



Focus  
**Ukraine**

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

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# Daily Insight

## Ruble drags down neighboring currencies

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TUESDAY, 2 DECEMBER 2014

### UX Index (3 months to 2 Dec 2014)



Source: UX.

### Key market indicators (as of 1 Dec 2014)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	15.1060	+0.58	+83.33
USD/UAH (1Y NDF)	18.2000	+0.00	+93.21
EUR/USD	1.2470	+0.14	-9.26
USD/RUB	51.6479	+4.41	+57.13
KievPRIME O/N (%)	11.40	+20bp	+360bp
KievPRIME 1M (%)	17.00	+0bp	+75bp
<b>SOVEREIGN EUROBONDS: yields and spreads</b>			
Ukraine 15, Eurobond (%)	29.77	+127bp	+2,141bp
Ukraine 17, Eurobond (%)	20.79	+129bp	+1,123bp
Ukraine 22, Eurobond (%)	13.54	+69bp	+420bp
Ukraine 23, Eurobond (%)	13.29	+54bp	+424bp
Ukraine 5Y CDS	1,646bp	+95bp	+830bp
<b>EQUITIES</b>			
<b>Stock market indices</b>			
UX (Ukraine)	989.12	+1.79	+8.69
MSCI World	422.84	-0.70	+3.50
MSCI EM	985.08	-1.95	-1.76
RTS (Russia)	958.33	-1.64	-33.58
WIG-20 (Poland)	2,417.11	+0.01	+0.67
S&P 500 (USA)	2,053.44	-0.68	+11.10

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.

# Bonds: News & Comments

## Liquidity down due to tax payments

As last Friday was the last day of month-end tax payments, banking sector liquidity significantly fell a substantial UAH3.30bn to UAH44.92bn yesterday as banks' correspondent accounts with the NBU declined UAH1.90bn to UAH25.15bn and total CDs outstanding were down UAH1.39bn to UAH14.96bn. Total debt repayments scheduled for the next 30 days remained steady at UAH4.82bn.

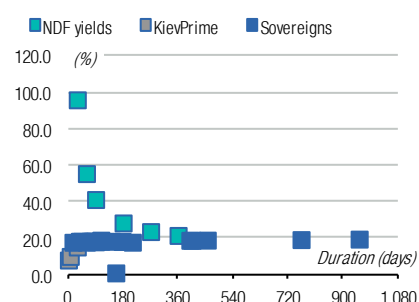
KyivPrime interest slightly diverged: the KyivPrime ON interest rate rose again yesterday, up 20bp to 11.40%, while the KyivPrime 1M interest rate remained steady at 17.00%.

**Investment implications: The NBU significantly decreased CDs outstanding to support banks' correspondent accounts with the NBU to bolster liquidity from too steep of a decline.**

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## Yield curve of the local bond market

(as of market close on 1 Dec 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

## Bond market indicators (as of 1 Dec 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
O/n	11.40	+20bp	+40bp	+320bp	+360bp
1wk	12.20	+10bp	+20bp	+180bp	+240bp
1m	17.00	+0bp	+0bp	+130bp	+75bp
2m	18.00	+0bp	+0bp	+0bp	+160bp
3m	18.00	+0bp	+0bp	+0bp	+200bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	25,145	-7.04	-7.85	-34.37	-23.11
CDs <sup>2</sup>	14,962	-8.52	-16.45	-47.44	+2,022.3
Sovgns <sup>3</sup>	5,019	+11.42	+0.09	-4.75	+235.7
<b>Total</b>	<b>45,126</b>	<b>-5.81</b>	<b>-10.12</b>	<b>-37.37</b>	<b>+29.29</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	284,051	+0.00	+0.21	+6.63	+96.10
Banks	84,101	+0.08	-2.42	-2.28	+4.91
Resid's <sup>4</sup>	21,520	-0.14	+0.47	+52.28	+73.59
Non-res <sup>5</sup>	21,033	-0.10	-0.40	+7.98	+79.79
<b>Total</b>	<b>410,704</b>	<b>+0.00</b>	<b>-0.36</b>	<b>+6.38</b>	<b>+64.86</b>
<b>NDF IMPLIED YIELDS (%)</b>					
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
<b>LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)</b>					
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	+388bp	-77ppt
<b>EUROBONDS USD SOVEREIGN BOND YIELDS (%)</b>					
CDS 5yr	1,646	+95bp	+120bp	+350bp	+830bp
Jun '16	22.67	+100bp	+386bp	+801bp	+14bp
Jul '17	20.79	+129bp	+326bp	+651bp	+11bp
Sep '20	14.36	+73bp	+206bp	+334bp	+517bp
Sep '21	14.35	+73bp	+215bp	+331bp	+513bp
Sep '22	13.54	+69bp	+141bp	+310bp	+420bp
Feb '23	13.29	+54bp	+120bp	+293bp	+424bp

