



Focus
Ukraine

Scope
Economics, bonds, equity & FX markets

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Daily Insight

FX reserves hit new low

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TUESDAY, 13 JANUARY 2015

UX Index (3 months to 13 Jan 2015)



Source: UX.

Key market indicators (as of 12 Jan 2015)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	15.8055	+0.04	-0.09
USD/UAH (1Y NDF)	18.5405	+0.49	+0.49
EUR/USD	1.1834	-0.07	-2.18
USD/RUB	63.1411	+1.78	+3.96
KievPRIME O/N (%)	13.33	-292bp	-557bp
KievPRIME 1M (%)	19.33	-17bp	-57bp
SOVEREIGN EUROBONDS: yields and spreads			
Ukraine 15, Eurobond (%)	62.71	+1,154bp	+94bp
Ukraine 17, Eurobond (%)	33.26	+492bp	+550bp
Ukraine 22, Eurobond (%)	17.47	+41bp	+122bp
Ukraine 23, Eurobond (%)	16.08	+7bp	+52bp
Ukraine 5Y CDS	2,376bp	+279bp	+176bp
EQUITIES			
Stock market indices			
UX (Ukraine)	1,059.42	+1.63	+2.53
MSCI World	409.87	-0.44	-1.74
MSCI EM	955.53	-0.61	-0.08
RTS (Russia)	756.63	-3.32	-3.87
WIG-20 (Poland)	2,330.04	-0.31	+0.61
S&P 500 (USA)	2,028.26	-0.81	-1.49

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

FX reserves hit new low in Dec 2014

FX reserves fell US\$2.4bn to US\$7.5bn over December, primarily as the result of a \$1.7bn natural gas payment for Naftogaz. Routine NBU interventions (US\$0.8bn) to calm the market were also to blame for the decline. As Ukraine is scheduled to repay US\$0.3bn this month, FX reserves are poised to decline further to the US\$6-7bn range unless the IMF provides the next tranche to Ukraine. As the IMF mission has arrived in Kyiv to negotiate on funding and a decision is not expected until early February, debt redemptions in January should reduce FX reserves.

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Bonds: News & Comments

Liquidity rises above UAH60bn

Broader banking sector liquidity rose UAH0.71bn to UAH31.23bn yesterday, a record high since the beginning of October 2014. Funds were slightly reallocated as banks' correspondent accounts with the NBU fell UAH1.22bn to UAH35.56bn and total CDs outstanding rose UAH1.93bn to UAH19.65bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH6.02bn.

KyivPrime interest rates continued to decline after significantly rising at the end of last year: the KyivPrime ON interest rate fell 292bp to 13.33% and the KyivPrime 1M interest rate slid 17bp to 19.33%.

Investment implications: Decreasing its support last Friday, the NBU issued only UAH0.29bn against UAH1.23bn of NBU loan repayments. Although the NBU also absorbed 1.93bn of funds, banks' correspondent accounts with the NBU remained high. We expect liquidity to remain high this week following month-end tax payments and other deals that took place at the end of last year.

Ukrainian Eurobonds at low prices

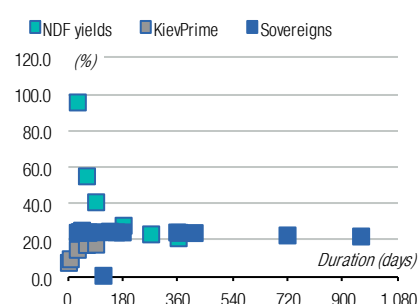
Ukrainian Eurobond prices remained low as the 5-year CDS stood at 2,000bp since December 2014, nearly double the 1,000bp level seen during the summer. Spreads to the benchmark widened once more yesterday, albeit at a lower level as the US Treasury yield decline caused Ukrainian Eurobond YTM's to rise less severely. The yield curve adjusted to 16.10-58.03%.

