

# Daily Insight

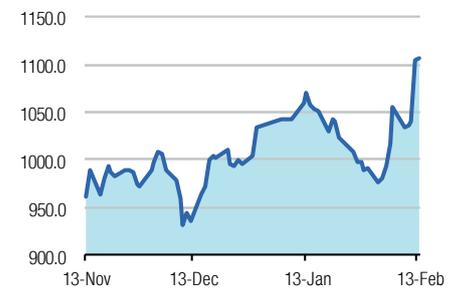
## Ceasefire largely holds

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MONDAY, 16 FEBRUARY 2015

### UX Index (3 months to 16 Feb 2015)



Source: UX.

### Key market indicators (as of 13 Feb 2015)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	26.1000	-2.25	+64.98
USD/UAH (1Y NDF)	29.0100	+1.26	+57.24
EUR/USD	1.1394	-0.08	-5.82
USD/RUB	63.4417	-2.97	+4.45
KievPRIME O/N (%)	15.00	-20bp	-390bp
KievPRIME 1M (%)	22.00	+40bp	+210bp
<b>SOVEREIGN EUROBONDS: yields and spreads</b>			
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	2,498bp	-2bp	+299bp
<b>EQUITIES</b>			
<b>Stock market indices</b>			
UX (Ukraine)	1,107.41	+0.13	+7.17
MSCI World	427.79	+0.73	+2.56
MSCI EM	986.65	+1.59	+3.17
RTS (Russia)	914.05	+6.05	+16.12
WIG-20 (Poland)	2,346.95	+0.37	+1.34
S&P 500 (USA)	2,096.99	+0.41	+1.85

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

### Ceasefire largely holds

Although the Minsk-2 ceasefire took effect at midnight on Saturday, sporadic explosions still occurred near to key hot spots like the rail hub of Debaltseve, according to reporters present on the ground. While some sources reported that several Ukrainian soldiers were killed overnight and Ukrainian forces were shot at 60 times (per an AFP report), the ceasefire appears to be holding, at least from the perspective of the Ukrainian army. However, a German reporter interviewed pro-Kremlin militants who see the ceasefire agreement as no obstacle to resuming attacks on Debaltseve, the rail hub that has been defended by the Ukrainian army. The situation remains very strained on the ground; if the ceasefire indeed holds and survives a week, two weeks or a month, it would mean that the West's threat of more sanctions has made the Kremlin yield. The fear of more sanctions would plunge the Russian economy into a recession deeper than previously thought.

*Alexander Valchyshen, Kiev, +38044 2200120 ext.721*

# Bonds: News & Comments

## Liquidity declines slightly

Broader banking sector liquidity slid UAH0.44bn to UAH54.12bn last Friday, as banks' correspondent accounts with the NBU declined UAH0.15bn to UAH29.58bn and total CDs outstanding fell UAH0.29bn to UAH18.93bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH5.61bn.

KyivPrime interest rates slightly diverged: the KyivPrime ON interest rate declined 20bp to 15.00% while the KyivPrime 1M interest rate rose 40bp to 22.00%.

**Investment implications: The NBU refinanced its ON loans last Thursday and kept its support for banking sector liquidity stable. The slight decline in liquidity was insufficient to affect the money market and indicative interest rates diverged slightly. This week, liquidity could be slightly volatile depending on the FX market, but quarterly tax payments could have a negative impact soon.**

## Eurobonds mostly stable at low prices

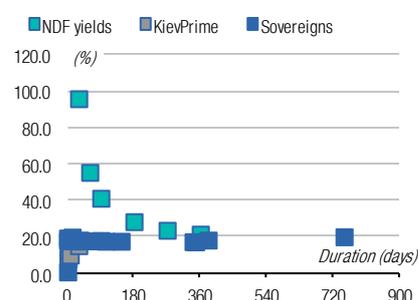
Ukrainian Eurobonds stabilized at relative lows following a slight increase after the Minsk and IMF negotiations last week. Prices rose slightly above 50, adjusting the yield curve to 18.84-98.08% last Friday. The 5-year CDS slid to 2,498bp.

