

Daily Insight

IMF approves US\$17.6bn EFF

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FRIDAY, 13 FEBRUARY 2015

UX Index (3 months to 13 Feb 2015)



Source: UX.

Key market indicators (as of 12 Feb 2015)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	26.7000	+2.81	+68.77
USD/UAH (1Y NDF)	28.6500	+0.00	+55.28
EUR/USD	1.1403	+0.59	-5.74
USD/RUB	65.3857	+0.32	+7.66
KievPRIME O/N (%)	15.20	-47bp	-370bp
KievPRIME 1M (%)	21.60	-7bp	+170bp
SOVEREIGN EUROBONDS: yields and spreads			
Ukraine 15, Eurobond (%)	98.08	+50bp	+3,631bp
Ukraine 17, Eurobond (%)	38.00	+3bp	+1,024bp
Ukraine 22, Eurobond (%)	19.48	+0bp	+323bp
Ukraine 23, Eurobond (%)	18.84	+0bp	+327bp
Ukraine 5Y CDS	2,500bp	-8bp	+301bp
EQUITIES			
Stock market indices			
UX (Ukraine)	1,105.93	+6.18	+7.03
MSCI World	424.69	+1.13	+1.81
MSCI EM	971.19	+1.04	+1.56
RTS (Russia)	861.93	+3.56	+9.50
WIG-20 (Poland)	2,338.37	+0.64	+0.97
S&P 500 (USA)	2,088.48	+0.96	+1.44

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

Minsk talks conclude with peace agreement

Yesterday, the Minsk summit ended in early morning after the leaders of Ukraine, Germany, France and Russia agreed to a ceasefire. In short, the plan states that sides will maintain Ukraine's territorial integrity, remove all artillery and allow inspection by OSCE, withdraw all foreign troops and illegal military units from Ukraine's territory, grant amnesty to the militants in Donbas, hold elections in Donbas in accordance with Ukrainian law, enact constitutional changes with regional decentralization, and restore the Ukrainian army's control of the border with Russia by the end of 2015.

As with every signed agreement with the Kremlin, we are skeptical. First, implementation is questionable even with OSCE oversight. Second, having an open border with Russia that supplied weaponry and soldiers (and officially denying its involvement) to Donbas is a guarantee that other clauses of the Minsk agreement could be breached. OSCE proved its less-than-required efficiency in terms of registering the wrongdoings and making a case for preventing future casualties. War raged under its watch. Hence, we expect the Donbas war to resume later in the year.

IMF approves US\$17.6bn EFF

The IMF announced yesterday early morning that it would issue to Ukraine nearly US\$18bn in an Extended Fund Facility (EFF) and will likely approve the first tranche of US\$5bn later in February or early March. As a pre-condition, Ukraine's government is required to raise the natural gas tariff and revise its state budget to cut expenditures, or funding will be denied.

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Bonds: News & Comments

Liquidity continues to decline

Banks' correspondent accounts with the NBU significantly rose UAH3.02bn to UAH29.73bn yesterday, causing a slight decline in KyivPrime interest rates. Although this increase was supported by the MoF and the NBU, the broader indicator declined yesterday. The NBU issued UAH1.05bn of loans and decreased total CDs outstanding by UAH2.91bn to UAH19.22bn, while the MoF repaid UAH0.56bn in debt repayments and decreased total local currency debt repayments scheduled for the next 30 days to UAH6.61bn. As a result, broader banking sector liquidity fell UAH0.45bn to UAH54.56bn.

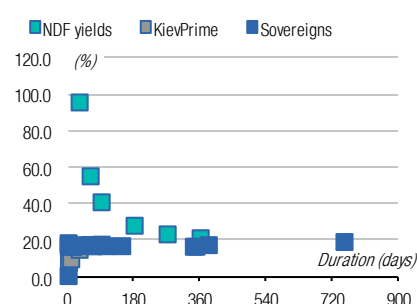
KyivPrime interest rates slightly declined: the KyivPrime ON interest rate declined 47bp to 13.20% while the KyivPrime 1M interest rate slid 7bp to 21.60%.