Investment implications: Political instability in eastern Ukraine, FX reserves declining to US\$7.53bn at the end of last year, and the uncertain outcome of the IMF mission in Kyiv all put negative pressure on Ukrainian debt and sovereign Eurobonds. We anticipate high CDS rates and wide spreads at least until the end of January when the IMF announces a decision on additional tranche funding. However, without additional reserves, risks will remain high as Ukraine will be unable to fulfill all debt repayments and import payments.

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Yield curve of the local bond market

(as of market close on 12 Jan 2015)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 12 Jan 2015)

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

MONEY MARKET KIEV PRIME RATES (%)

O/n	13.33	-292bp	-557bp	-242bp	-557bp
1wk	15.67	-196bp	-333bp	-133bp	-333bp
1m	19.33	-17bp	-57bp	+33bp	-57bp
2m	19.67	-8bp	-33bp	+17bp	-33bp
3m	19.67	-8bp	-33bp	+17bp	-33bp

LIQUIDITY WIDE MEASUREMENT (UAHm)

CB acc's ¹	N/A	N/A	N/A	N/A	N/A
CDs ²	N/A	N/A	N/A	N/A	N/A
Sovgns ³	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A

HOLDERS OF UAH SOVEREIGN BONDS (UAHm)

C.bank	318,122	+0.00	+0.00	+7.73	+0.00
Banks	91,882	-0.06	-1.66	+4.61	-1.66
Resid's ⁴	23,751	+0.12	-3.25	-3.30	-3.25
Non-res ⁵	21,114	-0.03	-1.99	-1.83	-1.99
Total	454,869	-0.01	-0.61	+5.98	-0.61

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	+0bp
Aug '15 ⁶	N/A	+8bp	+0bp	+8bp	+0bp

EUROBONDS USD SOVEREIGN BOND YIELDS (%)

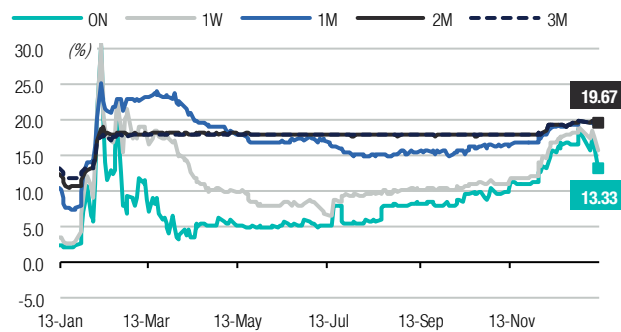
CDS 5yr	2,376	+279bp	+139bp	+138bp	+176bp
Jun '16	42.98	+246bp	+607bp	+827bp	+607bp
Jul '17	33.26	+492bp	+550bp	+611bp	+550bp
Sep '20	20.01	+183bp	+117bp	+289bp	+117bp
Sep '21	19.62	+136bp	+108bp	+267bp	+108bp
Sep '22	17.47	+41bp	+122bp	+270bp	+122bp
Feb '23	16.08	+7bp	+52bp	+206bp	+52bp

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.

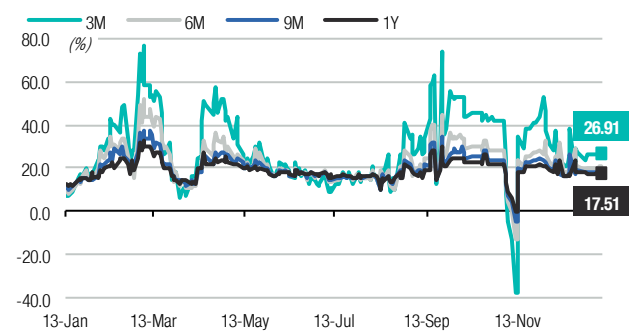
Chart page: Local bond market & Eurobond markets

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



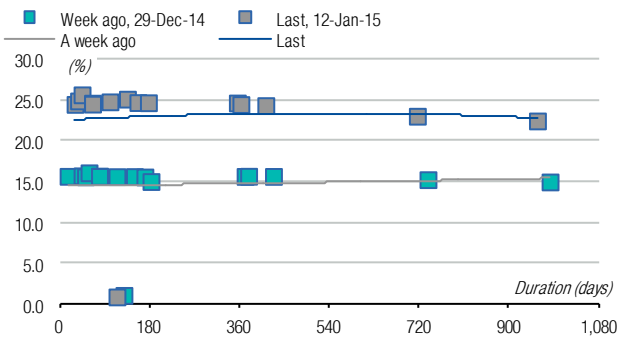
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



