

Daily Insight

IMF head talks with Putin

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TUESDAY, 30 DECEMBER 2014

UX Index (3 months to 30 Dec 2014)



Source: UX.

Key market indicators (as of 29 Dec 2014)

| | Last | Daily chg (%) | YTD chg (%) |
|--|----------|---------------|-------------|
| FX & MONEY RATES | | | |
| USD/UAH | 15.8188 | -0.01 | +91.98 |
| USD/UAH (1Y NDF) | 18.5405 | +0.49 | +96.82 |
| EUR/USD | 1.2152 | -0.25 | -11.58 |
| USD/RUB | 58.4949 | +9.34 | +77.96 |
| KievPRIME O/N (%) | 16.60 | +0bp | +880bp |
| KievPRIME 1M (%) | 19.40 | +0bp | +315bp |
| SOVEREIGN EUROBONDS: yields and spreads | | | |
| Ukraine 15, Eurobond (%) | 61.77 | +885bp | +5,341bp |
| Ukraine 17, Eurobond (%) | 27.76 | +119bp | +1,820bp |
| Ukraine 22, Eurobond (%) | 16.25 | +113bp | +690bp |
| Ukraine 23, Eurobond (%) | 15.56 | +90bp | +652bp |
| Ukraine 5Y CDS | 1,972bp | +2bp | +1,155bp |
| EQUITIES | | | |
| Stock market indices | | | |
| UX (Ukraine) | 1,005.09 | +1.00 | +10.44 |
| MSCI World | 422.05 | +0.19 | +3.30 |
| MSCI EM | 958.70 | +0.65 | -4.39 |
| RTS (Russia) | 795.09 | -4.04 | -44.89 |
| WIG-20 (Poland) | 2,302.59 | -0.88 | -4.10 |
| S&P 500 (USA) | 2,090.57 | +0.09 | +13.10 |

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.

Economics: News & Comments

IMF head talks with Putin

Yesterday, Ukrainian lawmakers passed the 2015 state budget law at 4:30 in the morning ahead of the next mission of IMF which starts on January 8th. The Fund is looking for additional US\$15bn from donors. Prior commitments include US\$17bn plus US\$6bn from the donors. It is no coincidence that this news was released on the same day the IMF head Ms Lagarde talked by phone with Russian president Putin who holds a US\$3bn Eurobond due next December which could be exercised for early redemption because of the 60% debt-to-GDP covenant which Ukraine recently breached. Reportedly, Putin said he was about to help Ukraine, but no details of an early redemption of the bond were released. In our view, this issue must have been discussed during the conversation and most likely Putin avoided committing himself in regard to not requiring an early redemption of the bond.

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Bonds: News & Comments

Liquidity declines slightly

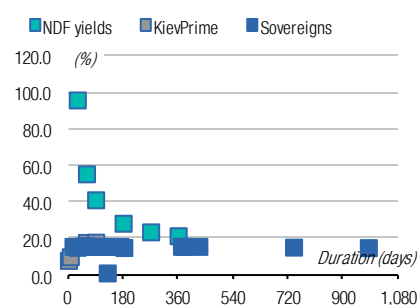
Last Friday's cash flows caused a slight decline in liquidity yesterday. The NBU absorbed UAH0.88bn of liquidity as it increased total CDs outstanding by UAH0.88bn to UAH17.00bn. However, the NBU last Friday decreased ON loans by UAH0.10bn to UAH0.53bn while total local currency debt repayments scheduled for the next 30 days rose UAH0.53bn to UAH3.56bn. At the same time, banks' correspondent accounts with the NBU fell UAH2.04bn to UAH34.59bn, causing broader banking sector liquidity to decline UAH0.62bn to UAH54.68bn yesterday.

KyivPrime interest rates significantly rose yesterday: the KyivPrime ON interest rate rose 115bp to 17.75% while the KyivPrime 1M interest rate rose 35bp to 19.75%.