Investment implications: Liquidity declined significantly. At least UAH1.6bn was covered by the MoF and the NBU, while the increase in banks' correspondent accounts with the NBU was the result of a fund reallocation from CDs.

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Yield curve of the local bond market

(as of market close on 12 Feb 2015)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 12 Feb 2015)

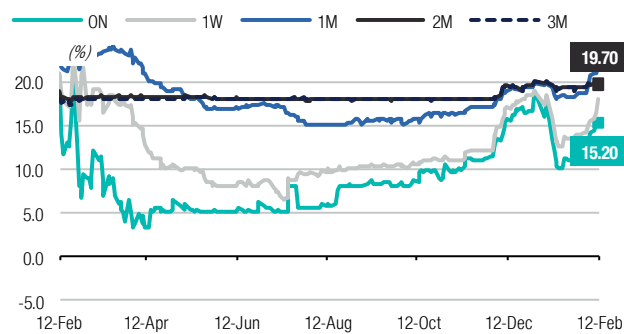
	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
O/n	15.20	-47bp	+220bp	+187bp	-370bp
1wk	18.00	+0bp	+300bp	+233bp	-100bp
1m	21.60	-7bp	+197bp	+227bp	+170bp
2m	19.70	-13bp	-5bp	+3bp	-30bp
3m	19.70	-13bp	-5bp	+3bp	-30bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
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	332,419	-0.05	+0.56	+4.49	+4.49
Banks	119,063	-1.16	+26.23	+29.58	+27.43
Resid's ⁴	23,800	-5.83	-4.20	+0.21	-3.06
Non-res ⁵	30,936	+1.61	+41.05	+46.51	+43.60
Total	506,218	-0.50	+7.32	+11.29	+10.61
NDF IMPLIED YIELDS (%)					
3m	N/A	N/A	N/A	N/A	N/A
6m	N/A	N/A	N/A	N/A	N/A
9m	N/A	N/A	N/A	N/A	N/A
1yr	N/A	N/A	N/A	N/A	N/A
LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)					
Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	N/A	+320bp	+0bp	+0bp	+0bp
Aug '15 ⁶	N/A	-24ppt	-24ppt	-24ppt	-24ppt
EUROBONDS USD SOVEREIGN BOND YIELDS (%)					
CDS 5yr	2,500	-8bp	-147bp	+125bp	+301bp
Jun '16	56.89	+11bp	-267bp	+14bp	+20bp
Jul '17	38.00	+3bp	-291bp	+474bp	+10bp
Sep '20	21.46	-58bp	-138bp	+144bp	+261bp
Sep '21	22.04	+1bp	-31bp	+242bp	+350bp
Sep '22	19.48	+0bp	-62bp	+201bp	+323bp
Feb '23	18.84	+0bp	-41bp	+275bp	+327bp

Notes: [1] banks' account balance at NBU; [2] certificates of deposits issued by NBU; [3] UAH sovereign bonds due next 30 days; [4] residents; [5] non-residents; [6] VAT bond.

Sources: Bloomberg, Investment Capital Ukraine LLC.

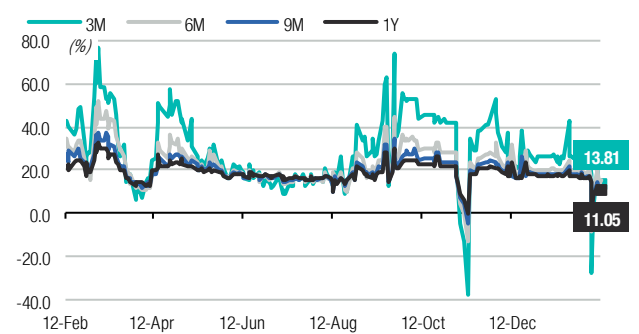
Chart page: Local bond market & Eurobond markets