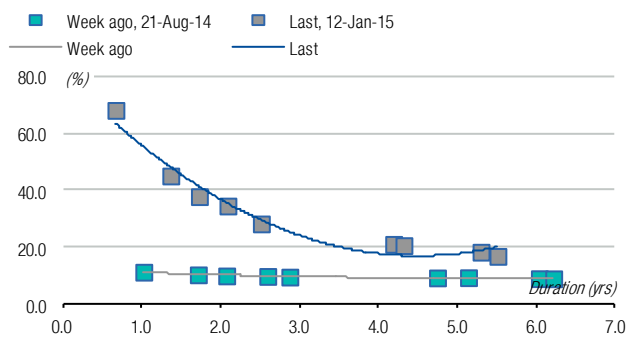
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 12 Jan 2015



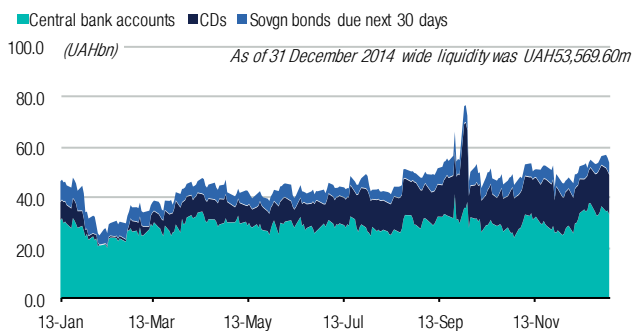
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 12 Jan 2015



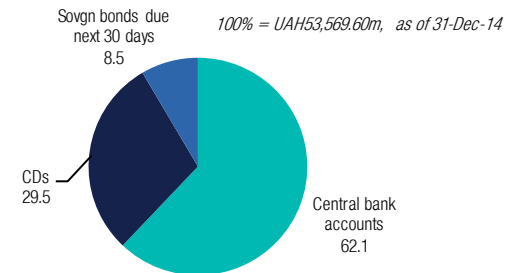
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



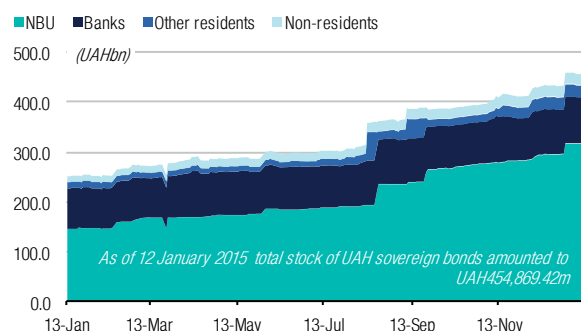
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 12 Jan 2015



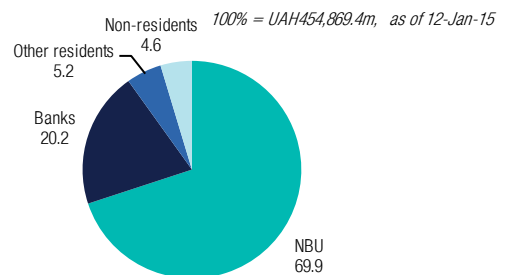
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 12 Jan 2015



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

Table 1. Ukrainian stocks (closing prices as of 12-Jan-2015)

