

Daily Insight

Ukraine braces for IMF assistance

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FRIDAY, 23 JANUARY 2015

UX Index (3 months to 23 Jan 2015)



Source: UX.

Key market indicators (as of 22 Jan 2015)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	15.8175	-0.03	-0.02
USD/UAH (1Y NDF)	18.4500	+0.00	+0.00
EUR/USD	1.1366	-2.10	-6.05
USD/RUB	64.1753	-1.57	+5.66
KievPRIME O/N (%)	11.00	-13bp	-790bp
KievPRIME 1M (%)	18.25	+0bp	-165bp
SOVEREIGN EUROBONDS: yields and spreads			
Ukraine 15, Eurobond (%)	97.96	+2,247bp	+3,619bp
Ukraine 17, Eurobond (%)	39.42	+136bp	+1,166bp
Ukraine 22, Eurobond (%)	20.01	+112bp	+376bp
Ukraine 23, Eurobond (%)	19.56	+88bp	+399bp
Ukraine 5Y CDS	2,537bp	-221bp	+338bp
EQUITIES			
Stock market indices			
UX (Ukraine)	1,023.13	-1.70	-0.98
MSCI World	418.52	+0.93	+0.34
MSCI EM	983.53	+0.76	+2.85
RTS (Russia)	817.14	+4.48	+3.81
WIG-20 (Poland)	2,319.45	+1.38	+0.15
S&P 500 (USA)	2,063.15	+1.53	+0.21

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

Ukraine braces for IMF assistance

Yesterday's news that IMF and Ukrainian authorities would replace the previous SBA (stand-by arrangement) program for an EFF (extended fund facility) harkened back to 1998 when the IMF made a similar move under different circumstances. In both cases, Ukraine's FX reserves had fallen to cover future imports for just a few weeks rather than for the standard minimum of at least three months. The IMF most likely offered access to funding to up to 600% of Ukraine's quota, which currently is XDR1.37bn, net of scheduled repayment (XDR4.2bn or US\$5.9bn). In this case, the program size could be as high as XDR12.4bn or US\$17.6bn. It is quite unlikely that the IMF will grant exceptional access to Ukraine to the extent of Portugal, which received 2300% of its quota, because it was rarely used and only in cooperation with significant loans from other recognized lenders (WB and EU). For details, please see the table below. In return for extended credit, the IMF would mandate a program of extreme macroeconomic reforms, including first priority fiscal consolidation.

Table 1. Examples of most recent EFF

Date of IMF announcement	Country to be rescued	Duration (yrs)	EEF volume (SDRbn)	% of quota	Normal access	Exceptional access	Comment
04.07.2013	Pakistan	3	3.53	N/A	N/A	N/A	
03.04.2013	Cyprus	4*	0.89	563	Y		"...to achieve a 4 percent of GDP primary surplus by 2018"
15.02.2013	Jamaica	4	0.48	175	Y		"... participation of private creditors in the debt exchange"
12.05.2011	Moldova	3	0.37	300	Y		"...support of its external reserve position"
05.05.2011	Portugal	3	24.00	2,300		Y	Total financing package of EUR78bn (about US\$116bn)
28.11.2010	Ireland	4	19.50	2,320		Y	Total package from IMF and donors EUR85bn or US\$113bn
19.05.2010	Armenia	3	0.27	290	Y		
02.11.2009	Seychelles	3	0.02	225	Y		"...to replace the current SBA"
01.02.2015	Ukraine	4	8.23	600	Likely	Not likely	
	Net repayments		4.16				Scheduled repayments under previous SBA
	Total for Ukraine's EFF		12.39				

Notes: * On Cyprus there is no explicit indication on the duration of the facility

Sources: IMF, ICU.

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Bonds: News & Comments

Liquidity declines despite inflows

Broader banking sector liquidity fell UAH1.73bn to UAH63.52bn yesterday as banks' correspondent accounts with the NBU declined UAH1.87bn to UAH32.33bn while total CDs outstanding rose UAH0.770bn to UAH24.61bn. Total local currency debt repayments scheduled for the next 30 days were down UAH0.63bn to UAH6.58bn.

