



Focus
Ukraine

Scope
Economics, bonds, equity & FX markets

Research team
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Daily Insight

New Cabinet of Ministers approved

Contents

Economics: News & Comments	2
New Cabinet of Ministers approved.....	2
Bonds: News & Comments	3
Liquidity recovers slightly.....	3
Primary auction schedule for December.....	3
Chart page: Local bond market & Eurobond markets.....	4
FX: News & Comments	7
Hryvnia FX market frozen, TWI up on US dollar and ruble.....	7
Chart page #1: Foreign-exchange market.....	8
Chart page #2: ICU's UAH trade-weighted indices.....	9

WEDNESDAY, 3 DECEMBER 2014

UX Index (3 months to 3 Dec 2014)



Source: UX.

Key market indicators (as of 2 Dec 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	15.1560	+0.33	+83.93
USD/UAH (1Y NDF)	18.2500	+0.27	+93.74
EUR/USD	1.2383	-0.70	-9.90
USD/RUB	53.9710	+4.50	+64.20
KievPRIME O/N (%)	11.40	+0bp	+360bp
KievPRIME 1M (%)	17.00	+0bp	+75bp
SOVEREIGN EUROBONDS: yields and spreads			
Ukraine 15, Eurobond (%)	31.03	+126bp	+2,268bp
Ukraine 17, Eurobond (%)	22.25	+146bp	+1,270bp
Ukraine 22, Eurobond (%)	13.94	+40bp	+460bp
Ukraine 23, Eurobond (%)	13.55	+26bp	+450bp
Ukraine 5Y CDS	1,727bp	+81bp	+911bp
EQUITIES			
Stock market indices			
UX (Ukraine)	998.35	+0.93	+9.70
MSCI World	424.14	+0.31	+3.82
MSCI EM	984.49	-0.06	-1.82
RTS (Russia)	925.43	-3.43	-35.86
WIG-20 (Poland)	2,446.32	+1.21	+1.89
S&P 500 (USA)	2,066.55	+0.64	+11.80

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

New Cabinet of Ministers approved

A total of 288 MPs supported the new government appointments headed by PM Arseniy Yatsenyuk. The ruling coalition totally reshuffled the government while Yatsenyuk held his post as prime minister. Although he promised swift reforms with his new administration, he provided no details. Most new ministers are middle class professionals with Western educations and extensive experience working at international firms. Three new ministers with foreign citizenships were granted Ukrainian citizenship by presidential decree just prior yesterday's parliamentary vote. Ms. Yaresko, a US citizen who ran the private equity firm Horizon Capital, was appointed as Minister of Finance. Mr. Abromavichus, a Lithuania citizen who ran the investment firm East Capital, was appointed as Minister of the Economy. Mr. Kvitashvili, a Georgian citizen, was appointed as Minister of Health. By appointing such a government, the coalition leaders aimed to position themselves as reform minded to the domestic and foreign communities.

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Bonds: News & Comments

Liquidity recovers slightly

Broader banking sector liquidity slightly recovered yesterday, up UAH0.41bn to UAH45.33bn, as total debt repayments scheduled for the next 30 days rose UAH0.51bn to UAH5.33bn. Banks' correspondent accounts with the NBU rose UAH0.58bn to UAH25.73bn while total CDs outstanding declined UAH0.69bn to UAH14.27bn.

KyivPrime interest rates remained steady with the KyivPrime ON rate at 11.40% and the KyivPrime 1M rate at 17.00%.

Investment implications: Liquidity remained steady, up mildly yesterday after falling significantly at the end of last month. This also occurred at the beginning of last month when liquidity continued to recover even further.

Primary auction schedule for December

The MoF scheduled only three primary auctions this month over the next three weeks (see the table below). The MoF will offer 2-year and 10-year bonds denominated in local currency. These bonds will be offered every auction, except on 16 December only 2-year USD-denominated bonds are scheduled.

