



Focus
Ukraine

Scope
Economics, bonds, equity & FX markets

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Daily Insight

Hryvnia's TWI rises sharply on RUB's collapse

TUESDAY, 16 DECEMBER 2014

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UX Index (3 months to 16 Dec 2014)



Source: UX.

Key market indicators (as of 15 Dec 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	15.8100	+0.32	+91.87
USD/UAH (1Y NDF)	18.2500	-5.68	+93.74
EUR/USD	1.2437	-0.20	-9.50
USD/RUB	64.2372	+10.22	+95.43
KievPRIME O/N (%)	15.60	-15bp	+780bp
KievPRIME 1M (%)	19.10	+10bp	+285bp
SOVEREIGN EUROBONDS: yields and spreads			
Ukraine 15, Eurobond (%)	52.00	+371bp	+4,364bp
Ukraine 17, Eurobond (%)	30.64	+200bp	+2,109bp
Ukraine 22, Eurobond (%)	16.74	+124bp	+740bp
Ukraine 23, Eurobond (%)	16.28	+124bp	+724bp
Ukraine 5Y CDS	2,345bp	+107bp	+1,529bp
EQUITIES			
Stock market indices			
UX (Ukraine)	963.97	+3.11	+5.93
MSCI World	403.61	-1.26	-1.21
MSCI EM	924.06	-1.53	-7.84
RTS (Russia)	718.32	-10.12	-50.21
WIG-20 (Poland)	2,321.57	-1.63	-3.31
S&P 500 (USA)	1,989.63	-0.63	+7.64

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 reallocation

Banks' correspondent accounts with the NBU rose UAH1.48bn to UAH33.53bn yesterday as total CDs outstanding fell UAH1.54bn to UAH11.87bn and total debt repayments scheduled for the next 30 days remained steady at UAH4.99bn. As a result, broader banking sector liquidity was largely unchanged, down UAH0.06bn to UAH52.19bn.

KyivPrime interest rates slightly diverged: the KyivPrime ON interest rate slid 15bp to 15.60% while the KyivPrime 1M interest rate rose 10bp to 19.10%.

Investment implications: The NBU repaid UAH1.54bn in CD redemptions, did not increase ON loans for banks.

Eurobond YTM's continue to increase

Ukrainian Eurobond YTM's continued to rise yesterday as a result of a significant widening of spreads to the benchmark as well as higher benchmark yields. As a result, the yield curve adjusted to the range of 16.30-52.02%. The 5-year CDS rose to 2,345bp.

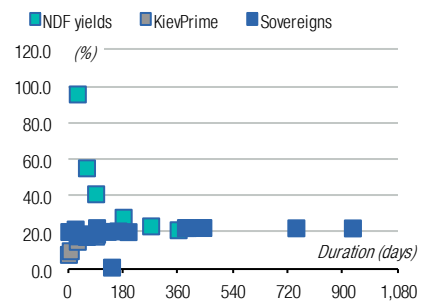
Unscheduled primary auction

The MoF held an unscheduled auction yesterday, selling UAH1.0bn of a 2-year local currency bond to one bidder at the usual 17.60% rate, most likely supported by domestic QE. We could see additional unscheduled auctions later this week to cover year-end budget needs.

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Yield curve of the local bond market

(as of market close on 15 Dec 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 15 Dec 2014)