**Investment implications: The possible peace agreement sets the best chance so far this winter of receiving international support for the Ukrainian economy. However, despite the ceasefire and IMF's announcement of a possible US\$40bn financing program for Ukraine for a 4-year period, the markets still await news of the debt restructuring. Because of this, prices rose slightly but remained at lows due to the significant risk of a principal haircut under a restructuring offer from the MoF following the IMF's debut tranche from the new EFF program.**

**Taras Kotovych, Kiev, +38044 2200120 ext.724**

## Yield curve of the local bond market

(as of market close on 13 Feb 2015)



Sources: Bloomberg, Investment Capital Ukraine LLC.

## Bond market indicators (as of 13 Feb 2015)

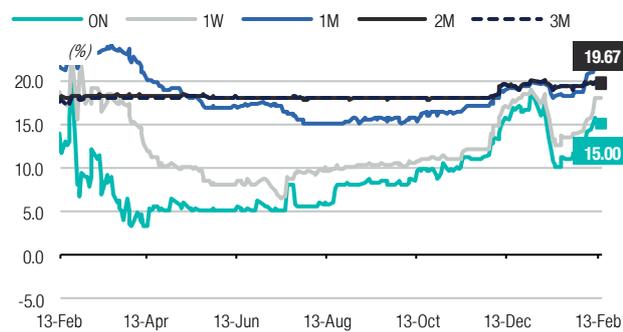
	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
O/n	15.00	-20bp	+80bp	+287bp	-390bp
1wk	18.00	+0bp	+260bp	+375bp	-100bp
1m	22.00	+40bp	+140bp	+350bp	+210bp
2m	19.67	-3bp	+7bp	+42bp	-33bp
3m	19.67	-3bp	+7bp	+42bp	-33bp
<b>LIQUIDITY WIDE MEASUREMENT (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	332,377	-0.01	+0.51	+4.48	+4.48
Banks	117,743	-1.11	+19.04	+28.12	+26.02
Resid's <sup>4</sup>	23,795	-0.02	-5.18	+0.14	-3.07
Non-res <sup>5</sup>	30,456	-1.55	+31.00	+44.18	+41.37
<b>Total</b>	<b>504,372</b>	<b>-0.36</b>	<b>+5.53</b>	<b>+10.87</b>	<b>+10.21</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	17.28	+15bp	+15bp	-906bp	-906bp
6m	17.26	+760bp	+786bp	-305bp	-305bp
9m	13.02	+511bp	+522bp	-518bp	-518bp
1yr	11.90	+387bp	+389bp	-545bp	-546bp
<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	-24ppt	-24ppt	-24ppt	-24ppt
<b>EUROBONDS USD SOVEREIGN BOND YIELDS (%)</b>					
CDS 5yr	2,498	-2bp	+31bp	+6bp	+299bp
Jun '16	56.89	+11bp	-267bp	+14bp	+20bp
Jul '17	38.00	+3bp	-291bp	+354bp	+10bp
Sep '20	21.46	-58bp	-138bp	+102bp	+261bp
Sep '21	22.04	+1bp	-31bp	+199bp	+350bp
Sep '22	19.48	+0bp	-62bp	+110bp	+323bp
Feb '23	18.84	+0bp	-41bp	+114bp	+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.

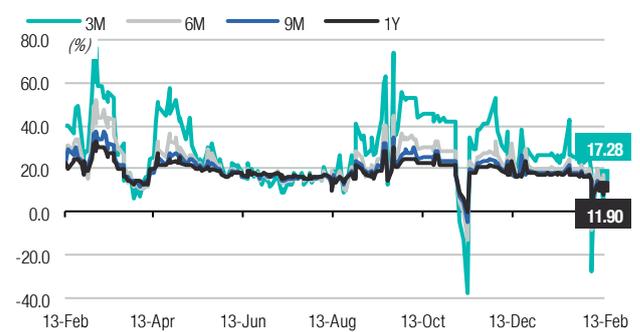
Chart page: Local bond market & Eurobond markets