Investment implications: We expect additional auctions this month. The MoF scheduled the FX-denominated bond offering during the third week, following a large redemption of FX-denominated bonds scheduled on 10 December. This auction could be the attempt to refinance part of the FX outflows while local currency repayments could be refinanced using domestic QE. The MoF will try not to break the debt ceiling set at 60% of the debt-to-GDP ratio.

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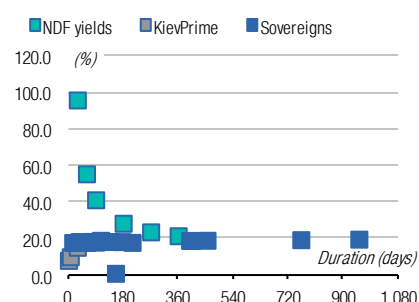
Table 1. Auctions schedule for December, 2014

	9-Dec	16-Dec	23-Dec
Zero-coupon bonds	-	-	-
Ordinary coupon-bearing bonds	2y, 10y	2y, 10y	2y, 10y
FX-denominated bonds		2y	

Notes: d - days, m - month, y - year
Sources: Ministry of Finance of Ukraine.

Yield curve of the local bond market

(as of market close on 2 Dec 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 2 Dec 2014)

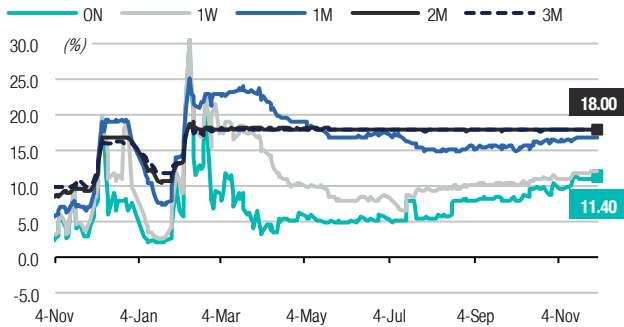
	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
O/n	11.40	+0bp	+40bp	+90bp	+360bp
1wk	12.20	+0bp	+20bp	+70bp	+240bp
1m	17.00	+0bp	+0bp	+50bp	+75bp
2m	18.00	+0bp	+0bp	+0bp	+160bp
3m	18.00	+0bp	+0bp	+0bp	+200bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	25,730	+2.33	-10.60	+6.40	-21.32
CDs ²	14,269	-4.63	-21.67	-7.71	+1,924.0
Sovgns ³	5,019	+0.00	+0.09	+6.32	+235.7
Total	45,017	-0.24	-13.45	+1.47	+28.98
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	284,153	+0.04	+0.25	+2.35	+96.17
Banks	84,294	+0.23	-2.00	+1.59	+5.15
Resid's ⁴	21,591	+0.33	+0.96	+50.36	+74.17
Non-res ⁵	21,054	+0.10	-0.49	+11.05	+79.97
Total	411,092	+0.09	-0.22	+4.36	+65.02
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	1,727	+81bp	+191bp	+546bp	+911bp
Jun '16	25.66	+299bp	+646bp	+12bp	+17bp
Jul '17	22.25	+146bp	+448bp	+915bp	+13bp
Sep '20	14.32	-4bp	+189bp	+399bp	+513bp
Sep '21	14.16	-19bp	+163bp	+380bp	+494bp
Sep '22	13.94	+40bp	+200bp	+389bp	+460bp
Feb '23	13.55	+26bp	+160bp	+355bp	+450bp

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.

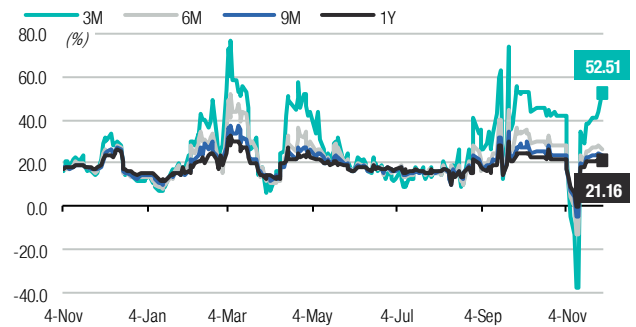
Chart page: Local bond market & Eurobond markets