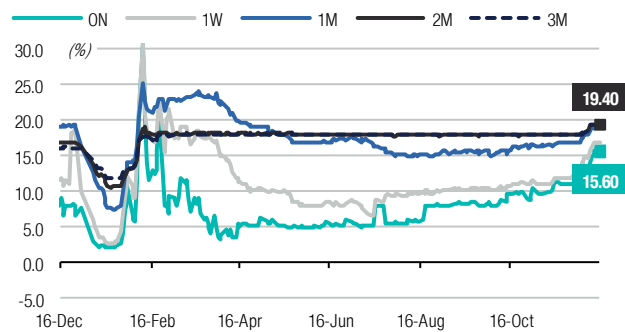
	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
0/n	15.60	-15bp	+235bp	+443bp	+780bp
1wk	16.80	-20bp	+205bp	+497bp	+700bp
1m	19.10	+10bp	+110bp	+243bp	+285bp
2m	19.40	-10bp	+90bp	+140bp	+300bp
3m	19.40	-10bp	+90bp	+140bp	+340bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	35,328	+4.37	+36.21	+8.85	+8.03
CDs ²	11,873	-11.50	-14.47	-23.14	+1,584.1
Sovgns ³	4,296	+15.53	-3.93	+52.97	+187.4
Total	51,497	+1.01	+16.27	+1.55	+47.55
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	295,300	+0.00	+2.72	+5.64	+103.9
Banks	89,886	+2.34	-4.29	-2.00	+12.12
Resid's ⁴	24,694	+0.54	+1.16	+57.71	+99.20
Non-res ⁵	21,525	+0.07	+0.36	-1.71	+83.99
Total	431,405	+0.51	+0.97	+5.53	+73.17
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	+0bp	-77ppt
EUROBONDS USD SOVEREIGN BOND YIELDS (%)					
CDS 5yr	2,345	+107bp	+549bp	+836bp	+15bp
Jun '16	38.20	+251bp	+11bp	+20bp	+29bp
Jul '17	30.64	+200bp	+721bp	+14bp	+21bp
Sep '20	18.91	+135bp	+407bp	+668bp	+972bp
Sep '21	18.79	+130bp	+406bp	+653bp	+957bp
Sep '22	16.74	+124bp	+282bp	+484bp	+740bp
Feb '23	16.28	+124bp	+291bp	+444bp	+724bp

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.

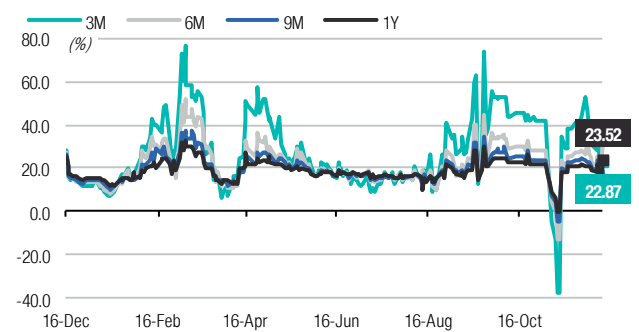
Chart page: Local bond market & Eurobond markets

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



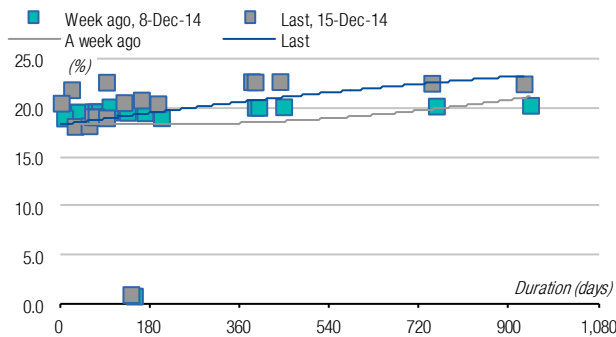
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



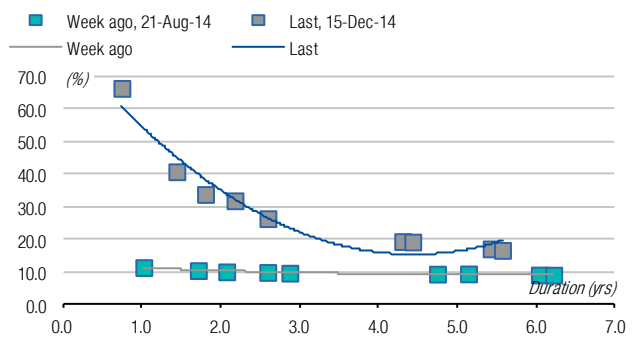
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 15 Dec 2014



