



Focus
Ukraine

Scope
Economics, bonds, equity & FX markets

Research team
**Alexander Valchyshen
Taras Kotovych**

Daily Insight

Another ceasefire attempt

Contents

Economics: News & Comments	2
EU leaders broker another ceasefire attempt	2
Bonds: News & Comments	3
Liquidity recovers slightly	3
Chart page: Local bond market & Eurobond markets	4
FX: News & Comments	7
UAH drifts lower	7
Chart page #1: Foreign-exchange market	8
Chart page #2: ICU's UAH trade-weighted indices	9

MONDAY, 9 FEBRUARY 2015

UX Index (3 months to 9 Feb 2015)



Source: UX.

Key market indicators (as of 6 Feb 2015)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	25.2500	+11.50	+59.61
USD/UAH (1Y NDF)	27.1000	+19.38	+46.88
EUR/USD	1.1316	-1.40	-6.46
USD/RUB	66.8570	+0.39	+10.08
KievPRIME O/N (%)	14.20	+120bp	-470bp
KievPRIME 1M (%)	20.60	+97bp	+70bp
SOVEREIGN EUROBONDS: yields and spreads			
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	2,467bp	-180bp	+268bp
EQUITIES			
Stock market indices			
UX (Ukraine)	1,055.68	+3.72	+2.17
MSCI World	420.50	-0.40	+0.81
MSCI EM	978.57	-0.37	+2.33
RTS (Russia)	826.40	+2.72	+4.99
WIG-20 (Poland)	2,354.47	+0.55	+1.66
S&P 500 (USA)	2,055.47	-0.34	-0.17

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

EU leaders broker another ceasefire attempt

In a concerted effort to broker a peace agreement between Russia and Ukraine over the weekend, the leaders of France and Germany successfully arranged a meeting between Putin and Poroshenko in Minsk this coming Saturday. While details of the proposed ceasefire plan are not public, rumors abound that they could mirror those in the Minsk protocol signed last September which were disregarded, but this time with binding amendments. Poroshenko supposedly has agreed to recognize the autonomy of the Donetsk and Luhansk areas that are under pro-Russian occupation. Ultimately, we are skeptical of the new Minsk agreement as we believe the Kremlin intends to continue destabilizing Ukraine and maintain its slowly simmering conflict.

Alexander Valchyshen, Kiev, +38044 2200120 ext.721

Bonds: News & Comments

Liquidity recovers slightly

Broader banking sector liquidity slightly rose last Friday, up UAH0.92bn to UAH59.59bn. Banks' correspondent accounts with the NBU increased UAH0.71bn to UAH29.83bn and total CDs outstanding rose UAH0.22bn to UAH23.90bn. Total debt repayments scheduled for the next 30 days remained steady at UAH5.87bn.

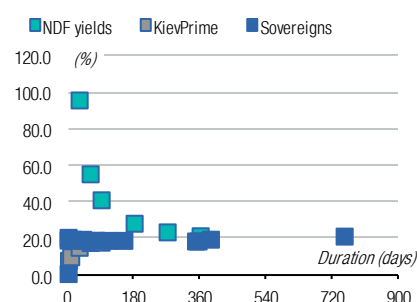
KyivPrime interest rates increased further: the KyivPrime ON rate rose 120bp to 14.20% while the KyivPrime 1M interest rate rose 97bp to 20.60%.

Investment implications: With no significant inflows, liquidity mostly remained steady. KyivPrime interest rates rose due the increase in the NBU's key rate. We anticipate no material changes in liquidity without additional budget financing.

Taras Kotovych, Kiev, +38044 2200120 ext.724

Yield curve of the local bond market

(as of market close on 6 Feb 2015)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 6 Feb 2015)

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

MONEY MARKET KIEV PRIME RATES (%)

O/n	14.20	+120bp	+237bp	-170bp	-470bp
1wk	15.40	+40bp	+140bp	-190bp	-360bp
1m	20.60	+97bp	+193bp	+100bp	+70bp
2m	19.60	-15bp	+27bp	-20bp	-40bp
3m	19.60	-15bp	+27bp	-20bp	-40bp

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	330,688	+0.04	+0.90	+3.95	+3.95
Banks	98,913	+4.87	+7.36	+5.86	+5.86
Resid's ⁴	25,096	+1.01	+6.75	+2.22	+2.22
Non-res ⁵	23,250	+6.00	+10.22	+7.92	+7.92
Total	477,947	+1.33	+2.90	+4.43	+4.43