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	9.75 GBp	-1.3	-8.2	-2.5	-4.9	0.15	34.1	-13.4	40.2	13.7	1.7	13.8	0.03	3,589	Neg.	N/A	N/A	2.0	N/A	N/A	Neg.	N/A	N/A	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.71 UAH	+1.1	+8.6	+2.2	+64.3	0.49	181.0	226.0	21.7	39.3	83.0	48.9	0.12	811	5.8	5.0	7.7	0.3	3.9	4.1	0.5	0.3	0.3	1.1	16.3
Coal Energy	CLE PW	Warsaw	0.75 PLN	-1.3	+5.6	+21.0	-33.0	0.21	9.3	135.3	25.0	2.3	22.2	13.8	0.43	234	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	34.87 UAH	+5.8	+20.4	+5.7	+22.8	2.22	52.4	102.8	14.2	7.5	28.3	8.6	0.19	514	1.6	1.4	1.3	0.1	1.8	1.3	0.3	0.2	0.2	1.3	25.1
JXK Oil & Gas	JXK LN	London	12.50 GBp	+2.0	-2.0	+4.2	-82.6	0.19	32.5	37.7	47.2	15.4	152.7	75.4	1.02	98	5.0	5.4	1.0	0.6	0.7	0.6	0.2	0.2	0.2	0.1	5.5
Regal Petroleum	RPT LN	London	4.42 GBp	+0.1	-6.9	+41.4	-66.6	0.07	21.5	-8.6	80.9	17.4	0.0	3.4	0.03	2,955	Neg.	10.7	N/A	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	148.10 UAH	+0.0	-3.0	+0.0	+63.8	9.41	120.3	132.5	5.0	6.0	0.0	1.5	0.03	3,585	3.3	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	0.01 UAH	-2.0	-2.7	+0.7	-60.5	0.00	23.9	1,843.5	3.9	0.9	0.3	1.7	0.29	348	Neg.	Neg.	N/A	Neg.	Neg.	N/A	2.0	1.2	N/A	N/A	85.7
Avdiyivsky Cok...	AVDK UK	Kiev, UX	1.85 UAH	+1.6	+11.0	+6.8	-33.3	0.12	22.9	19.8	4.0	0.9	0.3	3.9	0.71	141	Neg.	Neg.	N/A	0.1	0.8	N/A	0.0	0.0	N/A	0.1	0.1
Azovstal	AZST UK	Kiev, UX	0.76 UAH	-0.1	+13.3	+1.6	+19.2	0.05	202.2	N/A	4.1	8.3	5.7	8.8	0.09	1,073	Neg.	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	0.2	0.0	
Ferrexpo PLC	FXPO LN	London	57.50 GBp	+3.6	+3.0	+8.5	-66.5	0.87	513.0	715.5	22.4	114.9	899.5	861.4	0.77	130	2.0	2.0	4.9	1.4	1.5	2.4	0.5	0.5	0.6	0.5	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.28 UAH	+48.9	-6.4	+0.0	-49.5	0.02	4.9	5.6	9.0	0.4	0.3	0.8	0.34	297	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	21.48 UAH	-2.3	+13.6	+2.5	-32.8	1.36	14.4	6.0	9.4	1.3	1.9	4.1	0.23	442	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	0.38 EUR	-5.0	-19.1	-11.6	-69.4	0.45	41.6	92.7	34.0	14.1	24.6	11.1	0.08	1,330	Neg.	N/A	N/A	Neg.	N/A	N/A	1.5	N/A	N/A	0.8	35.9