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



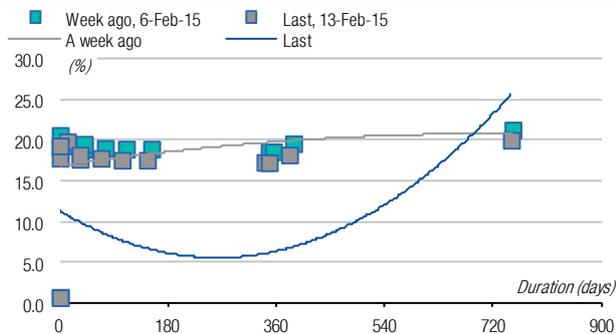
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



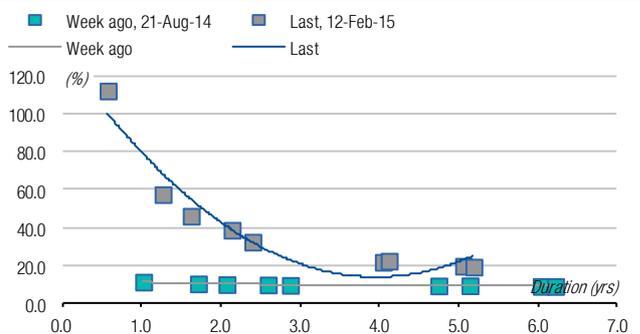
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



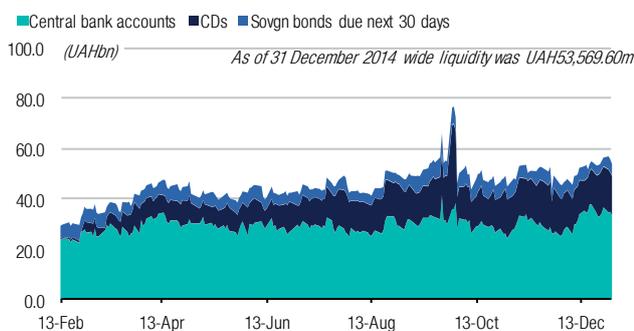
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



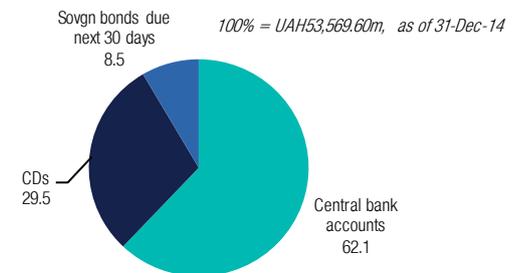
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



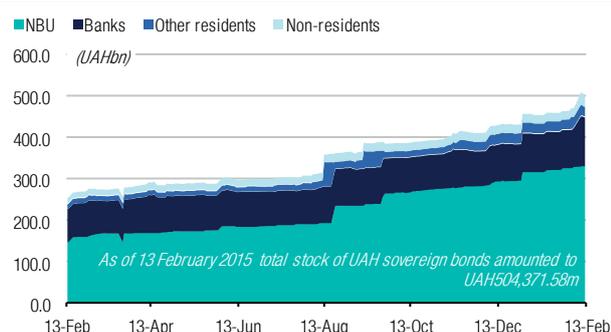
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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



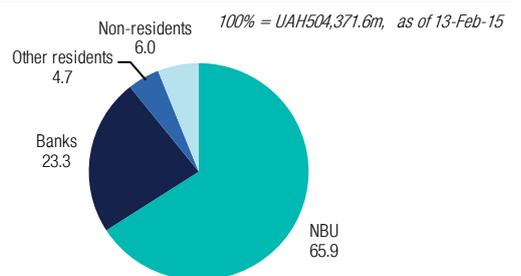
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 13 Feb 2015