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Yield curve of the local bond market

(as of market close on 29 Dec 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 29 Dec 2014)

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

MONEY MARKET KIEV PRIME RATES (%)

| | | | | | |
|-----|-------|------|-------|--------|--------|
| O/n | 16.60 | +0bp | -40bp | +540bp | +880bp |
| 1wk | 18.40 | +0bp | +40bp | +630bp | +860bp |
| 1m | 19.40 | +0bp | +40bp | +240bp | +315bp |
| 2m | 19.60 | +0bp | +60bp | +160bp | +320bp |
| 3m | 19.60 | +0bp | +60bp | +160bp | +360bp |

LIQUIDITY WIDE MEASUREMENT (UAHm)

| | | | | | |
|-----------------------|---------------|--------------|--------------|---------------|--------------|
| CB acc's ¹ | 34,590 | -5.56 | +0.76 | +27.88 | +5.77 |
| CDs ² | 16,999 | +5.47 | +13.68 | +3.93 | +0.00 |
| Sovgns ³ | 5,046 | +48.70 | +35.22 | +4.77 | +0.00 |
| Total | 56,635 | +0.89 | +6.83 | +17.45 | +0.00 |

HOLDERS OF UAH SOVEREIGN BONDS (UAHm)

| | | | | | |
|----------------------|------------|------------|------------|------------|------------|
| C.bank | N/A | N/A | N/A | N/A | N/A |
| Banks | N/A | N/A | N/A | N/A | N/A |
| Resid's ⁴ | N/A | N/A | N/A | N/A | N/A |
| Non-res ⁵ | N/A | N/A | N/A | N/A | N/A |
| Total | N/A | N/A | N/A | N/A | N/A |

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 | +8bp | +0bp | +8bp | -77ppt |

EUROBONDS USD SOVEREIGN BOND YIELDS (%)

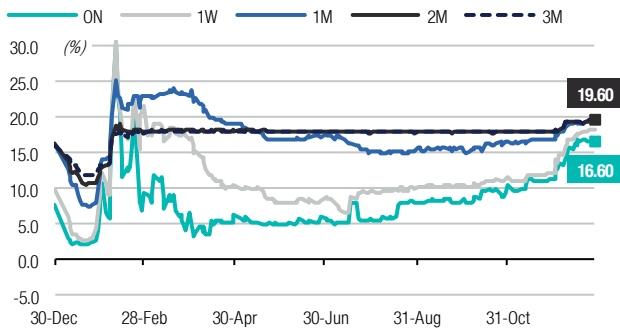
| | | | | | |
|---------|-------|--------|--------|--------|--------|
| CDS 5yr | 1,972 | +2bp | +5bp | +421bp | +12bp |
| Jun '16 | 36.91 | +344bp | +345bp | +15bp | +28bp |
| Jul '17 | 27.76 | +119bp | +122bp | +826bp | +18bp |
| Sep '20 | 18.85 | +115bp | +123bp | +521bp | +965bp |
| Sep '21 | 18.54 | +172bp | +180bp | +492bp | +932bp |
| Sep '22 | 16.25 | +113bp | +121bp | +339bp | +690bp |
| Feb '23 | 15.56 | +90bp | +97bp | +281bp | +652bp |

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.

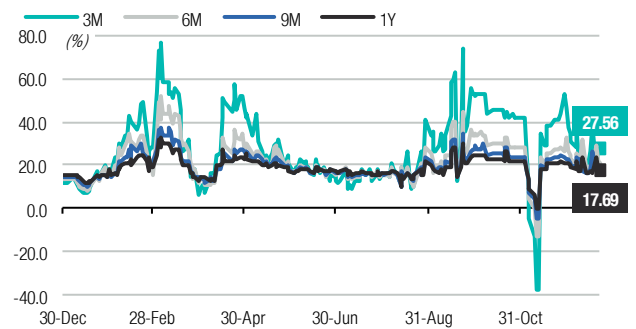
Chart page: Local bond market & Eurobond markets

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



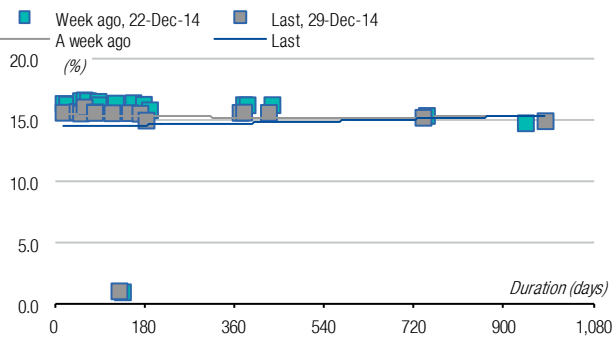
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