Agroliga	AGL PW	Warsaw	10.05 PLN	+1.0	-0.6	+11.7	-64.8	2.78	4.3	5.1	16.7	0.7	1.4	3.6	0.58	174	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	1.45 PLN	+2.1	+0.0	+17.9	-48.9	0.40	8.7	54.0	26.2	2.3	166.4	40.1	1.48	68	Neg.	N/A	N/A	20.2	18.0	N/A	0.7	0.6	N/A	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	26.41 PLN	+5.7	+43.9	+32.1	-58.7	7.31	182.7	413.3	31.0	56.7	120.7	117.5	0.08	1,294	6.0	Neg.	4.6	5.5	3.8	4.5	0.9	1.0	1.1	0.5	38.2
Avangard	AVGR LI	London Intl	2.15 USD	+2.4	-40.4	+4.9	-81.0	2.15	137.3	348.6	21.7	29.8	0.1	19.6	0.13	755	0.6	1.5	1.1	1.2	2.0	2.0	0.5	0.6	0.7	0.2	17.8
IMC	IMC PW	Warsaw	6.40 PLN	+6.7	+6.7	+12.9	-49.6	1.77	55.4	194.6	23.9	13.2	17.5	8.5	0.05	2,043	2.1	Neg.	2.3	3.6	3.8	3.8	1.7	1.2	1.1	0.4	38.7
Kernel Holding...	KER PW	Warsaw	31.50 PLN	+7.4	+8.6	+10.7	-24.3	8.72	694.6	1,338.7	58.8	408.2	2,490.2	1,028.8	0.20	499	Neg.	4.2	4.5	6.0	3.8	4.1	0.6	0.5	0.5	0.7	39.1
KSG Agro	KSG PW	Warsaw	1.23 PLN	+7.9	+0.8	+9.8	-88.0	0.34	5.1	116.2	34.4	1.8	74.6	42.2	0.88	113	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	9.11 USD	+0.1	-9.8	-1.0	-48.2	9.11	962.6	2,093.0	22.3	214.9	29.0	339.8	0.22	461	6.2	16.4	3.4	5.4	4.3	4.2	1.4	1.5	1.4	1.9	47.0
Milkiland	MLK PW	Warsaw	1.69 PLN	-0.6	-12.9	+14.2	-85.4	0.47	14.6	133.6	20.0	2.9	45.5	10.4	0.56	180	1.1	Neg.	38.5	4.0	4.7	4.3	0.3	0.4	0.4	0.1	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	0.59 EUR	+0.0	-41.4	+4.8	-88.9	0.70	74.1	801.9	20.0	14.8	0.0	0.7	0.01	10,423	0.8	0.9	0.3	4.9	3.0	2.7	1.6	1.9	1.9	0.2	45.3
Ovostar Union	OVO PW	Warsaw	72.00 PLN	-1.4	+0.0	+0.0	-21.7	19.92	119.5	129.2	25.0	29.9	0.0	29.6	0.11	877	3.9	7.4	5.4	3.5	4.7	4.2	1.4	1.7	1.4	0.9	8.5
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	6.12 PLN	+11.5	+11.3	+51.1	-80.5	1.69	15.7	-0.8	10.9	1.7	2.0	0.2	0.01	7,191	2.3	N/A	N/A	Neg.	N/A	N/A	Neg.	N/A	N/A	0.2	5.6
CONSTRUCTION																											
TMM	TR61 GF	Frankfurt	0.07 EUR	+0.0	-40.0	-10.0	-77.3	0.09	4.4	131.5	13.1	0.6	0.0	0.1	0.01	15,008	Neg.	N/A	N/A	Neg.	N/A	N/A	3.9	N/A	N/A	0.0	45.5
FINANCIAL SERVICES																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.10 UAH	-0.1	+2.4	-0.3	-16.6	0.01	182.3	N/A	3.8	7.0	19.2	17.4	0.27	371	2.8	Neg.	12.2	N/A	N/A	N/A	N/A	N/A	N/A	0.5	22.4

