



Focus  
**Ukraine**

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

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# Daily Insight

## Ukraine prepares for next round of talks

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MONDAY, 8 DECEMBER 2014

### UX Index (3 months to 8 Dec 2014)



Source: UX.

### Key market indicators (as of 5 Dec 2014)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	15.4600	+0.72	+87.62
USD/UAH (1Y NDF)	18.2500	+0.00	+93.74
EUR/USD	1.2283	-0.78	-10.62
USD/RUB	52.8918	-2.87	+60.91
KievPRIME O/N (%)	13.40	+73bp	+560bp
KievPRIME 1M (%)	18.00	+67bp	+175bp
<b>SOVEREIGN EUROBONDS: yields and spreads</b>			
Ukraine 15, Eurobond (%)	32.50	-107bp	+2,414bp
Ukraine 17, Eurobond (%)	22.66	-25bp	+1,310bp
Ukraine 22, Eurobond (%)	13.76	-43bp	+441bp
Ukraine 23, Eurobond (%)	13.36	-38bp	+431bp
Ukraine 5Y CDS	1,796bp	+46bp	+979bp
<b>EQUITIES</b>			
<b>Stock market indices</b>			
UX (Ukraine)	990.03	-1.57	+8.79
MSCI World	424.75	+0.08	+3.97
MSCI EM	985.68	-0.12	-1.70
RTS (Russia)	908.75	-1.08	-37.01
WIG-20 (Poland)	2,438.42	+0.88	+1.56
S&P 500 (USA)	2,075.37	+0.17	+12.28

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

### Geopolitics: Ukraine prepares for next round of talks in Minsk

Following weeks of closed door discussions between leaders of the US, EU, Russia and Ukraine, official talks to settle the Ukraine-Russia military standoff are likely to be held in Minsk over the next week. The West apparently has compelled the Kremlin to resume peace talks after Russia violated the ceasefire that was reached early this September in Minsk. The Kremlin has continued to engage in a complex game where its goal is not necessarily to support the formation of independent republics in Donetsk and Luhansk, but is instead to have Ukraine mired in crises and political chaos. Officials in Kyiv hope that, with the West's help, the war will stop and the front line will become a delimitation line. Last week, Ukrainian President Poroshenko said that the country is ready to begin a decentralization of the regions as a diplomatic response to the Kremlin's standpoint that requires federalization. At the same time, to counterweight that diplomatic bow to the Kremlin over decentralization versus federalization, Poroshenko said that parliament would vote for Ukraine's withdrawal from the CIS, a dysfunctional Kremlin-run union of ex-Soviet republics that has become increasingly obsolete. In our view, we are skeptical of progress from talks with the Kremlin which continues its deceptive moves on numerous fronts.

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# Bonds: News & Comments

## Liquidity slightly recovers

After declining last Thursday, banking sector liquidity slightly recovered on Friday as broader banking sector liquidity rose UAH0.75bn to UAH47.68bn. Banks' correspondent accounts with the NBU increased UAH0.39bn to UAH28.87bn and total CDs outstanding were up UAH0.36bn to UAH14.57bn while total debt repayments scheduled for the next 30 days remained steady at UAH4.25bn.

KyivPrime interest rates significantly rose: the KyivPrime ON interest rate rose 73bp to 13.40% and the KyivPrime 1M interest rate increased 67bp to 18.00%.

**Investment implications: No significant inflows last Thursday contributed to liquidity indicators published last Friday. At the same time, negative anticipations in the money market and low liquidity caused interest rates increase.**

## Additional primary auction

The MoF announced an additional auction on Friday, offering only the 2-year local currency bond that was sold several times last month and scheduled over the following three weeks.

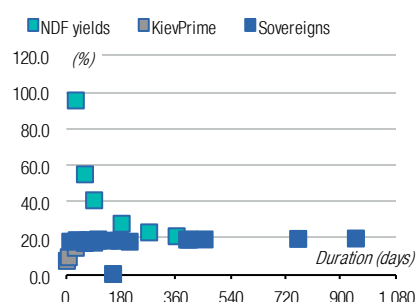
The auction attracted a single bid for UAH600.0m at 17.60%, similar to a bid for the same bond at the same volume and the same rate at an auction held just last week.