NDF IMPLIED YIELDS (%)

3m	2.60	+30bp	-20ppt	-23ppt	-24ppt
6m	9.40	+18bp	-881bp	-11ppt	-11ppt
9m	7.80	+10bp	-890bp	-10ppt	-10ppt
1yr	8.00	+713bp	-814bp	-986bp	-935bp

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 (%)

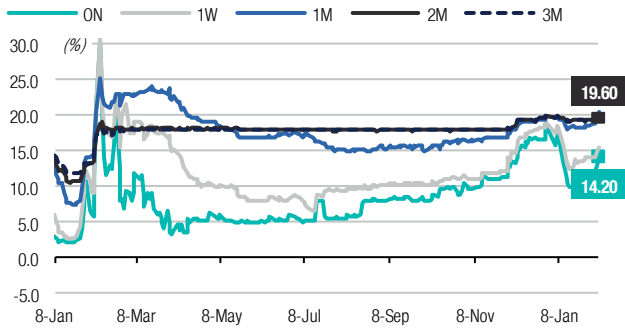
CDS 5yr	2,467	-180bp	-307bp	+57bp	+268bp
Jun '16	59.56	-195bp	-13ppt	+23bp	+23bp
Jul '17	40.90	-2bp	+3bp	+13bp	+13bp
Sep '20	22.83	-24bp	-20bp	+399bp	+399bp
Sep '21	22.35	-35bp	-20bp	+381bp	+381bp
Sep '22	20.10	-41bp	-60bp	+385bp	+385bp
Feb '23	19.24	-39bp	-57bp	+368bp	+368bp

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.

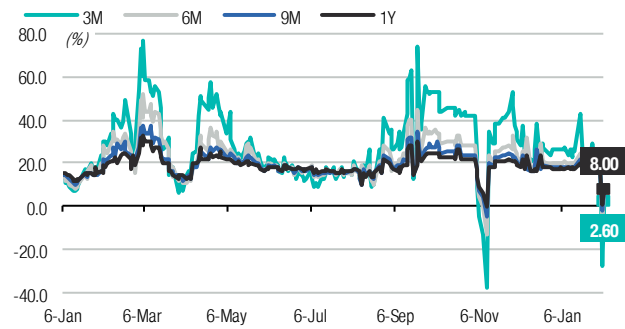
Chart page: Local bond market & Eurobond markets

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



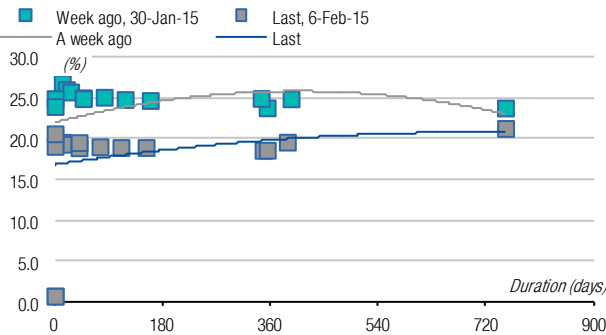
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



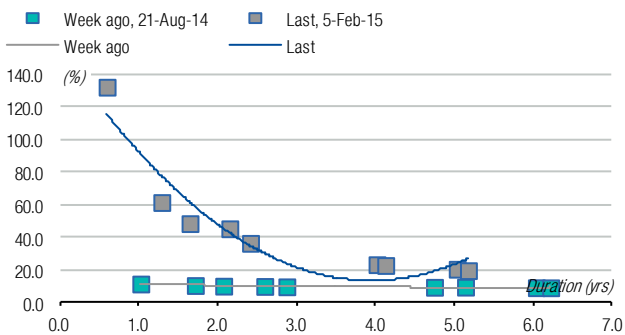
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 6 Feb 2015



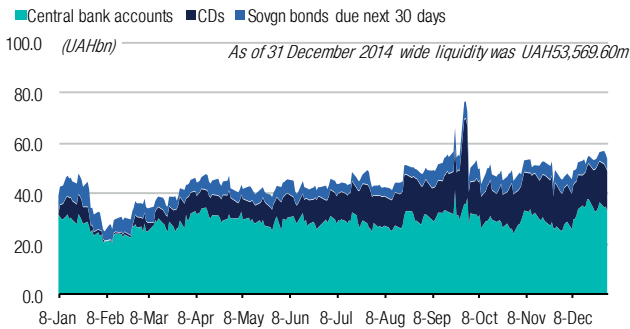
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 6 Feb 2015



