



Focus
Ukraine

Scope
Economics, bonds, equity & FX markets

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Daily Insight

Volnovaha tragedy, new wave of mobilization

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WEDNESDAY, 14 JANUARY 2015

UX Index (3 months to 14 Jan 2015)



Source: UX.

Key market indicators (as of 13 Jan 2015)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	15.8200	+0.09	+0.00
USD/UAH (1Y NDF)	18.4500	-0.49	+0.00
EUR/USD	1.1773	-0.52	-2.69
USD/RUB	65.2099	+3.28	+7.37
KievPRIME 0/N (%)	12.13	-120bp	-677bp
KievPRIME 1M (%)	18.50	-83bp	-140bp
SOVEREIGN EUROBONDS: yields and spreads			
Ukraine 15, Eurobond (%)	57.98	-473bp	-379bp
Ukraine 17, Eurobond (%)	34.45	+120bp	+670bp
Ukraine 22, Eurobond (%)	18.38	+90bp	+213bp
Ukraine 23, Eurobond (%)	17.70	+161bp	+213bp
Ukraine 5Y CDS	2,492bp	+116bp	+293bp
EQUITIES			
Stock market indices			
UX (Ukraine)	1,071.65	+1.15	+3.71
MSCI World	410.39	+0.13	-1.61
MSCI EM	959.89	+0.46	+0.37
RTS (Russia)	737.88	-2.48	-6.26
WIG-20 (Poland)	2,367.65	+1.61	+2.23
S&P 500 (USA)	2,023.03	-0.26	-1.74

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

Donbas war: Volnovaha tragedy, new wave of mobilization

At a Ukrainian military checkpoint near the town of Volnovaha in Donetsk oblast, pro-Kremlin militants fired rockets at a passenger bus, killing eleven civilians and seriously wounding eighteen others.

In response to this tragic event, President Poroshenko addressed the nation and vowed to lobby the EU to respond to the so-called DNR and LNR, respectively, the Donetsk and Luhansk self-proclaimed "peoples' republics".

Poroshenko also announced his commitment to sign an executive order authorizing the next wave of military mobilization. Although this move has been long prepared, it is not connected to the incident in Volnovaha.

After the recent sharp rise of offensive attacks by pro-Kremlin militants and the Russian army, a peace agreement is not only presently ignored but could be hardly possible any time soon.

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Bonds: News & Comments

Banking sector liquidity: fund reallocations

The NBU absorbed some funds from the banking system, causing a slight reallocation of funds, as total CDs outstanding rose UAH0.74bn to UAH20.39bn while banks' correspondent accounts with the NBU declined UAH0.67bn to UAH34.88bn. As total local currency debt repayments scheduled for the next 30 days rose UAH0.50bn to UAH6.41bn yesterday, broader banking sector liquidity increased UAH0.56bn to UAH61.79bn yesterday, the record high since the beginning of October 2014.

KyivPrime interest rates continued to decline: the KyivPrime ON interest rate fell 120bp to 12.13% and the KyivPrime 1M interest rate declined 83bp to 18.50%.

Investment implications: As the NBU only slightly increased ON loans, most of the increase in liquidity came from the reallocation of funds from banks' accounts to CDs.

US could issue new guarantees for Ukraine

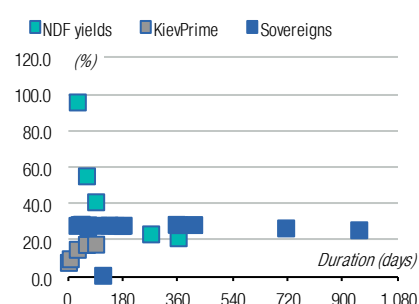
The US announced that it might issue a new US\$1bn guaranty for Ukraine in 1H15 if Ukraine continues its cooperation with the IMF, and could provide an additional US\$1bn guaranty this year if Ukraine stays on course to implement reforms.

Investment implications: While capital markets remain closed for Ukraine, the US guaranty could attract financing so supplement IMF financing and loans from other sources. As FX reserves are quite low and FX demand for gas purchases and debt repayments remain high, IMF approval for additional funding is becoming more crucial.