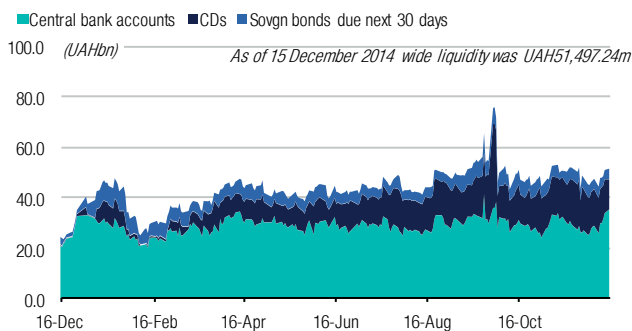
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 15 Dec 2014



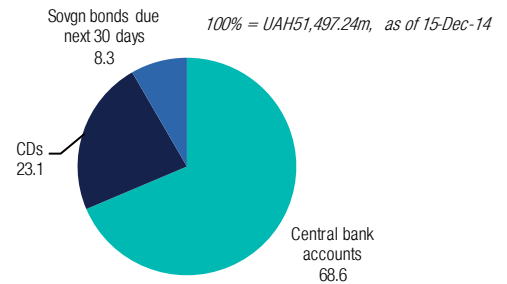
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



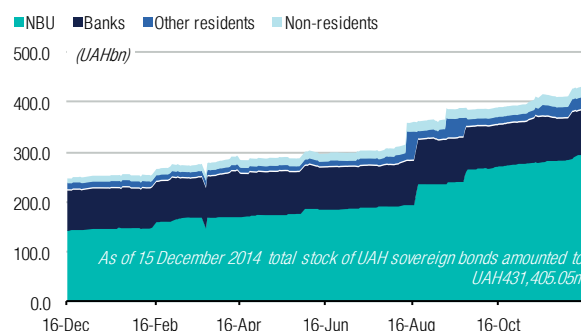
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 15 Dec 2014



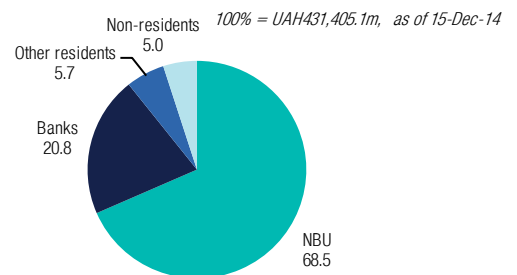
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 15 Dec 2014