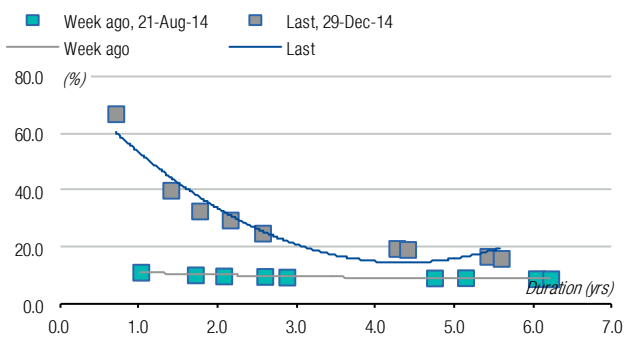
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 29 Dec 2014



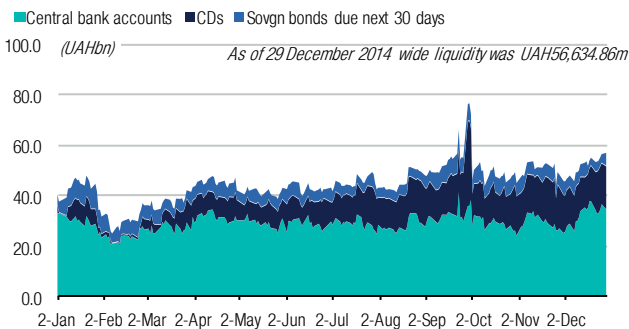
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 29 Dec 2014



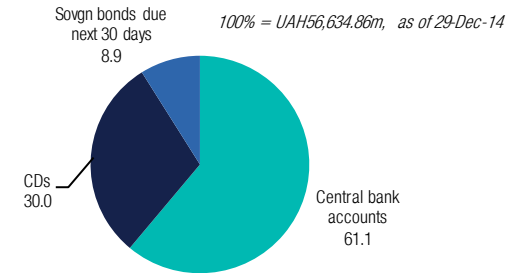
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



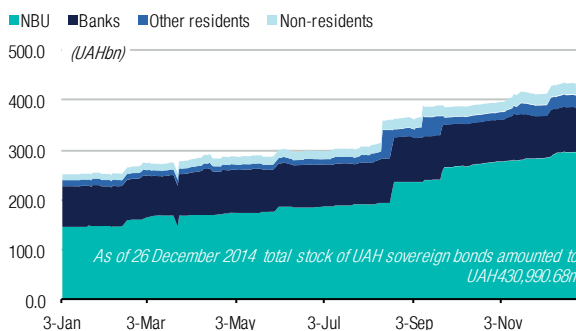
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 29 Dec 2014



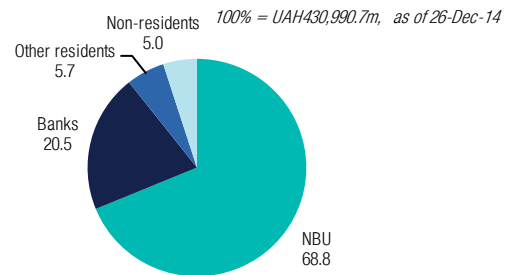
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 29 Dec 2014



