western oblasts - Ivano-Frankivsk and Khmelnytsk - posting growth of 26.9% and 10.0%, respectively. Nine-month investment activity showed an economy-wide contraction across all sectors: the industrial sector, with the largest share of 40.6%, fell 25.4%; the transportation sector was down 27.1%; and the telecom sector declined 22.1%..

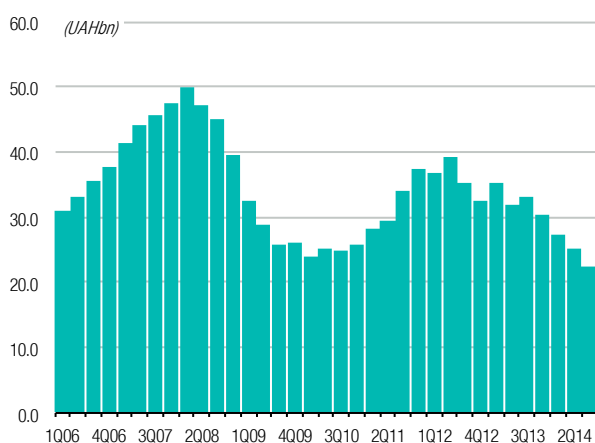
The seasonally-adjusted CPI quarterly volume of investments in 3Q 2014 hit the lowest point seen since this statistical data began to be reported in 1Q 2006. According to our calculations, 3Q volume of investments declined 11.1% from the previous quarter and 32.6% YoY. Overall, investments have consistently declined quarter-on-quarter from 4Q 2013 through 3Q 2014 (see charts below).

We expect declines to continue, albeit at a slower pace, but still resulting in extended contraction. Although 2H 2014 appears to mark the low point of investment activity in Ukraine over the past 10 years, this contraction is expected to end in 2015 as the new government shows economic results as it contains militarist Russia and follows the IMF program.

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**Chart 1. Quarterly volume of fixed-investments (UAHbn)**

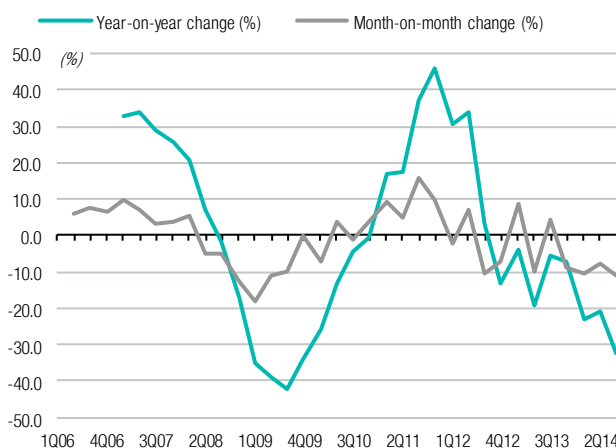
*At constant prices of December 2005. Seasonally-adjusted data  
History from 1Q of 2006 through 3Q of 2014*



Sources: State Statistics Service of Ukraine, ICU.

**Chart 2. Growth rates of fixed-investments (%)**

*At constant prices of December 2005. Seasonally-adjusted data  
History from 1Q of 2006 through 3Q of 2014*



Sources: State Statistics Service of Ukraine, ICU.

# Bonds: News & Comments

## Liquidity declines due to tax payments

Banking sector liquidity continued its decline yesterday which began last Thursday. While the NBU has decreased the total volume of ON loans since Wednesday, quarterly tax payments schedule through 20 November and month-end tax payments that began on Friday had a negative impact on liquidity. As ON loans declined UAH0.47bn to UAH0.81bn last Friday, broader banking sector liquidity were down a significant UAH1.65bn to UAH50.28bn yesterday. Banks' correspondent accounts with the NBU fell UAH1.48bn to UAH27.29bn while total CDs outstanding slid UAH0.17bn to UAH17.91bn. Total debt repayments scheduled for the next 30 days remained steady at UAH5.09bn last Friday.

KyivPrime interest rates remained unchanged since last Wednesday with the KyivPrime ON interest rate at 11.00% and the KyivPrime 1M rate at 17.00%.

