

# Daily Insight

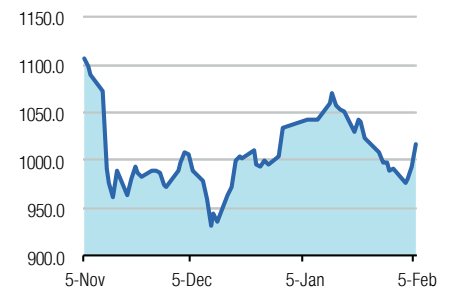
## Metinvest's steel and iron ore production

### Contents

<b>Economics: News &amp; Comments</b>	<b>2</b>
Western leadership pushes for peace agreement .....	2
<b>Bonds: News &amp; Comments</b>	<b>3</b>
Primary auction results .....	3
Liquidity down .....	3
Metinvest's steel and iron ore production flat QoQ in 4Q14 .....	4
Chart page: Local bond market & Eurobond markets .....	5
<b>FX: News &amp; Comments</b>	<b>7</b>
Chart page #1: Foreign-exchange market .....	8
Chart page #2: ICU's UAH trade-weighted indices .....	9

FRIDAY, 6 FEBRUARY 2015

### UX Index (3 months to 6 Feb 2015)



Source: UX.

### Key market indicators (as of 5 Feb 2015)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	22.6450	+34.95	+43.14
USD/UAH (1Y NDF)	22.7000	+18.79	+23.04
EUR/USD	1.1477	+1.16	-5.13
USD/RUB	66.5946	-1.92	+9.65
KievPRIME O/N (%)	13.00	+80bp	-590bp
KievPRIME 1M (%)	19.63	+93bp	-27bp
<b>SOVEREIGN EUROBONDS: yields and spreads</b>			
Ukraine 15, Eurobond (%)	118.51	-5bp	+5,675bp
Ukraine 17, Eurobond (%)	40.90	-2bp	+1,315bp
Ukraine 22, Eurobond (%)	20.10	-41bp	+385bp
Ukraine 23, Eurobond (%)	19.24	-39bp	+368bp
Ukraine 5Y CDS	2,647bp	-149bp	+448bp
<b>EQUITIES</b>			
<b>Stock market indices</b>			
UX (Ukraine)	1,017.77	+2.41	-1.50
MSCI World	422.18	+0.66	+1.21
MSCI EM	982.21	+0.14	+2.71
RTS (Russia)	804.50	+4.40	+2.21
WIG-20 (Poland)	2,341.58	+0.00	+1.11
S&P 500 (USA)	2,062.52	+1.03	+0.18

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

### Western leadership pushes for peace agreement

Leaders from Germany and France arrived in Kiev to discuss peace initiatives with Poroshenko yesterday and meet with Putin today. Supposedly rumors that Putin sent a letter containing his own proposed peace settlement to French President Hollande catalyzed the media only to guess the scope of potential deals. US Secretary of State John Kerry arrived earlier yesterday for his own talks with Poroshenko, and in a joint statement to the media, Kerry stressed that Russia must comply with the Minsk agreement and obey the ceasefire, demilitarize the zone, call the Russian army back to Russia, and close the borders. No details were available of proposed settlements by Merkel and Hollande. Kerry announced that Poroshenko would maintain the special status of the Luhansk and Donetsk oblasts, indicating that the peace plan would include autonomy to the area under dispute. In our view, such a deal would reduce risk very little and be shaky at best.

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# Bonds: News & Comments

## Primary auction results

Following Tuesday's auction at which the MoF refinanced only US\$60.0m of the US\$237.22m in debt repayments scheduled for next week, an additional auction was announced yesterday were sold US\$100.0m (par value) of the same USD-denominated bonds that were placed on Tuesday at the same interest rate.

**Investment implications: Yesterday's auction raised US\$98.91m in proceeds, increasing the FX-denominated financing to US\$158.91m, or 67% of next week's scheduled FX repayment. This refinancing appears to have been pre-arranged as state-owned banks were the largest holders of FX-denominated bonds.**

## Liquidity down

Broader banking sector liquidity fell to this month's low of UAH58.67bn yesterday, down UAH2.93bn. The MoF repaid UAH2.63bn in local currency, decreasing total local currency debt repayments scheduled for the next 30 days to UAH5.87bn. Banks' correspondent accounts with the NBU fell UAH1.50bn to UAH29.12bn. Only total CDs outstanding rose UAH1.20bn to UAH23.68bn.