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



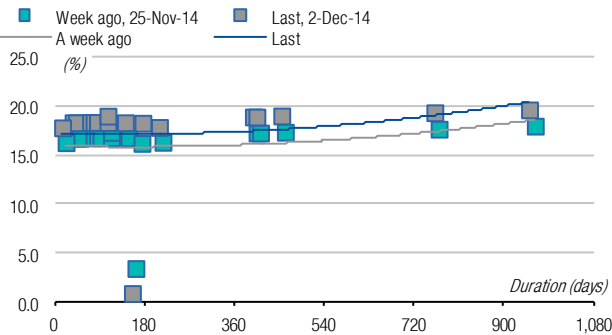
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



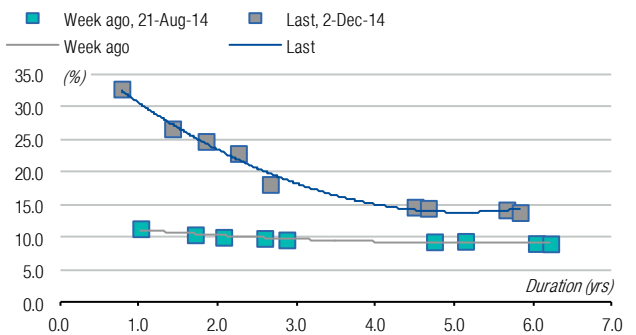
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 2 Dec 2014



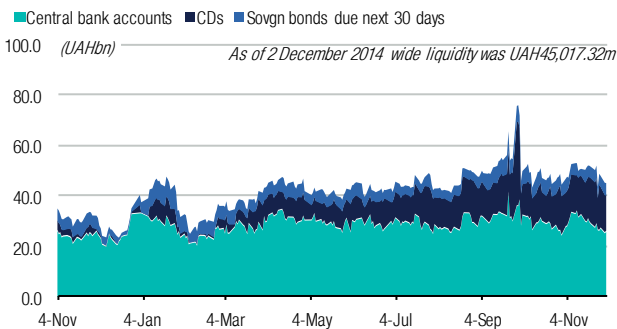
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 2 Dec 2014



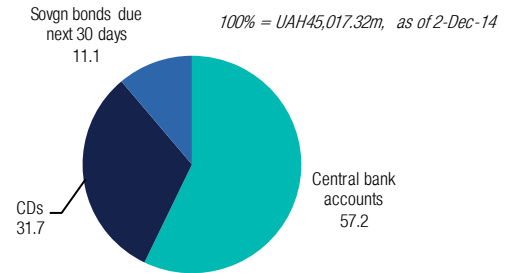
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



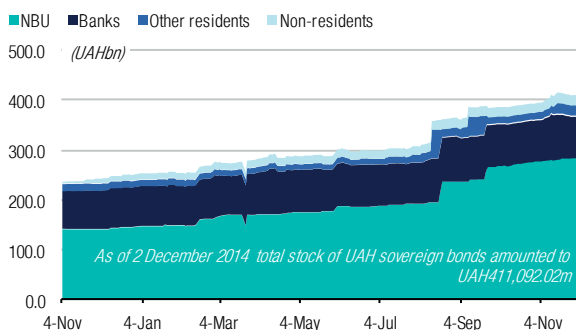
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 2 Dec 2014



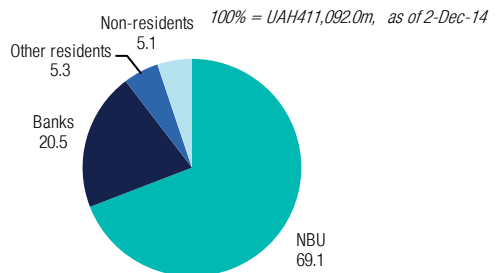
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 2 Dec 2014