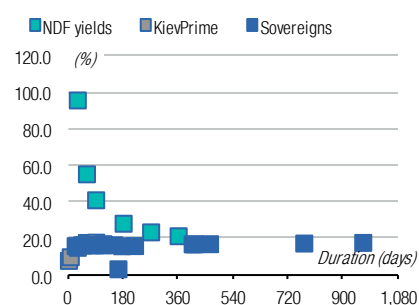
## Eurobond YTM's increase

After a few days of improvement, Ukrainian Eurobond spreads to the benchmark significantly widened yesterday in reaction to news developments over the weekend. The sovereign yield curve adjusted to 12.09-23.10% and YTM's of bonds maturing in 2020-2023 once more rose above 12%.

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## Yield curve of the local bond market

(as of market close on 24 Nov 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

## Bond market indicators (as of 24 Nov 2014)

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

### MONEY MARKET KIEV PRIME RATES (%)

O/n	11.00	+0bp	-25bp	+120bp	+320bp
1wk	12.00	+0bp	+0bp	+80bp	+220bp
1m	17.00	+0bp	+0bp	+65bp	+75bp
2m	18.00	+0bp	+0bp	+0bp	+160bp
3m	18.00	+0bp	+0bp	+0bp	+200bp

### LIQUIDITY WIDE MEASUREMENT (UAHm)

CB acc's <sup>1</sup>	27,288	-5.15	-8.37	+2.60	-16.56
CDs <sup>2</sup>	17,907	-0.92	+17.18	+38.52	+2,440.0
Sovgns <sup>3</sup>	5,014	+7.24	-4.17	-1.51	+235.4
<b>Total</b>	<b>50,209</b>	<b>-2.54</b>	<b>-0.17</b>	<b>+12.54</b>	<b>+43.86</b>

### HOLDERS OF UAH SOVEREIGN BONDS (UAHm)

C.bank	283,451	+0.00	+0.86	+3.21	+95.68
Banks	86,187	-2.54	-5.50	+2.84	+7.51
Resid's <sup>4</sup>	21,418	-0.15	-3.18	+49.37	+72.77
Non-res <sup>5</sup>	21,118	-0.12	-2.84	+9.56	+80.51
<b>Total</b>	<b>412,174</b>	<b>-0.55</b>	<b>-0.94</b>	<b>+5.13</b>	<b>+65.45</b>

### 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 <sup>6</sup>	N/A	+87bp	+0bp	+87bp	-77ppt

### EUROBONDS USD SOVEREIGN BOND YIELDS (%)

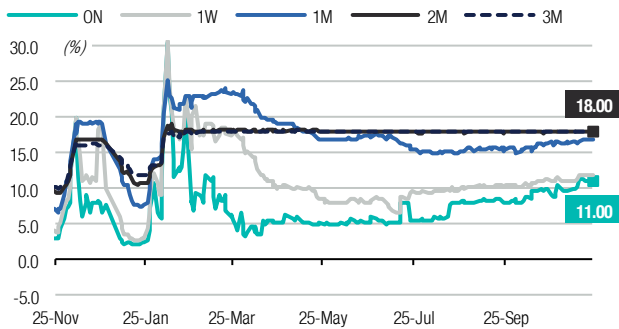
CDS 5yr	1,526	+24bp	-1bp	+301bp	+710bp
Jun '16	18.81	+119bp	-101bp	+460bp	+992bp
Jul '17	17.53	+94bp	-79bp	+408bp	+797bp
Sep '20	12.31	+33bp	-69bp	+155bp	+312bp
Sep '21	12.20	+38bp	-52bp	+147bp	+298bp
Sep '22	12.13	+63bp	-19bp	+160bp	+279bp
Feb '23	12.09	+59bp	-18bp	+176bp	+304bp

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.

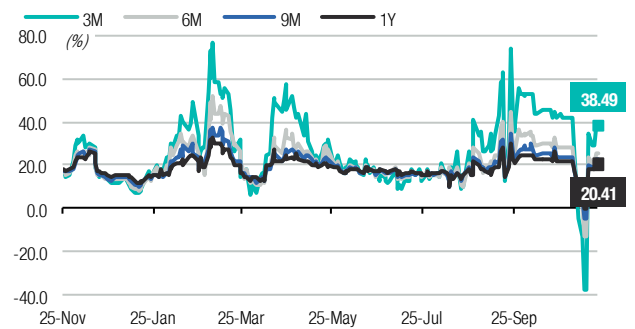
Chart page: Local bond market & Eurobond markets