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Yield curve of the local bond market

(as of market close on 13 Jan 2015)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 13 Jan 2015)

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

MONEY MARKET KIEV PRIME RATES (%)

O/n	12.13	-120bp	-377bp	-362bp	-677bp
1wk	14.25	-142bp	-305bp	-275bp	-475bp
1m	18.50	-83bp	-110bp	-50bp	-140bp
2m	19.25	-42bp	-55bp	-25bp	-75bp
3m	19.25	-42bp	-55bp	-25bp	-75bp

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	318,123	+0.00	+0.00	+7.73	+0.00
Banks	91,899	+0.02	-1.64	+4.63	-1.64
Resid's ⁴	23,761	+0.04	-3.21	-3.26	-3.21
Non-res ⁵	21,123	+0.04	-1.95	-1.79	-1.95
Total	454,907	+0.01	-0.60	+5.99	-0.60

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 (%)

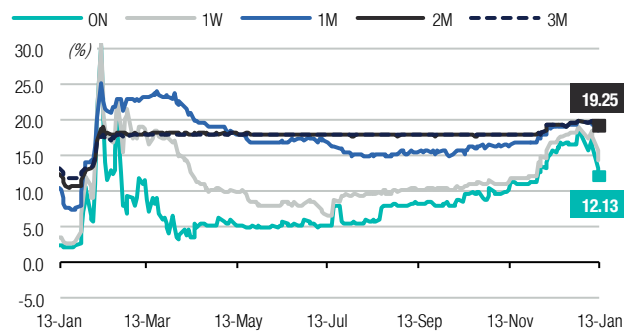
CDS 5yr	2,492	+116bp	+82bp	+254bp	+293bp
Jun '16	42.97	-2bp	+606bp	+826bp	+606bp
Jul '17	34.45	+120bp	+670bp	+730bp	+670bp
Sep '20	20.44	+43bp	+160bp	+332bp	+160bp
Sep '21	20.05	+43bp	+151bp	+310bp	+151bp
Sep '22	18.38	+90bp	+213bp	+361bp	+213bp
Feb '23	17.70	+161bp	+213bp	+367bp	+213bp

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.

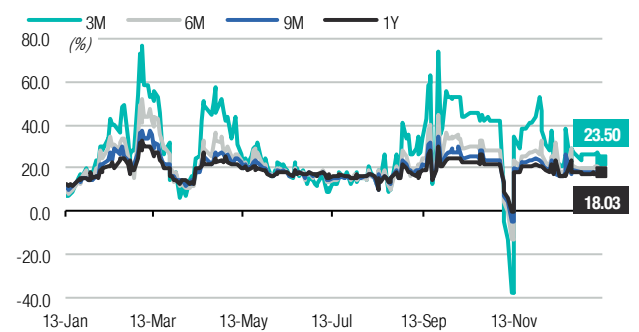
Chart page: Local bond market & Eurobond markets

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



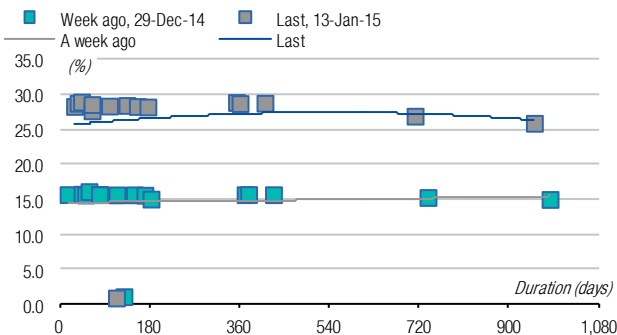
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



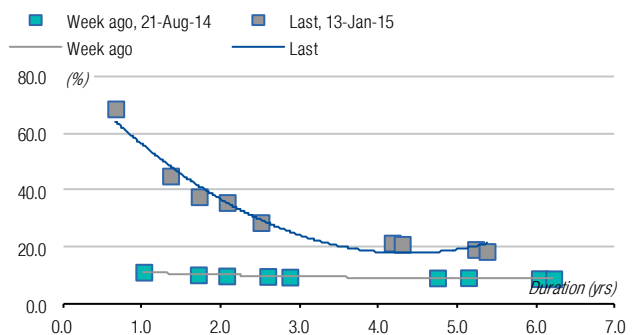
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 13 Jan 2015