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

Table 2. Ukrainian stocks (closing prices as of 2-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 (%)
ENERGY																											
Cadogan Petrol...	CAD LN	London	11.25 GBp	+5.9	+9.8	+8.4	-10.0	0.18	40.7	-6.9	40.2	16.3	31.5	23.4	0.17	589	Neg.	N/A	N/A	1.0	N/A	N/A	Neg.	N/A	N/A	0.3	0.0
Centrenerg	CEEN UK	Kiev, UX	7.53 UAH	+0.8	+0.7	+58.0	+52.8	0.50	183.4	230.1	21.7	39.8	78.3	43.5	0.11	874	5.7	5.0	7.5	0.3	3.9	4.1	0.5	0.3	0.3	1.1	16.3
Coal Energy	CLE PW	Warsaw	0.70 PLN	+7.7	-11.4	-33.3	-58.8	0.21	9.4	135.3	25.0	2.3	46.0	39.8	0.90	111	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	31.93 UAH	-0.7	-1.3	+15.7	+16.9	2.10	49.8	102.1	14.2	7.1	6.9	8.2	0.06	1,577	1.4	1.4	1.5	0.1	2.0	1.5	0.3	0.2	0.3	1.1	25.1
JXK Oil & Gas	JXK LN	London	17.00 GBp	-24.4	-55.6	-76.2	-76.3	0.27	45.7	50.8	47.2	21.6	114.2	16.6	0.20	503	7.0	7.6	1.4	0.8	1.0	0.8	0.3	0.3	0.3	0.1	5.5
Regal Petroleum	RPT LN	London	5.13 GBp	-6.8	-18.0	-60.6	-64.0	0.08	25.7	-4.4	80.9	20.8	1.2	3.4	0.01	10,659	Neg.	12.9	N/A	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	153.90 UAH	+0.0	-0.7	+70.2	+85.4	10.14	129.7	206.5	5.0	6.5	0.0	1.9	0.02	5,534	3.4	N/A	N/A	1.4	N/A	N/A	0.3	N/A	N/A	1.3	0.0
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.02 UAH	-1.1	-22.1	-52.9	-54.6	0.00	31.1	1,919.1	3.9	1.2	0.5	2.0	0.17	572	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	-0.3	-24.3	-35.5	-38.4	0.13	24.5	21.3	4.0	1.0	2.5	3.4	0.22	447	Neg.	186.1	0.5	0.1	0.8	N/A	0.0	0.0	0.0	0.1	0.1
Azovstal	AZST UK	Kiev, UX	0.71 UAH	-0.6	-7.7	+6.3	+3.6	0.05	197.3	N/A	4.1	8.1	2.7	10.8	0.08	1,267	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	+0.0	-20.6	-63.4	-58.5	1.06	626.1	828.6	22.4	140.3	654.7	908.4	0.67	150	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	0.33 UAH	+2.8	-21.7	-37.9	-40.7	0.02	5.9	6.7	9.0	0.5	5.7	2.0	0.12	811	Neg.	0.6	0.4	0.1	0.4	N/A	0.0	0.0	0.0	0.1	0.0
Yenakievo Steel	ENMZ UK	Kiev, UX	21.69 UAH	+7.4	-17.9	-32.2	-34.6	1.43	15.1	6.4	9.4	1.4	5.4	4.0	0.40	253	Neg.	Neg.	N/A	1.1	0.2	N/A	0.0	0.0	N/A	1.0	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	0.47 EUR	+2.2	-4.1	-62.1	-61.8	0.58	53.7	107.1	34.0	18.3	8.6	11.9	0.07	1,499	Neg.	N/A	N/A	Neg.	N/A	N/A	1.6	N/A	N/A	1.0	35.9