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

Table 1. Ukrainian stocks (closing prices as of 15-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)	2014	2015E	2016E	2014	2015E	2016E	2014	2015E	2016E	P/B (x)	Debt/Assets (%)
ENERGY																											
Cadogan Petrol...	CAD LN	London	10.50 GBP	-1.2	+0.0	+1.2	-2.3	0.16	38.0	-9.6	40.2	15.3	0.0	18.0	0.17	599	Neg.	N/A	N/A	1.4	N/A	N/A	Neg.	N/A	N/A	0.3	0.0
Centrenerg	CEEN UK	Kiev, UX	7.38 UAH	+4.0	+1.9	+54.8	+56.4	0.47	173.2	218.3	21.7	37.6	111.5	45.9	0.15	682	5.6	4.9	7.3	0.3	3.8	4.0	0.5	0.3	0.3	1.1	16.3
Coal Energy	CLE PW	Warsaw	0.70 PLN	-1.4	-10.3	-33.3	-49.3	0.21	9.4	135.3	25.0	2.3	4.7	16.9	0.69	144	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	30.44 UAH	+5.1	+2.3	+10.3	+11.3	1.93	45.7	96.2	14.2	6.5	40.0	6.2	0.09	1,077	1.4	1.3	1.4	0.1	1.9	1.5	0.3	0.2	0.3	1.1	25.1
JKX Oil & Gas	JKX LN	London	12.88 GBP	+1.0	-65.7	-82.0	-81.9	0.20	34.6	39.8	47.2	16.3	26.6	33.7	0.67	149	5.3	5.8	1.0	0.6	0.8	0.6	0.2	0.2	0.2	0.1	5.5
Regal Petroleum	RPT LN	London	4.75 GBP	+0.0	-24.0	-63.5	-67.8	0.07	23.9	-6.3	80.9	19.3	0.0	3.1	0.01	6,938	Neg.	11.9	N/A	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	152.70 UAH	+0.0	+6.9	+68.9	+77.6	9.70	124.1	136.2	5.0	6.2	0.0	2.0	0.01	7,108	3.4	N/A	N/A	0.9	N/A	N/A	0.2	N/A	N/A	1.3	0.0
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.02 UAH	+0.0	-20.5	-61.4	-62.1	0.00	24.6	1,844.3	3.9	1.0	3.4	1.5	0.15	685	Neg.	Neg.	N/A	Neg.	Neg.	N/A	2.0	1.2	N/A	N/A	85.7
Avdiyivsky Cok...	AVDK UK	Kiev, UX	1.70 UAH	+2.0	-12.0	-42.6	-44.4	0.11	21.0	17.9	4.0	0.8	5.4	2.5	0.25	406	Neg.	Neg.	N/A	0.0	0.7	N/A	0.0	0.0	N/A	0.1	0.1
Azovstal	AZST UK	Kiev, UX	0.71 UAH	+6.1	+1.4	+5.8	-1.0	0.05	189.4	N/A	4.1	7.8	40.4	11.3	0.10	1,024	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	49.62 GBP	-11.1	-37.1	-73.3	-71.1	0.78	457.5	660.0	22.4	102.5	1,541.4	725.0	0.96	104	1.7	1.8	3.8	1.3	1.4	2.1	0.4	0.5	0.5	0.4	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.30 UAH	+0.0	-16.5	-43.6	-43.5	0.02	5.2	5.9	9.0	0.5	0.0	1.1	0.12	813	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	19.28 UAH	+2.0	-0.9	-39.8	-40.6	1.22	12.9	4.5	9.4	1.2	4.8	3.5	0.25	400	Neg.	Neg.	N/A	0.8	0.2	N/A	0.0	0.0	N/A	0.9	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	0.47 EUR	+0.0	-4.1	-62.1	-62.7	0.59	54.1	107.9	34.0	18.4	8.7	14.3	0.08	1,275	Neg.	N/A	N/A	Neg.	N/A	N/A	1.6	N/A	N/A	1.0	35.9