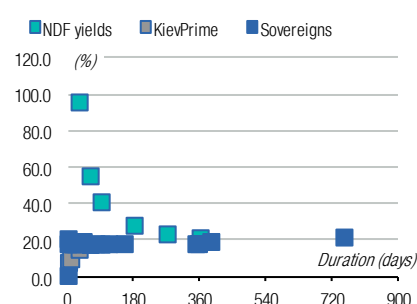
KyivPrime interest rates slightly rose: the KyivPrime ON interest rate rose 80bp to 13.00% while the KyivPrime 1M interest rate rose 93bp to 19.63%.

**Investment implications: The NBU issued UAH1.03bn of loans on Wednesday, including UAH0.40bn of 44-day loans to 11 banks and UAH0.63bn of ON loans, while banks repaid UAH0.50bn of ON loans that day. This UAH0.53bn of additional loans and the MoF's UAH2.36bn in local currency debt repayments came out of liquidity. These funds the most likely were spent at the FX market before the new regulations took effect, decreasing the risk of further hryvnia devaluation.**

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## Yield curve of the local bond market

(as of market close on 5 Feb 2015)



Sources: Bloomberg, Investment Capital Ukraine LLC.

## Bond market indicators (as of 5 Feb 2015)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
O/n	13.00	+80bp	+133bp	-590bp	-590bp
1wk	15.00	+80bp	+100bp	-400bp	-400bp
1m	19.63	+93bp	+96bp	-27bp	-27bp
2m	19.75	+35bp	+42bp	-25bp	-25bp
3m	19.75	+35bp	+42bp	-25bp	-25bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	N/A	N/A	N/A	N/A	N/A
CDs <sup>2</sup>	N/A	N/A	N/A	N/A	N/A
Sovgns <sup>3</sup>	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	330,569	+0.85	+0.86	+3.91	+3.91
Banks	94,322	+1.46	+2.60	+0.95	+0.95
Resid's <sup>4</sup>	24,844	-14.28	+5.99	+1.20	+1.20
Non-res <sup>5</sup>	21,933	+2.36	+4.38	+1.81	+1.81
<b>Total</b>	<b>471,669</b>	<b>+0.11</b>	<b>+1.62</b>	<b>+3.06</b>	<b>+3.06</b>
<b>NDF IMPLIED YIELDS (%)</b>					
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
<b>LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)</b>					
Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	N/A	+320bp	+0bp	+0bp	+0bp
Aug '15 <sup>6</sup>	N/A	+8bp	+0bp	+0bp	+0bp
<b>EUROBONDS USD SOVEREIGN BOND YIELDS (%)</b>					
CDS 5yr	2,647	-149bp	+467bp	+411bp	+448bp
Jun '16	59.56	-195bp	-13ppt	+23bp	+23bp
Jul '17	40.90	-2bp	+3bp	+13bp	+13bp
Sep '20	22.83	-24bp	-20bp	+399bp	+399bp
Sep '21	22.35	-35bp	-20bp	+381bp	+381bp
Sep '22	20.10	-41bp	-60bp	+385bp	+385bp
Feb '23	19.24	-39bp	-57bp	+368bp	+368bp

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.

## Metinvest's steel and iron ore production flat QoQ in 4Q14

Metinvest announced yesterday that its crude steel production increased 1% QoQ to 1.75mt in 4Q14, while the production of iron ore concentrate remained unchanged QoQ at 8.44mt. At the same time, the company's output of coking coal concentrate declined 18% QoQ to 0.78mt. Overall in 2014, Metinvest reduced its production of crude steel by 26% to 9.2mt, production of iron ore concentrate by 6% to 34.9mt, and production of coal concentrate by 26% to 4.1mt. The company explains the production decline mainly by disruptions caused by the military conflict in the Eastern Ukraine, with the hardest negative impact in 2H14. The conflict resulted in shutdowns of Yenakievo Steel, Avdiivka Coke and Donetsk Coke in August-October, restricted raw material supplies due to the damaged railway infrastructure, and hindered transportation through rebel-controlled territories.

**Table 1. Metinvest's Eurobond quotation as of market close, 05 January 2015**

Issuer	Moody's/S&P /Fitch	Ccy	Volume out	Coupon (%)	Maturity	Price (%)	YTW (%)	Spread (bp)
Metinvest	Caa2/--/CCC	USD	114m	10.25	20-May-15	72.5	147.575	14,733
Metinvest	--/--/CCC	USD	290m	10.50	24-Nov-17	49	56.396	5,588
Metinvest	Caa2/--/CCC	USD	750m	8.75	14-Feb-18	42.25	46.045	4,520