KyivPrime interest rates slightly diverged as the KyivPrime ON interest rates slid 13bp to 11.00% while the KyivPrime 1M interest rate remained steady at 18.25% yesterday.

Investment implications: The MoF's UAH0.63bn debt repayments and the NBU's 13-day loans were insufficient to cover outflows. On Wednesday, banks repaid UAH1.0bn of loans to the NBU with UAH0.70bn of newly issued NBU loans covering only part of this outflow. Funds repaid by the MoF were absorbed by the NBU as it increased CDs outstanding. Of the UAH1.73bn of liquidity decline, only a small part was absorbed by the NBU.

Ukrainian Eurobond sentiment weakens

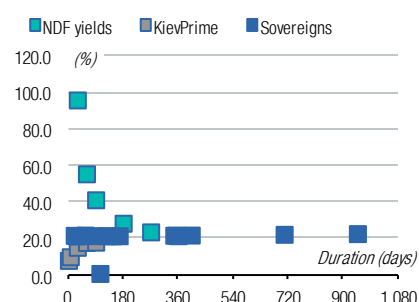
As the MoF and the IMF announced a potential agreement for a new financing program on Wednesday, the market responded by assessing a higher risk premium on Eurobonds. US treasury yields also slightly rose yesterday on news that the ECB announced the implementation of its own QE initiative soon. As spreads to benchmark widened significantly, up to 9,554bp for UKRAIN 6.875% '15, the yield curve adjusted to 19.57-95.70%, reducing prices to the range of 51-62.

Investment implications: YTM's rose to above 90% yesterday as the market anticipated that bonds maturing this year most likely will be included in the debt restructuring, while the probability of including bonds maturing in 2020-2023 was significantly lower. Bonds maturing in 2017 traded at yields near 40% yesterday.

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Yield curve of the local bond market

(as of market close on 22 Jan 2015)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 22 Jan 2015)

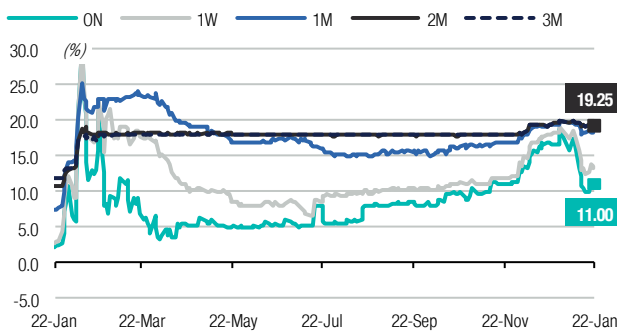
	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
O/n	11.00	-13bp	+60bp	-600bp	-790bp
1wk	13.38	-12bp	+8bp	-462bp	-562bp
1m	18.25	+0bp	+5bp	-75bp	-165bp
2m	19.25	+0bp	-15bp	+25bp	-75bp
3m	19.25	+0bp	-15bp	+25bp	-75bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
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	323,349	+0.00	+1.64	+9.05	+1.64
Banks	91,950	+0.00	+0.11	+2.41	-1.59
Resid's ⁴	23,773	+0.17	+1.04	-3.50	-3.16
Non-res ⁵	21,165	+0.02	+0.06	-2.12	-1.76
Total	460,238	+0.01	+1.23	+6.40	+0.57
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	+0bp	+0bp
EUROBONDS USD SOVEREIGN BOND YIELDS (%)					
CDS 5yr	2,537	-221bp	-22bp	+570bp	+338bp
Jun '16	62.59	+11bp	+18bp	+29bp	+26bp
Jul '17	39.42	+136bp	+483bp	+13bp	+12bp
Sep '20	22.13	+70bp	+180bp	+451bp	+328bp
Sep '21	21.72	+69bp	+179bp	+499bp	+319bp
Sep '22	20.01	+112bp	+174bp	+497bp	+376bp
Feb '23	19.56	+88bp	+197bp	+496bp	+399bp

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.