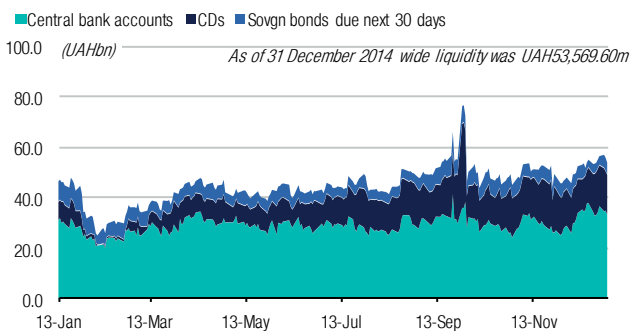
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 13 Jan 2015



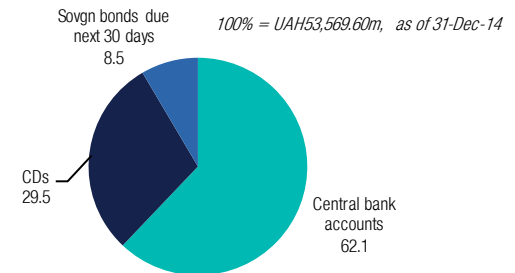
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



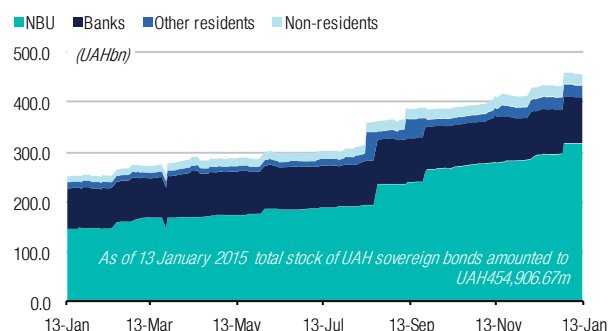
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 13 Jan 2015



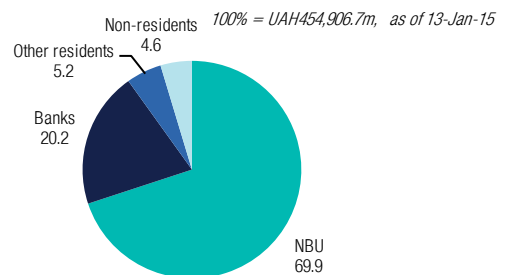
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 13 Jan 2015



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

Table 1. Ukrainian stocks (closing prices as of 13-Jan-2015)