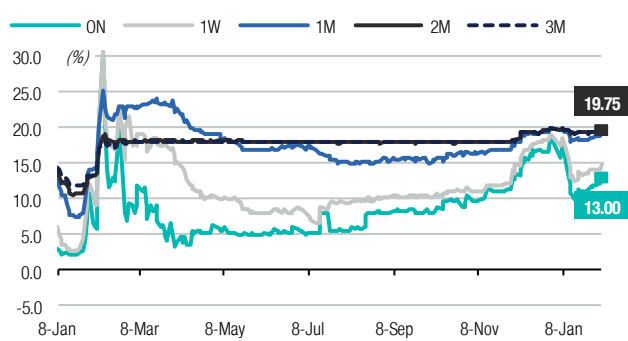
Source: Bloomberg

**Investment implications: Metinvest managed to stabilize its steel production in 4Q14 after it relaunched Yenakievo Steel in October. However, escalation of the conflict in Donbass in January heightens disruption risks for Metinvest's operations. The current situation around Avdiivka Coke, which supplies coke to Metinvest's steel mills, is of the highest concern due to the most intensive shelling occurring in the plant's vicinity. Although the situation with raw material supplies to Azovstal and Ilyich Steel looks to have stabilized after the railway connection between Zaporizhzhia region and Mariupil was repaired following the terrorist attack in January, both plants may suffer if separatists decide to take a more active offensive on Mariupil.**

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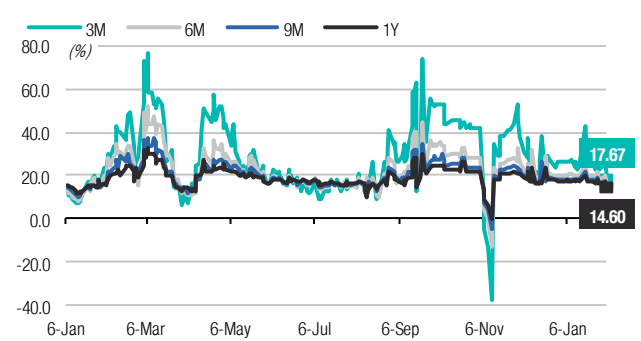
## Chart page: Local bond market & Eurobond markets

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



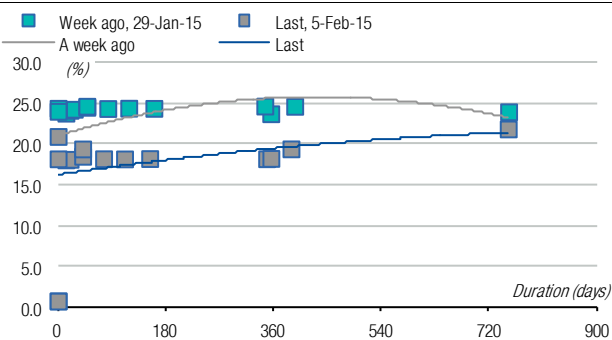
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



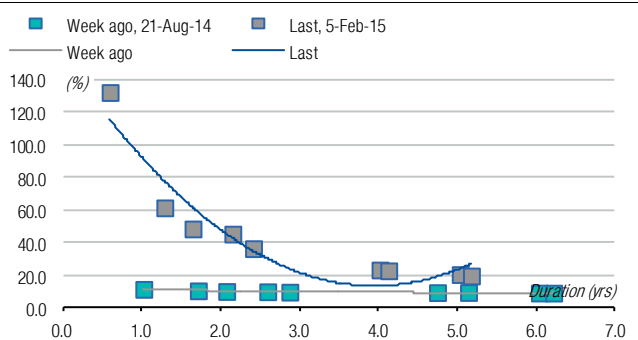
Sources: Bloomberg, Investment Capital Ukraine LLC.

**Chart 3. UAH sovereign yield curve (%) as of 5 Feb 2015**



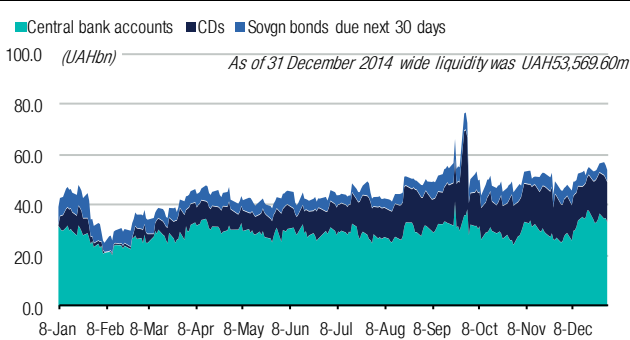
Sources: Bloomberg, Investment Capital Ukraine LLC.