**Investment implications: Considering the money market high interest rates and low level of banking sector liquidity, this auction most likely was supported by domestic QE.**

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## Yield curve of the local bond market

(as of market close on 5 Dec 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

## Bond market indicators (as of 5 Dec 2014)

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

### MONEY MARKET KIEV PRIME RATES (%)

O/n	13.40	+73bp	+220bp	+380bp	+560bp
1wk	14.80	+113bp	+270bp	+380bp	+500bp
1m	18.00	+67bp	+100bp	+160bp	+175bp
2m	18.20	+20bp	+20bp	+20bp	+180bp
3m	18.20	+20bp	+20bp	+20bp	+220bp

### LIQUIDITY WIDE MEASUREMENT (UAHm)

CB acc's <sup>1</sup>	28,867	+1.37	+6.73	-1.61	-11.73
CDs <sup>2</sup>	0	+0.00	+0.00	+0.00	+0.00
Sovgns <sup>3</sup>	4,030	+0.00	-10.52	-4.23	+169.6
<b>Total</b>	<b>32,897</b>	<b>+1.20</b>	<b>+4.26</b>	<b>-1.93</b>	<b>-3.80</b>

### HOLDERS OF UAH SOVEREIGN BONDS (UAHm)

C.bank	285,316	+0.02	+0.45	+2.71	+96.97
Banks	83,550	+0.25	-0.58	-0.22	+4.22
Resid's <sup>4</sup>	21,692	+0.28	+0.66	+43.73	+74.98
Non-res <sup>5</sup>	21,344	+0.70	+1.38	+12.57	+82.45
<b>Total</b>	<b>411,902</b>	<b>+0.12</b>	<b>+0.29</b>	<b>+4.12</b>	<b>+65.35</b>

### NDF IMPLIED YIELDS (%)

3m	31.09	-310bp	-13ppt	+704bp	+19bp
6m	22.83	-160bp	-522bp	+400bp	+943bp
9m	19.97	-110bp	-424bp	+252bp	+595bp
1yr	18.73	-85bp	-314bp	+180bp	+374bp

### 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	+0bp	-77ppt

### EUROBONDS USD SOVEREIGN BOND YIELDS (%)

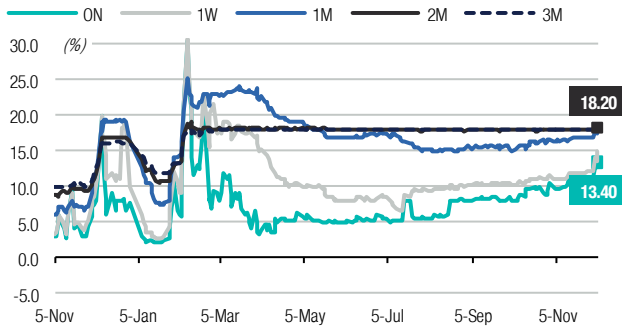
CDS 5yr	1,796	+46bp	+245bp	+520bp	+979bp
Jun '16	25.91	-124bp	+473bp	+11bp	+17bp
Jul '17	22.66	-25bp	+379bp	+779bp	+13bp
Sep '20	14.40	-42bp	+104bp	+316bp	+521bp
Sep '21	14.24	-42bp	+89bp	+297bp	+502bp
Sep '22	13.76	-43bp	+102bp	+285bp	+441bp
Feb '23	13.36	-38bp	+72bp	+250bp	+431bp

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.