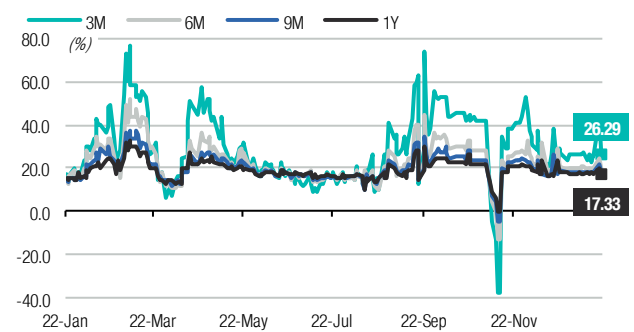
Chart page: Local bond market & Eurobond markets

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



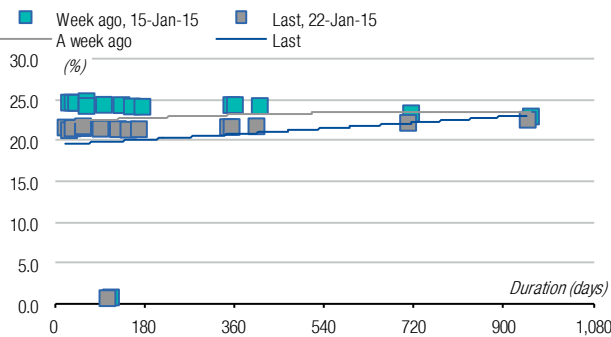
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



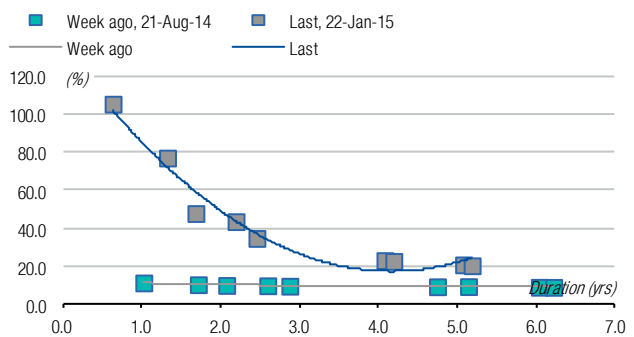
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 22 Jan 2015



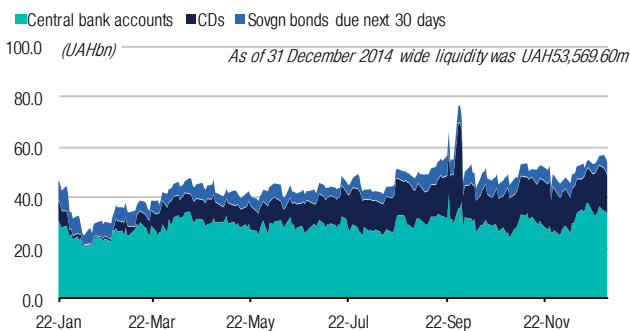
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 22 Jan 2015



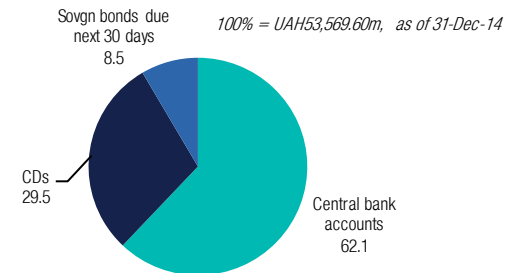
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



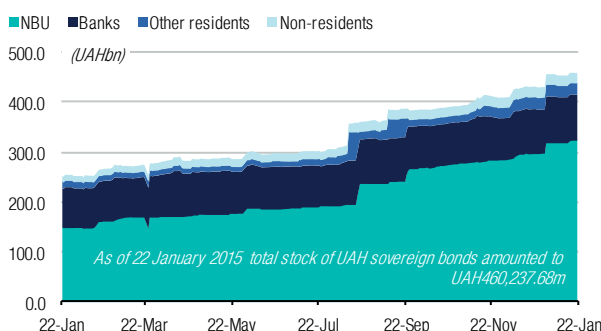
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 22 Jan 2015