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.

### Metinvest's 9M14 EBITDA rises, 2015 bond restructuring successful

In its 9M14 trading update released yesterday, Metinvest reported its EBITDA up 13% YoY to US\$2.046bn, despite the company's revenues from sales dropped 14% YoY to US\$8.461bn. As Metinvest's net debt decreased from 31 December 2013 by 8% to US\$3.23bn as of 30 September 2014, the company's net debt/LTM EBITDA ratio improved from 1.5x to 1.3x, respectively.

In a separate statement, Metinvest reported it accepted for the exchange offer a US\$386m nominal value of its Eurobond notes due April 2015. Following this exchange, the existing notes with a US\$114m nominal value and a 10.25% interest rate remained outstanding. As a result, Metinvest released new notes with a maturity in November 2017 at a 10.5% interest rate and a nominal value of US\$289.7m, with a cash component paid in the amount of US\$96.6m.

**Table 1. Metinvest's Eurobond quotation as of market close, 01 December 2014**

Issuer	Moody's/ S&P/Fitch	Ccy	Volume	Coupon (%)	Maturity	Price (%)	YTW (%)	Spread (bp)
Metinvest	Caa2/--/CCC	USD	114m	10.25	20-May-15	82.50	57.64	5,757
Metinvest	--/--/--	USD	290m	10.50	24-Nov-17	99.99	10.50	959
Metinvest	Caa2/--/CCC	USD	750m	8.75	14-Feb-18	66.50	24.401	2,286

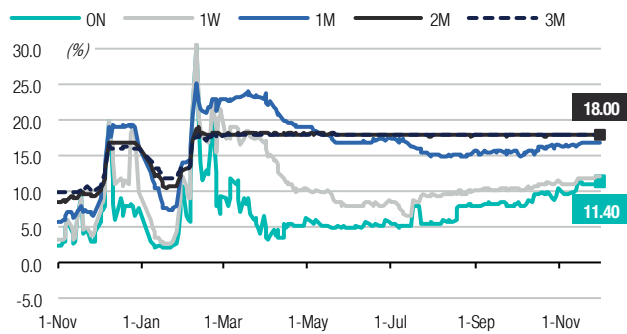
Source: Bloomberg

**Investment implications:** While Metinvest's selling steel prices declined insignificantly YoY, in line with the FOB Black Sea benchmark, the Metallurgical division's revenues take the brunt from raw material supply disruptions at Azovstal and Ilyich Steel and operations shutdown at Yenakieve Steel as a result of the military conflict in Eastern Ukraine. The Mining division's revenues were hit most of all by rapidly falling benchmark prices for iron ore and lower iron ore sales volumes, which declined faster than production. Nevertheless, the negative impact from lower sales volumes and prices was fully absorbed by the FOREX effect of the hryvnia's depreciation, which contributed to EBITDA US\$1bn, and savings effect from lower consumption and prices of raw materials (plus another US\$0.5bn to EBITDA). We expect that the military conflict and lower iron ore prices will even further undermine Metinvest's EBITDA in 4Q14, however the FOREX impact from lower hryvnia will also strengthen. As a result, we believe that the whole-year EBITDA of Metinvest will be in the range of US\$2.0-2.3bn in 2014, not far from its 2013 level, US\$2.3bn. In an increasingly challenging environment, we view the successful finalization of Metinvest's 2015 note restructuring as important for the company's efforts to minimize cash flow losses.