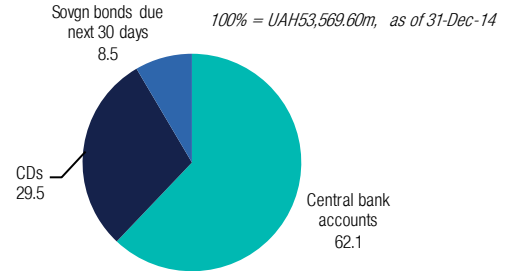
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



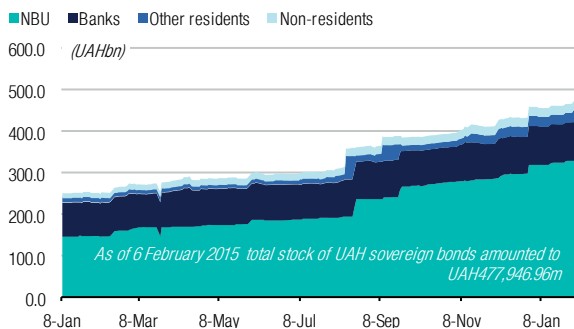
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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



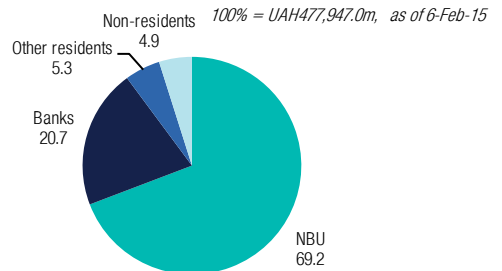
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 6 Feb 2015