Agroliga	AGL PW	Warsaw	9.60 PLN	-5.0	-8.9	-63.0	-63.4	2.86	4.4	5.2	16.7	0.7	4.4	2.9	0.49	206	1.1	N/A	N/A	1.5	N/A	N/A	0.3	N/A	N/A	0.4	5.7
Agroton	AGT PW	Warsaw	1.37 PLN	-5.5	-5.5	-29.7	-36.9	0.41	8.8	54.1	26.2	2.3	19.7	35.1	1.90	53	Neg.	1.3	1.1	20.2	18.0	N/A	0.7	0.6	0.7	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	16.89 PLN	-8.0	-14.4	-74.8	-72.8	5.03	125.8	368.5	31.0	39.0	29.6	92.8	0.32	308	3.9	Neg.	2.4	4.9	3.2	3.6	0.8	0.8	0.8	0.4	38.2
Avangard	AVGR LI	London Intl	3.62 USD	+0.4	-25.4	-69.2	-68.5	3.62	231.2	442.4	21.7	50.2	4.3	27.2	0.03	3,303	1.0	2.1	1.9	1.5	2.5	2.5	0.7	0.8	0.8	0.3	17.8
IMC	IMC PW	Warsaw	5.95 PLN	-0.8	-11.7	-51.0	-53.2	1.77	55.5	194.7	23.9	13.2	15.8	12.0	0.07	1,450	2.1	Neg.	2.2	3.6	3.7	3.6	1.7	1.2	1.1	0.4	38.7
Kernel Holding...	KER PW	Warsaw	28.01 PLN	-3.4	+15.0	-26.4	-24.3	8.34	664.8	1,309.1	58.8	390.7	1,518.6	930.7	0.36	278	Neg.	4.2	4.1	5.9	3.8	4.1	0.5	0.5	0.5	0.7	39.1
KSG Agro	KSG PW	Warsaw	1.16 PLN	-4.9	-4.1	-89.3	-88.2	0.35	5.2	116.3	34.4	1.8	8.7	66.5	2.14	47	Neg.	N/A	0.3	13.4	N/A	N/A	1.6	1.2	1.0	0.3	44.5
MHP	MHPC LI	London Intl	9.90 USD	-2.0	-10.8	-41.9	-37.1	9.90	1,046.1	2,176.5	22.3	233.5	53.1	371.4	0.10	1,007	6.7	18.5	3.7	5.6	4.4	4.3	1.5	1.5	1.4	2.1	47.0
Milkiland	MLK PW	Warsaw	1.83 PLN	-5.7	-26.2	-85.4	-84.6	0.55	17.0	142.3	20.0	3.4	5.5	8.3	0.44	227	1.3	Neg.	42.3	4.3	4.7	4.3	0.3	0.4	0.4	0.1	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	0.91 EUR	+0.0	-36.3	-83.1	-82.8	1.13	120.5	848.2	20.0	24.1	0.0	0.7	0.00	38,926	1.4	1.4	0.5	5.1	3.1	2.8	1.7	2.0	2.0	0.3	45.3
Ovostar Union	OVO PW	Warsaw	70.10 PLN	-2.6	-3.3	-29.9	-13.5	20.88	125.3	134.9	25.0	31.3	9.0	25.6	0.07	1,433	4.1	6.5	5.6	3.7	4.9	4.4	1.5	1.7	1.4	0.9	8.5
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.08 EUR	-14.0	-54.3	-74.8	-73.1	0.10	5.2	132.3	13.1	0.7	0.0	0.1	0.04	2,726	Neg.	N/A	N/A	Neg.	N/A	N/A	3.9	N/A	N/A	0.1	45.5
FINANCIAL SERVICES																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.10 UAH	+1.7	-12.7	-16.2	-18.1	0.01	181.1	N/A	3.8	6.9	25.7	15.1	0.27	371	2.8	Neg.	14.9	N/A	N/A	N/A	N/A	N/A	N/A	0.5	22.4
Ukrsotsbank	USCB UK	Kiev, UX	0.14 UAH	+0.0	-6.7	-25.3	-25.2	0.01	219.5	N/A	4.5	9.8	0.0	0.9	0.00	43,236	Neg.	14.1	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