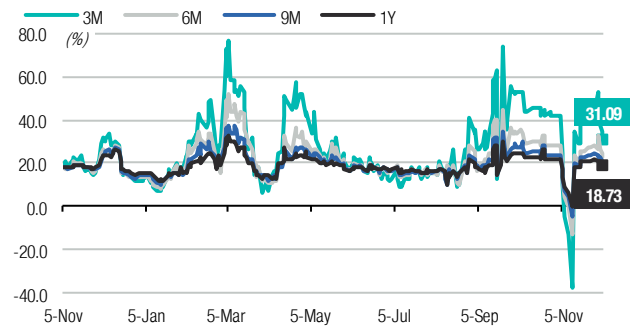
Chart page: Local bond market & Eurobond markets

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



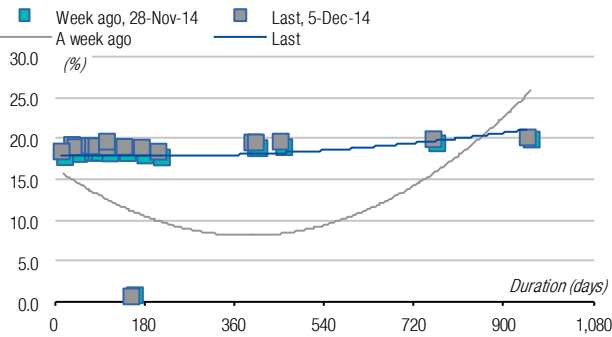
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



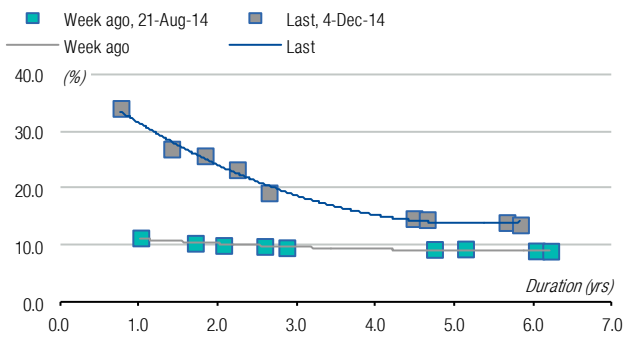
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 5 Dec 2014



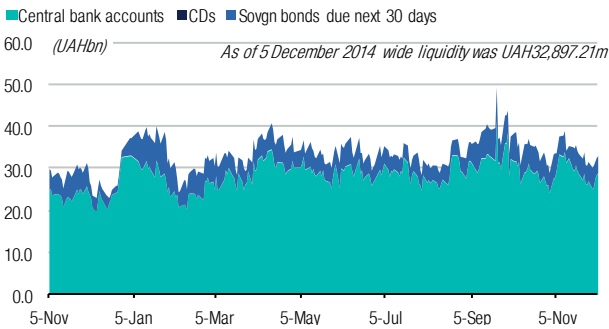
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 5 Dec 2014



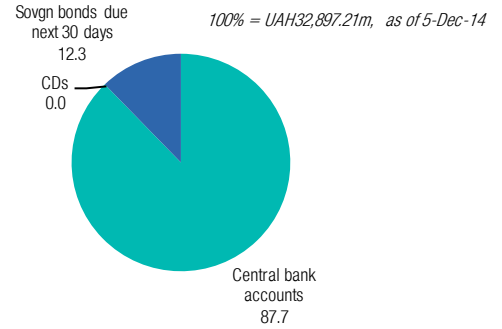
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



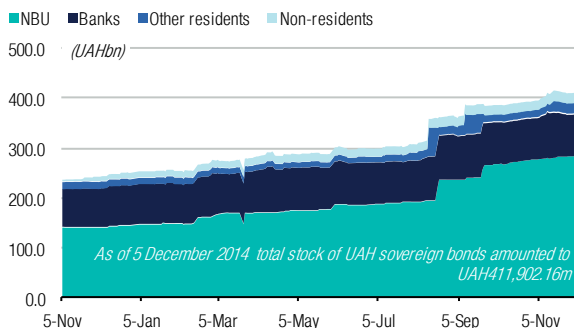
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 5 Dec 2014



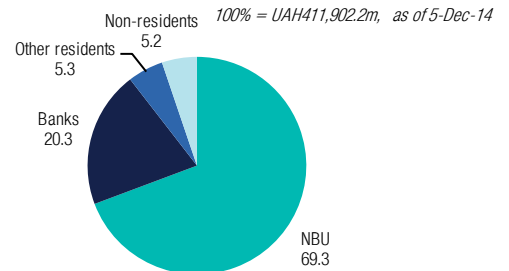
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 5 Dec 2014