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

Table 1. Ukrainian stocks (closing prices as of 29-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 | 9.88 GBp | -1.3 | -8.1 | -4.8 | -4.8 | 0.15 | 35.4 | -12.2 | 40.2 | 14.2 | 22.6 | 15.7 | 0.14 | 731 | Neg. | N/A | N/A | 1.8 | N/A | N/A | Neg. | N/A | N/A | 0.2 | 0.0 |
| Centrenerg | CEEN UK | Kiev, UX | 7.33 UAH | +0.0 | -0.6 | +53.8 | +53.8 | 0.46 | 171.2 | 216.1 | 21.7 | 37.2 | 26.6 | 43.6 | 0.16 | 631 | 5.6 | 4.8 | 7.3 | 0.3 | 3.8 | 4.0 | 0.5 | 0.3 | 0.3 | 1.1 | 16.3 |
| Coal Energy | CLE PW | Warsaw | 0.64 PLN | +0.0 | +0.0 | -39.0 | -39.0 | 0.18 | 8.1 | 134.1 | 25.0 | 2.0 | 5.6 | 11.6 | 0.56 | 179 | 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 | 31.99 UAH | +0.0 | +3.1 | +15.9 | +15.9 | 2.02 | 47.8 | 98.0 | 14.2 | 6.8 | 21.9 | 7.7 | 0.19 | 538 | 1.4 | 1.3 | 1.2 | 0.1 | 1.8 | 1.2 | 0.3 | 0.2 | 0.2 | 1.1 | 25.1 |
| JXK Oil & Gas | JXK LN | London | 12.00 GBp | -4.0 | -57.1 | -83.2 | -83.3 | 0.19 | 31.9 | 37.1 | 47.2 | 15.1 | 14.2 | 61.0 | 1.23 | 81 | 4.9 | 5.3 | 1.0 | 0.6 | 0.7 | 0.6 | 0.2 | 0.2 | 0.2 | 0.1 | 5.5 |
| Regal Petroleum | RPT LN | London | 3.25 GBp | -3.7 | -42.3 | -75.0 | -74.5 | 0.05 | 16.2 | -14.0 | 80.9 | 13.1 | 2.2 | 2.8 | 0.04 | 2,746 | Neg. | 8.1 | N/A | Neg. | Neg. | Neg. | Neg. | Neg. | Neg. | 0.1 | 0.0 |
| Zakhidenergo | ZAEN UK | Kiev, PFTS | 125.90 UAH | +0.0 | -18.2 | +39.3 | +39.3 | 7.96 | 101.8 | 113.9 | 5.0 | 5.1 | 7.3 | 1.7 | 0.03 | 2,919 | 2.8 | N/A | N/A | 0.8 | N/A | N/A | 0.2 | N/A | N/A | 1.1 | 0.0 |
| METALLURGY | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Alchevsky Meta... | ALMK UK | Kiev, UX | 0.01 UAH | +0.0 | -13.3 | -61.6 | -61.6 | 0.00 | 24.3 | 1,834.9 | 3.9 | 0.9 | 11.9 | 1.7 | 0.30 | 339 | Neg. | Neg. | N/A | Neg. | Neg. | N/A | 2.0 | 1.2 | N/A | N/A | 85.7 |
| Avdiyivsky Cok... | AVDK UK | Kiev, UX | 1.75 UAH | +0.0 | -3.4 | -40.9 | -40.9 | 0.11 | 21.6 | 18.5 | 4.0 | 0.9 | 6.9 | 3.5 | 0.86 | 116 | 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 | +0.0 | +2.5 | +5.8 | +5.8 | 0.04 | 188.4 | N/A | 4.1 | 7.7 | 8.0 | 10.7 | 0.11 | 930 | Neg. | Neg. | N/A | N/A | N/A | N/A | N/A | N/A | 0.2 | 0.0 | |
| Ferrexpo PLC | FXPO LN | London | 53.00 GBp | +7.6 | -22.5 | -71.5 | -71.5 | 0.82 | 483.6 | 686.1 | 22.4 | 108.3 | 434.1 | 832.1 | 0.92 | 109 | 1.8 | 1.9 | 4.5 | 1.4 | 1.5 | 2.3 | 0.4 | 0.5 | 0.5 | 0.4 | 35.1 |
| Yasynivsky Cok... | YASK UK | Kiev, UX | 0.28 UAH | +0.0 | -12.2 | -47.2 | -47.2 | 0.02 | 4.8 | 5.5 | 9.0 | 0.4 | 4.8 | 0.8 | 0.42 | 239 | Neg. | 0.5 | 0.3 | 0.1 | 0.3 | N/A | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 |
| Yenakievo Steel | ENMZ UK | Kiev, UX | 20.77 UAH | +0.0 | +4.1 | -35.1 | -35.1 | 1.31 | 13.9 | 5.5 | 9.4 | 1.3 | 5.2 | 3.9 | 0.29 | 343 | Neg. | Neg. | N/A | 1.0 | 0.2 | N/A | 0.0 | 0.0 | N/A | 1.0 | 0.0 |
| FOOD AND AGRIBUSINESS | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| AgroGeneration | ALAGR FP | EN Paris | 0.44 EUR | +0.0 | -4.3 | -64.5 | -64.5 | 0.53 | 49.3 | 101.8 | 34.0 | 16.8 | 5.0 | 13.5 | 0.09 | 1,168 | Neg. | N/A | N/A | Neg. | N/A | N/A | 1.6 | N/A | N/A | 1.0 | 35.9 |