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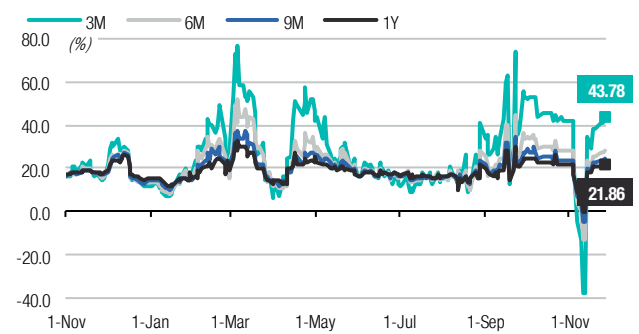
Chart page: Local bond market & Eurobond markets

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



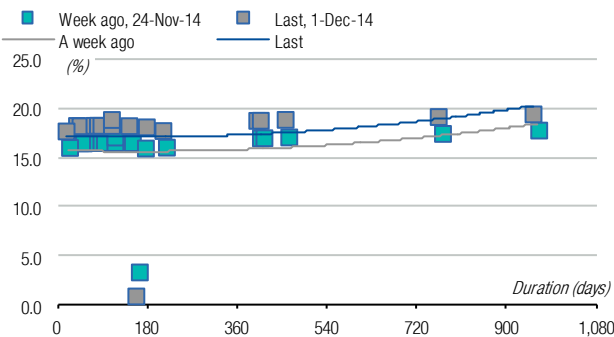
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



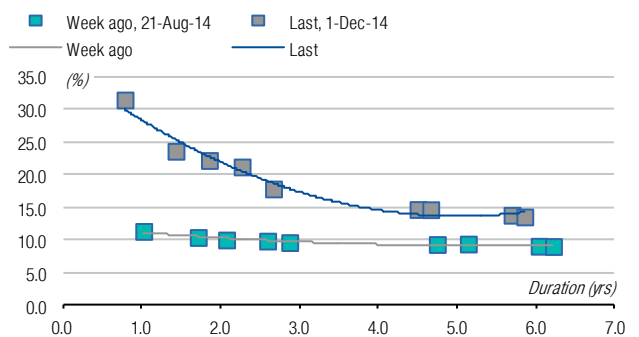
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 1 Dec 2014



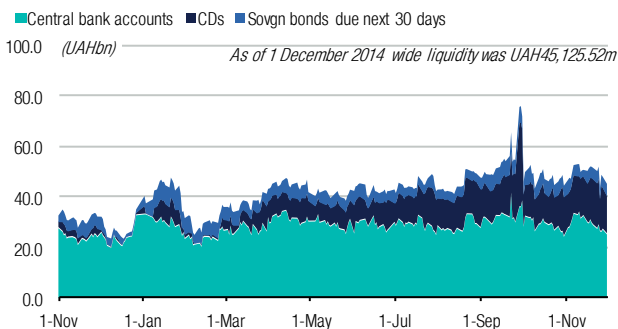
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 1 Dec 2014



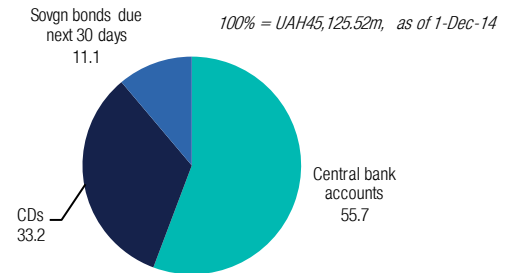
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



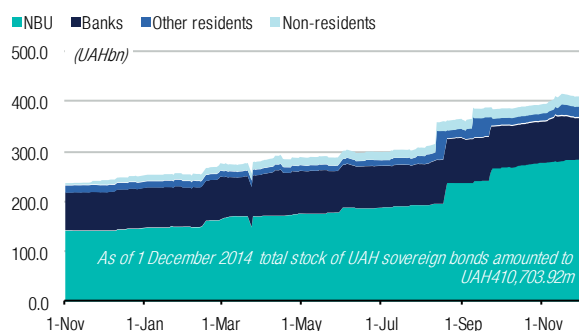
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 1 Dec 2014