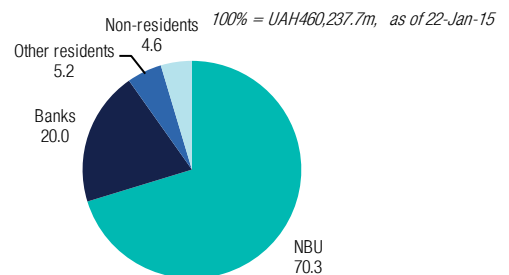
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 22 Jan 2015



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

Table 2. Ukrainian stocks (closing prices as of 22-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	9.88 GBp	+0.0	-1.3	-1.3	-18.6	0.15	34.2	-13.4	40.2	13.8	62.9	13.6	0.05	2,084	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	7.36 UAH	-3.5	+0.8	-2.5	+64.9	0.45	167.7	156.0	21.7	36.4	19.0	46.4	0.10	1,004	5.6	4.4	7.3	0.2	2.6	2.9	0.3	0.2	0.2	1.1	16.3
Coal Energy	CLE PW	Warsaw	0.71 PLN	+1.4	+10.9	+14.5	-31.1	0.19	8.5	134.4	25.0	2.1	0.0	11.8	0.26	389	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	31.10 UAH	-4.8	-4.5	-5.8	+4.8	1.92	45.4	94.4	14.2	6.5	10.2	7.6	0.16	607	1.4	1.1	1.2	0.1	1.6	1.2	0.3	0.2	0.2	1.1	25.1
JKX Oil & Gas	JKX LN	London	12.13 GBp	+0.0	+1.0	+1.0	-82.6	0.18	31.2	36.4	47.2	14.7	21.3	75.3	0.45	223	4.8	5.2	0.9	0.5	0.7	0.6	0.2	0.2	0.2	0.1	5.5
Regal Petroleum	RPT LN	London	3.74 GBp	+0.0	+19.7	+19.7	-73.0	0.06	18.0	-12.1	80.9	14.5	0.6	2.6	0.03	3,170	Neg.	9.0	N/A	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	135.00 UAH	+0.0	-3.6	-8.8	+48.0	8.33	106.5	118.3	5.0	5.3	0.0	1.0	0.02	4,038	3.0	N/A	N/A	0.8	N/A	N/A	0.2	N/A	N/A	1.2	0.0
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.01 UAH	-1.5	-6.9	-6.9	-61.8	0.00	21.5	1,788.9	3.9	0.8	1.4	1.6	0.26	387	Neg.	Neg.	N/A	Neg.	Neg.	N/A	2.0	1.1	N/A	N/A	85.7
Avdiyivsky Cok...	AVDK UK	Kiev, UX	1.42 UAH	-2.7	-18.5	-18.0	-47.0	0.09	17.1	-21.5	4.0	0.7	1.2	2.9	0.96	105	Neg.	Neg.	N/A	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1
Azovstal	AZST UK	Kiev, UX	0.77 UAH	-0.6	+10.6	+3.4	+29.6	0.05	199.7	165.3	4.1	8.2	2.7	7.7	0.06	1,648	Neg.	Neg.	N/A	Neg.	4.8	N/A	0.1	0.1	N/A	0.3	0.0
Ferrexpo PLC	FXPO LN	London	62.25 GBp	+9.7	+18.6	+17.5	-61.5	0.93	549.4	1,200.9	22.4	123.1	1,326.5	894.6	0.61	163	2.1	2.3	7.0	2.4	2.7	4.4	0.8	0.9	1.0	0.5	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.33 UAH	+32.0	+22.2	+17.9	-40.0	0.02	5.6	6.2	9.0	0.5	0.1	0.9	0.26	382	Neg.	0.6	0.4	0.1	0.3	N/A	0.0	0.0	0.0	0.1	0.0
Yenakievo Steel	ENMZ UK	Kiev, UX	19.98 UAH	-0.9	-13.0	-4.6	-36.6	1.23	13.0	4.9	9.4	1.2	0.2	4.5	0.44	228	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	0.40 EUR	+11.1	-7.0	-7.0	-68.8	0.45	41.9	90.8	34.0	14.2	97.1	12.5	0.12	826	Neg.	N/A	N/A	Neg.	N/A	N/A	1.5	N/A	N/A	0.9	35.9