| Agroliga | AGL PW | Warsaw | 8.60 PLN | -7.5 | -28.0 | -66.8 | -66.8 | 2.43 | 3.7 | 4.6 | 16.7 | 0.6 | 5.9 | 2.8 | 0.75 | 134 | 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 | 1.24 PLN | +4.2 | +0.0 | -36.4 | -36.4 | 0.35 | 7.6 | 52.9 | 26.2 | 2.0 | 11.8 | 30.3 | 1.52 | 66 | Neg. | 1.1 | 0.9 | 19.8 | 17.6 | N/A | 0.6 | 0.6 | 0.7 | 0.1 | 28.4 |
| Astarta Holdin... | AST PW | Warsaw | 18.21 PLN | +3.6 | -6.1 | -72.8 | -72.8 | 5.15 | 128.7 | 365.1 | 31.0 | 39.9 | 30.6 | 82.9 | 0.32 | 315 | 4.1 | Neg. | 3.2 | 4.8 | 3.2 | 3.9 | 0.8 | 0.9 | 0.9 | 0.4 | 38.2 |
| Avangard | AVGR LI | London Intl | 2.18 USD | -5.2 | -54.6 | -81.4 | -81.4 | 2.18 | 139.2 | 350.5 | 21.7 | 30.2 | 173.5 | 20.8 | 0.12 | 847 | 0.6 | 1.3 | 1.2 | 1.2 | 2.0 | 2.1 | 0.5 | 0.6 | 0.7 | 0.2 | 17.8 |
| IMC | IMC PW | Warsaw | 5.80 PLN | -3.2 | -10.8 | -52.3 | -52.3 | 1.64 | 51.3 | 190.5 | 23.9 | 12.3 | 0.2 | 7.5 | 0.07 | 1,397 | 2.0 | Neg. | 2.1 | 3.5 | 3.7 | 3.7 | 1.7 | 1.2 | 1.1 | 0.3 | 38.7 |
| Kernel Holding... | KER PW | Warsaw | 29.20 PLN | -1.4 | +0.2 | -23.3 | -23.3 | 8.25 | 657.5 | 1,301.8 | 58.8 | 386.5 | 231.9 | 959.5 | 0.38 | 265 | Neg. | 4.1 | 4.0 | 5.8 | 3.7 | 4.0 | 0.5 | 0.5 | 0.5 | 0.6 | 39.1 |
| KSG Agro | KSG PW | Warsaw | 1.10 PLN | +2.8 | -7.6 | -89.9 | -89.9 | 0.31 | 4.7 | 115.8 | 34.4 | 1.6 | 7.6 | 41.3 | 0.79 | 127 | Neg. | N/A | 0.2 | 13.3 | N/A | N/A | 1.6 | 1.2 | 1.0 | 0.3 | 44.5 |
| MHP | MHPC LI | London Intl | 10.30 USD | +12.6 | -5.1 | -39.6 | -39.4 | 10.30 | 1,088.4 | 2,218.8 | 22.3 | 242.9 | 2,123.3 | 388.4 | 0.20 | 488 | 7.0 | 17.2 | 3.9 | 5.7 | 4.5 | 4.4 | 1.5 | 1.6 | 1.5 | 2.1 | 47.0 |
| Milkiland | MLK PW | Warsaw | 1.50 PLN | -6.3 | -23.5 | -88.0 | -88.0 | 0.42 | 13.2 | 135.3 | 20.0 | 2.6 | 11.8 | 6.8 | 0.58 | 172 | 1.0 | Neg. | 34.0 | 4.1 | 4.6 | 4.2 | 0.3 | 0.4 | 0.4 | 0.1 | 30.8 |
| Mriya Agrohold... | MAYA GF | Frankfurt | 0.56 EUR | -4.7 | -37.2 | -89.6 | -89.6 | 0.68 | 72.5 | 800.3 | 20.0 | 14.5 | 0.0 | 0.6 | 0.01 | 11,835 | 0.8 | 0.8 | 0.3 | 4.9 | 2.9 | 2.7 | 1.6 | 1.9 | 1.8 | 0.2 | 45.3 |
| Ovostar Union | OVO PW | Warsaw | 70.75 PLN | -1.6 | +1.1 | -29.3 | -29.3 | 19.99 | 120.0 | 129.6 | 25.0 | 30.0 | 147.2 | 25.2 | 0.10 | 1,052 | 3.9 | 6.3 | 5.4 | 3.5 | 4.7 | 4.3 | 1.4 | 1.7 | 1.4 | 0.9 | 8.5 |
| CONSTRUCTION | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TMM | TR61 GF | Xetra | 0.08 EUR | +0.0 | -46.7 | -74.8 | -74.8 | 0.10 | 5.0 | 132.2 | 13.1 | 0.7 | 0.0 | 0.1 | 0.02 | 4,637 | 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 | 0.09 UAH | +0.0 | -6.3 | -16.9 | -16.9 | 0.01 | 178.7 | N/A | 3.8 | 6.8 | 2.6 | 15.8 | 0.28 | 358 | 2.8 | Neg. | 12.0 | N/A | N/A | N/A | N/A | N/A | N/A | 0.4 | 22.4 |
| Ukrsotsbank | USCB UK | Kiev, UX | 0.13 UAH | +0.0 | -14.5 | -31.6 | -31.6 | 0.01 | 200.1 | N/A | 4.5 | 9.0 | 3.2 | 0.9 | 0.01 | 7,373 | Neg. | 12.9 | 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