Chart 3. Kiev Prime rates (%), last 12-month period



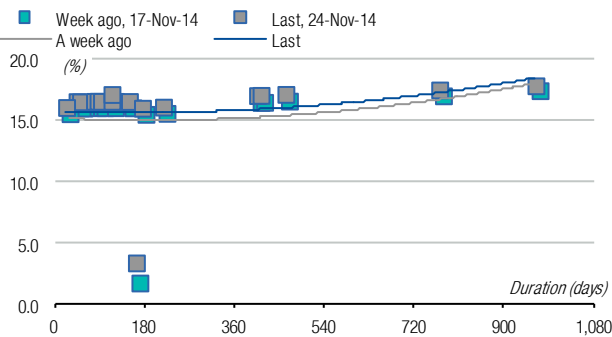
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. UAH NDF implied yields (%), last 12-month period



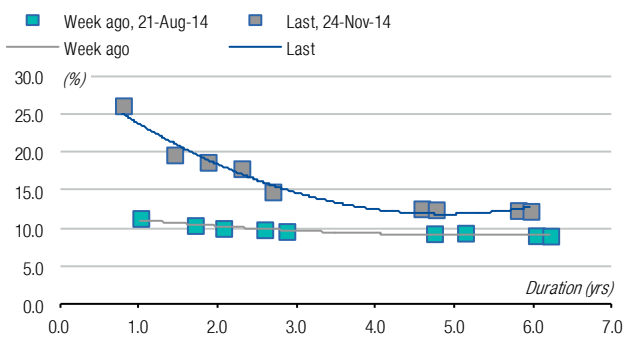
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 5. UAH sovereign yield curve (%) as of 24 Nov 2014



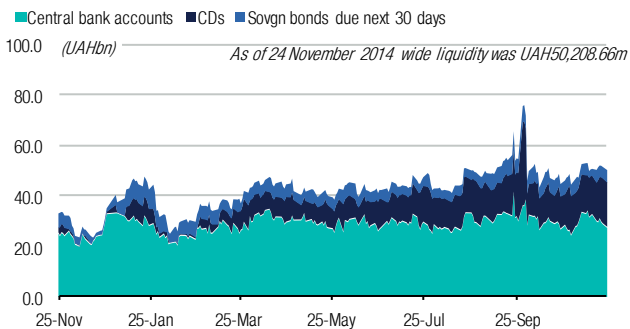
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 6. USD sovereign yield curve (%) as of 24 Nov 2014



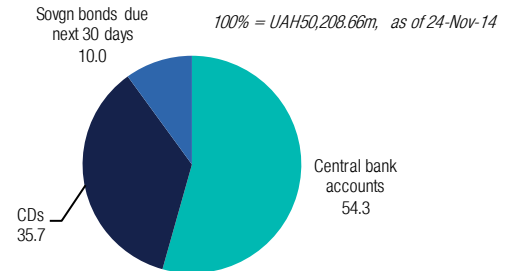
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 7. Banking sector liquidity (UAHbn), last 12-month period



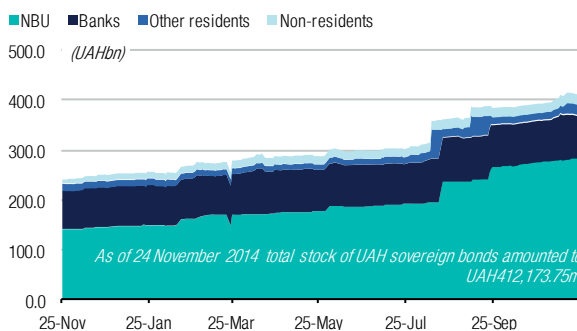
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 8. Breakdown of liquidity pool (%) as of 24 Nov 2014



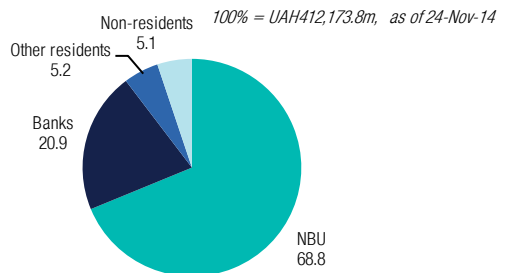
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 9. Holders of sovereign bonds (UAHbn), last 12 months