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

Table 1. Ukrainian stocks (closing prices as of 13-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	10.63 GBP	+0.0	+13.3	+6.3	-3.4	0.16	37.9	-9.7	40.2	15.2	0.1	14.7	0.09	1,084	Neg.	N/A	N/A	1.4	N/A	N/A	Neg.	N/A	N/A	0.3	0.0
Centrenerg	CEEN UK	Kiev, UX	7.41 UAH	+0.0	-3.2	-1.8	+62.1	0.28	104.9	97.7	21.7	22.8	53.0	29.0	0.13	768	5.6	4.5	7.4	0.1	2.6	3.0	0.3	0.2	0.2	1.1	16.3
Coal Energy	CLE PW	Warsaw	0.70 PLN	-1.4	+2.9	+12.9	-36.9	0.19	8.6	109.0	25.0	2.2	13.4	10.2	0.36	277	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	31.94 UAH	+0.0	-3.0	-3.2	-3.4	1.22	28.9	59.4	14.2	4.1	2.2	5.0	0.08	1,211	1.4	1.2	1.2	0.1	1.6	1.2	0.3	0.2	0.2	1.1	25.1
JXK Oil & Gas	JXK LN	London	30.00 GBP	-5.5	+144.9	+150.0	-56.2	0.46	79.5	84.7	47.2	37.5	215.5	306.0	0.81	124	12.2	13.3	2.4	1.3	1.7	1.3	0.5	0.5	0.5	0.2	5.5
Regal Petroleum	RPT LN	London	4.63 GBP	+0.0	+7.2	+48.0	-60.6	0.07	22.9	-7.2	80.9	18.5	0.4	3.8	0.01	13,110	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	+19.0	+10.9	+40.3	6.29	80.5	87.8	5.0	4.0	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
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.02 UAH	+0.0	+3.9	+4.8	-58.1	0.00	15.0	1,112.5	3.9	0.6	2.4	1.0	0.09	1,084	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	+0.0	-14.1	-17.9	-49.2	0.05	10.6	-13.4	4.0	0.4	3.1	1.9	0.29	344	Neg.	Neg.	N/A	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1
Azovstal	AZST UK	Kiev, UX	0.83 UAH	+0.0	+9.0	+11.7	+38.2	0.03	134.0	112.6	4.1	5.5	29.1	5.5	0.09	1,055	Neg.	Neg.	N/A	Neg.	5.3	N/A	0.1	0.1	N/A	0.3	0.0
Ferrexpo PLC	FXPO LN	London	68.00 GBP	-1.1	+22.5	+28.3	-58.9	1.05	617.8	1,269.3	22.4	138.4	1,965.6	1,081.7	0.74	136	2.4	2.5	9.5	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	+0.0	+28.9	+8.2	-45.1	0.01	3.2	3.6	9.0	0.3	0.0	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	18.82 UAH	+0.0	-10.3	-10.2	-39.8	0.72	7.6	2.6	9.4	0.7	0.1	2.4	0.38	265	Neg.	Neg.	N/A	0.4	0.1	N/A	0.0	0.0	N/A	0.9	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	0.38 EUR	-2.6	+5.6	-11.6	-68.6	0.43	40.1	89.4	34.0	13.6	21.3	20.6	0.29	344	Neg.	N/A	N/A	Neg.	N/A	N/A	1.5	N/A	N/A	0.8	35.9