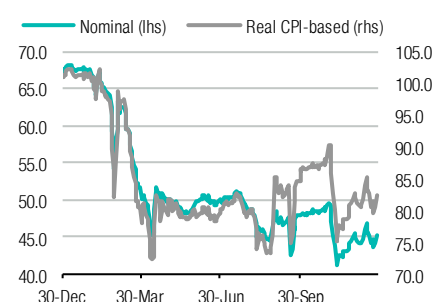
Ruble in a massive drop

Yesterday, the Russian currency, under clear pressure despite efforts by authorities to stem the rush for dollars, dropped 9.34% to 58.50/USD, amidst routinely high volatility. This creates a massive issue for the region where the currencies of countries that depend on Russian demand for exports are weakened, albeit to a different extent.

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ICU's UAH trade-weighted indices

(Last 12-month history to 30 Dec 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 29 Dec 2014)

| | Last | Daily | Weekly | MoM | YTD |
|---|-----------|---------|---------|---------|---------|
| | chg (%) | chg (%) | chg (%) | chg (%) | chg (%) |
| USD/UAH MARKET (HRYVNIA per US DOLLAR) | | | | | |
| Spot mkt | 15.8188 | -0.01 | -0.55 | +5.33 | +91.98 |
| NBU avg | 15.7686 | +0.00 | -0.54 | +5.34 | +93.46 |
| Ttl vlm ¹ | 430.88 | -2.64 | +56.87 | +20.92 | -84.62 |
| \$ volume ² | 354.29 | -7.69 | +73.22 | +19.35 | -83.97 |
| NDF 3M | 16.7225 | -0.76 | +0.44 | +0.44 | +97.08 |
| NDF 6M | 17.2840 | -0.67 | -5.16 | +1.08 | +96.86 |
| NDF 1Y | 18.5405 | +0.49 | -4.80 | +1.87 | +96.82 |
| TRADE-WEIGHTED INDICES (TWIs, points) | | | | | |
| UAH nom'l | 45.177 | +2.68 | +2.41 | +1.52 | -33.11 |
| UAH real CPI | 82.456 | +2.68 | +2.41 | +1.52 | -18.42 |
| UAH real PPI | 120.552 | +2.68 | +2.41 | +1.52 | -13.14 |
| USD nom'l | 90.190 | +0.18 | +0.47 | +2.08 | +12.69 |
| FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs | | | | | |
| USD/RUB | 58.4949 | +9.34 | +5.12 | +18.25 | +77.96 |
| EUR/USD | 1.2152 | -0.25 | -0.64 | -2.41 | -11.58 |
| USD/CNY | 6.2245 | +0.19 | +0.03 | +1.29 | +2.81 |
| USD/PLN | 3.5386 | -1.46 | +1.54 | +5.34 | +17.06 |
| USD/TRY | 2.3187 | +0.00 | +0.18 | +4.44 | +7.94 |
| USD/BYR | 11,000.00 | +0.00 | +0.00 | +1.10 | +15.30 |
| USD/KZT | 182.3700 | -0.08 | +0.08 | +0.44 | +18.21 |
| OTHER MAJOR CURRENCIES | | | | | |
| USD/JPY | 120.6700 | +0.30 | +0.52 | +1.72 | +14.59 |
| GBP/USD | 1.5517 | -0.26 | -0.47 | -0.82 | -6.28 |
| USD/CHF | 0.9898 | +0.23 | +0.61 | +2.54 | +10.85 |
| AUD/USD | 0.8132 | +0.14 | -0.04 | -4.40 | -8.80 |
| USD/CAD | 1.1637 | +0.09 | +0.08 | +1.94 | +9.55 |
| USD/BRL | 2.7052 | +1.35 | +1.50 | +5.45 | +14.53 |
| USD/KRW | 1,097.65 | -0.10 | +0.13 | -0.94 | +4.56 |
| COMMODITIES | | | | | |
| Gold(\$/oz) | 1,183.29 | -1.06 | +0.58 | +1.36 | -1.85 |
| WTI crude ³ | 53.61 | -2.05 | -2.46 | -18.96 | -45.53 |
| Brent crd ³ | 56.29 | -2.66 | -4.67 | -18.41 | -49.21 |
| Urals crd ³ | N/A | +0.00 | +0.00 | +0.00 | +0.00 |
| TR/J CRB ⁴ | 233.24 | -0.60 | -1.42 | -8.31 | -16.75 |