Agroliga	AGL PW	Warsaw	9.51 PLN	-3.2	+2.3	+5.7	-63.6	2.54	3.9	4.7	16.7	0.7	1.9	3.2	0.56	178	1.1	N/A	N/A	1.3	N/A	N/A	0.3	N/A	N/A	0.4	5.7
Agroton	AGT PW	Warsaw	1.41 PLN	+2.9	+18.5	+14.6	-38.2	0.38	8.1	53.4	26.2	2.1	26.5	39.5	1.49	67	Neg.	N/A	N/A	20.0	17.8	N/A	0.7	0.6	N/A	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	26.50 PLN	+1.9	+50.8	+32.5	-59.6	7.07	176.6	419.2	31.0	54.8	81.4	124.3	0.13	766	6.1	Neg.	4.5	5.5	3.8	4.6	1.0	1.0	1.1	0.6	38.2
Avangard	AVGR LI	London Intl	1.91 USD	+0.3	-17.2	-7.1	-83.6	1.91	121.7	332.9	21.7	26.4	373.6	25.7	0.22	453	0.5	1.4	1.0	1.1	1.9	1.9	0.5	0.6	0.6	0.1	17.8
IMC	IMC PW	Warsaw	5.80 PLN	-1.7	-3.2	+2.3	-47.7	1.55	48.4	187.6	23.9	11.6	4.1	4.6	0.04	2,795	1.9	Neg.	2.0	3.5	3.6	3.6	1.6	1.2	1.1	0.3	38.7
Kernel Holding...	KER PW	Warsaw	33.00 PLN	-1.2	+11.4	+16.0	-19.7	8.80	701.1	1,345.5	58.8	412.1	1,356.0	1,090.9	0.23	440	Neg.	4.4	4.4	6.0	3.9	4.0	0.6	0.6	0.5	0.7	39.1
KSG Agro	KSG PW	Warsaw	1.12 PLN	+1.8	+4.7	+0.0	-88.3	0.30	4.5	115.6	34.4	1.5	14.3	33.8	0.90	112	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	9.25 USD	+2.8	+1.1	+0.5	-47.2	9.25	977.4	2,107.8	22.3	218.2	192.0	381.9	0.18	568	6.3	32.7	3.5	5.4	4.1	4.2	1.4	1.5	1.4	1.9	47.0
Milkiland	MLK PW	Warsaw	1.58 PLN	+2.6	-1.3	+6.8	-83.9	0.42	13.2	127.2	20.0	2.6	6.0	9.7	0.49	203	1.1	Neg.	Neg.	3.8	4.5	4.5	0.3	0.3	0.5	0.1	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	0.57 EUR	+0.0	-17.8	+1.6	-89.0	0.65	68.8	796.6	20.0	13.8	0.0	0.6	0.01	10,022	0.8	0.8	0.3	4.8	2.9	2.7	1.6	1.9	1.8	0.2	45.3
Ovostar Union	OVO PW	Warsaw	73.00 PLN	-0.7	+1.5	+1.4	-12.9	19.46	116.8	126.4	25.0	29.2	0.3	30.9	0.10	1,050	3.8	4.7	5.8	3.4	4.0	4.4	1.4	1.6	1.4	0.9	8.5
CONSTRUCTION																											
TMM	TR61 GF	Frankfurt	0.10 EUR	+0.0	+26.3	+26.3	-68.1	0.11	5.9	133.1	13.1	0.8	0.1	0.1	0.00	135,695	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	-1.0	-3.3	-5.1	-15.0	0.01	168.5	N/A	3.8	6.4	7.1	16.0	0.18	548	2.7	Neg.	11.6	N/A	N/A	N/A	N/A	N/A	N/A	0.5	22.4
Ukrsotsbank	USCB UK	Kiev, UX	0.12 UAH	+4.3	-6.5	-7.8	-33.3	0.01	182.7	N/A	4.5	8.2	1.6	0.9	0.02	6,404	Neg.	10.4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.2	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