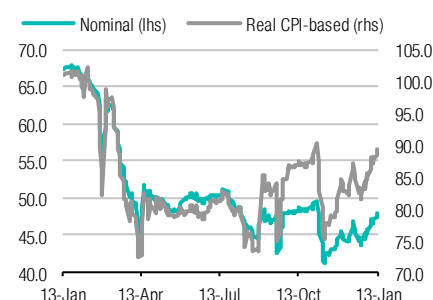
Company	Bloomberg Ticker	Listing	Share price performance (% change)				Valuation (US\$)			Free float (FF) & Liquidity					P/E			EV/EBITDA			EV/Sales			Ratios			
			Last price	Daily	MoM	YTD	YoY	Last price	Market cap (m)	EV (m)	FF (%)	FF mkt cap (US\$m)	Last day turnover (US\$ 000)	3M avg. turnover (US\$ 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	8.63 GBP	-11.5	-18.8	-13.8	-15.9	0.13	30.2	-17.4	40.2	12.2	0.0	12.0	0.03	3,546	Neg.	N/A	N/A	2.6	N/A	N/A	Neg.	N/A	N/A	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.72 UAH	+0.0	+8.7	+2.3	+65.8	0.49	182.5	227.9	21.7	39.6	58.0	49.4	0.13	795	5.9	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	0.74 PLN	-1.3	+4.2	+19.4	-43.5	0.20	9.2	135.1	25.0	2.3	5.2	13.4	0.44	227	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	34.10 UAH	-2.2	+17.8	+3.3	+18.6	2.18	51.6	102.5	14.2	7.3	1.0	8.4	0.20	507	1.5	1.4	1.3	0.1	1.8	1.3	0.3	0.2	0.2	1.2	25.1
JKX Oil & Gas	JKX LN	London	12.75 GBP	+2.0	+0.0	+6.3	-82.2	0.19	33.2	38.3	47.2	15.7	12.9	76.0	0.94	106	5.1	5.5	1.0	0.6	0.8	0.6	0.2	0.2	0.2	0.1	5.5
Regal Petroleum	RPT LN	London	4.32 GBP	-2.3	-9.1	+38.2	-69.4	0.07	21.0	-9.1	80.9	17.0	0.0	3.2	0.03	2,888	Neg.	10.5	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	9.48	121.3	133.5	5.0	6.1	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	+2.1	-0.7	+2.8	-59.3	0.00	24.6	1,858.6	3.9	1.0	0.2	1.7	0.27	368	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	-7.9	+2.2	-1.6	-37.7	0.11	21.3	18.1	4.0	0.9	5.1	3.6	0.80	125	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	0.77 UAH	+2.1	+15.7	+3.8	+20.4	0.05	208.1	N/A	4.1	8.5	14.4	9.2	0.10	1,021	Neg.	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	0.2	0.0	
Ferrexpo PLC	FXPO LN	London	58.00 GBP	+0.9	+3.9	+9.4	-66.3	0.88	517.9	720.4	22.4	116.0	777.4	868.3	0.74	136	2.0	2.0	4.9	1.4	1.6	2.4	0.5	0.5	0.6	0.5	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.30 UAH	+5.4	-1.3	+5.4	-46.8	0.02	5.2	5.9	9.0	0.5	0.1	0.8	0.32	312	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	20.58 UAH	-4.2	+8.8	-1.8	-34.9	1.32	13.9	5.5	9.4	1.3	2.5	3.9	0.25	408	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	0.39 EUR	+2.6	-17.0	-9.3	-69.0	0.46	42.5	93.4	34.0	14.4	43.4	11.9	0.09	1,176	Neg.	N/A	N/A	Neg.	N/A	N/A	1.5	N/A	N/A	0.8	35.9
Agroliga	AGL PW	Warsaw	10.09 PLN	+0.4	-0.2	+12.1	-64.0	2.77	4.3	5.1	16.7	0.7	3.4	3.6	0.55	182	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	1.44 PLN	-0.7	-0.7	+17.1	-49.1	0.40	8.6	53.9	26.2	2.2	72.6	40.0	1.62	62	Neg.	N/A	N/A	20.1	18.0	N/A	0.7	0.6	N/A	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	26.10 PLN	-1.2	+42.2	+30.5	-60.2	7.17	179.3	409.0	31.0	55.6	106.9	115.2	0.09	1,159	5.9	Neg.	4.4	5.4	3.7	4.4	0.9	1.0	1.0	0.5	38.2
Avangard	AVGR LI	London Intl	2.10 USD	-2.3	-41.7	+2.4	-82.0	2.10	134.1	345.4	21.7	29.1	19.1	19.2	0.14	735	0.6	1.5	1.1	1.1	2.0	2.0	0.5	0.6	0.7	0.2	17.8
IMC	IMC PW	Warsaw	6.14 PLN	-4.1	+2.3	+8.3	-51.3	1.69	52.8	192.0	23.9	12.6	15.9	8.2	0.05	2,106	2.0	Neg.	2.2	3.6	3.7	3.7	1.7	1.2	1.1	0.3	38.7
Kernel Holding...	KER PW	Warsaw	32.82 PLN	+4.2	+13.2	+15.3	-20.7	9.02	718.5	1,362.8	58.8	422.3	2,748.4	1,092.3	0.22	454	Neg.	4.4	4.6	6.1	3.9	4.2	0.6	0.6	0.6	0.7	39.1
KSG Agro	KSG PW	Warsaw	1.19 PLN	-3.3	-2.5	+6.3	-88.1	0.33	4.9	116.0	34.4	1.7	11.2	40.1	0.93	108	Neg.	N/A	0.2	13.4	N/A	N/A	1.6	1.2	1.0	0.3	44.5
MHP	MHPC LI	London Intl	9.29 USD	+2.0	-8.0	+1.0	-47.2	9.29	981.6	2,112.1	22.3	219.1	1,642.8	366.7	0.25	402	6.3	16.8	3.5	5.4	4.3	4.3	1.4	1.6	1.4	1.9	47.0
Milkiland	MLK PW	Warsaw	1.62 PLN	-4.1	-16.5	+9.5	-85.9	0.45	13.9	132.5	20.0	2.8	15.2	10.0	0.60	168	1.1	Neg.	36.7	4.0	4.6	4.6	0.3	0.4	0.5	0.1	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	0.59 EUR	+0.0	-41.4	+4.8	-88.9	0.69	73.8	801.6	20.0	14.8	0.0	0.7	0.01	10,423	0.8	0.8	0.3	4.9	3.0	2.7	1.6	1.9	1.8	0.2	45.3
Ovostar Union	OVO PW	Warsaw	71.00 PLN	-1.4	-1.4	-1.4	-22.8	19.51	117.0	126.7	25.0	29.3	159.1	31.1	0.12	836	3.8	7.3	5.8	3.4	4.6	4.5	1.4	1.6	1.4	0.9	8.5
CONSTRUCTION																											
TMM	TR61 GF	Frankfurt	0.07 EUR	+0.0	-40.0	-10.0	-77.3	0.08	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	-0.6	+1.7	-0.9	-15.7	0.01	182.5	N/A	3.8	7.0	7.2	17.3	0.25	399	2.8	Neg.	12.1	N/A	N/A	N/A	N/A	N/A	N/A	0.5	22.4
Ukrsotsbank	USCB UK	Kiev, UX	0.13 UAH	+0.0	-7.0	+0.0	-24.5	0.01	205.7	N/A	4.5	9.2	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	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