**Chart 4. USD sovereign yield curve (%) as of 5 Feb 2015**



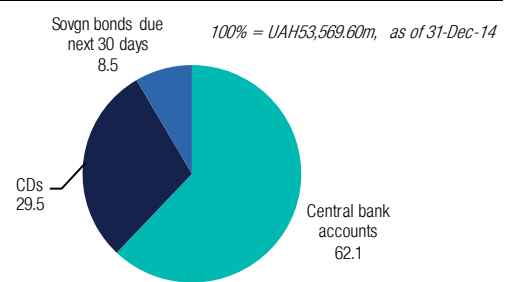
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



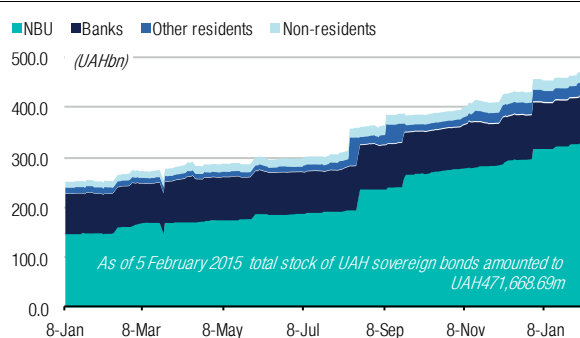
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

**Chart 6. Breakdown of liquidity pool (%) as of 5 Feb 2015**



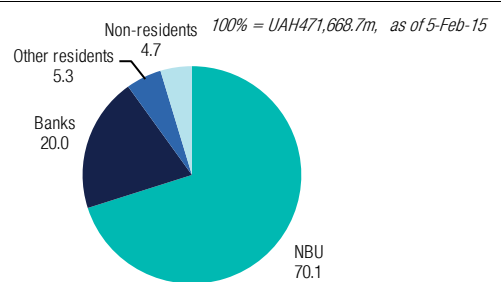
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

**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 5 Feb 2015**



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

Table 2. Ukrainian stocks (closing prices as of 5-Feb-2015)