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

Chart 10. Domestic sovereign debt (%) as of 24 Nov 2014



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

Table 1. Ukrainian stocks (closing prices as of 24-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 (%)	
<b>ENERGY</b>																												
Cadogan Petrol...	CAD LN	London	10.75 GBp	+0.0	+10.3	+3.6	-14.0	0.17	39.0	-8.6	40.2	15.7	4.7	22.8	0.12	809	Neg.	N/A	N/A	1.3	N/A	N/A	Neg.	N/A	N/A	0.3	0.0	
Centrenerg	CEEN UK	Kiev, UX	7.43 UAH	-0.2	-1.8	+55.8	+44.1	0.49	182.1	229.1	21.7	39.5	16.7	41.4	0.11	938	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	0.67 PLN	-2.9	-16.3	-36.2	-68.4	0.20	8.9	134.8	25.0	2.2	5.4	39.7	1.00	100	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	32.16 UAH	+0.9	-3.2	+16.6	+13.2	2.13	50.4	103.1	14.2	7.2	0.5	8.7	0.07	1,473	1.4	1.4	1.5	0.1	2.0	1.5	0.3	0.2	0.3	1.2	25.1	
JXK Oil & Gas	JXK LN	London	28.00 GBp	-3.4	-26.3	-60.8	-61.9	0.44	75.4	80.5	47.2	35.6	160.5	22.7	0.11	951	11.6	12.6	2.3	1.2	1.6	1.3	0.4	0.5	0.4	0.2	5.5	
Regal Petroleum	RPT LN	London	5.63 GBp	+0.0	-13.5	-56.7	-63.7	0.09	28.3	-1.8	80.9	22.9	1.0	5.3	0.01	10,714	Neg.	14.1	N/A	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	0.2	0.0	
Zakhidenergo	ZAEN UK	Kiev, PFTS	148.00 UAH	+0.0	-8.6	+63.7	+71.9	9.82	125.6	202.8	5.0	6.3	0.0	1.9	0.02	5,270	3.3	N/A	N/A	1.3	N/A	N/A	0.3	N/A	N/A	1.3	0.0	
<b>METALLURGY</b>																												
Alchevsky Meta...	ALMK UK	Kiev, UX	0.02 UAH	+3.2	-25.2	-49.5	-53.2	0.00	33.5	1,933.8	3.9	1.3	1.1	2.2	0.19	533	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	-2.9	-27.8	-35.2	-41.5	0.13	24.8	21.6	4.0	1.0	1.1	3.5	0.24	413	Neg.	187.2	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	-0.1	-6.0	+5.1	-2.4	0.05	196.4	N/A	4.1	8.1	8.5	11.0	0.10	1,026	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	71.15 GBp	-2.9	-18.4	-61.7	-58.2	1.12	656.9	859.3	22.4	147.1	855.8	939.3	0.72	139	2.5	2.5	5.5	1.7	1.8	2.8	0.5	0.6	0.6	0.6	35.1	
Yasynivsky Cok...	YASK UK	Kiev, UX	0.31 UAH	+3.7	-33.8	-41.3	-44.7	0.02	5.6	6.4	9.0	0.5	0.1	2.0	0.06	1,583	Neg.	0.6	0.3	0.1	0.4	N/A	0.0	0.0	0.0	0.1	0.0	
Yenakievo Steel	ENMZ UK	Kiev, UX	19.21 UAH	+4.9	-34.8	-40.0	-44.3	1.27	13.4	4.7	9.4	1.3	4.4	3.5	0.45	220	Neg.	Neg.	N/A	0.8	0.2	N/A	0.0	0.0	N/A	0.9	0.0	
<b>FOOD AND AGRIBUSINESS</b>																												