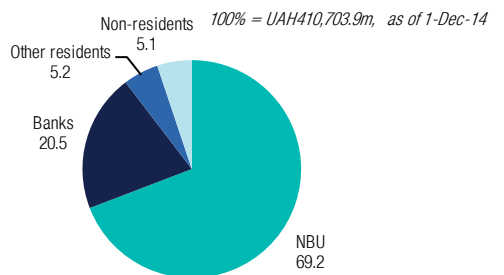
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 1 Dec 2014



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

Table 2. Ukrainian stocks (closing prices as of 1-Dec-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	10.63 GBp	-1.2	+3.7	+2.4	-15.0	0.17	38.6	-9.0	40.2	15.5	154.6	24.1	0.16	620	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	7.47 UAH	+1.2	-1.8	+56.7	+50.5	0.49	182.7	229.6	21.7	39.7	88.5	42.3	0.11	894	5.7	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	0.65 PLN	+1.6	-21.7	-38.1	-65.6	0.19	8.7	134.6	25.0	2.2	6.9	37.5	0.88	113	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	32.14 UAH	+3.5	-5.2	+16.5	+16.9	2.13	50.3	102.9	14.2	7.2	11.5	8.3	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	22.50 GBp	-19.6	-41.2	-68.5	-68.4	0.35	60.7	65.8	47.2	28.7	56.1	19.8	0.13	765	9.3	10.1	1.8	1.0	1.3	1.0	0.4	0.4	0.3	0.1	5.5
Regal Petroleum	RPT LN	London	5.50 GBp	-2.3	-12.0	-57.7	-61.4	0.09	27.7	-2.4	80.9	22.4	0.0	3.7	0.01	11,850	Neg.	13.9	N/A	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	153.90 UAH	+0.0	-9.5	+70.2	+83.7	10.19	130.3	207.3	5.0	6.5	0.0	2.0	0.02	4,954	3.4	N/A	N/A	1.4	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	+7.6	-24.9	-52.3	-54.7	0.00	31.6	1,927.2	3.9	1.2	1.6	2.0	0.22	460	Neg.	Neg.	N/A	Neg.	Neg.	N/A	2.0	1.2	N/A	N/A	85.7
Avdiyivsky Cok...	AVDK UK	Kiev, UX	1.91 UAH	+5.7	-25.2	-35.4	-39.5	0.13	24.7	21.5	4.0	1.0	0.8	3.4	0.25	398	Neg.	186.6	0.5	0.1	0.8	N/A	0.0	0.0	0.0	0.1	0.1
Azovstal	AZST UK	Kiev, UX	0.72 UAH	+3.5	-10.6	+6.9	+2.3	0.05	199.2	N/A	4.1	8.2	4.1	10.9	0.08	1,195	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	68.00 GBp	-0.6	-19.2	-63.4	-59.8	1.07	629.0	831.4	22.4	140.9	1,015.8	907.0	0.68	146	2.4	2.4	5.0	1.7	1.8	2.6	0.5	0.6	0.6	0.6	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.32 UAH	+0.3	-23.8	-39.6	-43.5	0.02	5.8	6.5	9.0	0.5	0.0	1.9	0.06	1,575	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	20.20 UAH	+1.2	-27.3	-36.9	-39.5	1.34	14.1	5.4	9.4	1.3	3.9	3.7	0.41	243	Neg.	Neg.	N/A	0.9	0.2	N/A	0.0	0.0	N/A	0.9	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	0.46 EUR	+0.0	-8.0	-62.9	-62.6	0.57	52.9	106.7	34.0	18.0	14.2	11.6	0.07	1,443	Neg.	N/A	N/A	Neg.	N/A	N/A	1.6	N/A	N/A	1.0	35.9