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



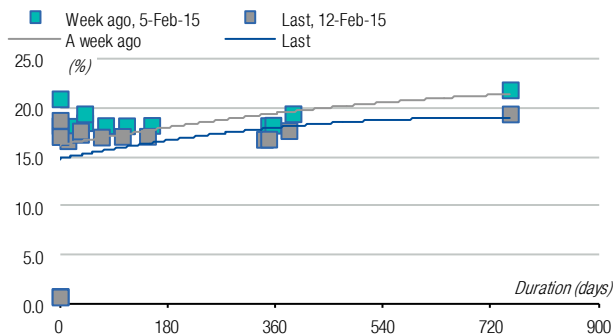
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



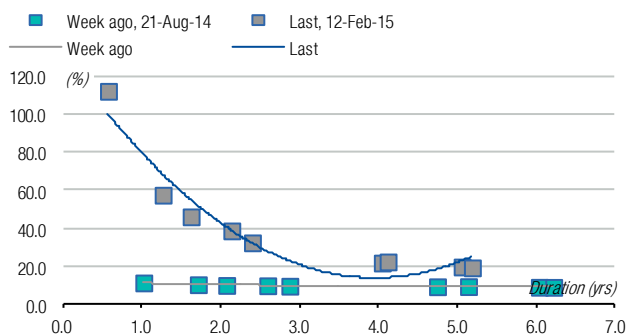
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



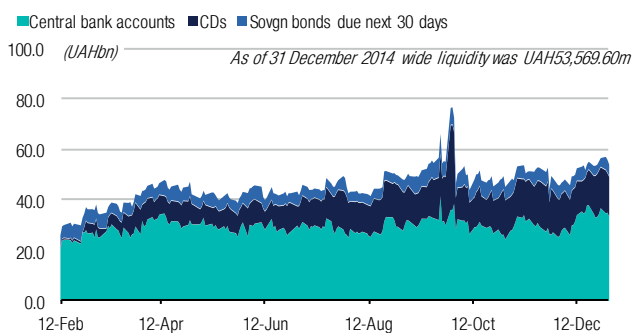
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



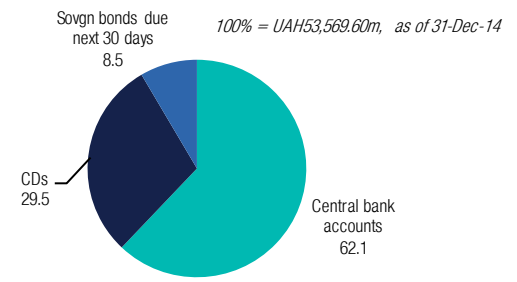
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



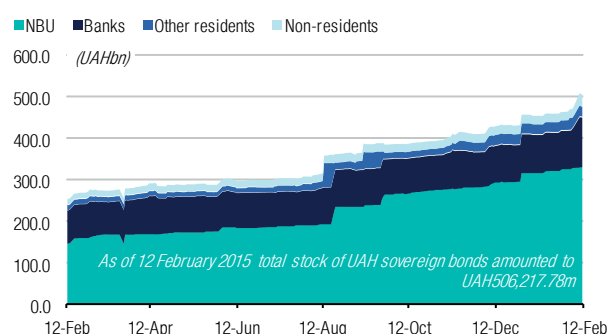
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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



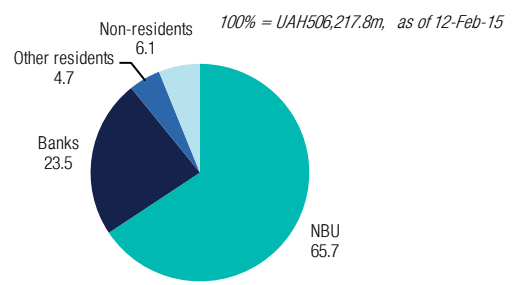
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 12 Feb 2015