Agroliga	AGL PW	Warsaw	10.30 PLN	+6.2	+7.1	+14.4	-57.8	2.81	4.3	5.1	16.7	0.7	6.3	3.5	0.41	243	1.2	N/A	N/A	1.5	N/A	N/A	0.3	N/A	N/A	0.4	5.7
Agroton	AGT PW	Warsaw	1.51 PLN	-0.7	+15.3	+22.8	-46.1	0.41	8.9	54.2	26.2	2.3	72.9	39.5	1.52	66	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	24.97 PLN	-0.1	-2.8	+24.9	-57.8	6.82	170.4	414.5	31.0	52.9	127.0	116.2	0.20	511	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	3.80 USD	+8.6	+91.0	+85.4	-65.5	3.80	242.7	453.9	21.7	52.7	170.1	81.5	0.18	544	1.0	2.7	2.0	1.5	2.7	2.6	0.7	0.8	0.9	0.3	17.8
IMC	IMC PW	Warsaw	6.45 PLN	+0.0	+7.5	+13.8	-17.2	1.76	55.1	194.3	23.9	13.2	11.2	5.4	0.03	3,781	2.1	Neg.	2.3	3.6	3.7	3.8	1.7	1.2	1.1	0.4	38.7
Kernel Holding...	KER PW	Warsaw	31.50 PLN	-0.8	+4.2	+10.7	-14.9	8.60	685.2	1,329.5	58.8	402.7	2,595.9	1,207.3	0.31	321	Neg.	4.6	4.3	6.0	3.9	4.0	0.6	0.6	0.5	0.7	39.1
KSG Agro	KSG PW	Warsaw	1.13 PLN	-2.6	-2.6	+0.9	-85.2	0.31	4.6	91.5	34.4	1.6	53.9	22.6	1.32	76	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	9.90 USD	+3.1	+6.5	+7.6	-32.8	9.90	1,046.1	2,176.5	22.3	233.5	695.5	467.3	0.26	385	6.7	49.2	3.7	5.6	4.2	4.3	1.5	1.5	1.5	2.1	47.0
Milkiland	MLK PW	Warsaw	2.45 PLN	+2.5	+64.4	+65.5	-74.8	0.67	20.9	135.7	20.0	4.2	53.1	27.6	0.96	105	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	0.48 EUR	-4.8	-10.0	-15.3	-90.5	0.54	57.7	785.5	20.0	11.5	0.0	0.8	0.01	8,301	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	71.00 PLN	+0.0	+0.0	-1.4	-2.7	19.38	116.3	125.9	25.0	29.1	0.6	39.3	0.23	428	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	+1.4	+1.4	-8.7	-74.0	0.08	4.3	131.4	13.1	0.6	0.0	0.1	0.01	10,581	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	0.10 UAH	+0.0	+11.0	+7.0	-10.4	0.00	118.0	N/A	3.8	4.5	13.7	10.2	0.15	651	3.0	Neg.	13.0	N/A	N/A	N/A	N/A	N/A	N/A	0.5	22.4
Ukrsotsbank	USCB UK	Kiev, UX	0.12 UAH	+0.0	-10.8	-10.9	-29.3	0.00	109.7	N/A	4.5	4.9	0.0	0.4	0.01	12,849	Neg.	10.0	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