Agroliga	AGL PW	Warsaw	12.33 PLN	+5.2	-3.7	-52.4	-53.8	3.66	5.6	6.5	16.7	0.9	8.2	3.6	0.31	319	1.4	N/A	N/A	1.9	N/A	N/A	0.3	N/A	N/A	0.5	5.7
Agroton	AGT PW	Warsaw	1.39 PLN	+12.1	-30.8	-28.7	-31.5	0.41	9.0	54.2	26.2	2.3	162.4	51.8	2.87	35	Neg.	1.3	1.1	20.3	18.1	N/A	0.7	0.6	0.7	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	20.60 PLN	+1.5	-31.7	-69.2	-69.0	6.12	153.1	394.0	31.0	47.5	607.1	112.7	0.44	229	4.8	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	-25.8	-59.1	-60.0	4.80	306.6	440.4	21.7	66.5	4.8	51.9	0.03	3,703	1.3	2.8	2.5	1.5	2.5	2.5	0.7	0.8	0.8	0.3	17.8
IMC	IMC PW	Warsaw	6.50 PLN	-3.0	-11.4	-46.5	-51.3	1.93	60.5	201.6	23.9	14.4	12.0	12.0	0.02	4,225	2.3	Neg.	2.3	3.7	3.8	4.0	1.8	1.2	1.1	0.4	38.7
Kernel Holding...	KER PW	Warsaw	30.50 PLN	-1.7	+18.7	-19.9	-23.8	9.06	722.3	1,366.5	58.8	424.5	5,640.1	1,201.5	0.28	356	Neg.	4.5	4.5	6.1	4.1	4.3	0.6	0.6	0.5	0.7	39.1
KSG Agro	KSG PW	Warsaw	1.25 PLN	+5.9	-3.1	-88.5	-88.0	0.37	5.6	116.7	34.4	1.9	42.6	205.9	2.43	41	Neg.	0.5	0.3	13.4	N/A	N/A	1.6	1.2	1.1	0.3	44.5
MHP	MHPC LI	London Intl	10.95 USD	+2.3	+0.9	-35.8	-33.9	10.95	1,157.1	2,287.5	22.3	258.3	15.1	772.7	0.11	913	7.4	20.4	4.1	5.9	4.7	4.6	1.5	1.6	1.5	2.3	47.0
Milkiland	MLK PW	Warsaw	2.35 PLN	+19.9	-23.0	-81.2	-80.7	0.70	21.8	146.2	20.0	4.4	82.0	9.3	0.24	411	1.6	Neg.	54.6	4.4	4.9	4.4	0.3	0.4	0.4	0.1	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	0.90 EUR	+0.0	-0.6	-83.4	-81.5	1.11	117.6	845.4	20.0	23.5	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
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	6.70 PLN	+0.0	-6.3	-78.7	-78.8	1.99	18.5	2.0	10.9	2.0	0.4	0.2	0.01	17,872	2.7	N/A	N/A	0.2	N/A	N/A	0.1	N/A	N/A	0.3	5.6
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.15 EUR	+0.0	-7.4	-52.7	-49.5	0.19	9.6	185.2	13.1	1.3	0.9	0.2	0.02	5,575	Neg.	N/A	N/A	Neg.	N/A	N/A	5.4	N/A	N/A	0.1	45.5
FINANCIAL SERVICES																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.10 UAH	+2.0	-15.2	-8.4	-9.0	0.01	205.5	N/A	3.8	7.9	16.2	17.3	0.27	365	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	0.15 UAH	+0.0	-1.2	-20.0	-13.6	0.01	179.4	N/A	4.5	8.0	0.0	1.0	0.02	6,253	Neg.	11.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.3	28.2