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

Table 1. Ukrainian stocks (closing prices as of 6-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 (%)
ENERGY																											
Cadogan Petrol...	CAD LN	London	10.38 GBp	+0.0	+5.1	+3.8	-9.8	0.16	36.6	-11.0	40.2	14.7	0.0	14.9	0.10	1,024	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	7.40 UAH	+4.8	-3.1	-1.9	+67.0	0.38	140.4	130.7	21.7	30.5	32.6	36.5	0.09	1,112	5.6	4.5	7.4	0.2	2.6	3.0	0.3	0.2	0.2	1.1	16.3
Coal Energy	CLE PW	Warsaw	0.64 PLN	-4.5	-15.8	+3.2	-44.3	0.17	7.8	108.2	25.0	2.0	3.0	9.2	0.21	484	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	31.25 UAH	+1.8	-5.2	-5.3	-3.6	1.61	38.0	78.8	14.2	5.4	5.5	6.1	0.06	1,608	1.4	1.1	1.2	0.1	1.6	1.2	0.3	0.2	0.2	1.1	25.1
JXK Oil & Gas	JXK LN	London	28.75 GBp	+25.0	+134.7	+139.6	-58.3	0.44	75.3	80.4	47.2	35.5	1,564.9	271.1	0.70	142	11.6	12.5	2.3	1.2	1.6	1.3	0.4	0.5	0.4	0.2	5.5
Regal Petroleum	RPT LN	London	3.75 GBp	-11.8	-15.1	+20.0	-68.4	0.06	18.3	-11.8	80.9	14.8	0.4	3.0	0.01	10,231	Neg.	9.2	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	+39.3	8.44	107.9	117.7	5.0	5.4	0.0	0.9	0.00	25,324	3.6	N/A	N/A	0.8	N/A	N/A	0.2	N/A	N/A	1.4	0.0
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.01 UAH	-1.5	-13.3	-11.0	-64.7	0.00	17.1	1,488.9	3.9	0.7	0.6	1.2	0.08	1,287	Neg.	Neg.	N/A	Neg.	Neg.	N/A	2.0	1.1	N/A	N/A	85.7
Avdiyivsky Cok...	AVDK UK	Kiev, UX	1.12 UAH	-4.1	-38.3	-35.1	-60.4	0.06	11.2	-20.9	4.0	0.4	4.0	2.0	0.33	301	Neg.	Neg.	N/A	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.0	0.1
Azovstal	AZST UK	Kiev, UX	0.76 UAH	+5.7	+0.7	+2.4	+27.0	0.04	164.8	136.1	4.1	6.8	9.6	6.4	0.09	1,174	Neg.	Neg.	N/A	Neg.	4.8	N/A	0.1	0.1	N/A	0.3	0.0
Ferrexpo PLC	FXPO LN	London	55.00 GBp	+1.9	-0.9	+3.8	-64.8	0.84	493.7	1,145.2	22.4	110.6	736.3	812.0	0.75	133	1.9	2.0	7.6	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	+0.0	+43.6	-3.6	-50.9	0.01	3.8	4.4	9.0	0.3	0.0	0.6	0.06	1,723	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	18.38 UAH	-1.7	-16.4	-12.3	-41.9	0.94	10.0	3.2	9.4	0.9	0.7	3.3	0.39	255	Neg.	Neg.	N/A	0.6	0.1	N/A	0.0	0.0	N/A	0.9	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	0.32 EUR	+0.0	-20.0	-25.6	-73.1	0.36	33.5	82.4	34.0	11.4	9.6	13.0	0.21	466	Neg.	N/A	N/A	Neg.	N/A	N/A	1.4	N/A	N/A	0.7	35.9
Agroliga	AGL PW	Warsaw	9.65 PLN	+1.5	-3.0	+7.2	-61.1	2.62	4.0	4.8	16.7	0.7	0.8	3.1	0.34	298	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	1.30 PLN	+3.2	-8.5	+5.7	-45.8	0.35	7.7	53.0	26.2	2.0	11.9	31.6	1.37	73	Neg.	N/A	N/A	19.8	17.7	N/A	0.7	0.6	N/A	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	23.84 PLN	-2.2	-4.6	+19.2	-62.7	6.48	162.0	404.3	31.0	50.3	8.4	119.6	0.17	590	5.6	Neg.	4.1	5.3	3.6	4.4	1.0	1.0	1.0	0.6	38.2
Avangard	AVGR LI	London Intl	2.10 USD	+4.5	+0.0	+2.4	-80.9	2.10	134.1	345.4	21.7	29.1	190.4	39.9	0.28	362	0.6	1.5	1.1	2.0	2.0	0.5	0.6	0.7	0.2	17.8	
IMC	IMC PW	Warsaw	6.00 PLN	-1.6	+0.0	+5.8	-31.0	1.63	51.1	190.3	23.9	12.2	1.6	4.9	0.03	3,295	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	29.97 PLN	+1.6	+2.1	+5.3	-19.0	8.15	649.2	1,293.6	58.8	381.6	561.5	999.3	0.27	375	Neg.	4.3	4.1	5.8	3.8	3.8	0.5	0.5	0.5	0.6	39.1
KSG Agro	KSG PW	Warsaw	1.11 PLN	+4.7	-2.6	-0.9	-87.3	0.30	4.5	91.4	34.4	1.6	22.1	20.6	0.97	104	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	+0.0	+2.2	+1.1	-36.9	9.30	982.7	2,113.1	22.3	219.3	139.5	386.8	0.21	471	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	1.99 PLN	-11.9	+17.1	+34.5	-79.9	0.54	16.9	130.8	20.0	3.4	68.4	18.3	0.83	120	1.4	Neg.	Neg.	3.9	4.5	4.5	0.3	0.4	0.5	0.1	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	0.51 EUR	-2.9	-14.3	-10.1	-90.0	0.57	60.8	788.5	20.0	12.2	0.9	0.6	0.00	27,845	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	71.54 PLN	+1.5	-2.0	-0.6	-5.1	19.45	116.7	126.3	25.0	29.2	1.1	39.5	0.25	395	3.8	4.7	5.8	3.4	4.0	4.4	1.4	1.6	1.4	0.9	8.5
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	6.13 PLN	-1.1	+11.7	+51.4	-80.2	1.67	15.5	3.0	10.9	1.7	1.7	0.2	0.02	4,605	2.3	N/A	N/A	0.3	N/A	N/A	0.1	N/A	N/A	0.2	5.6
CONSTRUCTION																											
TMM	TR61 GF	Frankfurt	0.07 EUR	+0.0	+0.0	-10.0	-76.1	0.08	4.2	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
FINANCIAL SERVICES																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.10 UAH	+5.2	-0.6	-0.8	-15.3	0.00	146.6	N/A	3.8	5.6	15.8	12.9	0.13	747	2.8	Neg.	12.1	N/A	N/A	N/A	N/A	N/A	N/A	0.5	22.4