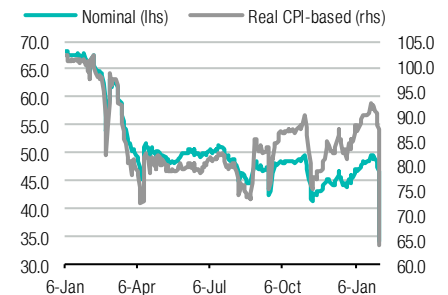
Company	Bloomberg Ticker	Listing	Share price performance (% change)				Valuation (US\$)			Free float (FF) & Liquidity					P/E			EV/EBITDA			EV/Sales			Ratios			
			Last price	Daily	MoM	YTD	YoY	Last price	Market cap (m)	EV (m)	FF (%)	FF mkt cap (US\$m)	Last day turnover (US\$ 000)	3M avg. turnover (US\$ 000)	FF share traded (%)	FF turnover (days)	2014	2015E	2016E	2014	2015E	2016E	2014	2015E	2016E	P/B (x)	Debt/ Assets (%)
<b>ENERGY</b>																											
Cadogan Petrol...	CAD LN	London	10.38 GBp	+0.0	+5.1	+3.8	-9.8	0.16	36.7	-10.9	40.2	14.8	6.7	16.1	0.10	1,039	Neg.	N/A	N/A	1.6	N/A	N/A	Neg.	N/A	N/A	0.3	0.0
Centrenerg	CEEN UK	Kiev, UX	7.06 UAH	+2.5	-7.5	-6.5	+59.7	0.29	107.1	99.3	21.7	23.2	26.5	27.6	0.10	996	5.4	4.2	7.0	0.1	2.5	2.8	0.3	0.2	0.2	1.0	16.3
Coal Energy	CLE PW	Warsaw	0.67 PLN	+0.0	-5.6	+8.1	-41.2	0.18	8.3	108.7	25.0	2.1	1.3	9.8	0.22	446	Neg.	N/A	N/A	4.8	N/A	N/A	0.9	N/A	N/A	0.1	39.8
Donbasenergo	DOEN UK	Kiev, UX	30.69 UAH	+0.6	-6.9	-7.0	-5.9	1.26	29.8	62.4	14.2	4.2	0.8	4.7	0.08	1,307	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	23.00 GBp	+24.3	+78.6	+91.7	-67.0	0.35	60.5	65.6	47.2	28.6	1,956.7	198.5	0.63	158	9.3	10.1	1.8	1.0	1.3	1.0	0.4	0.4	0.4	0.1	5.5
Regal Petroleum	RPT LN	London	4.25 GBp	+0.0	-12.8	+36.0	-63.8	0.07	20.9	-9.2	80.9	16.9	0.0	3.5	0.01	11,674	Neg.	10.4	N/A	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	164.20 UAH	+0.0	+10.9	+10.9	+38.1	6.74	86.3	94.1	5.0	4.3	0.0	0.7	0.00	25,324	3.6	N/A	N/A	0.6	N/A	N/A	0.2	N/A	N/A	1.4	0.0
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.01 UAH	+1.6	-11.9	-9.7	-63.8	0.00	13.9	1,190.4	3.9	0.5	0.1	1.0	0.07	1,347	Neg.	Neg.	N/A	Neg.	Neg.	N/A	2.0	1.1	N/A	N/A	85.7
Avdiyivsky Cok...	AVDK UK	Kiev, UX	1.17 UAH	+6.4	-35.7	-32.4	-58.4	0.05	9.4	-16.3	4.0	0.4	0.2	1.6	0.28	359	Neg.	Neg.	N/A	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.0	0.1
Azovstal	AZST UK	Kiev, UX	0.72 UAH	+0.3	-4.7	-3.1	+19.1	0.03	124.7	101.8	4.1	5.1	0.8	4.9	0.09	1,158	Neg.	Neg.	N/A	Neg.	4.5	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	54.00 GBp	+1.4	-4.0	+1.9	-64.7	0.83	486.8	1,138.3	22.4	109.0	682.3	801.9	0.76	131	1.9	2.0	7.5	2.3	2.5	4.5	0.7	0.8	1.0	0.4	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.27 UAH	+0.4	+43.6	-3.6	-51.4	0.01	3.0	3.5	9.0	0.3	0.1	0.5	0.06	1,623	Neg.	0.5	0.3	0.0	0.3	N/A	0.0	0.0	0.0	0.0	0.0
Yenakievo Steel	ENMZ UK	Kiev, UX	18.69 UAH	+2.7	-15.0	-10.8	-40.9	0.77	8.1	2.7	9.4	0.8	0.2	2.8	0.39	256	Neg.	Neg.	N/A	0.5	0.1	N/A	0.0	0.0	N/A	0.9	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	0.32 EUR	-3.0	-15.8	-25.6	-73.1	0.37	33.9	83.3	34.0	11.5	12.7	13.0	0.21	473	Neg.	N/A	N/A	Neg.	N/A	N/A	1.4	N/A	N/A	0.7	35.9
Agroliga	AGL PW	Warsaw	9.51 PLN	-6.8	+3.4	+5.7	-62.7	2.61	4.0	4.8	16.7	0.7	1.5	3.1	0.34	297	1.1	N/A	N/A	1.4	N/A	N/A	0.3	N/A	N/A	0.4	5.7
Agroton	AGT PW	Warsaw	1.26 PLN	-0.8	-0.8	+2.4	-47.3	0.35	7.5	52.8	26.2	2.0	2.6	34.0	1.65	61	Neg.	N/A	N/A	19.7	17.6	N/A	0.6	0.6	N/A	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	24.38 PLN	+0.5	+22.9	+21.9	-63.2	6.69	167.3	412.3	31.0	51.9	678.8	125.6	0.17	595	5.7	Neg.	4.2	5.4	3.6	4.5	1.0	1.0	1.1	0.6	38.2
Avangard	AVGR LI	London Intl	2.01 USD	-4.3	-2.0	-2.0	-82.2	2.01	128.4	339.6	21.7	27.9	1.3	35.4	0.26	392	0.5	1.4	1.1	1.1	2.0	1.9	0.5	0.6	0.6	0.2	17.8
Kernel Holding...	KER PW	Warsaw	29.50 PLN	-1.7	+10.9	+3.7	-22.4	8.10	645.2	1,289.4	58.8	379.2	521.3	990.7	0.27	370	Neg.	4.3	4.0	5.8	3.8	3.8	0.5	0.5	0.5	0.6	39.1
KSG Agro	KSG PW	Warsaw	1.06 PLN	+2.9	-4.5	-5.4	-88.2	0.29	4.4	91.3	34.4	1.5	8.6	20.2	1.09	91	Neg.	N/A	0.2	10.5	N/A	N/A	1.2	1.0	0.8	0.2	44.5
MHP	MHPC LI	London Intl	9.30 USD	-2.1	+0.0	+1.1	-38.0	9.30	982.7	2,113.1	22.3	219.3	404.3	385.4	0.21	475	6.3	46.2	3.5	5.4	4.1	4.2	1.4	1.5	1.4	1.9	47.0
Milkiland	MLK PW	Warsaw	2.26 PLN	+0.4	+32.9	+52.7	-76.5	0.62	19.4	134.6	20.0	3.9	4.9	19.9	0.66	152	1.6	Neg.	Neg.	4.1	4.6	4.6	0.3	0.4	0.5	0.1	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	0.50 EUR	-3.8	-11.0	-11.0	-90.1	0.57	60.8	788.6	20.0	12.2	0.0	0.6	0.00	30,685	0.7	0.7	0.3	4.8	2.9	2.6	1.6	1.9	1.8	0.1	45.3
Ovostar Union	OVO PW	Warsaw	70.50 PLN	-4.1	-2.1	-2.1	-10.1	19.35	116.1	125.7	25.0	29.0	47.5	45.7	0.26	388	3.8	4.7	5.8	3.4	4.0	4.4	1.4	1.6	1.4	0.9	8.5
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Frankfurt	0.07 EUR	+0.0	+0.0	-10.0	-76.1	0.08	4.3	131.4	13.1	0.6	0.0	0.0	0.00	96,733	Neg.	N/A	N/A	Neg.	N/A	N/A	3.9	N/A	N/A	0.0	45.5
<b>FINANCIAL SERVICES</b>																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.09 UAH	+3.4	-5.5	-5.7	-20.3	0.00	111.4	N/A	3.8	4.3	9.2	9.7	0.14	709	2.7	Neg.	11.5	N/A	N/A	N/A	N/A	N/A	N/A	0.5	22.4
Ukrsotsbank	USCB UK	Kiev, UX	0.12 UAH	+15.7	-9.4	-9.4	-31.5	0.00	119.6	N/A	4.5	5.4	0.0	0.5	0.01	12,998	Neg.	10.2	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