Table 2. Ukrainian stocks (closing prices as of 2-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

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

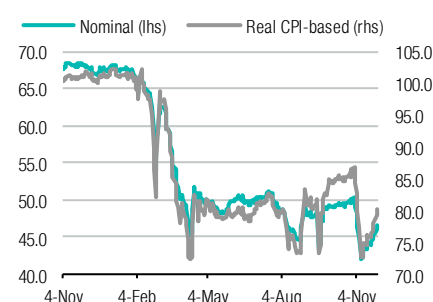
Hryvnia FX market frozen, TWI up on US dollar and ruble

Authorities once again managed to keep the UAH rate close to 15/USD. However, as dollar index rose yesterday, the hryvnia's trade weighted value continued its recent rise as many currencies have devalued. The Russian ruble slid again by a massive 4.5%.

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ICU's UAH trade-weighted indices

(Last 12-month history to 3 Dec 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 2 Dec 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	15.1560	+0.33	+0.37	+16.58	+83.93
NBU avg	15.1060	+0.33	+0.65	+16.64	+85.33
Ttl vlm ¹	N/A	N/A	N/A	N/A	N/A
\$ volume ²	N/A	N/A	N/A	N/A	N/A
NDF 3M	16.9100	-0.97	+1.56	+17.84	+99.29
NDF 6M	17.6250	+3.07	+3.07	+19.09	+100.7
NDF 1Y	18.2500	+0.27	+0.27	+15.87	+93.74
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	46.499	+1.33	+5.07	-7.32	-31.15
UAH real CPI	80.091	+1.33	+5.07	-7.32	-20.76
UAH real PPI	114.339	+1.33	+5.07	-7.32	-17.62
USD nom'l	88.647	+0.80	+0.83	+1.99	+10.76
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	53.9710	+4.50	+17.22	+25.49	+64.20
EUR/USD	1.2383	-0.70	-0.73	-1.13	-9.90
USD/CNY	6.1500	-0.01	+0.21	+0.61	+1.58
USD/PLN	3.3608	+0.35	+0.40	-0.44	+11.17
USD/TRY	2.2310	+0.75	+0.54	+0.36	+3.85
USD/BYR	10,880.00	+0.00	-0.18	+1.45	+14.05
USD/KZT	181.6800	+0.06	+0.44	+0.40	+17.77
OTHER MAJOR CURRENCIES					
USD/JPY	119.2100	+0.68	+1.05	+6.13	+13.20
GBP/USD	1.5637	-0.59	-0.45	-2.24	-5.56
USD/CHF	0.9721	+0.77	+0.84	+0.99	+8.87
AUD/USD	0.8445	-0.54	-1.00	-4.01	-5.29
USD/CAD	1.1407	+0.69	+1.32	+1.25	+7.38
USD/BRL	2.5693	+0.34	+1.55	+3.69	+8.77
USD/KRW	1,106.75	-0.62	-0.22	+3.55	+5.42
COMMODITIES					
Gold(\$/oz)	1,198.30	-1.14	-0.22	+2.12	-0.61
WTI crude ³	66.88	-3.07	-9.79	-16.96	-32.05
Brent crd ³	70.64	-2.19	-8.21	-16.70	-36.26
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	253.33	-2.11	-5.07	-6.85	-9.58

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>).

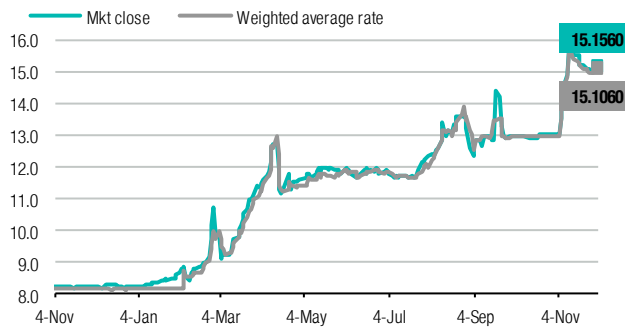
Section on FX market is continued on next page.

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.

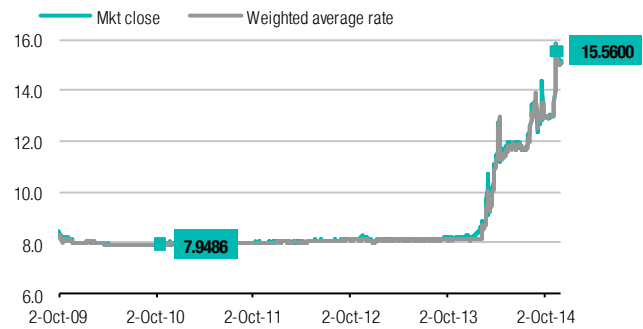
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