AgroGeneration	ALAGR FP	EN Paris	0.47 EUR	+0.0	-4.1	-62.1	-63.8	0.58	54.0	107.6	34.0	18.3	14.8	11.5	0.07	1,427	Neg.	N/A	N/A	Neg.	N/A	N/A	1.6	N/A	N/A	1.0	35.9	
Agroliga	AGL PW	Warsaw	8.40 PLN	-19.2	-31.4	-67.6	-70.9	2.49	3.8	4.7	16.7	0.6	3.1	2.2	0.48	210	1.0	N/A	N/A	1.3	N/A	N/A	0.2	N/A	N/A	0.3	5.7	
Agroton	AGT PW	Warsaw	1.23 PLN	-12.8	-35.9	-36.9	-44.6	0.36	7.9	53.2	26.2	2.1	81.5	43.9	3.26	31	Neg.	1.1	1.0	19.9	17.7	N/A	0.7	0.6	0.7	0.1	28.4	
Astarta Holdin...	AST PW	Warsaw	16.92 PLN	-7.5	-48.7	-74.7	-74.8	5.01	125.2	367.3	31.0	38.9	31.1	63.4	0.27	371	3.9	Neg.	2.2	4.8	3.1	3.4	0.8	0.8	0.8	0.4	38.2	
Avangard	AVGR LI	London Intl	4.90 USD	-2.0	-24.2	-58.3	-60.2	4.90	313.0	446.7	21.7	67.9	20.6	60.1	0.04	2,773	1.3	2.8	2.5	1.5	2.5	2.5	0.7	0.8	0.8	0.8	0.3	17.8
IMC	IMC PW	Warsaw	6.75 PLN	-0.7	-2.2	-44.4	-52.0	2.00	62.6	203.7	23.9	14.9	0.2	14.8	0.02	4,672	2.4	Neg.	2.4	3.8	3.9	4.0	1.8	1.2	1.1	0.4	38.7	
Kernel Holding...	KER PW	Warsaw	24.38 PLN	-0.3	+3.8	-36.0	-45.2	7.22	575.2	1,260.2	58.8	338.1	942.8	817.1	0.19	526	Neg.	3.8	3.5	5.7	3.8	4.0	0.5	0.5	0.5	0.6	39.1	
KSG Agro	KSG PW	Warsaw	1.20 PLN	-4.0	+11.1	-88.9	-89.8	0.36	5.3	116.4	34.4	1.8	36.0	223.3	4.95	20	Neg.	0.4	0.3	13.4	N/A	N/A	1.6	1.2	1.0	0.3	44.5	
MHP	MHPC LI	London Intl	11.25 USD	+2.3	+1.2	-34.0	-34.3	11.25	1,188.8	2,319.2	22.3	265.3	89.0	830.5	0.11	937	7.6	11.5	4.2	5.9	4.9	4.6	1.6	1.7	1.5	2.3	47.0	
Milkiland	MLK PW	Warsaw	1.99 PLN	-1.5	-43.0	-84.1	-84.3	0.59	18.4	143.4	20.0	3.7	4.8	6.2	0.28	358	1.4	Neg.	45.9	4.3	4.8	4.3	0.3	0.4	0.4	0.1	30.8	
Mriya Agrohold...	MAYA GF	Frankfurt	0.80 EUR	+0.0	+39.1	-85.2	-83.4	0.99	105.6	833.4	20.0	21.1	6.4	1.5	0.00	25,490	1.2	1.2	0.5	5.1	3.1	2.8	1.7	2.0	1.9	0.2	45.3	
Ovostar Union	OVO PW	Warsaw	70.00 PLN	-2.8	+2.2	-30.0	-26.7	20.73	124.4	134.0	25.0	31.1	2.1	24.5	0.15	661	4.1	6.5	5.6	3.6	4.9	4.4	1.5	1.7	1.4	0.9	8.5	
<b>CONSTRUCTION</b>																												
TMM	TR61 GF	Xetra	0.17 EUR	+0.0	+1.9	-47.9	-44.4	0.21	10.6	186.2	13.1	1.4	0.0	0.2	0.01	10,915	Neg.	N/A	N/A	Neg.	N/A	N/A	5.5	N/A	N/A	0.1	45.5	
<b>FINANCIAL SERVICES</b>																												
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.10 UAH	+0.5	-15.8	-9.2	-16.8	0.01	205.0	N/A	3.8	7.8	0.8	16.5	0.32	309	3.0	Neg.	16.2	N/A	N/A	N/A	N/A	N/A	N/A	0.5	22.4	
Ukrsotsbank	USCB UK	Kiev, UX	0.15 UAH	+0.0	+0.7	-20.0	-22.6	0.01	180.5	N/A	4.5	8.1	0.0	1.1	0.02	4,355	Neg.	11.1	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