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

Table 1. Ukrainian stocks (closing prices as of 5-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	11.38 GBp	-2.2	+5.8	+9.6	-9.0	0.18	40.9	-6.7	40.2	16.4	5.4	19.1	0.15	656	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	7.50 UAH	-1.7	-0.8	+57.3	+50.7	0.49	179.8	225.8	21.7	39.0	94.3	43.8	0.13	771	5.7	4.9	7.5	0.3	3.9	4.1	0.5	0.3	0.3	1.1	16.3	
Coal Energy	CLE PW	Warsaw	0.68 PLN	+0.0	-5.6	-35.2	-57.5	0.20	9.0	135.0	25.0	2.3	5.2	28.4	0.83	120	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	31.40 UAH	-1.1	-4.7	+13.8	+15.3	2.04	48.2	99.7	14.2	6.9	7.0	7.6	0.07	1,423	1.4	1.4	1.5	0.1	2.0	1.5	0.3	0.2	0.3	1.1	25.1	
JKX Oil & Gas	JKX LN	London	12.75 GBp	-10.5	-66.7	-82.2	-81.9	0.20	34.1	39.2	47.2	16.1	128.2	18.2	0.40	253	5.2	5.7	1.0	0.6	0.8	0.6	0.2	0.2	0.2	0.1	5.5	
Regal Petroleum	RPT LN	London	4.94 GBp	-2.4	-21.0	-62.0	-65.3	0.08	24.6	-5.5	80.9	19.9	0.7	3.2	0.01	8,282	Neg.	12.3	N/A	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	0.2	0.0	
Zakhidenergo	ZAEN UK	Kiev, PFTS	153.90 UAH	+0.0	+0.1	+70.2	+83.0	9.99	127.7	140.1	5.0	6.4	0.0	1.9	0.01	9,560	3.4	N/A	N/A	0.9	N/A	N/A	0.2	N/A	N/A	1.4	0.0	
<b>METALLURGY</b>																												
Alchevsky Meta...	ALMK UK	Kiev, UX	0.02 UAH	-1.7	-21.8	-54.7	-56.5	0.00	29.4	1,888.2	3.9	1.1	8.6	1.9	0.17	602	Neg.	Neg.	N/A	Neg.	Neg.	N/A	2.0	1.2	N/A	N/A	85.7	
Avdiyivsky Cok...	AVDK UK	Kiev, UX	1.86 UAH	-3.9	-22.0	-37.3	-40.0	0.12	23.5	20.3	4.0	0.9	0.3	3.4	0.28	352	Neg.	180.9	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	-2.1	-8.6	+4.2	+0.1	0.05	190.4	N/A	4.1	7.8	46.3	10.9	0.08	1,182	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	64.70 GBp	+2.8	-19.0	-65.2	-62.0	1.01	592.7	795.1	22.4	132.8	992.3	888.7	0.71	141	2.3	2.3	4.9	1.6	1.7	2.6	0.5	0.6	0.6	0.5	35.1	
Yasynivsky Cok...	YASK UK	Kiev, UX	0.32 UAH	+0.0	-25.4	-39.6	-41.7	0.02	5.7	6.4	9.0	0.5	0.0	1.5	0.12	840	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	22.00 UAH	-3.7	-11.2	-31.3	-33.4	1.43	15.1	6.5	9.4	1.4	0.4	4.3	0.32	316	Neg.	Neg.	N/A	1.1	0.2	N/A	0.0	0.0	N/A	1.0	0.0	
<b>FOOD AND AGRIBUSINESS</b>																												
AgroGeneration	ALAGR FP	EN Paris	0.45 EUR	-4.3	-4.3	-63.7	-64.6	0.55	51.1	104.1	34.0	17.4	5.0	11.6	0.07	1,351	Neg.	N/A	N/A	Neg.	N/A	N/A	1.6	N/A	N/A	1.0	35.9	