ICU's UAH trade-weighted indices

(Last 12-month history to 14 Jan 2015)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 13 Jan 2015)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	15.8200	+0.09	-0.06	+0.38	+0.00
NBU avg	15.7679	+0.06	-0.07	+0.36	+0.00
Ttl vlm ¹	133.67	-17.69	-46.14	-65.23	-68.98
\$ volume ²	98.44	-2.17	-45.93	-48.06	-72.21
NDF 3M	16.8500	+0.76	+0.00	+1.20	+0.00
NDF 6M	17.4000	+0.67	+0.00	-4.53	+0.00
NDF 1Y	18.4500	-0.49	-0.49	-4.65	+0.00
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	47.842	+1.15	+1.53	+7.02	+4.61
UAH real CPI	89.312	+1.15	+1.53	+7.02	+4.61
UAH real PPI	128.211	+1.15	+1.53	+7.02	+4.61
USD nom'l	92.310	+0.36	+0.89	+4.47	+2.26
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	65.2099	+3.28	+3.36	+11.89	+7.37
EUR/USD	1.1773	-0.52	-0.98	-5.53	-2.69
USD/CNY	6.1996	-0.07	-0.22	+0.18	-0.10
USD/PLN	3.6371	+0.69	+0.14	+8.31	+2.64
USD/TRY	2.2854	+0.01	-1.60	-0.57	-2.12
USD/BYR	14,525.00	+1.79	+6.02	+32.65	+32.05
USD/KZT	183.7400	+0.09	+0.38	+0.94	+0.76
OTHER MAJOR CURRENCIES					
USD/JPY	117.9300	-0.35	-0.39	-0.69	-1.54
GBP/USD	1.5160	-0.07	+0.06	-3.54	-2.68
USD/CHF	1.0201	+0.52	+0.98	+5.84	+2.59
AUD/USD	0.8166	+0.11	+1.01	-0.98	-0.11
USD/CAD	1.1959	-0.13	+1.04	+3.26	+2.91
USD/BRL	2.6432	-1.14	-2.13	-0.41	-0.54
USD/KRW	1,083.36	+0.17	-1.39	-1.79	-0.70
COMMODITIES					
Gold(\$/oz)	1,230.75	-0.20	+1.01	+0.67	+3.87
WTI crude ³	45.89	-0.39	-4.26	-20.62	-13.85
Brent crd ³	46.33	-0.34	-7.75	-24.16	-16.91
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	219.70	-0.51	-2.52	-9.87	-4.46

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.

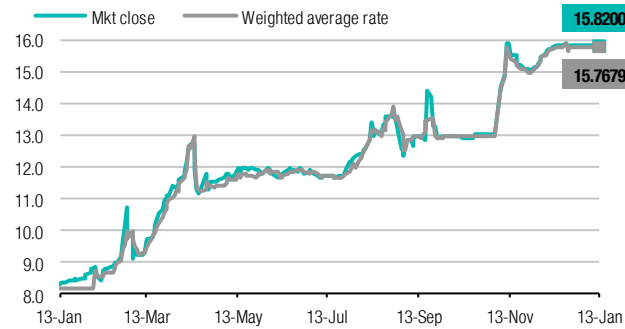
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