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)

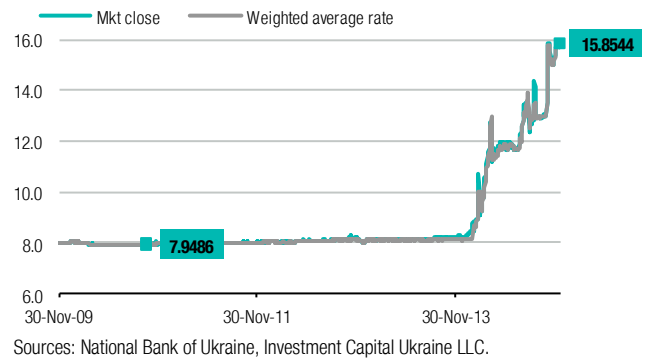


Chart 10. NDF market rates USD/UAH: last 12-month and 5-year periods (UAH per USD, left and right respectively)

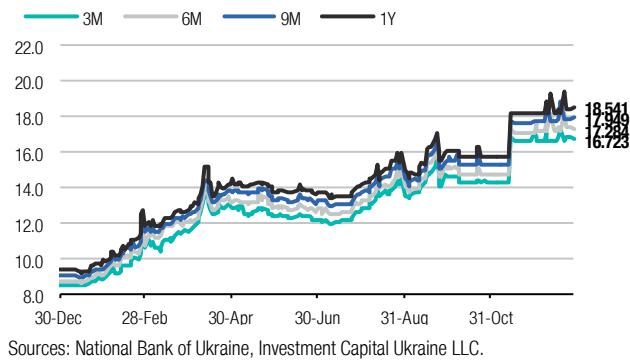


Chart 11. Trading volume: last 12-month and 5-year periods (US\$m, left and right respectively)

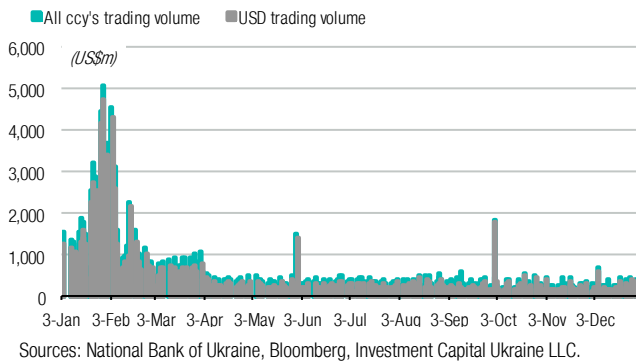
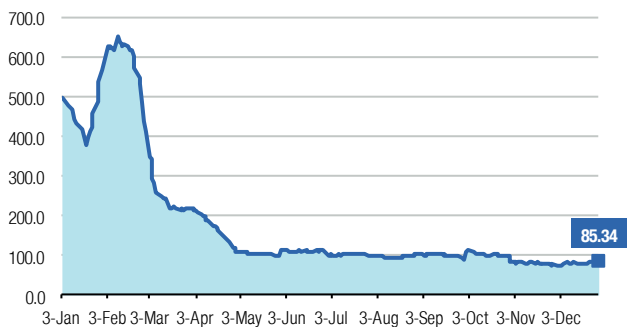


Chart 12. 30D MA* ratio of FX market turnover to merchandise trade: last 12m and 5yr periods (% , left and right respectively)