## Hryvnia up, global FX markets supportive

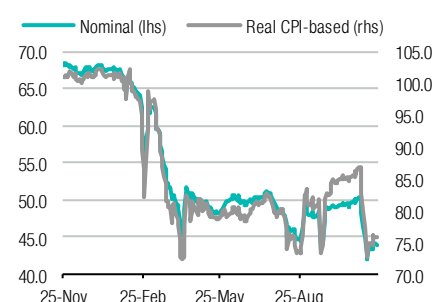
Although the domestic FX market was mostly calm, the financial media absorbed the news that the NBU put the midsized bank VAB into receivership. The local financial market's calm reaction to this news appears to have happened because it was expected. The NBU held an additional auction to determine a going exchange rate at 15.05 (up from 15.09 on Friday), while the weighted average rate was 15.06 (up 0.23%).

Globally, the Chinese central bank inspired a rally that weakened the US dollar and lifted other currencies yesterday. In particular, the ruble rose a phenomenal 2.18% on the back of a domestic liquidity squeeze and tax payments, while the euro rose 0.41%, supported by an upward move of the benchmark IFO index and by anti-QE statements by the central bank heads in Germany and Austria. Overall, the hryvnia's real trade-weighted index declined 0.11%, a move that supports the Ukrainian currency's market (nominal) value.

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### ICU's UAH trade-weighted indices

(Last 12-month history to 25 Nov 2014)



Source: Investment Capital Ukraine LLC.

### FX market indicators (as of 24 Nov 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	15.1000	-0.66	-2.76	+16.15	+83.25
NBU avg	15.0608	-0.23	-1.79	+16.30	+84.78
Ttl vlm <sup>1</sup>	305.58	+28.31	+0.18	+37.39	-89.10
\$ volume <sup>2</sup>	246.97	+59.91	+0.53	+56.57	-88.83
NDF 3M	16.6500	+0.00	+0.00	+16.03	+96.23
NDF 6M	17.1000	+0.00	+0.00	+15.54	+94.76
NDF 1Y	18.2000	+0.00	+0.00	+15.56	+93.21
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	43.949	-0.11	+1.23	-11.23	-34.93
UAH real CPI	75.697	-0.11	+1.23	-11.23	-25.11
UAH real PPI	108.067	-0.11	+1.23	-11.23	-22.13
USD nom'l	88.151	-0.18	+0.26	+2.82	+10.14
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	44.8364	-2.18	-5.01	+7.24	+36.41
EUR/USD	1.2442	+0.41	-0.06	-1.81	-9.47
USD/CNY	6.1424	+0.29	+0.25	+0.42	+1.46
USD/PLN	3.3730	-0.49	-0.55	+1.43	+11.58
USD/TRY	2.2301	+0.37	-0.04	-0.07	+3.81
USD/BYR	10,860.00	-0.14	+0.18	+1.12	+13.84
USD/KZT	181.3300	+0.23	+0.22	+0.20	+17.54
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	118.2700	+0.41	+1.39	+9.35	+12.31
GBP/USD	1.5706	+0.32	+0.42	-2.39	-5.14
USD/CHF	0.9665	-0.33	+0.17	+1.53	+8.24
AUD/USD	0.8618	-0.60	-1.03	-1.99	-3.35
USD/CAD	1.1279	+0.41	-0.26	+0.43	+6.18
USD/BRL	2.5461	+1.20	-2.41	+2.92	+7.79
USD/KRW	1,112.53	-0.11	+1.70	+5.20	+5.98
<b>COMMODITIES</b>					
Gold(\$/oz)	1,197.09	-0.37	+0.89	-2.75	-0.71
WTI crude <sup>3</sup>	75.78	-0.82	+0.19	-6.74	-23.00
Brent crd <sup>3</sup>	78.09	-1.40	+0.74	-8.44	-29.53
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	267.19	-0.71	-0.09	-1.12	-4.63

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.

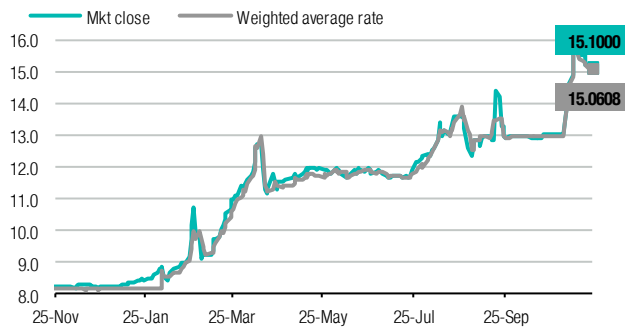
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

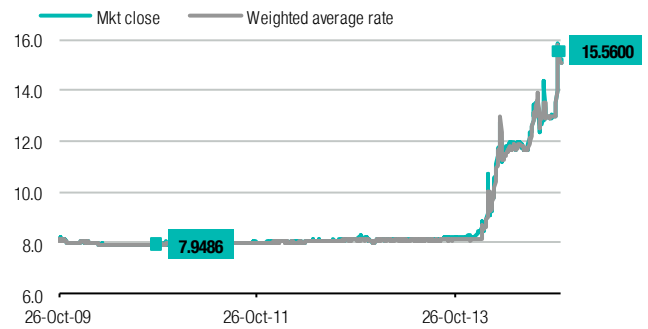
Section on FX market is continued on next page.