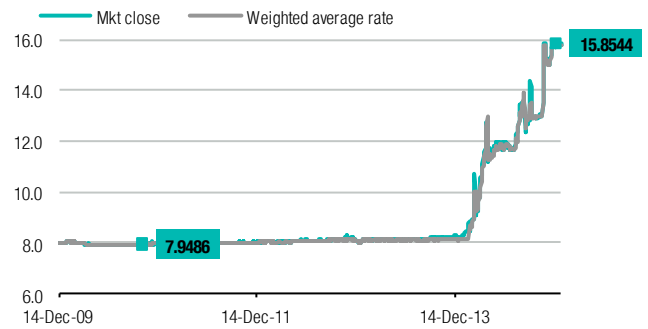
Section on FX market is continued on next page.

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)

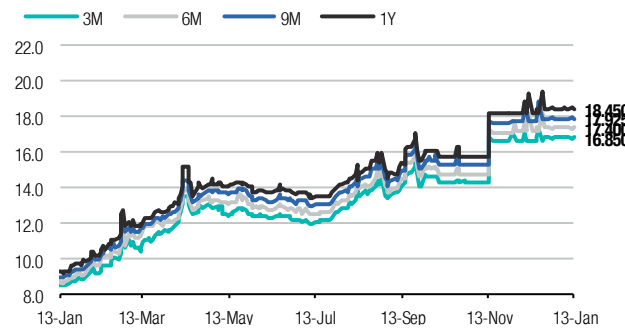


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

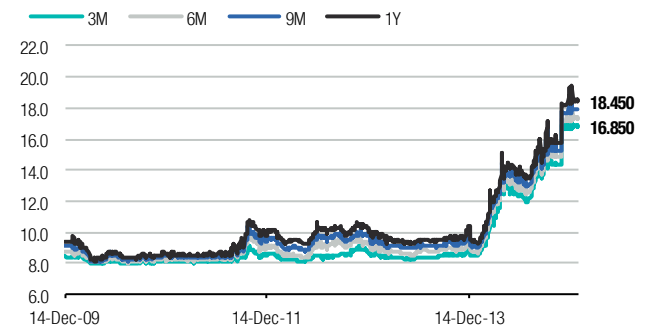


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

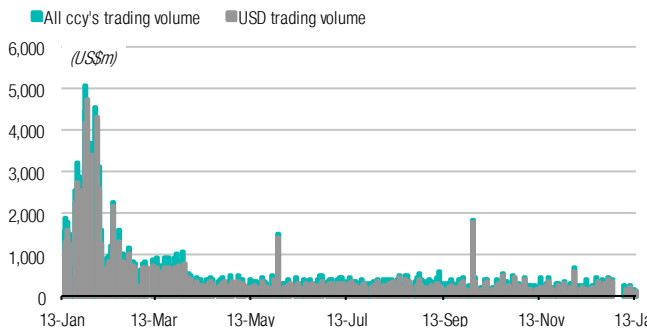


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

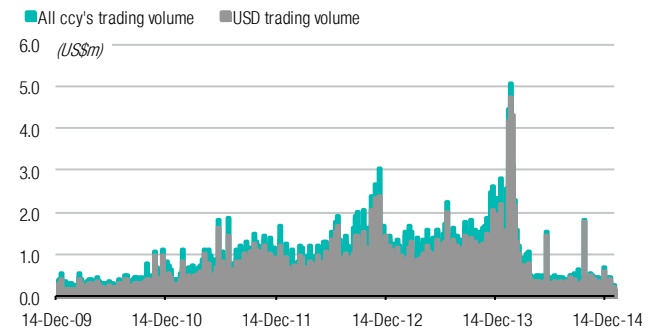


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

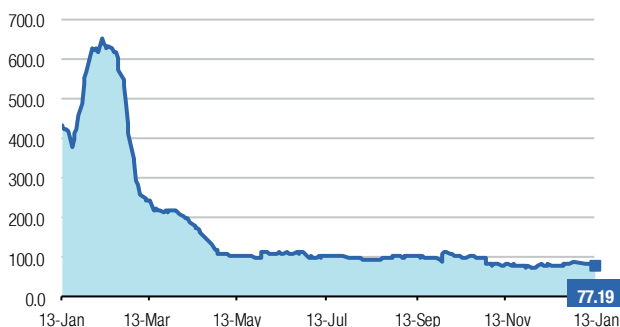


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)