Agroliga	AGL PW	Warsaw	11.72 PLN	-1.8	-8.4	-54.8	-56.2	3.50	5.4	6.2	16.7	0.9	0.2	3.3	0.29	343	1.4	N/A	N/A	1.8	N/A	N/A	0.3	N/A	N/A	0.5	5.7
Agroton	AGT PW	Warsaw	1.24 PLN	+0.0	-40.1	-36.4	-40.4	0.37	8.0	53.3	26.2	2.1	10.8	44.6	2.86	35	Neg.	1.1	1.0	19.9	17.8	N/A	0.7	0.6	0.7	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	20.29 PLN	+4.6	-35.6	-69.7	-68.3	6.05	151.3	394.0	31.0	46.9	217.3	102.8	0.38	262	4.7	Neg.	2.7	5.2	3.3	3.7	0.9	0.8	0.9	0.4	38.2
Avangard	AVGR LI	London Intl	4.80 USD	+0.0	-26.2	-59.1	-59.8	4.80	306.6	440.4	21.7	66.5	0.0	53.3	0.03	3,753	1.3	2.8	2.4	1.5	2.5	2.5	0.7	0.8	0.8	0.3	17.8
IMC	IMC PW	Warsaw	6.70 PLN	+3.1	-8.7	-44.9	-49.8	2.00	62.6	203.7	23.9	14.9	2.9	12.7	0.02	5,202	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	31.02 PLN	+6.4	+17.1	-18.5	-25.3	9.25	737.4	1,381.6	58.8	433.4	3,433.6	1,159.6	0.21	470	Neg.	4.6	4.6	6.2	4.0	4.4	0.6	0.5	0.5	0.7	39.1
KSG Agro	KSG PW	Warsaw	1.18 PLN	-0.8	-9.9	-89.1	-89.3	0.35	5.3	116.4	34.4	1.8	13.2	207.6	2.56	39	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	10.70 USD	-1.4	+0.9	-37.2	-36.3	10.70	1,130.6	2,261.1	22.3	252.4	0.7	787.6	0.11	880	7.3	20.0	4.0	5.8	4.6	4.5	1.5	1.6	1.5	2.2	47.0
Milkiland	MLK PW	Warsaw	1.96 PLN	+0.0	-39.1	-84.3	-84.3	0.58	18.3	143.5	20.0	3.7	5.0	6.7	0.22	463	1.4	Neg.	45.4	4.3	4.8	4.3	0.3	0.4	0.4	0.1	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	0.90 EUR	+0.0	+31.0	-83.4	-81.5	1.11	118.5	846.2	20.0	23.7	0.0	0.9	0.00	25,665	1.3	1.4	0.5	5.1	3.1	2.8	1.7	2.0	2.0	0.3	45.3
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Xetra	0.15 EUR	+0.0	-7.4	-52.7	-49.5	0.19	9.7	185.3	13.1	1.3	0.0	0.2	0.01	7,016	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	+1.4	-17.2	-10.1	-13.9	0.01	202.4	N/A	3.8	7.7	20.3	16.9	0.28	359	3.0	Neg.	16.0	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	-1.2	-20.0	-14.9	0.01	180.1	N/A	4.5	8.1	0.0	1.0	0.02	4,359	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