Agroliga	AGL PW	Warsaw	11.94 PLN	-0.4	-1.3	-54.0	-54.1	3.53	5.4	6.3	16.7	0.9	6.6	3.7	0.41	246	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	1.30 PLN	+2.4	-14.5	-33.3	-37.5	0.38	8.3	53.6	26.2	2.2	17.2	39.1	2.17	46	Neg.	1.2	1.0	20.0	17.9	N/A	0.7	0.6	0.7	0.1	28.4	
Astarta Holdin...	AST PW	Warsaw	18.35 PLN	-2.1	-18.0	-72.6	-72.1	5.42	135.5	374.8	31.0	42.0	33.9	100.8	0.44	225	4.3	Neg.	2.4	4.9	3.2	3.5	0.8	0.8	0.8	0.4	38.2	
Avangard	AVGR LI	London Intl	4.50 USD	-6.3	-27.4	-61.7	-61.9	4.50	287.4	498.7	21.7	62.4	22.6	41.2	0.03	3,376	1.2	2.6	2.4	1.7	2.8	2.9	0.8	0.8	0.9	0.9	0.3	17.8
IMC	IMC PW	Warsaw	6.30 PLN	-2.2	-11.1	-48.1	-51.5	1.86	58.2	199.4	23.9	13.9	0.5	12.2	0.04	2,259	2.2	Neg.	2.2	3.7	3.8	4.0	1.7	1.2	1.1	0.4	38.7	
Kernel Holding...	KER PW	Warsaw	30.30 PLN	+1.9	+27.8	-20.4	-24.3	8.95	713.2	1,357.5	58.8	419.1	819.8	1,078.0	0.31	319	Neg.	4.5	4.4	6.1	3.9	4.3	0.6	0.5	0.5	0.7	39.1	
KSG Agro	KSG PW	Warsaw	1.23 PLN	+2.5	+2.5	-88.7	-87.9	0.36	5.5	116.6	34.4	1.9	16.5	142.3	2.28	44	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	10.30 USD	+0.0	-5.9	-39.6	-31.8	10.30	1,088.4	2,218.8	22.3	242.9	12.1	536.9	0.07	1,433	7.0	19.2	3.9	5.7	4.5	4.4	1.5	1.6	1.4	2.1	47.0	
Milkiland	MLK PW	Warsaw	2.17 PLN	-4.0	-16.5	-82.6	-81.3	0.64	20.0	143.5	20.0	4.0	12.6	9.1	0.32	308	1.5	Neg.	50.5	4.3	4.8	4.4	0.3	0.4	0.4	0.1	30.8	
Mriya Agrohold...	MAYA GF	Frankfurt	0.96 EUR	+7.3	-36.0	-82.2	-80.1	1.18	125.3	853.1	20.0	25.1	1.2	0.9	0.00	36,508	1.4	1.4	0.6	5.2	3.1	2.9	1.7	2.0	2.0	0.3	45.3	
Ovostar Union	OVO PW	Warsaw	72.00 PLN	-1.4	+0.0	-28.0	-17.2	21.27	127.6	137.2	25.0	31.9	63.4	25.6	0.04	2,827	4.2	6.7	5.7	3.7	5.0	4.5	1.5	1.8	1.4	0.9	8.5	
<b>CONSTRUCTION</b>																												
TMM	TR61 GF	Xetra	0.14 EUR	+0.0	-12.5	-55.8	-52.9	0.17	8.9	184.5	13.1	1.2	0.0	0.1	0.01	7,090	Neg.	N/A	N/A	Neg.	N/A	N/A	5.4	N/A	N/A	0.1	45.5	
<b>FINANCIAL SERVICES</b>																												
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.10 UAH	-1.2	-18.0	-11.0	-13.5	0.01	196.5	N/A	3.8	7.5	3.9	14.6	0.29	340	3.0	Neg.	15.9	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	-20.2	-11.5	0.01	176.2	N/A	4.5	7.9	0.0	1.0	0.02	5,513	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 declines gradually versus strong US dollar