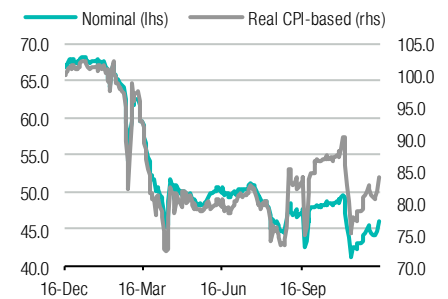
Hryvnia's TWI rises sharply on RUB's collapse

In unprecedented trading yesterday, EM FX markets Declined precipitously versus the US dollar. The Turkish lira declined 3.38% on news that Turkish President Erdogan shrugged off criticism over the arrest of a group of media employees. In Asia, the Chinese yen and Korean won lost 0.08% and 0.35%, respectively. In Russia, the ruble to decline more than 10% for the day to 64.2372/USD as a result of an accelerating flight of capital, ongoing militarist rhetoric, and macroeconomic mismanagement. These developments resulted in a 3.03% increase in the hryvnia's trade-weighted index, which negatively affects the nominal rate of the Ukraine's currency.

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ICU's UAH trade-weighted indices

(Last 12-month history to 16 Dec 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 15 Dec 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	15.8100	+0.32	+1.51	+1.82	+91.87
NBU avg	15.7604	+0.32	+1.51	+2.26	+93.36
Ttl vlm ¹	226.10	-41.19	-7.38	-23.80	-91.93
\$ volume ²	168.77	-10.96	-9.32	-20.34	-92.37
NDF 3M	16.6500	+0.00	+0.00	-1.19	+96.23
NDF 6M	17.2000	-5.62	+0.00	-0.58	+95.90
NDF 1Y	18.2500	-5.68	+0.00	+0.00	+93.74
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	46.059	+3.03	+4.12	+8.41	-31.80
UAH real CPI	84.067	+3.03	+4.12	+8.41	-16.82
UAH real PPI	122.907	+3.03	+4.12	+8.41	-11.44
USD nom'l	88.460	+0.11	-0.65	+0.56	+10.53
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	64.2372	+10.22	+19.41	+36.01	+95.43
EUR/USD	1.2437	-0.20	+0.97	+0.03	-9.50
USD/CNY	6.1934	+0.08	+0.35	+1.08	+2.30
USD/PLN	3.3656	+0.22	-0.38	-1.21	+11.33
USD/TRY	2.3763	+3.38	+4.75	+5.69	+10.62
USD/BYR	11,125.00	+1.60	+2.58	+2.96	+16.61
USD/KZT	183.5700	+0.85	+0.85	+1.43	+18.99
OTHER MAJOR CURRENCIES					
USD/JPY	117.8200	-0.78	-2.38	+1.27	+11.88
GBP/USD	1.5638	-0.50	-0.10	-0.19	-5.55
USD/CHF	0.9656	+0.19	-1.08	-0.12	+8.14
AUD/USD	0.8211	-0.44	-1.00	-5.46	-7.92
USD/CAD	1.1672	+0.79	+1.67	+2.53	+9.87
USD/BRL	2.6958	+1.57	+3.67	+3.62	+14.13
USD/KRW	1,099.24	-0.35	-1.64	-0.14	+4.71
COMMODITIES					
Gold(\$/oz)	1,193.23	-2.39	-0.85	+3.50	-1.03
WTI crude ³	55.91	-3.29	-11.32	+0.00	-43.19
Brent crd ³	59.83	-2.06	-8.89	-20.84	-46.01
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	241.05	-1.11	-2.85	-9.65	-13.96

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

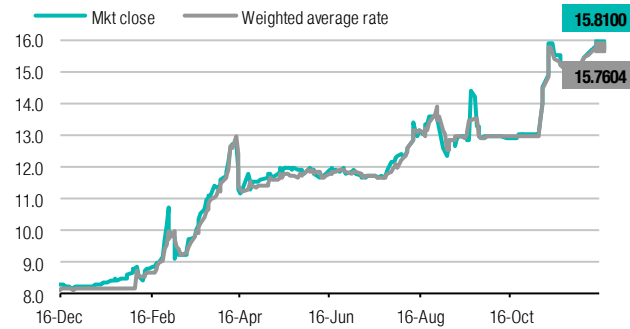
Sources: Bloomberg, Investment Capital Ukraine LLC.

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

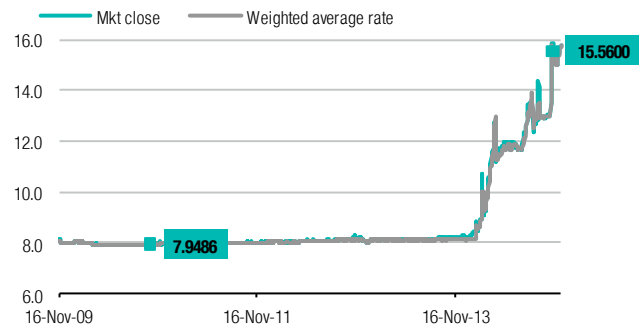
Section on FX market is continued on next page.