## ICU's UAH trade-weighted indices

(Last 12-month history to 6 Feb 2015)



Source: Investment Capital Ukraine LLC.

## FX market indicators (as of 5 Feb 2015)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	22.6450	+34.95	+42.24	+43.14	+43.14
NBU avg	17.9998	+7.60	+12.82	+14.15	+14.15
Ttl vlm <sup>1</sup>	225.18	-56.36	-34.78	-47.74	-47.74
\$ volume <sup>2</sup>	160.15	-58.06	-40.44	-54.80	-54.80
NDF 3M	21.1000	+20.50	+23.75	+25.22	+25.22
NDF 6M	21.6500	+19.88	+23.01	+24.43	+24.43
NDF 1Y	22.7000	+18.79	+21.72	+23.04	+23.04
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	34.194	-26.72	-30.77	-25.94	-25.23
UAH real CPI	63.834	-26.72	-30.77	-25.94	-25.23
UAH real PPI	91.636	-26.72	-30.77	-25.94	-25.23
USD nom'l	93.569	-0.44	-1.28	+2.40	+3.66
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	66.5946	-1.92	-3.44	+8.08	+9.65
EUR/USD	1.1477	+1.16	+1.39	-3.82	-5.13
USD/CNY	6.2529	+0.08	+0.10	+0.53	+0.76
USD/PLN	3.6326	-1.18	-2.41	+1.05	+2.51
USD/TRY	2.4383	-1.14	+0.91	+4.62	+4.42
USD/BYR	15,428.00	-1.61	-0.30	+40.25	+40.25
USD/KZT	184.7500	-0.10	+0.18	+0.95	+1.32
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	117.5300	+0.21	-0.64	-1.76	-1.88
GBP/USD	1.5328	+0.96	+1.73	+0.51	-1.60
USD/CHF	0.9212	-0.55	-0.28	-8.51	-7.35
AUD/USD	0.7798	+0.58	+0.46	-3.53	-4.61
USD/CAD	1.2434	-1.11	-1.44	+5.70	+7.00
USD/BRL	2.7454	+0.13	+5.41	+1.46	+3.30
USD/KRW	1,091.32	+0.62	-0.24	-1.66	+0.03
<b>COMMODITIES</b>					
Gold(\$/oz)	1,264.81	-0.35	+0.59	+4.98	+6.75
WTI crude <sup>3</sup>	50.48	+4.19	+13.36	+0.88	-5.24
Brent crd <sup>3</sup>	56.05	+5.42	+19.64	+7.07	+0.52
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	223.17	+1.22	+4.95	-1.57	-2.95

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>).