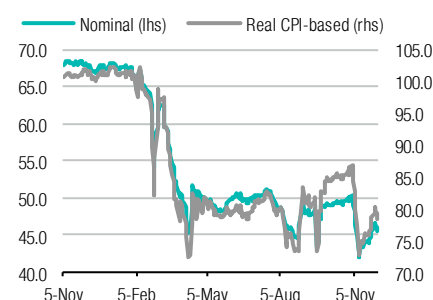
On Friday, the hryvnia lost 0.72% to close at 15.46/USD and the weighted average rate was down by 0.78%.

The Russian ruble rose again following Putin's speech on Thursday in which he vowed to penalize FX speculators, most likely as a result of its central bank intervening. In the US, an above expectations monthly jobs report (which exceeded 321,000 jobs) forced the USD up versus major global currencies. The euro dropped 0.78% and the yen slid 1.40%. Russian central bank efforts could have been wasted as the ruble is likely to be under pressure this week.

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### ICU's UAH trade-weighted indices

(Last 12-month history to 8 Dec 2014)



Source: Investment Capital Ukraine LLC.

### FX market indicators (as of 5 Dec 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	15.4600	+0.72	+2.94	+14.14	+87.62
NBU avg	15.4155	+0.78	+2.98	+14.21	+89.13
Ttl vlm <sup>1</sup>	672.12	+123.3	+88.62	+166.5	-76.01
\$ volume <sup>2</sup>	574.47	+148.2	+93.52	+222.3	-74.02
NDF 3M	16.6500	+0.00	+0.00	+16.03	+96.23
NDF 6M	17.2000	+0.00	+0.58	+16.22	+95.90
NDF 1Y	18.2500	+0.00	+0.27	+15.87	+93.74
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	45.450	-1.31	-0.24	-7.10	-32.71
UAH real CPI	78.283	-1.31	-0.24	-7.10	-22.55
UAH real PPI	111.758	-1.31	-0.24	-7.10	-19.47
USD nom'l	89.334	+0.71	+1.11	+2.16	+11.62
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	52.8918	-2.87	+6.92	+17.87	+60.91
EUR/USD	1.2283	-0.78	-1.36	-1.63	-10.62
USD/CNY	6.1523	-0.04	+0.12	+0.62	+1.62
USD/PLN	3.3853	+0.79	+0.77	-0.02	+11.98
USD/TRY	2.2606	+1.19	+1.82	+0.73	+5.23
USD/BYR	10,870.00	+0.00	-0.09	+1.12	+13.94
USD/KZT	181.5700	-0.48	+0.00	+0.35	+17.70
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	121.4600	+1.40	+2.39	+5.95	+15.34
GBP/USD	1.5580	-0.59	-0.42	-2.48	-5.90
USD/CHF	0.9788	+0.77	+1.40	+1.54	+9.62
AUD/USD	0.8316	-0.80	-2.23	-3.23	-6.74
USD/CAD	1.1435	+0.45	+0.17	+0.43	+7.64
USD/BRL	2.5885	-0.09	+0.90	+3.22	+9.58
USD/KRW	1,113.96	-0.13	+0.53	+2.82	+6.11
<b>COMMODITIES</b>					
Gold(\$/oz)	1,192.51	-1.06	+2.15	+4.55	-1.09
WTI crude <sup>3</sup>	65.84	-1.45	-0.47	-16.32	-33.10
Brent crd <sup>3</sup>	68.22	-1.14	-1.12	-17.57	-38.44
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	252.33	-0.30	-0.80	-5.94	-9.94

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.

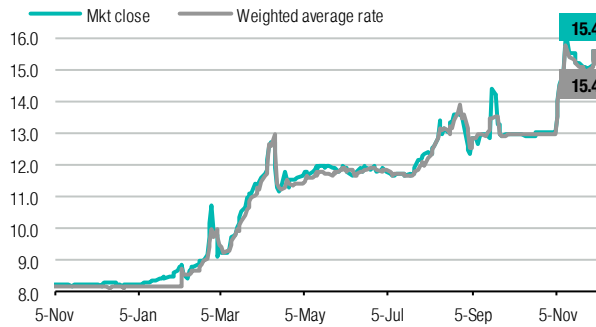
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

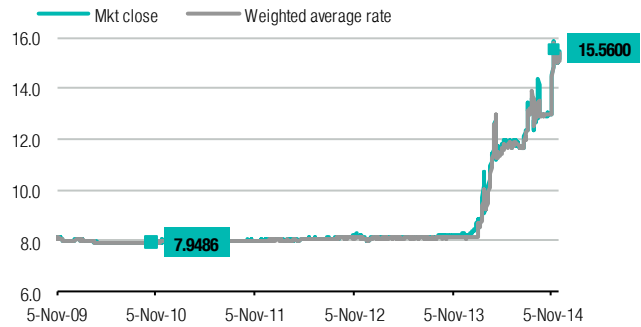
Section on FX market is continued on next page.