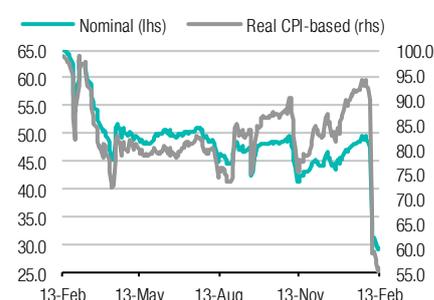
### UAH inches higher

On Friday, the UAH closed at 26.10/USD on US\$207m in trading, penetrating its trending low of 25/USD. The hryvnia's real trade-weighted value rose 1.41% mainly due to increase in the hryvnia's exchange market rate. At the same time ruble staged a near 3% recovery after the Minsk 2 agreement, which is viewed favorably by market participants in regard to Russian assets. While the markets appear to believe that the Minsk 2 ceasefire will hold, the reality of this agreement could be trickier.

**Alexander Valchyshen, Kiev, +38044 2200120 ext.242**

### ICU's UAH trade-weighted indices

(Last 12-month history to 16 Feb 2015)



Source: Investment Capital Ukraine LLC.

### FX market indicators (as of 13 Feb 2015)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	26.1000	-2.25	+3.37	+64.98	+64.98
NBU avg	25.9185	+3.26	+12.05	+64.38	+64.37
Ttl vlm <sup>1</sup>	432.14	+33.87	+124.2	+223.3	+0.29
\$ volume <sup>2</sup>	207.23	-3.17	+39.18	+110.5	-41.51
NDF 3M	27.2100	+1.34	+7.13	+61.48	+61.48
NDF 6M	28.3100	+1.29	+7.23	+62.70	+62.70
NDF 1Y	29.0100	+1.26	+7.05	+57.24	+57.24
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	29.366	+1.41	-4.95	-38.62	-35.79
UAH real CPI	55.914	+1.41	-4.95	-38.62	-34.56
UAH real PPI	78.934	+1.41	-4.95	-38.62	-35.79
USD nom'l	94.201	+0.11	-0.52	+2.05	+4.36
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	63.4417	-2.97	-5.11	-2.71	+4.45
EUR/USD	1.1394	-0.08	+0.69	-3.22	-5.82
USD/CNY	6.2405	-0.08	-0.07	+0.66	+0.56
USD/PLN	3.6737	+0.54	+0.02	+1.01	+3.67
USD/TRY	2.4571	-0.37	-0.71	+7.51	+5.23
USD/BYR	15,450.00	-0.26	-1.09	+6.37	+40.45
USD/KZT	185.0600	+0.00	-0.02	+0.72	+1.49
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	118.7500	-0.30	-0.31	+0.70	-0.86
GBP/USD	1.5395	+0.07	+1.00	+1.55	-1.17
USD/CHF	0.9322	+0.14	+0.58	-8.62	-6.25
AUD/USD	0.7762	+0.35	-0.44	-4.95	-5.05
USD/CAD	1.2448	-0.49	-0.63	+4.09	+7.12
USD/BRL	2.8347	+0.39	+1.90	+7.25	+6.66
USD/KRW	1,096.88	-1.25	+0.65	+1.25	+0.54
<b>COMMODITIES</b>					
Gold(\$/oz)	1,229.43	+0.60	-0.36	-0.11	+3.76
WTI crude <sup>3</sup>	52.78	+3.07	+2.11	+15.01	-0.92
Brent crd <sup>3</sup>	59.41	+4.15	+3.29	+28.23	+6.55
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	229.19	+1.37	+1.93	+4.32	-0.33

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.

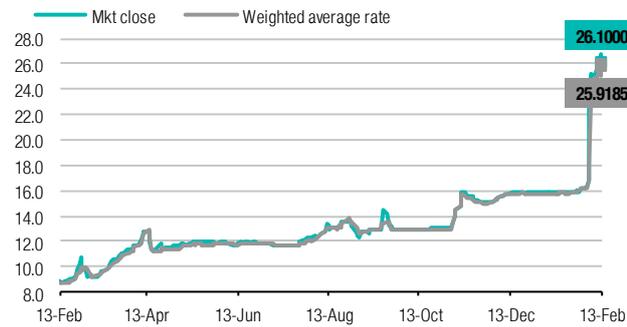
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

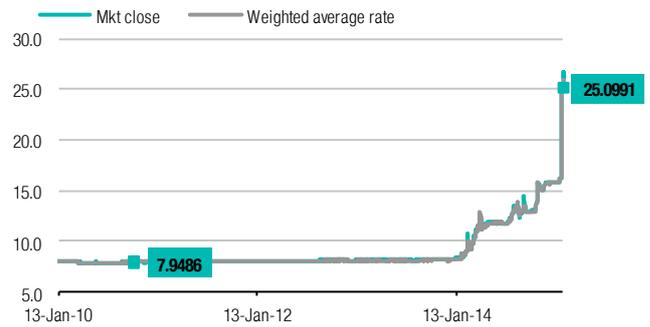
Section on FX market is continued on next page.