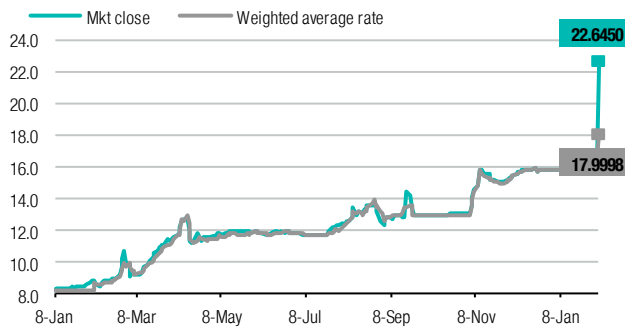
Section on FX market is continued on next page.

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.

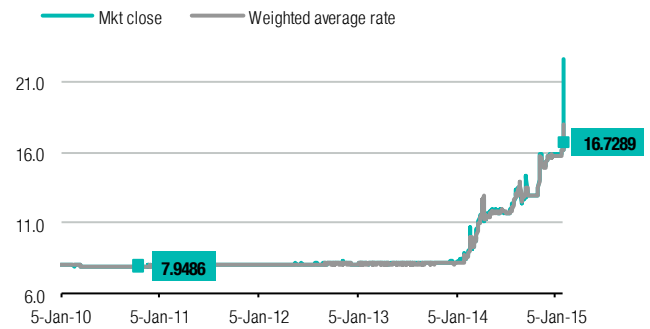
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

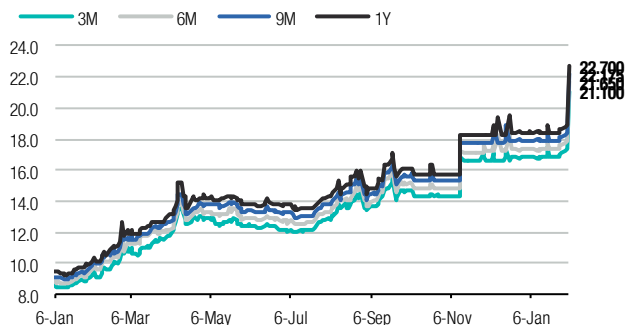


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

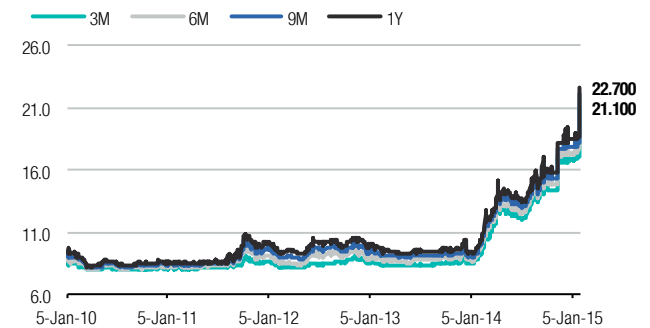


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

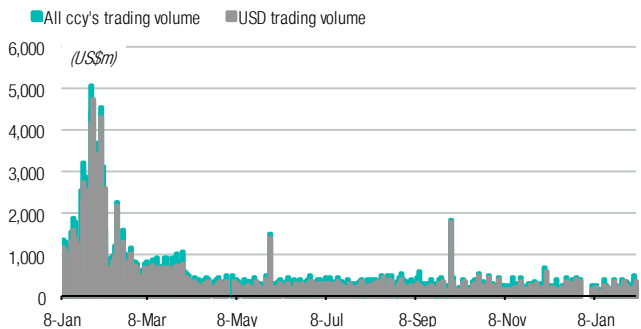


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

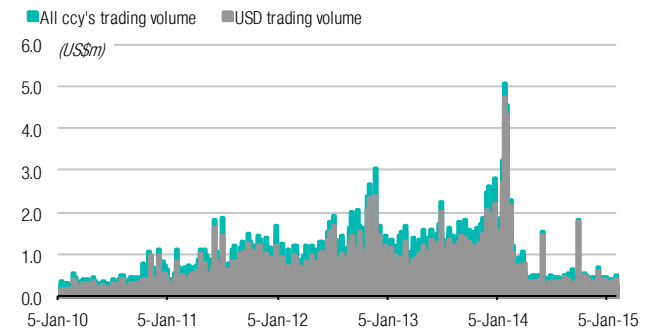


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

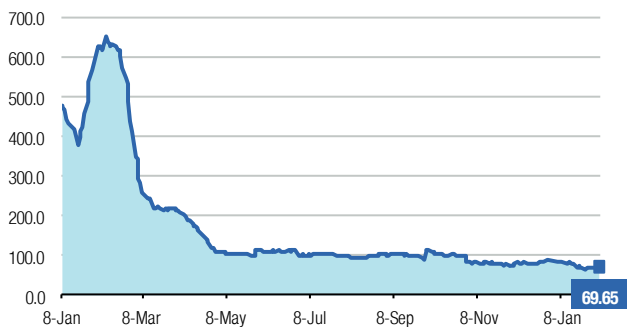


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)