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)

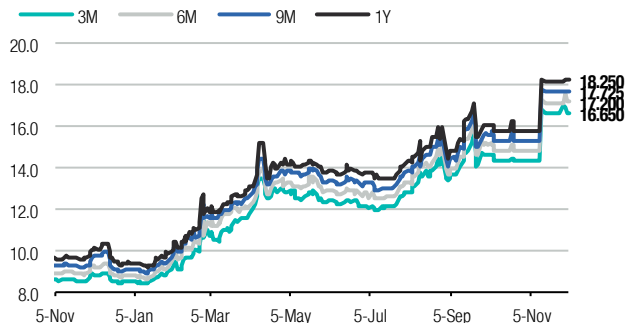


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

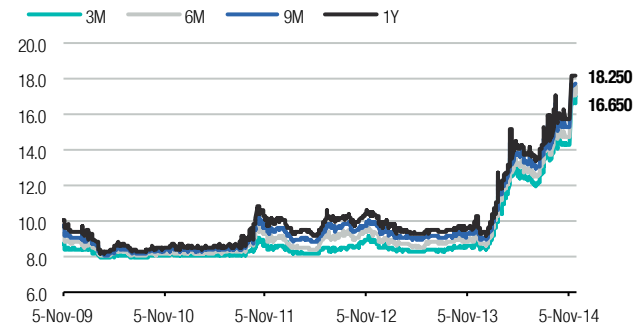


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

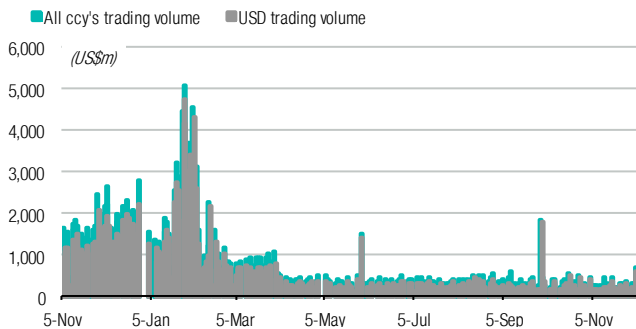


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

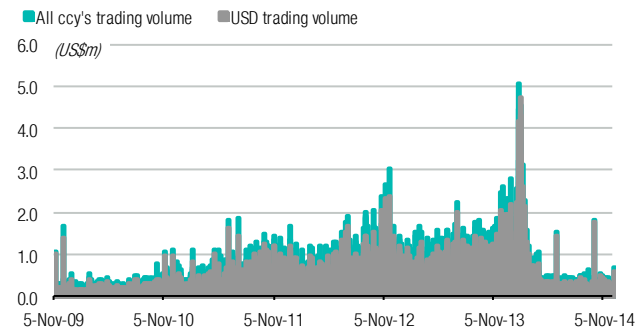


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

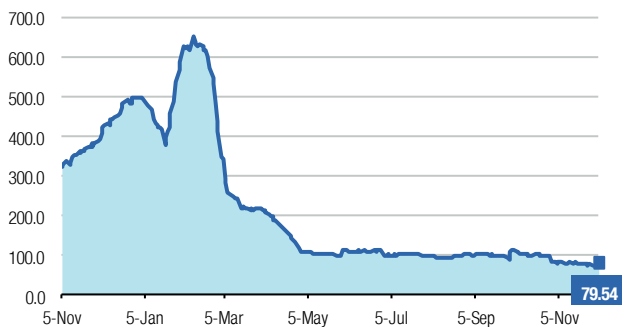


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)