Chart page #1: Foreign-exchange market

Chart 11. Spot market rates USD/UAH: last 12-month and 5-year periods (UAH per USD, left and right respectively)

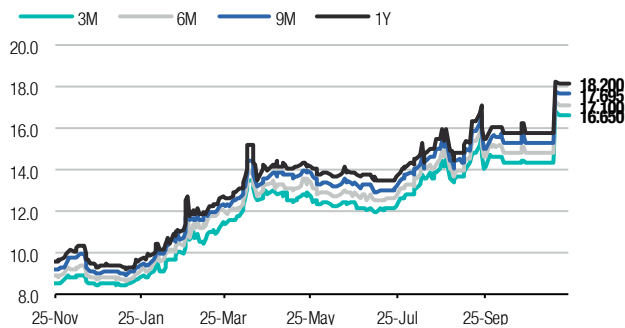


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

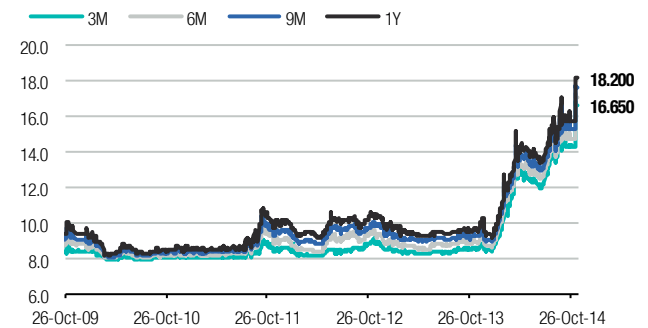


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

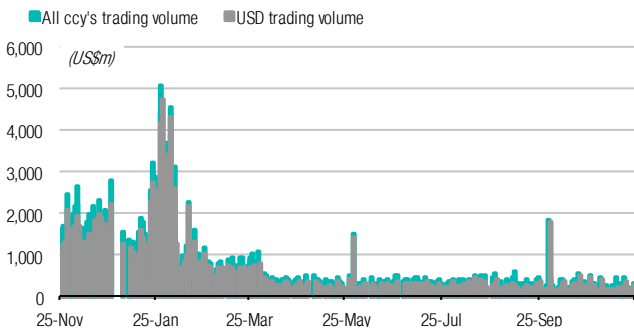


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

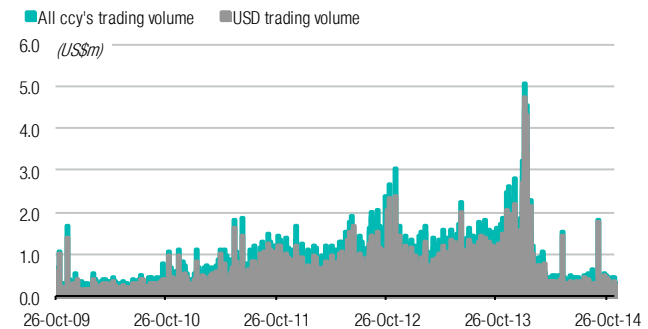


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

Chart 13. Trading volume: last 12-month and 5-year periods (US\$m, left and right respectively)

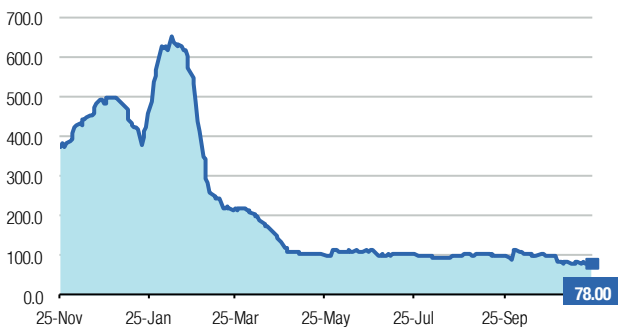


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

Chart 14. 30D MA\* ratio of FX market turnover to merchandise trade: last 12m and 5yr periods (% , left and right respectively)