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

Table 1. Ukrainian stocks (closing prices as of 12-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	10.63 GBp	+0.0	+23.2	+6.3	-2.3	0.16	37.8	-9.8	40.2	15.2	3.3	15.2	0.09	1,070	Neg.	N/A	N/A	1.5	N/A	N/A	Neg.	N/A	N/A	0.3	0.0
Centrenerg	CEEN UK	Kiev, UX	7.45 UAH	+5.1	-3.4	-1.2	+61.9	0.28	103.1	96.0	21.7	22.4	68.4	28.1	0.12	847	5.7	4.5	7.4	0.1	2.7	3.0	0.3	0.2	0.2	1.1	16.3
Coal Energy	CLE PW	Warsaw	0.71 PLN	+2.9	-4.1	+14.5	-34.9	0.19	8.8	109.1	25.0	2.2	78.6	11.1	0.33	307	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	31.97 UAH	+6.0	-6.2	-3.1	-2.2	1.20	28.3	58.1	14.2	4.0	10.0	4.9	0.08	1,253	1.4	1.2	1.2	0.1	1.6	1.2	0.3	0.2	0.2	1.1	25.1
JKX Oil & Gas	JKX LN	London	31.75 GBp	+6.3	+149.0	+164.6	-53.3	0.49	84.0	89.1	47.2	39.6	106.3	319.6	0.74	135	12.9	14.0	2.5	1.3	1.8	1.4	0.5	0.5	0.5	0.2	5.5
Regal Petroleum	RPT LN	London	4.63 GBp	+13.8	+7.1	+48.0	-61.1	0.07	22.8	-7.3	80.9	18.5	1.8	3.8	0.01	12,327	Neg.	11.4	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	+40.3	6.15	78.7	85.8	5.0	3.9	0.0	0.5	0.00	284,427	3.6	N/A	N/A	0.6	N/A	N/A	0.2	N/A	N/A	1.4	0.0
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.02 UAH	+23.2	+3.5	+6.2	-57.4	0.00	14.9	1,087.7	3.9	0.6	2.6	1.0	0.08	1,324	Neg.	Neg.	N/A	Neg.	Neg.	N/A	2.0	1.1	N/A	N/A	85.7
Avdiyivsky Cok...	AVDK UK	Kiev, UX	1.67 UAH	+40.3	-1.9	-3.5	-40.8	0.06	12.2	-11.2	4.0	0.5	3.1	2.2	0.22	450	Neg.	Neg.	N/A	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1
Azovstal	AZST UK	Kiev, UX	0.80 UAH	+5.9	+3.8	+7.7	+30.0	0.03	126.3	105.4	4.1	5.2	10.5	4.8	0.07	1,375	Neg.	Neg.	N/A	Neg.	5.1	N/A	0.1	0.1	N/A	0.3	0.0
Ferrexpo PLC	FXPO LN	London	68.75 GBp	+10.4	+18.5	+29.7	-58.1	1.06	623.2	1,274.7	22.4	139.6	3,169.0	1,070.0	0.68	146	2.4	2.5	9.6	2.5	2.8	5.0	0.8	0.9	1.1	0.6	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.30 UAH	+8.2	+2.7	+8.2	-45.1	0.01	3.1	3.5	9.0	0.3	0.2	0.5	0.02	4,140	Neg.	0.6	0.3	0.0	0.3	N/A	0.0	0.0	0.0	0.1	0.0
Yenakievo Steel	ENMZ UK	Kiev, UX	19.08 UAH	+11.1	-7.3	-8.9	-39.1	0.71	7.5	2.6	9.4	0.7	2.8	2.4	0.37	269	Neg.	Neg.	N/A	0.5	0.1	N/A	0.0	0.0	N/A	0.9	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	0.39 EUR	+2.6	+0.0	-9.3	-66.7	0.45	41.2	90.5	34.0	14.0	242.7	21.5	0.28	357	Neg.	N/A	N/A	Neg.	N/A	N/A	1.5	N/A	N/A	0.8	35.9