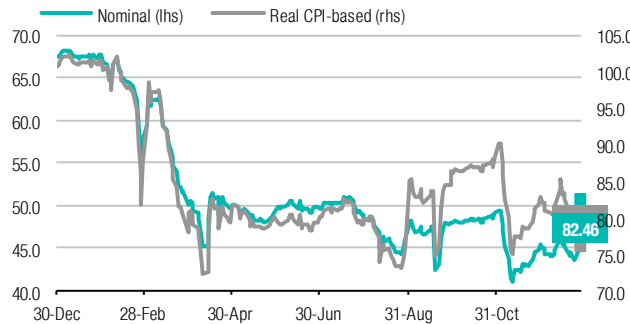


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

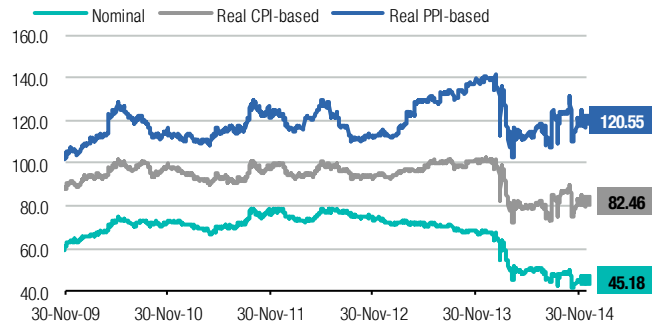
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



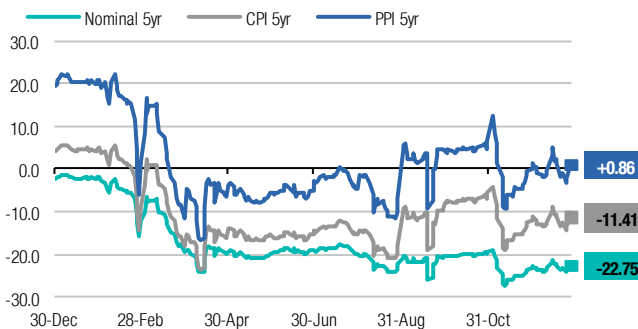
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

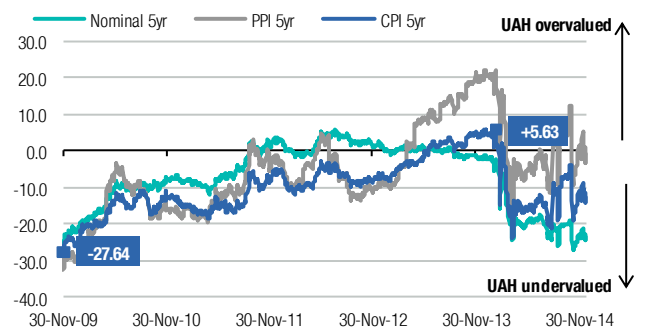


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

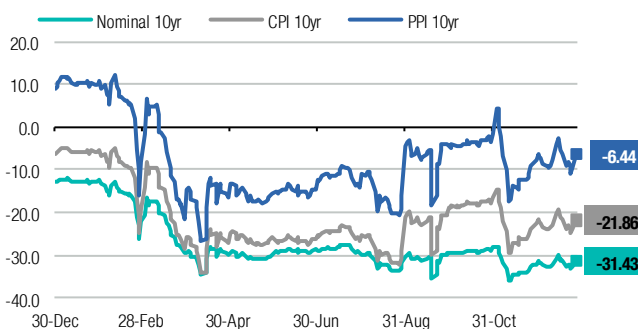


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

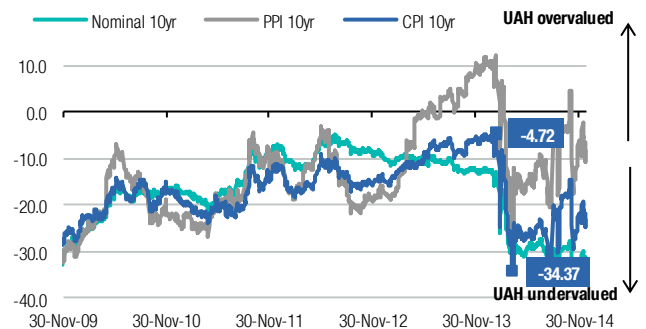


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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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This research publication has been prepared by the analyst(s), whose name(s) appear on the front page of this publication. The analyst(s) hereby certifies that the views expressed within this publication accurately reflect her/his own views about the subject financial instruments or issuers and no part of her/his compensation was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views within this research publication.

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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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