### Rapidly devalued Russian ruble drags down neighboring currencies

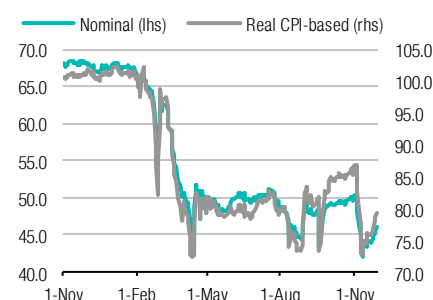
The Russian ruble's dramatic and rapid devaluation over the past six months has put downward pressure on currencies of countries, namely Belarus, Kazakhstan, Ukraine, and other smaller CIS nations, that depend on exporting to Russia. As an example, Armenia's currency was down 4.4% over past week.

In the wake of the Friday's OPEC meeting, yesterday's 4.41% decline of the ruble to 51.6479/USD (at mid-day, it was as low as 54/USD) put even further pressure on the CIS currencies, as the Armenian currency dropped another 0.8%, the Belarus ruble and the Kazakh tenge were flat. As the hryvnia was down 0.58% yesterday, we foresee that the hryvnia will be dragged down even further, unless the ruble appreciates back to 42-45/USD, which appears unlikely.

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#### ICU's UAH trade-weighted indices

(Last 12-month history to 2 Dec 2014)



Source: Investment Capital Ukraine LLC.

#### FX market indicators (as of 1 Dec 2014)

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

##### USD/UAH MARKET (HRYVNIA per US DOLLAR)

Spot mkt	15.1060	+0.58	+0.04	+16.65	+83.33
NBU avg	15.0564	+0.58	-0.03	+16.22	+84.72
Ttl vlm <sup>1</sup>	194.08	-45.53	-36.49	-89.46	-93.07
\$ volume <sup>2</sup>	142.64	-51.95	-42.24	-91.93	-93.55
NDF 3M	17.0750	+2.55	+2.55	+16.55	+101.2
NDF 6M	17.1000	+0.00	+0.00	+13.25	+94.76
NDF 1Y	18.2000	+0.00	+0.00	+13.40	+93.21

##### TRADE-WEIGHTED INDICES (TWIs, points)

UAH nom'l	45.890	+0.73	+4.42	-6.31	-32.05
UAH real CPI	79.041	+0.73	+4.42	-6.31	-21.80
UAH real PPI	112.840	+0.73	+4.42	-6.31	-18.69
USD nom'l	87.946	-0.46	-0.23	+2.30	+9.88

##### FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs

USD/RUB	51.6479	+4.41	+15.19	+30.13	+57.13
EUR/USD	1.2470	+0.14	+0.23	-1.21	-9.26
USD/CNY	6.1506	+0.09	+0.13	+0.18	+1.59
USD/PLN	3.3491	-0.30	-0.71	+1.27	+10.79
USD/TRY	2.2143	-0.26	-0.71	-3.02	+3.08
USD/BYR	10,880.00	+0.00	+0.18	+2.74	+14.05
USD/KZT	181.5700	+0.00	+0.13	-0.20	+17.70

##### OTHER MAJOR CURRENCIES

USD/JPY	118.4000	-0.19	+0.11	+8.73	+12.43
GBP/USD	1.5730	+0.54	+0.15	-2.82	-4.99
USD/CHF	0.9647	-0.06	-0.19	+0.91	+8.04
AUD/USD	0.8491	-0.18	-1.47	-2.83	-4.78
USD/CAD	1.1329	-0.76	+0.44	+1.49	+6.65
USD/BRL	2.5607	-0.18	+0.57	+3.21	+8.41
USD/KRW	1,113.60	+0.50	+0.10	+4.81	+6.08

##### COMMODITIES

Gold(\$/oz)	1,212.09	+3.83	+1.25	-0.15	+0.53
WTI crude <sup>3</sup>	69.00	+4.31	-8.95	-23.95	-29.89
Brent crd <sup>3</sup>	72.22	+4.68	-7.52	-22.77	-34.83
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	258.78	+1.73	-3.15	-6.88	-7.63

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.

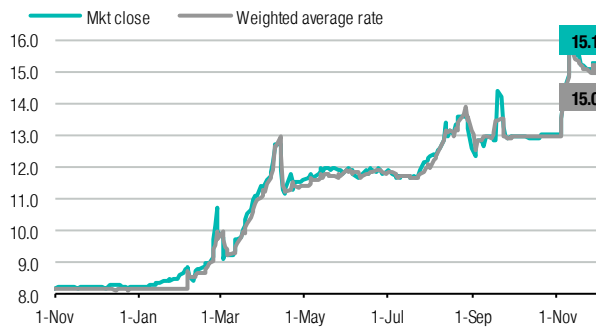
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

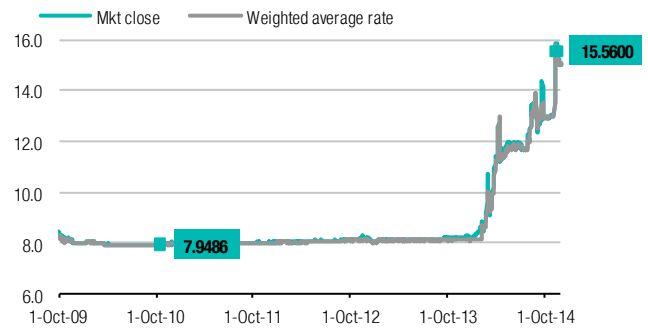
Section on FX market is continued on next page.