Agroliga	AGL PW	Warsaw	9.70 PLN	+4.1	-3.9	+7.8	-60.4	2.66	4.1	4.9	16.7	0.7	5.1	3.3	0.39	255	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	1.52 PLN	+8.6	+5.6	+23.6	-44.5	0.42	9.0	54.3	26.2	2.4	302.7	39.9	1.39	72	Neg.	N/A	N/A	20.3	18.1	N/A	0.7	0.6	N/A	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	25.00 PLN	+1.6	-4.2	+25.0	-57.3	6.85	171.2	415.6	31.0	53.1	740.4	125.5	0.19	538	5.8	Neg.	5.1	5.5	3.5	4.4	1.0	0.9	1.0	0.6	38.2
Avangard	AVGR LI	London Intl	3.50 USD	+37.3	+66.7	+70.7	-68.1	3.50	223.6	434.8	21.7	48.5	368.0	73.6	0.20	500	0.9	2.5	1.8	1.4	2.5	2.5	0.7	0.8	0.8	0.3	17.8
IMC	IMC PW	Warsaw	6.45 PLN	+3.2	+5.0	+13.8	-18.0	1.77	55.3	194.5	23.9	13.2	16.3	5.3	0.02	4,349	2.1	Neg.	2.3	3.6	3.8	3.8	1.7	1.2	1.1	0.4	38.7
Kernel Holding...	KER PW	Warsaw	31.75 PLN	+4.8	-3.3	+11.6	-14.2	8.70	692.9	1,337.2	58.8	407.3	7,117.3	1,196.8	0.29	350	Neg.	4.6	4.3	6.0	4.0	4.0	0.6	0.6	0.5	0.7	39.1
KSG Agro	KSG PW	Warsaw	1.16 PLN	+6.4	-2.5	+3.6	-84.6	0.32	4.8	91.7	34.4	1.6	116.7	23.4	1.11	90	Neg.	N/A	0.2	10.6	N/A	N/A	1.2	1.0	0.8	0.2	44.5
MHP	MHPC LI	London Intl	9.60 USD	+3.2	+3.3	+4.3	-35.7	9.60	1,014.4	2,144.8	22.3	226.4	4,594.5	441.2	0.26	391	6.5	47.7	3.6	5.5	4.2	4.3	1.4	1.5	1.4	2.0	47.0
Milkiland	MLK PW	Warsaw	2.39 PLN	+7.7	+47.5	+61.5	-75.0	0.65	20.5	135.4	20.0	4.1	148.4	26.2	0.93	108	1.7	Neg.	Neg.	4.1	4.6	4.6	0.3	0.4	0.5	0.1	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	0.45 EUR	-9.6	-23.4	-19.8	-91.0	0.52	54.7	782.5	20.0	10.9	0.0	0.6	0.01	12,399	0.6	0.6	0.2	4.7	2.9	2.6	1.6	1.9	1.8	0.1	45.3
Ovostar Union	OVO PW	Warsaw	71.00 PLN	+1.0	+0.0	-1.4	-5.3	19.45	116.7	126.3	25.0	29.2	6.7	39.4	0.23	427	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	5.52 PLN	-10.0	-9.8	+36.3	-82.2	1.51	14.1	1.6	10.9	1.5	4.4	0.3	0.03	3,810	2.1	N/A	N/A	0.1	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	-74.4	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
FINANCIAL SERVICES																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.10 UAH	+6.3	+6.2	+5.2	-11.8	0.00	113.4	N/A	3.8	4.3	18.5	9.9	0.14	708	3.0	Neg.	12.8	N/A	N/A	N/A	N/A	N/A	N/A	0.5	22.4