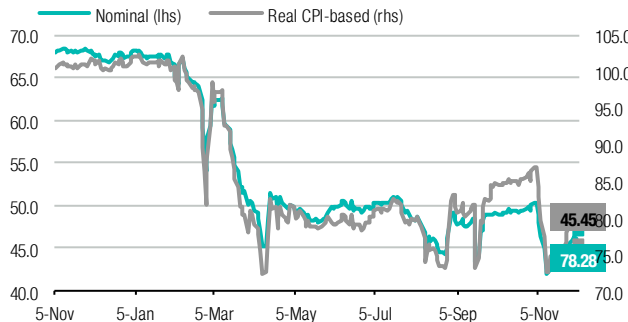


Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

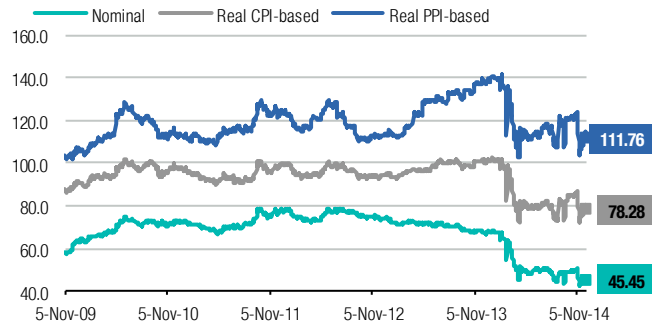
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



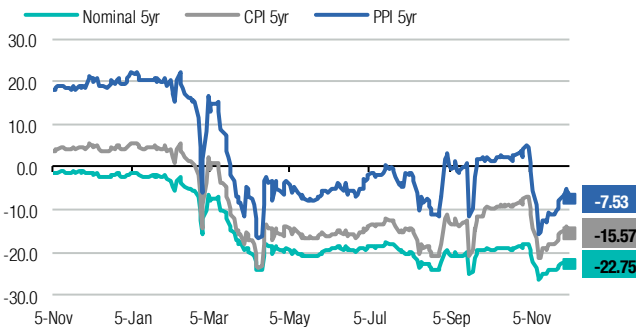
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

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

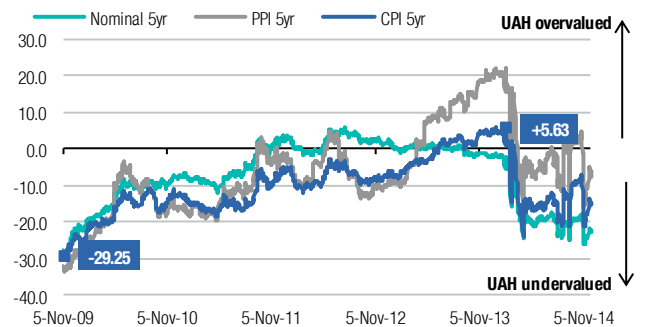


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

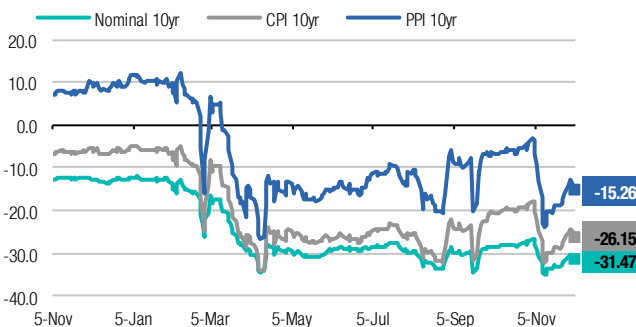


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

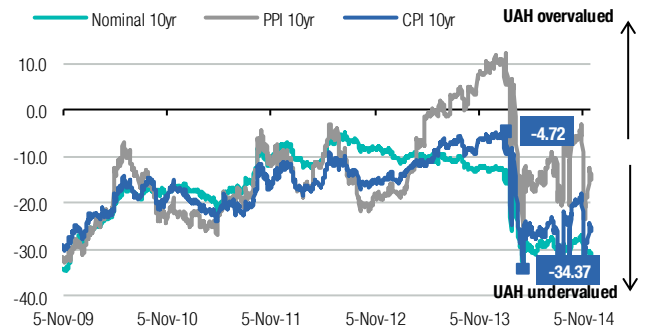


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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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