Chart page #1: Foreign-exchange market

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

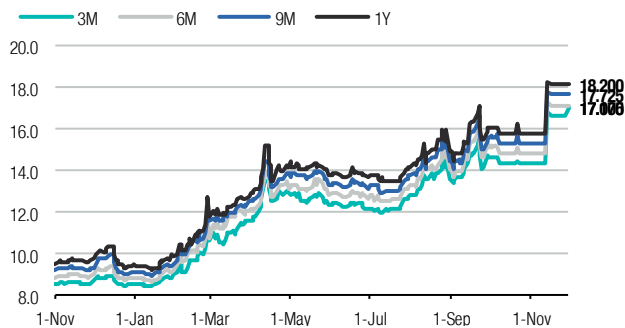


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

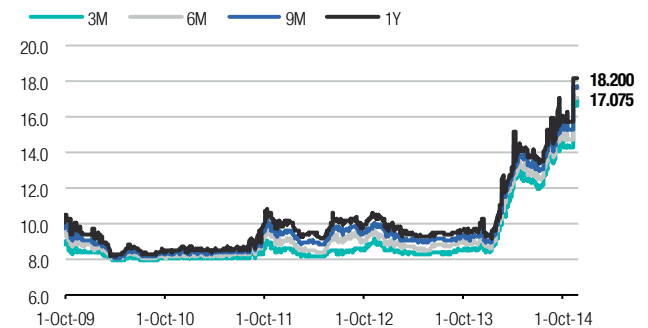


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

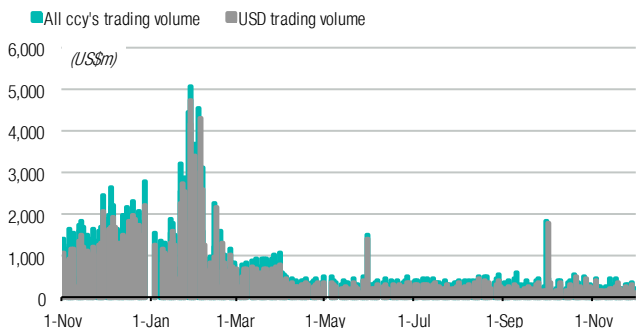


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

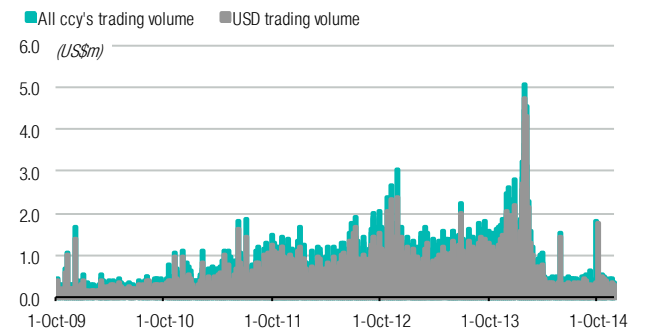


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

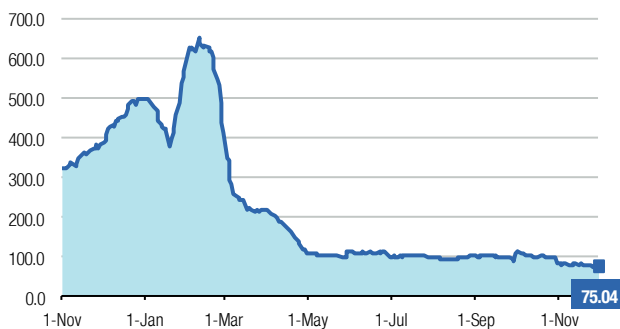


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)