Table 1. Ukrainian stocks (closing prices as of 12-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	+5.5	-10.9	-10.9	-32.1	0.00	107.2	N/A	4.5	4.8	0.2	0.5	0.01	12,849	Neg.	10.0	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

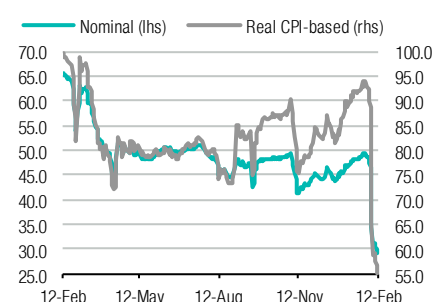
UAH down in the wake of Minsk

The UAH fell 2.81% on US\$214m in trading following the announcement of the Minsk 2 ceasefire agreement (the previous one occurred last September). While the currency is still sizably misaligned after a massive recent drop, the hryvnia's trade-weighted value declined 2.94% yesterday.

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ICU's UAH trade-weighted indices

(Last 12-month history to 13 Feb 2015)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 12 Feb 2015)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	26.7000	+2.81	+17.91	+68.93	+68.77
NBU avg	25.0991	-1.80	+39.44	+59.28	+59.17
Ttl vlm ¹	322.81	+12.47	+43.36	+98.78	-25.08
\$ volume ²	214.03	+2.09	+33.64	+112.7	-39.59
NDF 3M	26.8500	+0.00	+27.25	+60.56	+59.35
NDF 6M	27.9500	+0.00	+29.10	+61.71	+60.63
NDF 1Y	28.6500	+0.00	+26.21	+54.53	+55.28
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	28.959	-2.94	-15.31	-38.77	-36.68
UAH real CPI	55.139	-2.94	-15.31	-38.77	-35.47
UAH real PPI	77.840	-2.94	-15.31	-38.77	-36.68
USD nom'l	94.094	-0.94	+0.56	+2.29	+4.24
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	65.3857	+0.32	-1.82	+3.55	+7.66
EUR/USD	1.1403	+0.59	-0.64	-3.64	-5.74
USD/CNY	6.2455	+0.05	-0.12	+0.67	+0.64
USD/PLN	3.6541	-1.62	+0.59	+1.16	+3.12
USD/TRY	2.4662	-1.40	+1.14	+7.92	+5.62
USD/BYR	15,490.00	+0.93	+0.40	+8.55	+40.82
USD/KZT	185.0600	-0.06	+0.17	+0.81	+1.49
OTHER MAJOR CURRENCIES					
USD/JPY	119.1100	-1.12	+1.34	+0.64	-0.56
GBP/USD	1.5384	+0.96	+0.37	+1.40	-1.24
USD/CHF	0.9309	+0.24	+1.05	-8.27	-6.38
AUD/USD	0.7735	+0.22	-0.81	-5.17	-5.38
USD/CAD	1.2509	-0.97	+0.60	+4.47	+7.64
USD/BRL	2.8238	-1.54	+2.86	+5.61	+6.25
USD/KRW	1,110.78	+1.22	+1.78	+2.71	+1.81
COMMODITIES					
Gold(\$/oz)	1,222.15	+0.26	-3.37	-0.90	+3.15
WTI crude ³	51.21	+4.85	+1.45	+11.16	-3.87
Brent crd ³	57.04	+5.18	+1.77	+22.69	+2.30
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	226.10	+1.85	+1.31	+2.39	-1.68

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>).

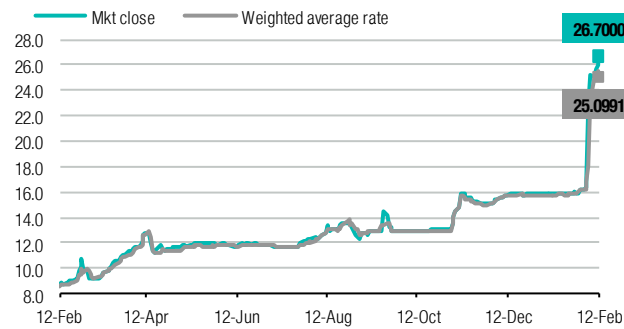
Section on FX market is continued on next page.

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.

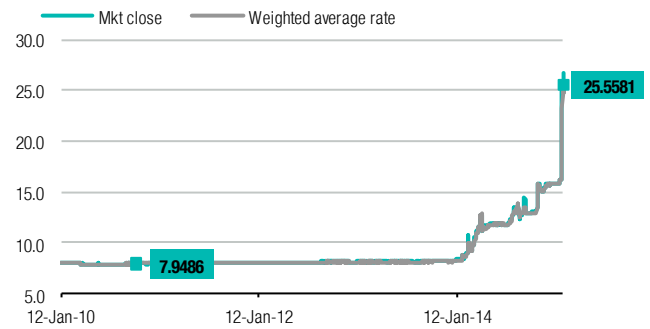
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