Chart page #1: Foreign-exchange market

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

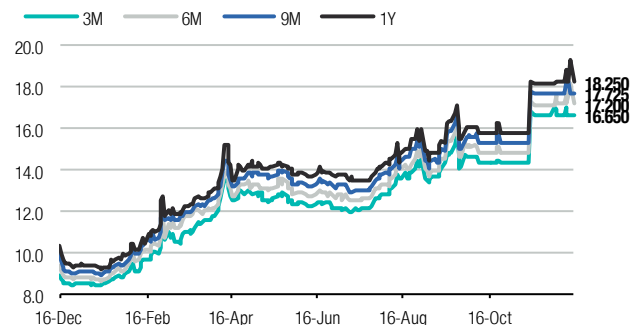


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

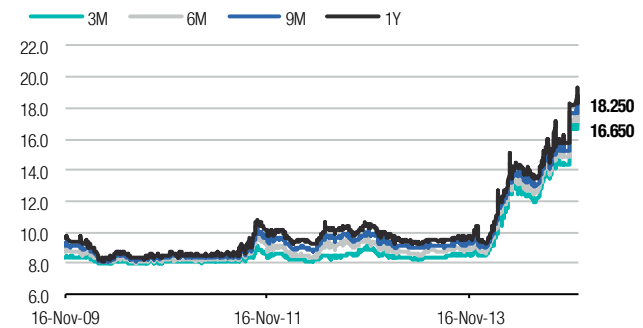


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

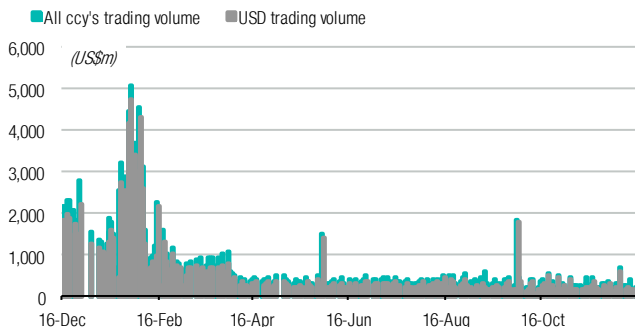


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

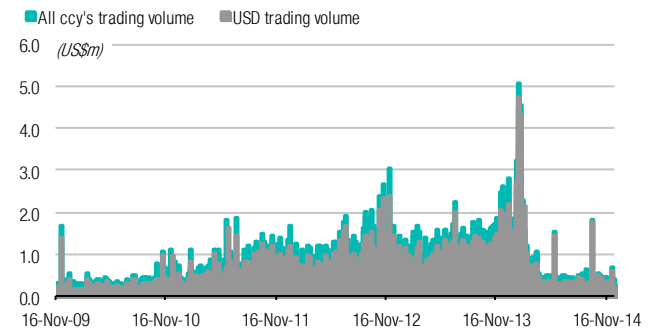


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

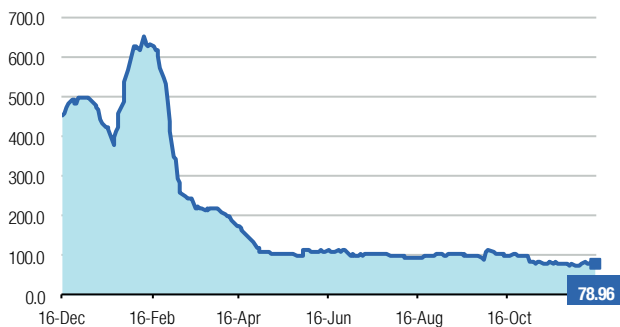


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

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

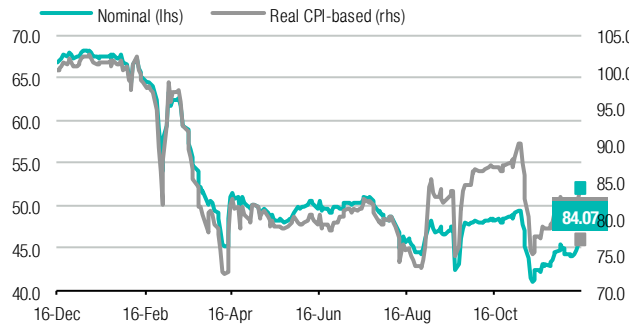


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

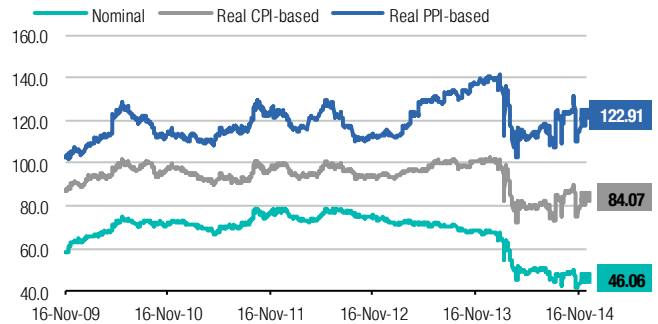
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



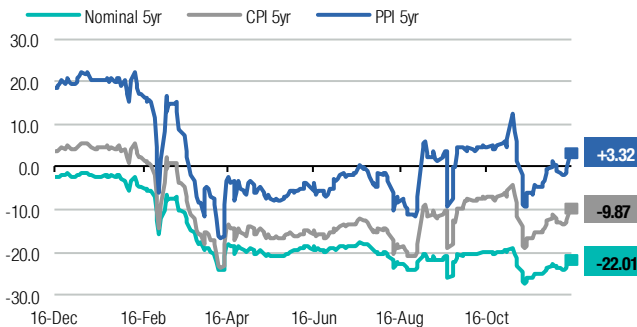
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

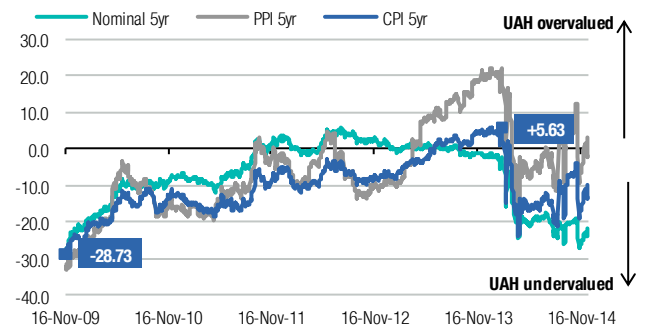