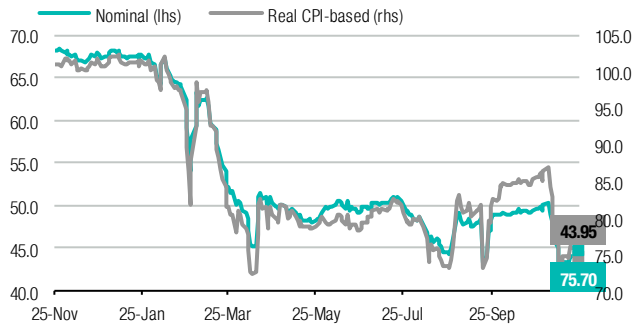
Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

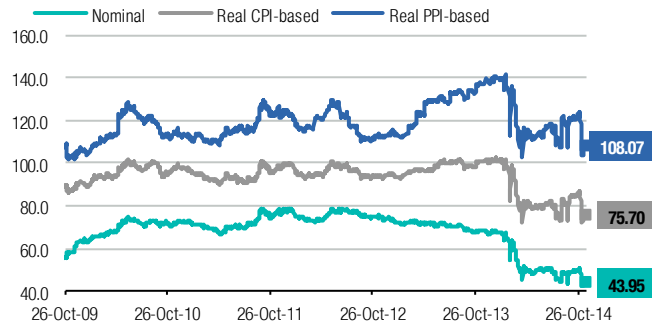
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

**Chart 15. Nominal and CPI-based real TWIs of UAH, history of last 12-month period**



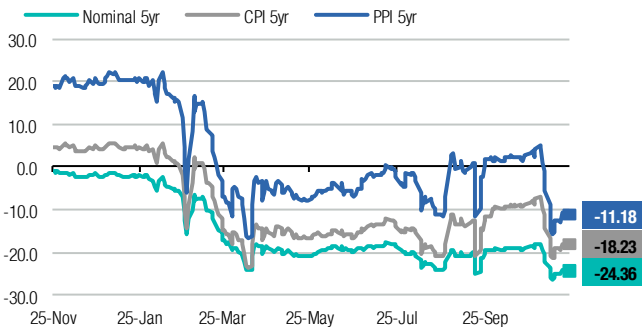
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**Chart 16. Nominal, CPI- and PPI-based TWIs of UAH, history of last 5-year period**

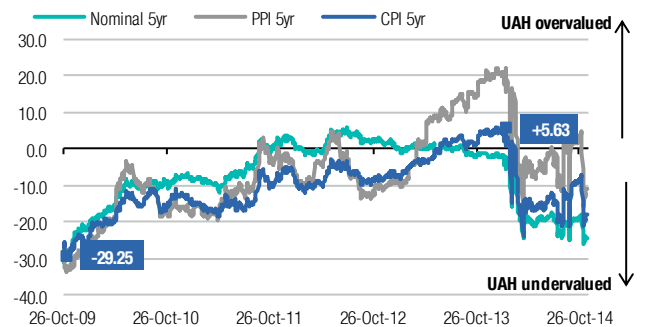


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**Chart 17. Deviation of UAH trade-weighted indices from their 5-year moving averages: last 12-month and 5-year periods (% , left and right respectively)**

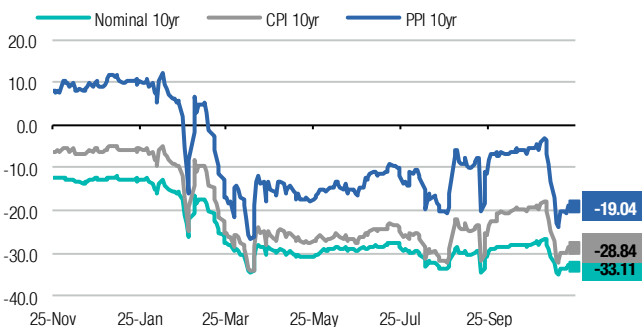


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

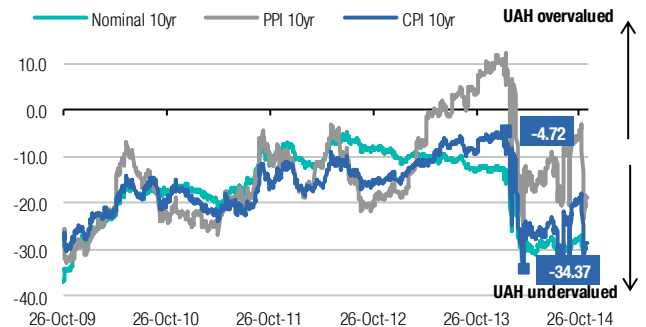


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**Chart 18. 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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**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

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

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