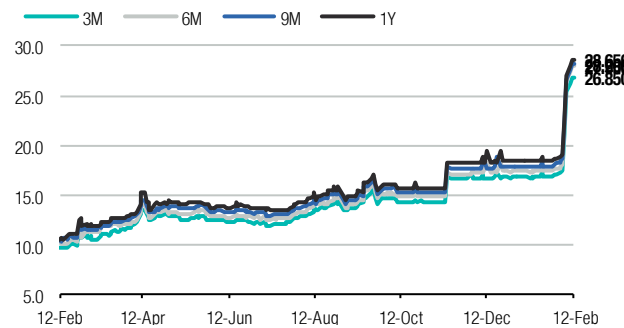


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

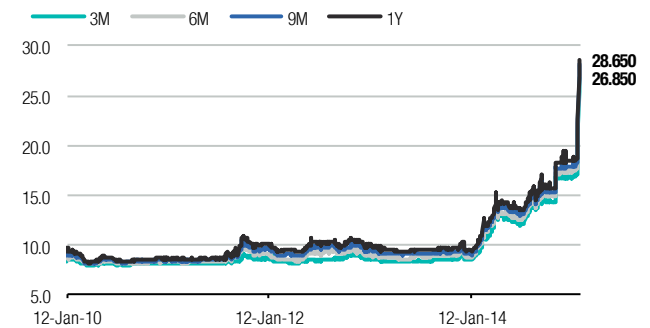


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

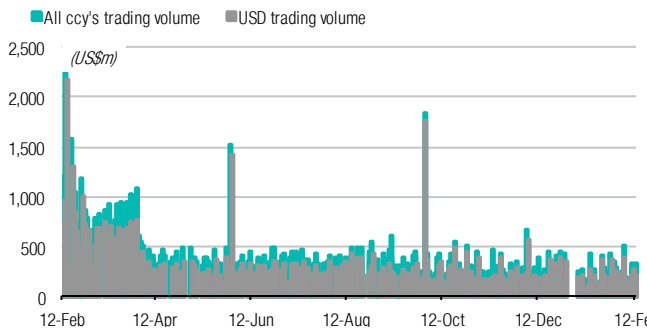


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

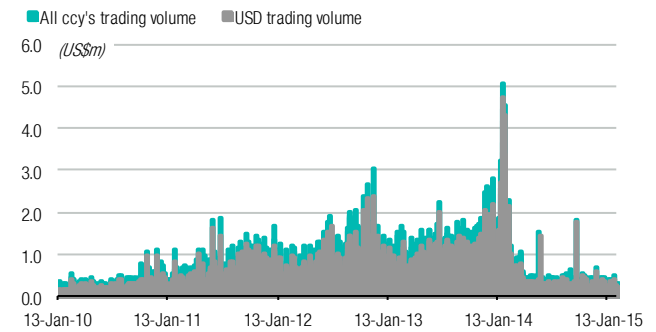


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

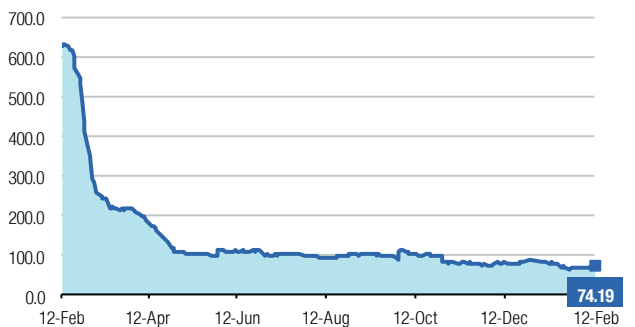


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)