Table 1. Ukrainian stocks (closing prices as of 6-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	Debt/(x) Assets	
Ukrsotsbank	USCB UK	Kiev, UX	0.12 UAH	+0.0	-9.4	-9.4	-31.3	0.01	149.6	N/A	4.5	6.7	0.0	0.7	0.01	12,998	Neg.	10.2	N/A	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

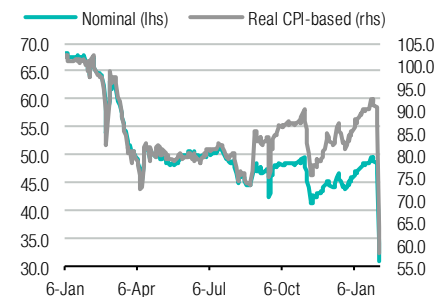
UAH drifts lower

The hryvnia weakened to a new low of 26/USD on Friday following a report on inflation for Jan-15 showing headline CPI rose 3.0% MoM. As this increase infers year-on-year inflation up from 24.9% to 28.5%, the hryvnia's devaluation has been extended further.

Alexander Valchyshen, Kiev, +38044 2200120 ext.242

ICU's UAH trade-weighted indices

(Last 12-month history to 9 Feb 2015)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 6 Feb 2015)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	25.2500	+11.50	+55.79	+59.51	+59.61
NBU avg	23.1306	+28.50	+43.15	+46.59	+46.69
Ttl vlm ¹	192.76	-14.39	-34.59	-22.32	-55.26
\$ volume ²	148.89	-7.03	-37.91	-18.21	-57.98
NDF 3M	25.4000	+20.38	+48.48	+50.74	+50.74
NDF 6M	26.4000	+21.94	+49.51	+51.72	+51.72
NDF 1Y	27.1000	+19.38	+44.86	+46.17	+46.88
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	30.894	-9.65	-36.57	-34.44	-32.45
UAH real CPI	57.673	-9.65	-36.57	-34.44	-32.45
UAH real PPI	82.792	-9.65	-36.57	-34.44	-32.45
USD nom'l	94.698	+1.21	-0.11	+3.50	+4.91
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	66.8570	+0.39	-3.76	+5.97	+10.08
EUR/USD	1.1316	-1.40	+0.22	-4.83	-6.46
USD/CNY	6.2446	-0.13	-0.10	+0.50	+0.63
USD/PLN	3.6731	+1.11	-0.90	+1.13	+3.65
USD/TRY	2.4746	+1.49	+1.35	+6.55	+5.98
USD/BYR	15,620.00	+1.24	-0.06	+14.01	+42.00
USD/KZT	185.1000	+0.19	+0.17	+1.13	+1.51
OTHER MAJOR CURRENCIES					
USD/JPY	119.1200	+1.35	+1.39	+0.62	-0.55
GBP/USD	1.5243	-0.55	+1.22	+0.61	-2.14
USD/CHF	0.9268	+0.61	+0.72	-8.26	-6.79
AUD/USD	0.7796	-0.03	+0.44	-3.56	-4.64
USD/CAD	1.2527	+0.75	-1.61	+5.84	+7.80
USD/BRL	2.7819	+1.33	+3.69	+3.00	+4.68
USD/KRW	1,089.78	-0.14	-0.36	-0.81	-0.11
COMMODITIES					
Gold(\$/oz)	1,233.92	-2.44	-3.88	+1.27	+4.14
WTI crude ³	51.69	+2.40	+7.15	+7.84	-2.97
Brent crd ³	57.52	+2.62	+13.30	+14.54	+3.16
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	224.85	+0.75	+2.75	-0.24	-2.22

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.