Table 1. Ukrainian stocks (closing prices as of 12-Jan-2015)

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	Debt/(x) Assets	
Ukrasotsbank	USCB UK	Kiev, UX	0.13 UAH	+0.0	-7.0	+0.0	-28.8	0.01	204.1	N/A	4.5	9.1	0.0	0.9	0.01	8,806	Neg.	13.1	N/A	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

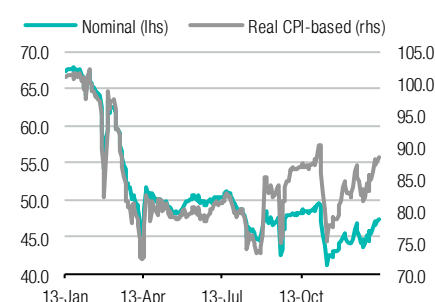
UAH: Over-regulation matters

Despite the surprising decline in FX reserves and higher-than-expected inflation report, the hryvnia slid only 0.04% on US\$101m in trading as the result of NBU support. The US dollar index's 0.05% increase had a negative impact yesterday, causing the hryvnia's real trade weighted value to appreciate by 0.67%.

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ICU's UAH trade-weighted indices

(Last 12-month history to 13 Jan 2015)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 12 Jan 2015)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	15.8055	+0.04	-0.09	+0.29	-0.09
NBU avg	15.7580	+0.05	-0.07	+0.30	-0.07
Ttl vlm ¹	162.40	-38.74	-62.31	-57.76	-62.31
\$ volume ²	100.62	-51.37	-71.60	-46.91	-71.60
NDF 3M	16.7225	-0.76	-0.76	+0.44	-0.76
NDF 6M	17.2840	-0.67	-0.67	-5.16	-0.67
NDF 1Y	18.5405	+0.49	+0.49	-4.18	+0.49
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	47.297	+0.67	+2.43	+5.80	+3.42
UAH real CPI	88.294	+0.67	+2.43	+5.80	+3.42
UAH real PPI	126.750	+0.67	+2.43	+5.80	+3.42
USD nom'l	91.983	+0.05	+0.66	+4.10	+1.90
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	63.1411	+1.78	+2.47	+8.34	+3.96
EUR/USD	1.1834	-0.07	-0.83	-5.04	-2.18
USD/CNY	6.2039	-0.08	-0.26	+0.25	-0.03
USD/PLN	3.6123	+0.24	+0.48	+7.57	+1.94
USD/TRY	2.2852	-0.41	-1.95	-0.58	-2.13
USD/BYR	14,270.00	+2.33	+29.73	+30.32	+29.73
USD/KZT	183.5700	+0.28	+0.30	+0.85	+0.67
OTHER MAJOR CURRENCIES					
USD/JPY	118.3500	-0.13	-1.08	-0.34	-1.19
GBP/USD	1.5171	+0.07	-0.52	-3.47	-2.61
USD/CHF	1.0148	+0.05	+0.78	+5.29	+2.06
AUD/USD	0.8157	-0.57	+0.92	-1.09	-0.22
USD/CAD	1.1974	+0.90	+1.79	+3.39	+3.04
USD/BRL	2.6737	+1.55	-1.19	+0.74	+0.61
USD/KRW	1,081.49	-0.75	-2.54	-1.96	-0.87
COMMODITIES					
Gold(\$/oz)	1,233.26	+0.88	+2.36	+0.88	+4.08
WTI crude ³	46.07	-4.74	-7.93	-20.31	-13.52
Brent crd ³	46.49	-5.83	-11.19	-23.90	-16.62
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	220.83	-2.10	-2.60	-9.40	-3.97

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.

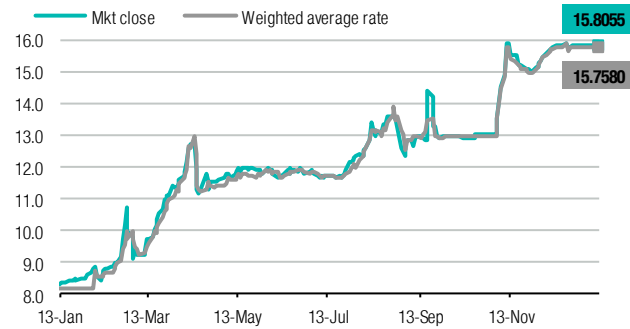
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

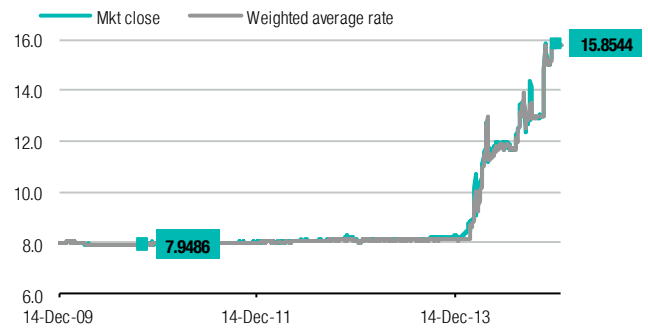
Section on FX market is continued on next page.