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

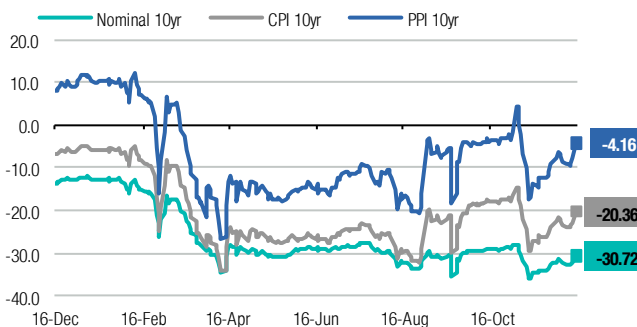


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

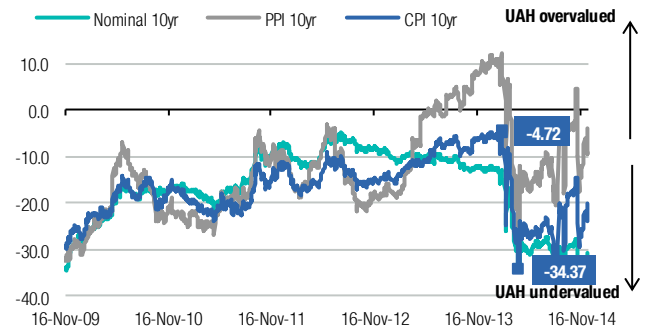


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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



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



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

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Disclosures

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

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

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

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

DEBT RATING DEFINITIONS

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

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

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



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