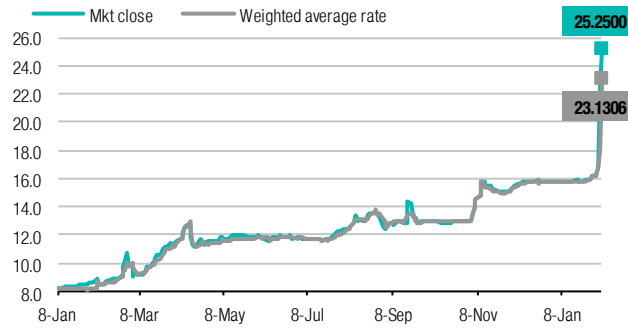
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

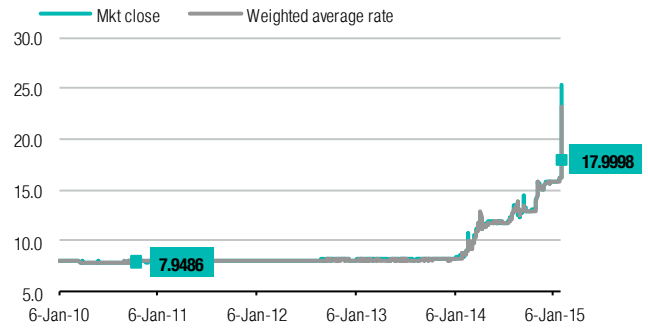
Section on FX market is continued on next page.

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)

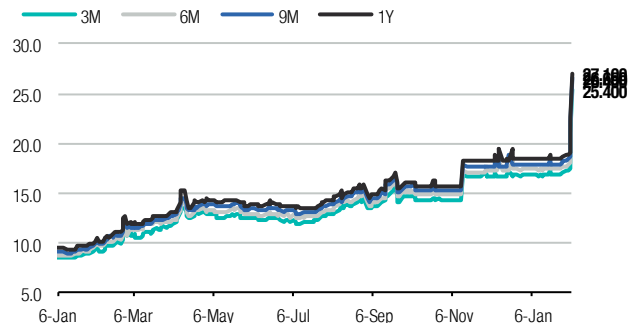


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

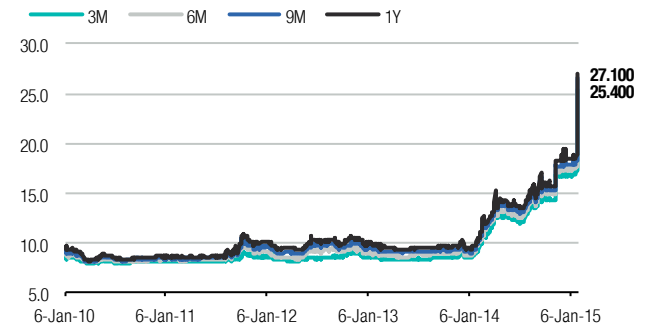


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

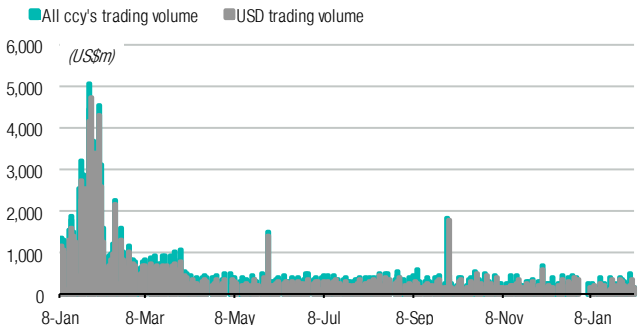


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

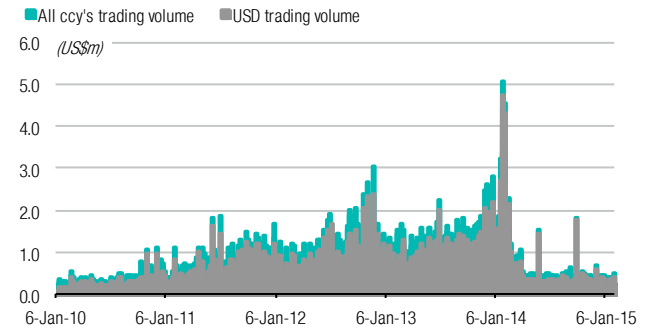


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

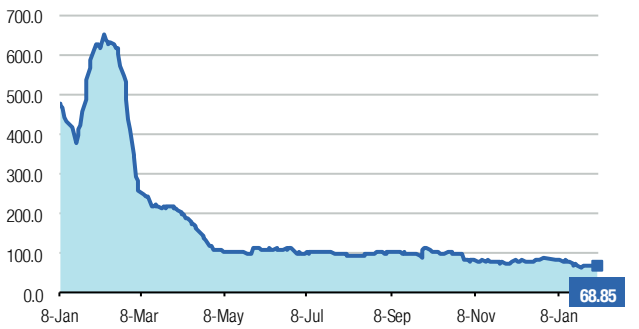


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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.