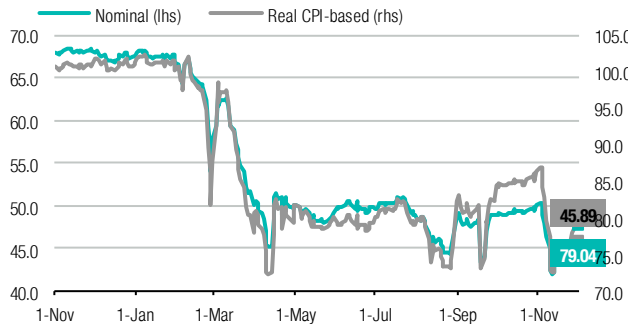
Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

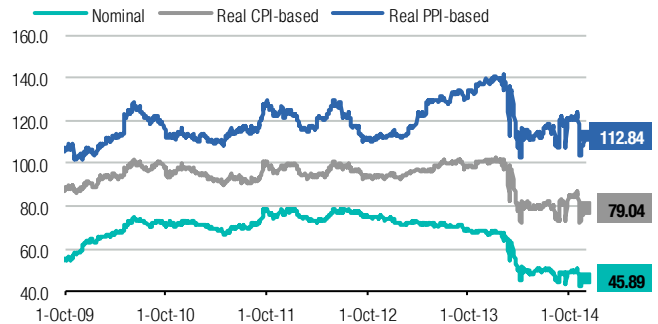
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



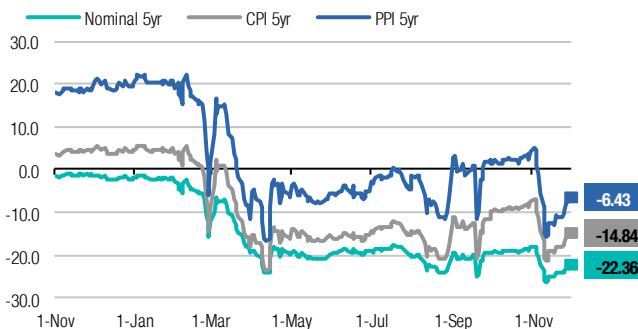
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

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

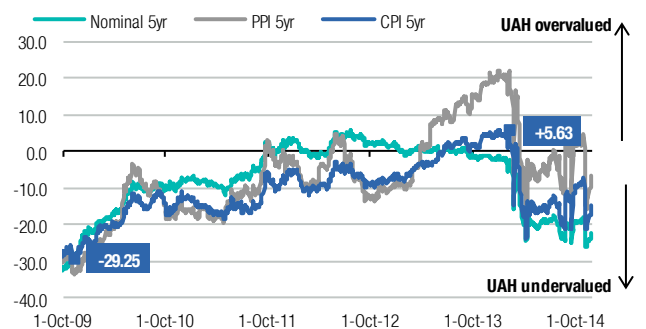


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

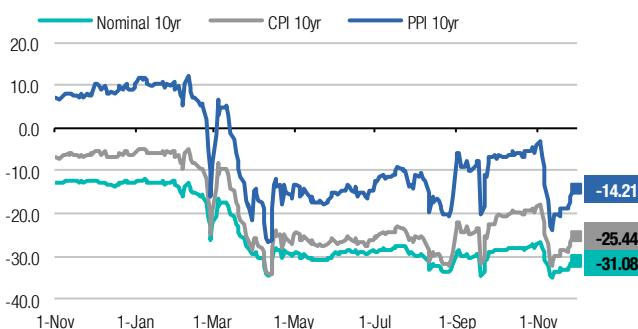


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

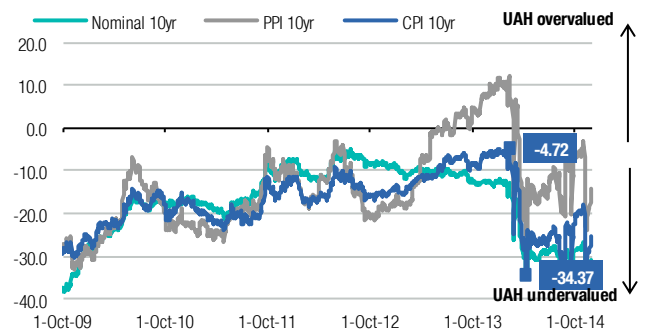


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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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**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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