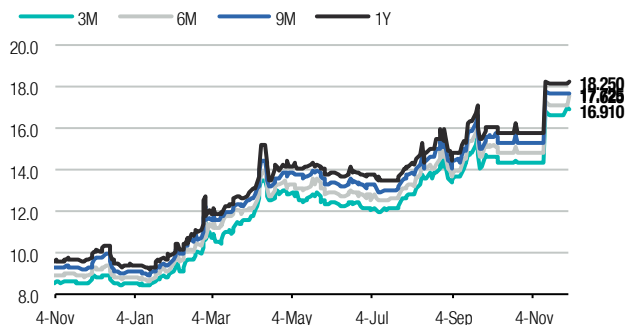


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

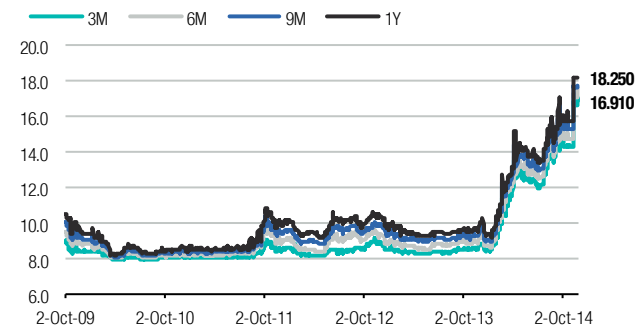


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

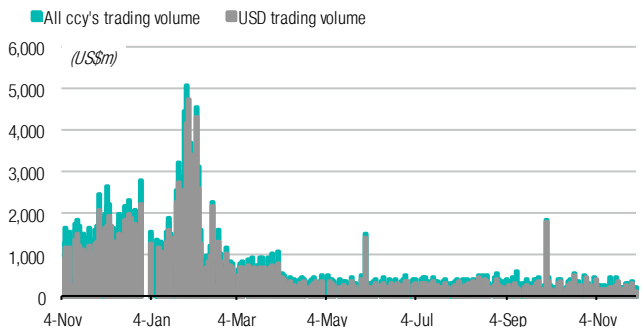


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

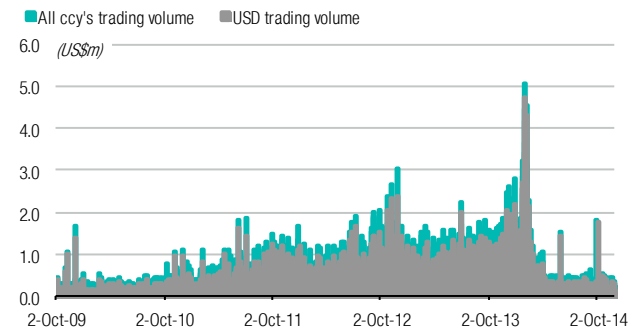


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

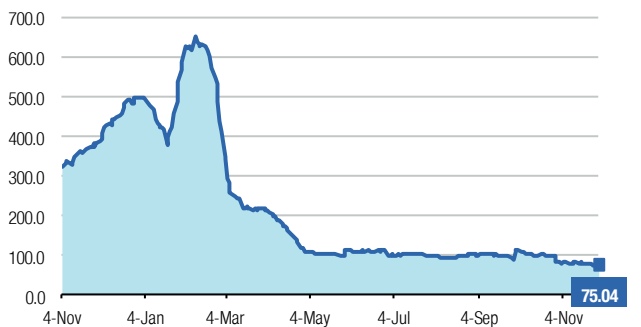


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)