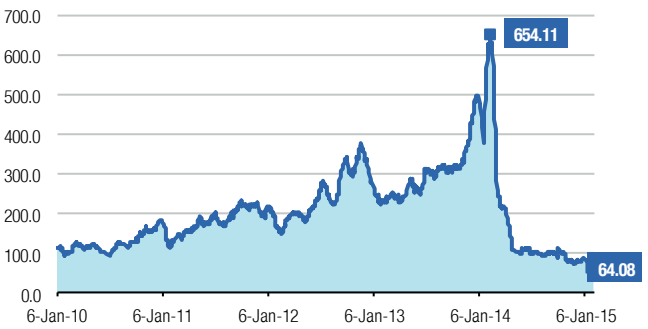
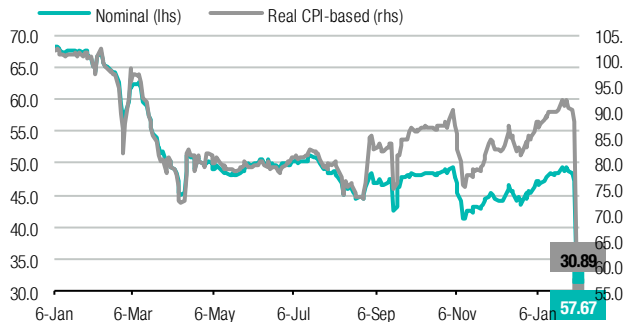


Chart page #2: ICU's UAH trade-weighted indices

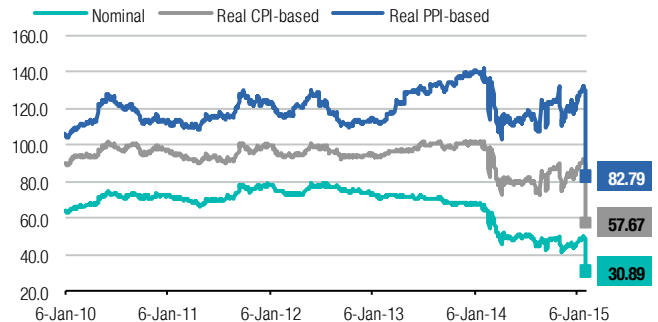
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



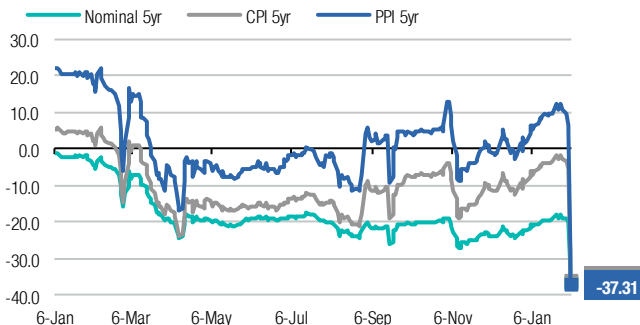
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