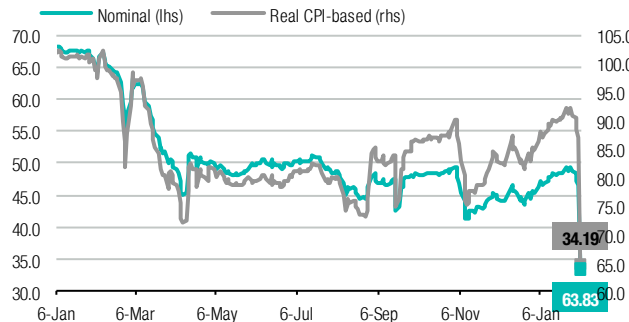
Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

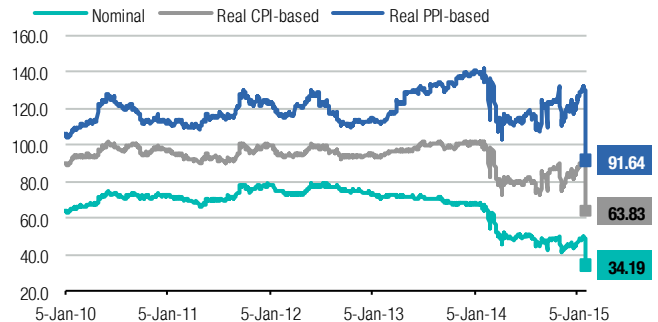
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



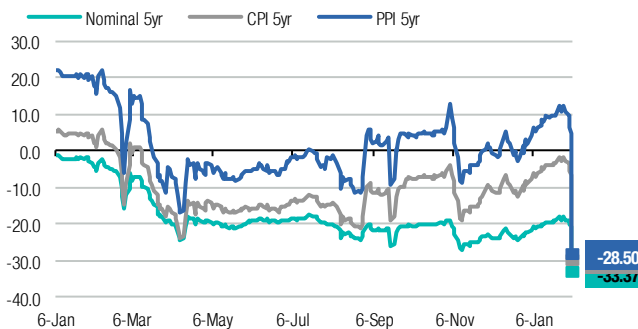
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

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

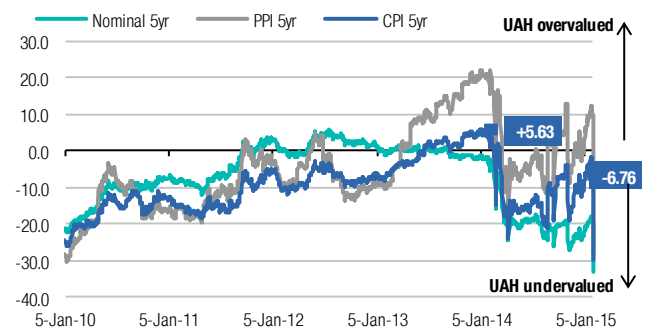


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

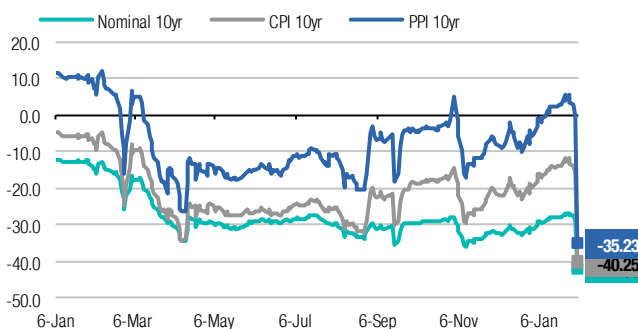


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

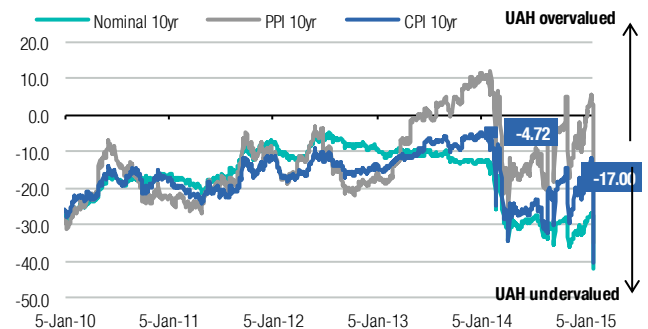


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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

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