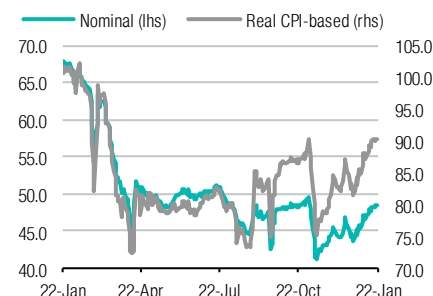
EUR down on ECB QE announcement

After the ECB announced its QE program to purchase EUR60bn per month for one year, the EUR dropped by more than 2%, pushing the US dollar index up 1.25% yesterday and 4.22% year-to-date. Although the Russian ruble rose 1.57% on the news, as the EU is Russia's top trading partner, any weakness of its currency (the euro) will have a negative impact on the ruble. The hryvnia's trade weighted value rose 0.14% yesterday and 5.75% YTD.

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ICU's UAH trade-weighted indices

(Last 12-month history to 23 Jan 2015)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 22 Jan 2015)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	15.8175	-0.03	-0.05	-0.56	-0.02
NBU avg	15.7676	-0.11	-0.05	-0.55	-0.01
Ttl vlm ¹	255.63	-38.29	+10.97	-6.93	-40.67
\$ volume ²	185.84	-48.95	+2.85	-9.14	-47.55
NDF 3M	16.8500	+0.00	+0.00	+1.20	+0.00
NDF 6M	17.4000	+0.00	+0.00	-4.53	+0.00
NDF 1Y	18.4500	+0.00	+0.00	-5.26	+0.00
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	48.366	+0.14	+0.33	+9.64	+5.75
UAH real CPI	90.289	+0.14	+0.33	+9.64	+5.75
UAH real PPI	129.613	+0.14	+0.33	+9.64	+5.75
USD nom'l	94.077	+1.26	+1.87	+4.80	+4.22
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	64.1753	-1.57	-1.50	+15.33	+5.66
EUR/USD	1.1366	-2.10	-2.30	-7.06	-6.05
USD/CNY	6.2090	-0.05	+0.33	-0.22	+0.06
USD/PLN	3.7440	+1.08	+0.95	+7.43	+5.66
USD/TRY	2.3249	-1.08	+0.63	+0.45	-0.43
USD/BYR	15,041.00	-0.32	-1.37	+36.74	+36.74
USD/KZT	184.2100	-0.01	+0.18	+1.09	+1.02
OTHER MAJOR CURRENCIES					
USD/JPY	118.4900	+0.44	+2.00	-1.30	-1.08
GBP/USD	1.5010	-0.87	-1.14	-3.72	-3.64
USD/CHF	0.8713	+1.29	+3.83	-11.44	-12.37
AUD/USD	0.8026	-0.73	-2.32	-1.34	-1.82
USD/CAD	1.2380	+0.32	+3.50	+6.47	+6.53
USD/BRL	2.5746	-1.01	-2.55	-3.40	-3.12
USD/KRW	1,084.96	+0.15	+0.16	-1.03	-0.55
COMMODITIES					
Gold(\$/oz)	1,302.13	+0.70	+3.12	+10.68	+9.90
WTI crude ³	45.99	-2.73	-0.56	-16.32	-13.67
Brent crd ³	46.52	+0.69	+0.41	-21.22	-16.57
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	218.34	-1.31	-0.95	-7.72	-5.05

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.

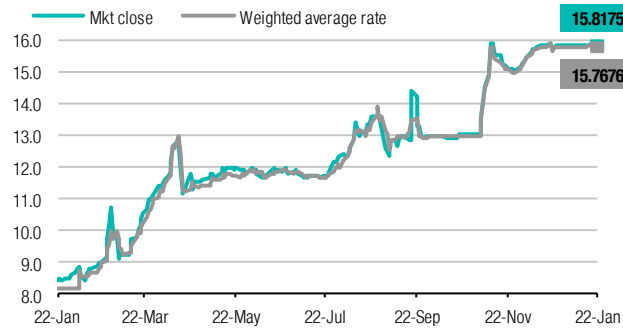
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

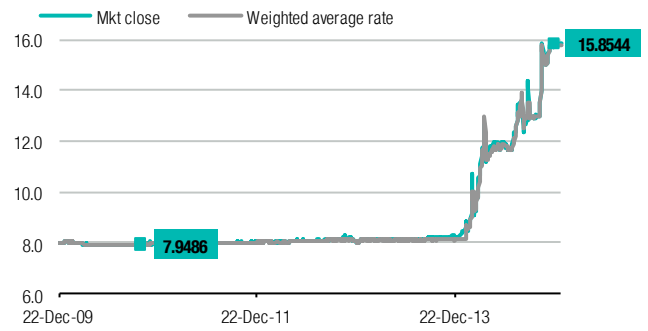
Section on FX market is continued on next page.