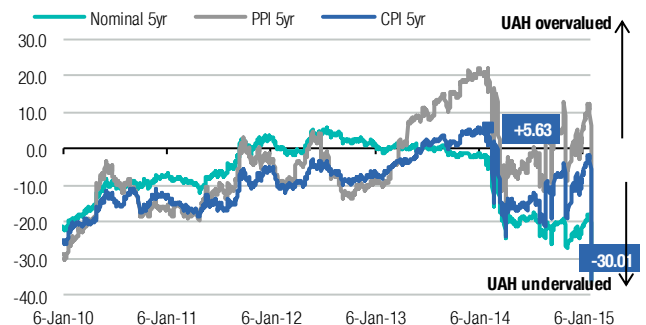


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

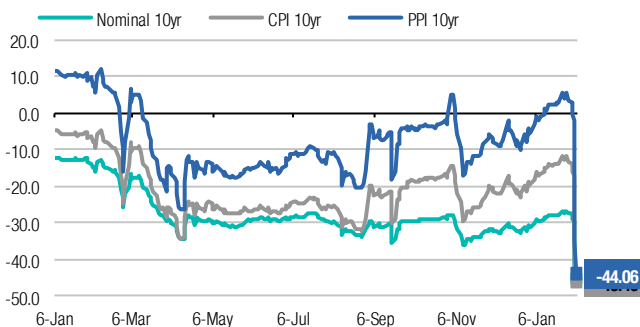


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

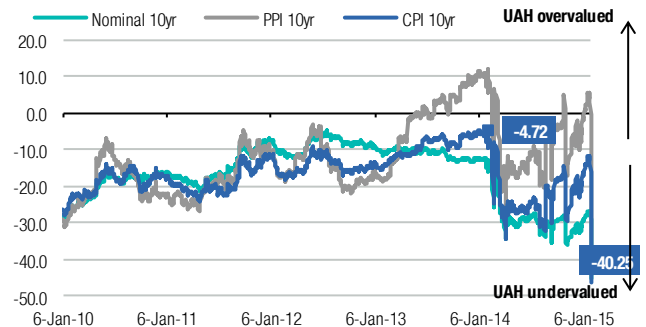


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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.

This page is intentionally left blank

Disclosures

ANALYST CERTIFICATION

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.

EQUITY RATING DEFINITIONS

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



11th floor, LEONARDO Business Centre
19-21 Bogdan Khmelnytsky Street
Kiev, 01030 Ukraine
Phone/Fax +38 044 2200120

CORPORATE FINANCE TEL. +38 044 2200120

Makar Paseniuk, Managing Director
makar.paseniuk@icu.ua

Ruslan Kilmukhametov, Director
ruslan.kilmukhametov@icu.ua

SALES AND TRADING TEL. +38 044 2201621

Konstantin Stetsenko, Managing Director
konstantin.stetsenko@icu.ua

Sergiy Byelyayev, Fixed-Income Trading
sergiy.byelyayev@icu.ua

Vitaliy Sivach, Fixed-Income & FX Trading
vitaliy.sivach@icu.ua

Vlad Sinani, Director,
Strategy and Corporate Development
vlad.sinani@icu.ua

Julia Pecheritsa,
Ukraine and CIS International Sales
julia.pecheritsa@icu.ua

Yevgeniya Gryshchenko,
Fixed-Income Sales
yevgeniya.gryshchenko@icu.ua

RESEARCH DEPARTMENT TEL. +38 044 2200120

Alexander Valchyshen
Head of Research
alexander.valchyshen@icu.ua

Alexander Martynenko
Head of corporate research
alexander.martynenko@icu.ua

Bogdan Vorotilin
Financial analyst (Food & Agribusiness)
bogdan.vorotilin@icu.ua

Taras Kotovych
Senior financial analyst (Sovereign debt)
taras.kotovych@icu.ua

Mykhaylo Demkiv
Financial analyst (Banks)
mykhaylo.demkiv@icu.ua

Lee Daniels, Rolfe Haas
Editors

Investment Capital Ukraine LLC is regulated by Securities and Stock Market State Commission of Ukraine (license numbers: dealer activity AE 263019, broker activity AE 263018, underwriting activity AE 263020 dated 11 April 2013).

DISCLAIMER

This research publication has been prepared by Investment Capital Ukraine LLC solely for information purposes for its clients. It does not constitute an investment advice or an offer or solicitation for the purchase or sale of any financial instrument. While reasonable care has been taken to ensure that the information contained herein is not untrue or misleading at the time of publication, Investment Capital Ukraine makes no representation that it is accurate or complete. The information contained herein is subject to change without notice. Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of Investment Capital Ukraine LLC. All rights are reserved. Any investments referred to herein may involve significant risk, are not necessarily available in all jurisdictions, may be illiquid and may not be suitable for all investors. The value of, or income from, any investments referred to herein may fluctuate and/or be affected by changes in exchange rates. Past performance is not indicative of future results. Investors should make their own investigations and investment decisions without relying on this report. Only investors with sufficient knowledge and experience in financial matters to evaluate the merits and risks should consider an investment in any issuer or market discussed herein and other persons should not take any action on the basis of this report.



Additional information is available upon request.