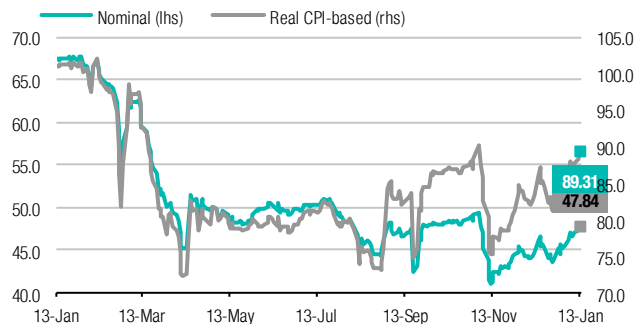


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

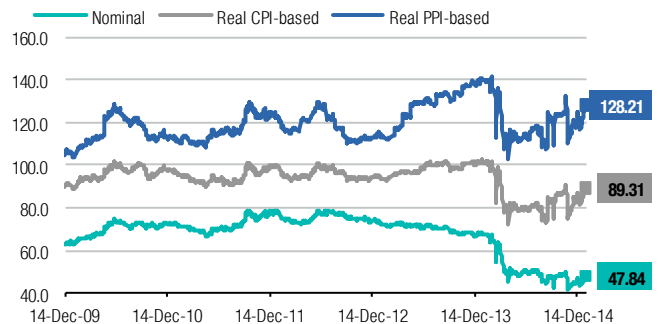
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



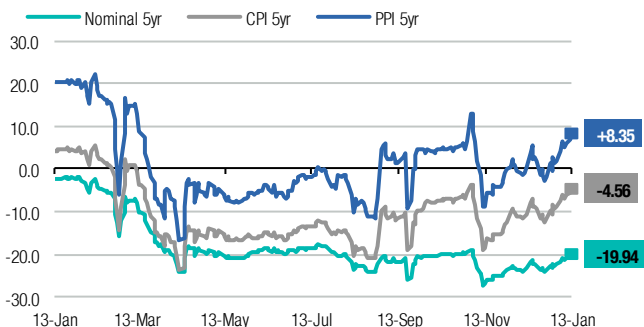
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

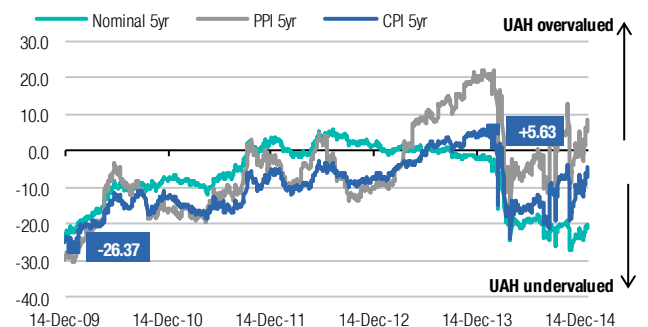


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

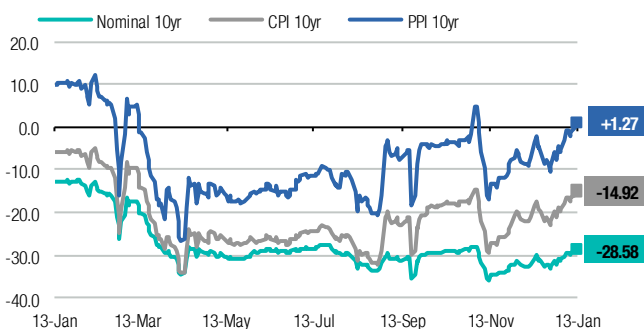


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

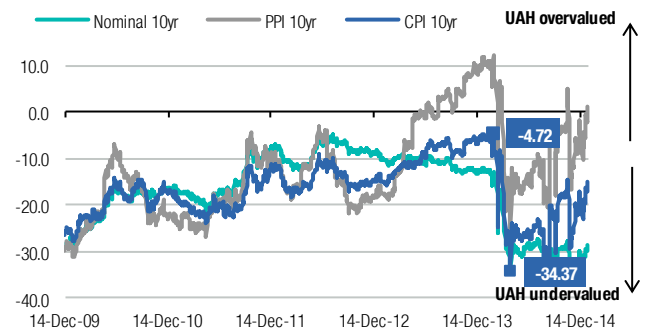


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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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