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)

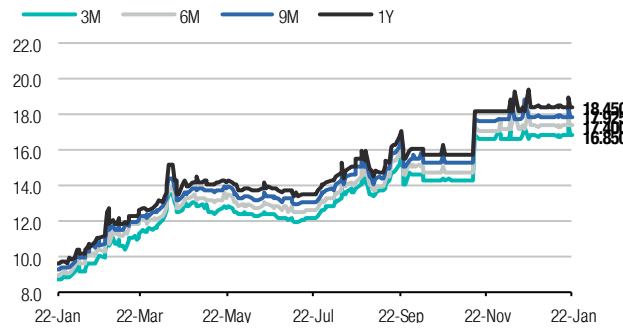


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

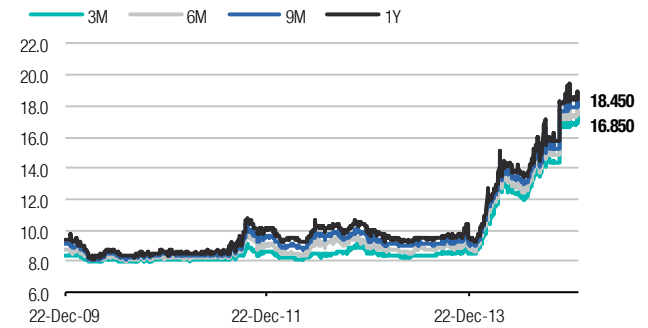


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

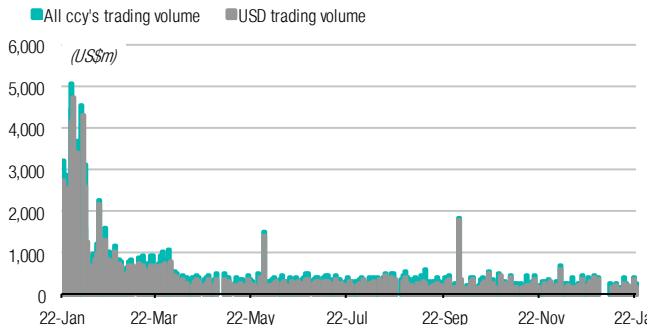


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

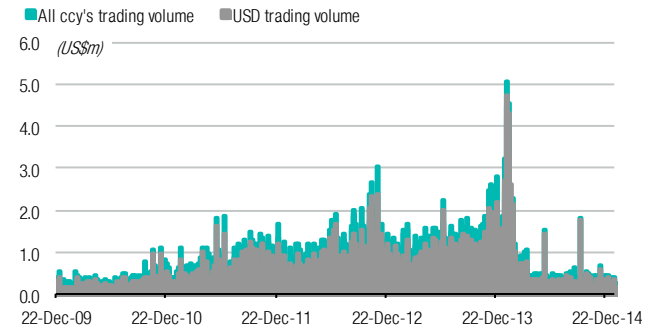


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

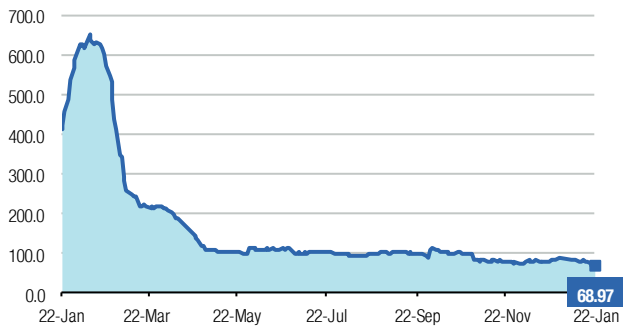


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)