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)

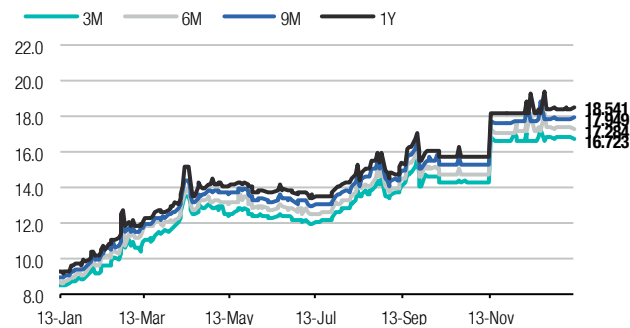


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

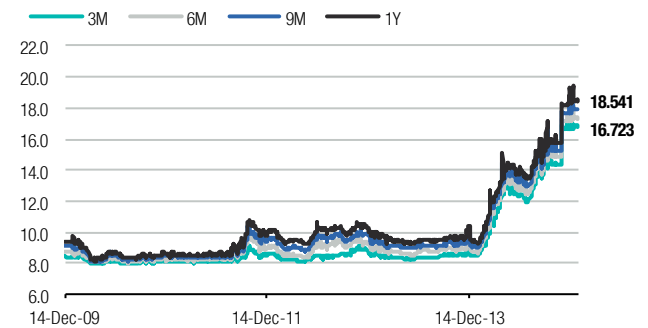


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

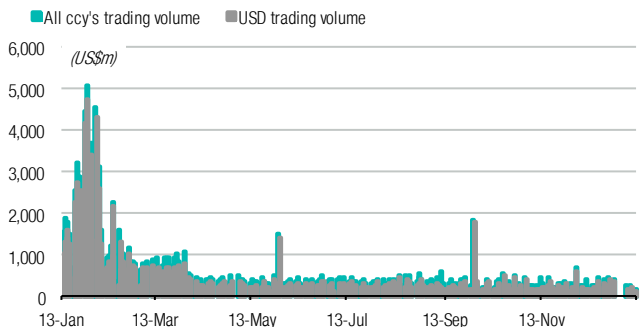


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

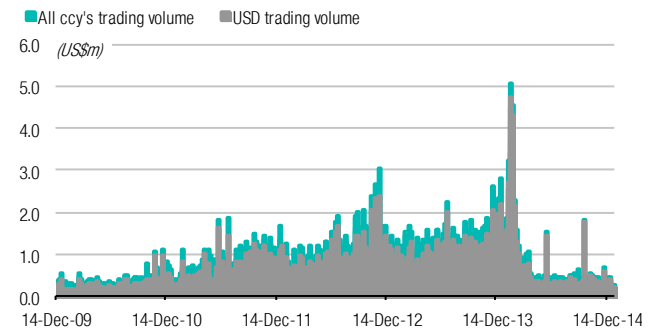


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

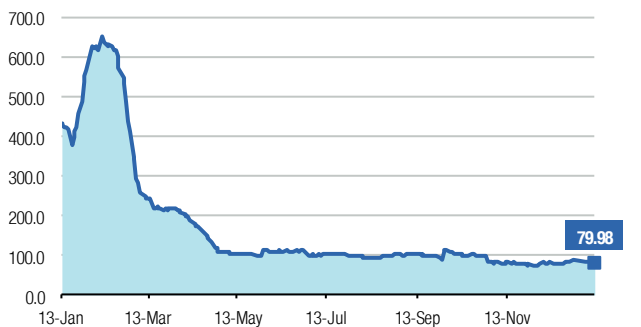


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)