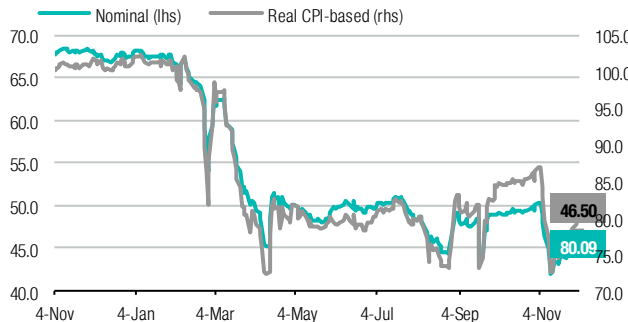
Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

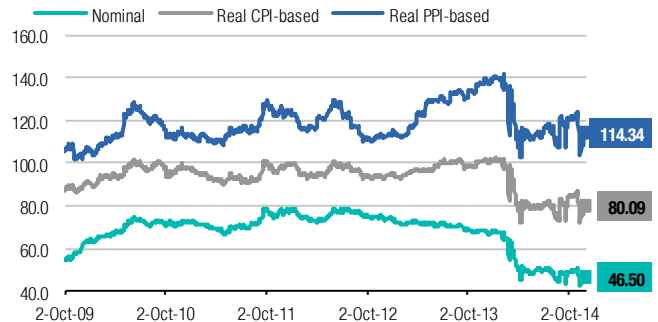
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



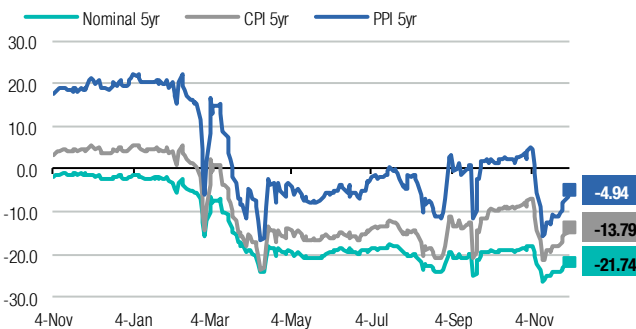
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

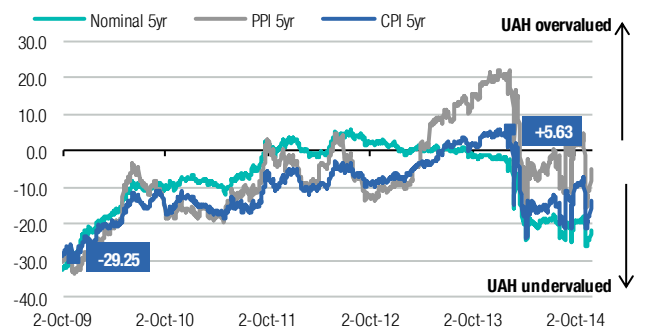


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

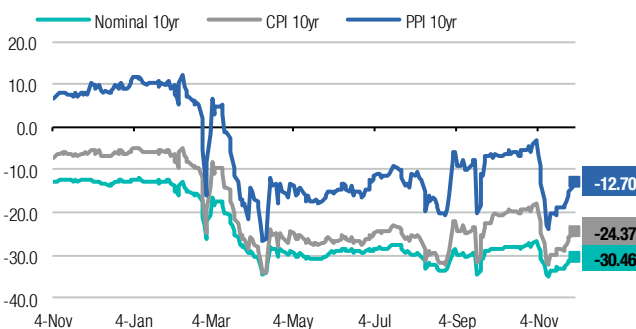


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

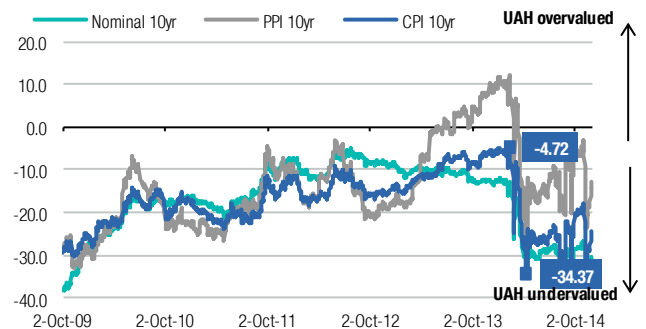


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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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