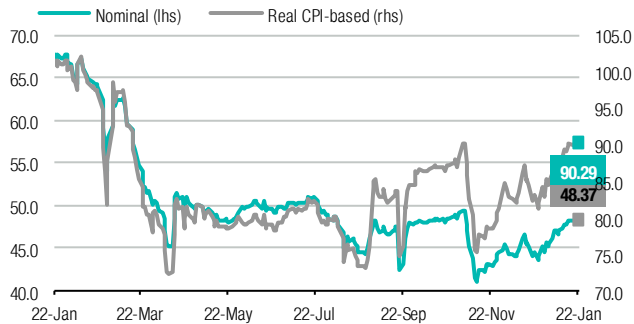


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

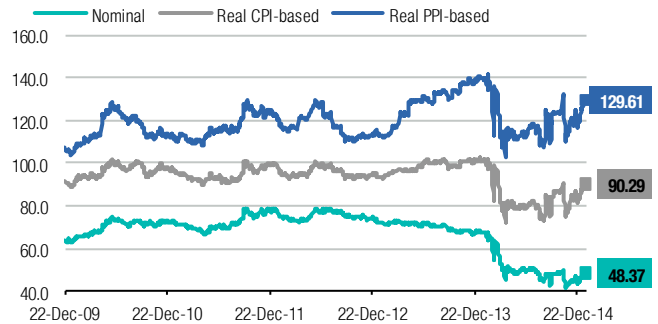
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



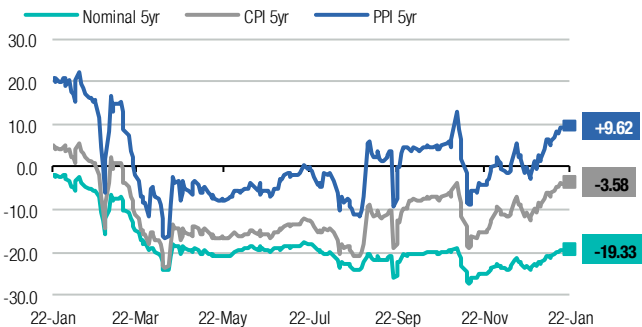
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

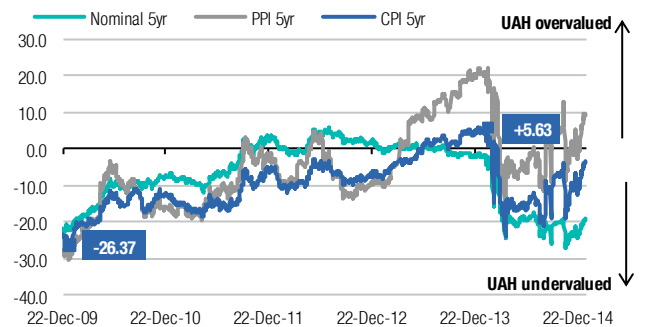


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

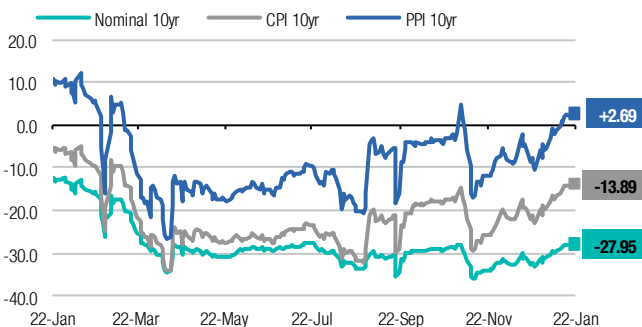


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

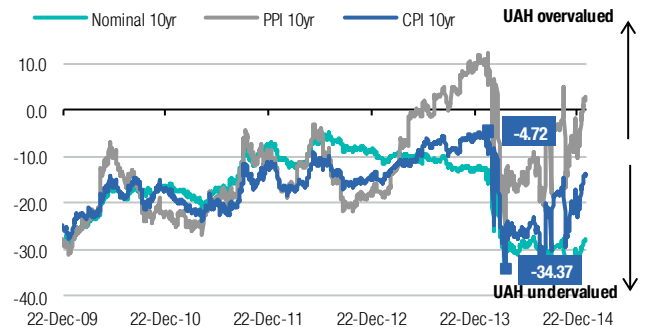


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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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