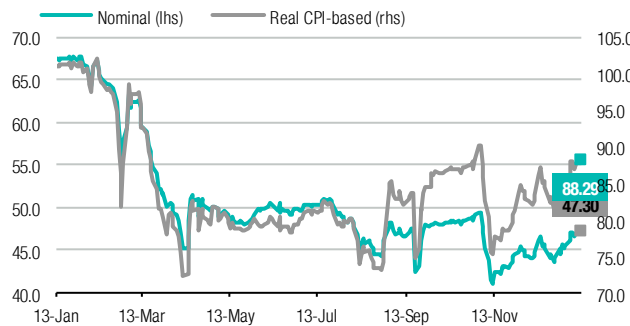
Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

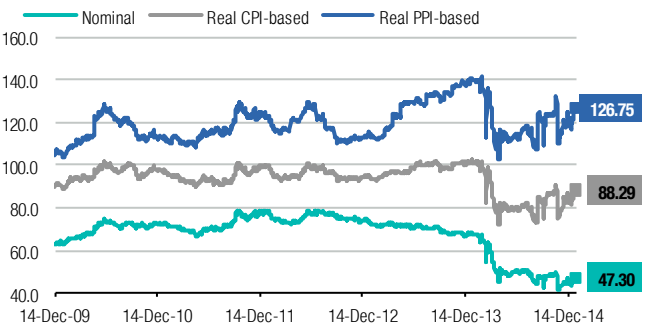
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



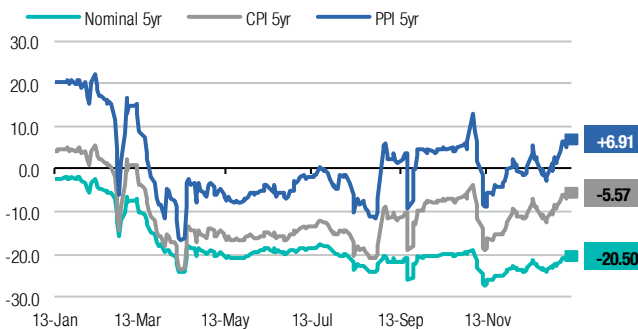
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

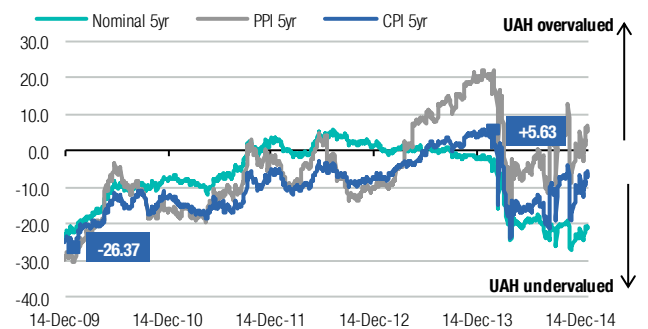


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

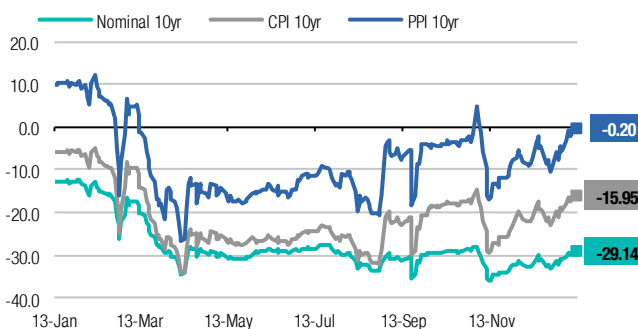


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

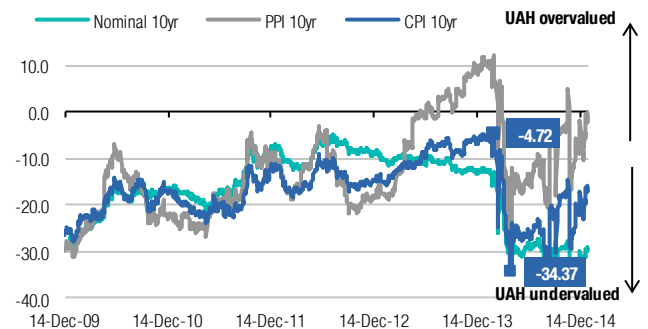


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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

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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