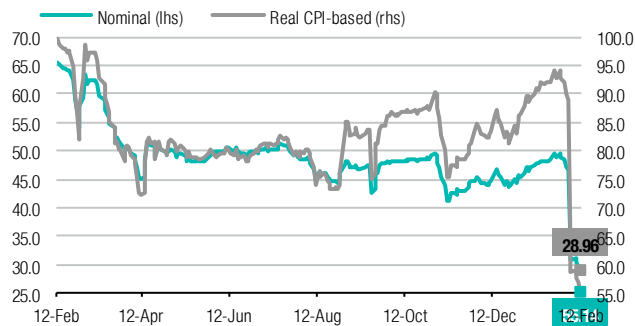


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

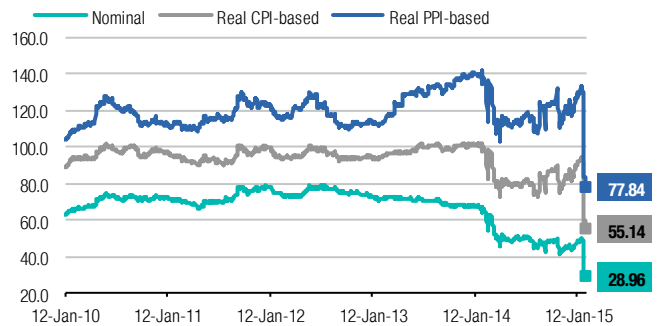
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



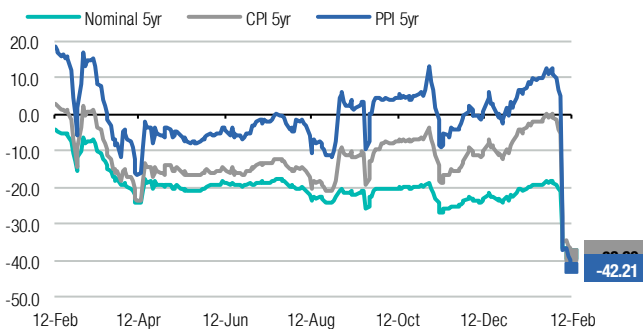
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

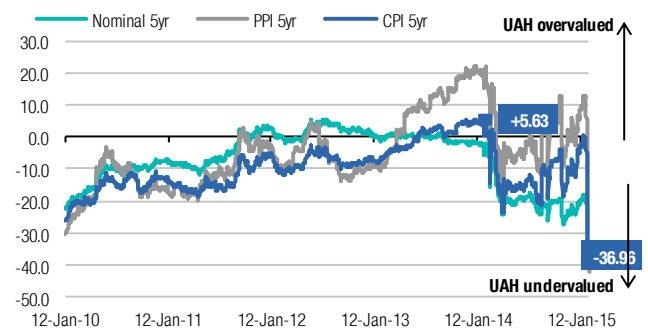


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

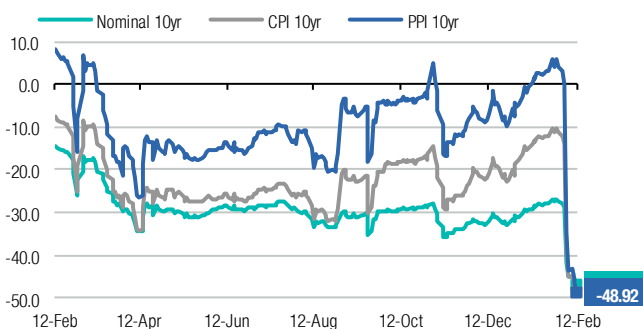


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

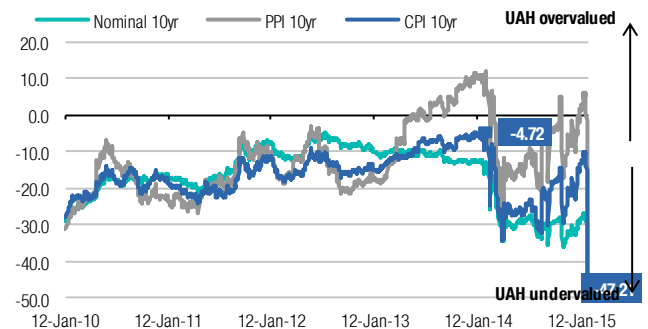


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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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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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