### 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)**

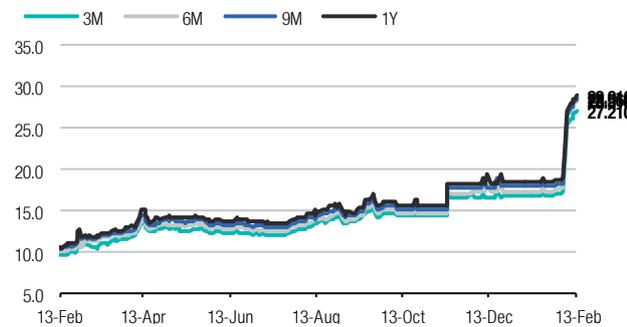


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

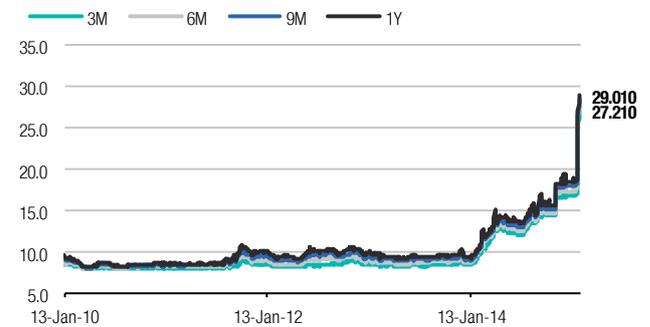


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

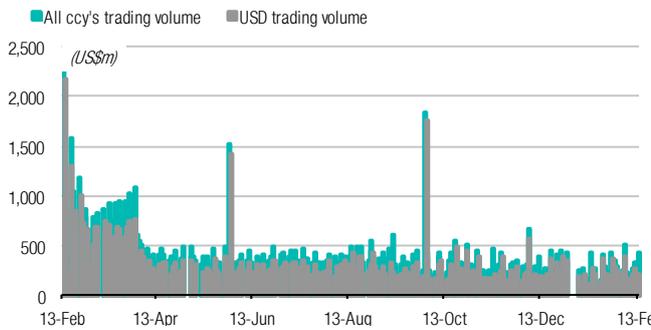


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

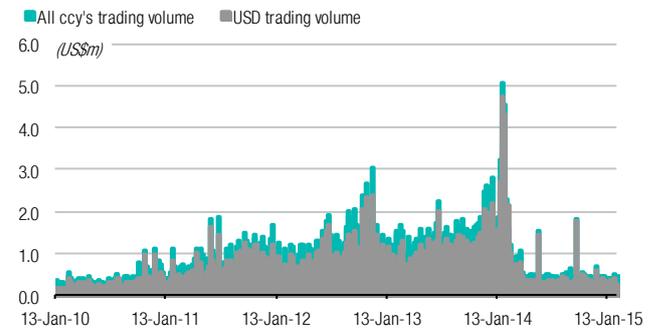


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

**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)**

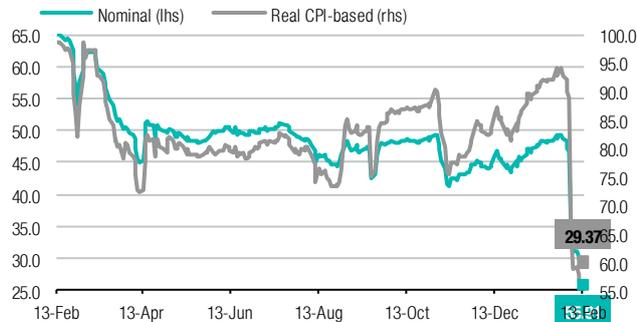


Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

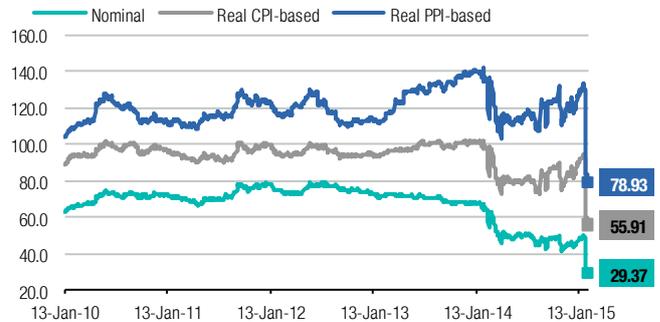
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



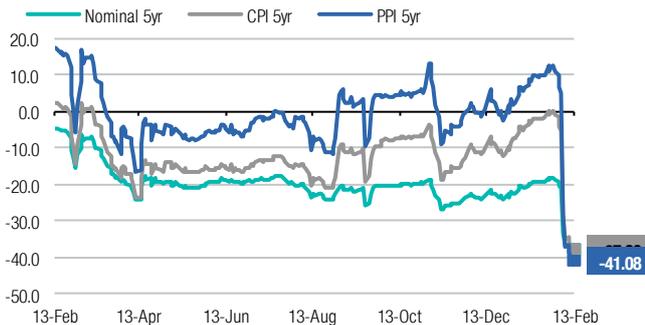
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

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

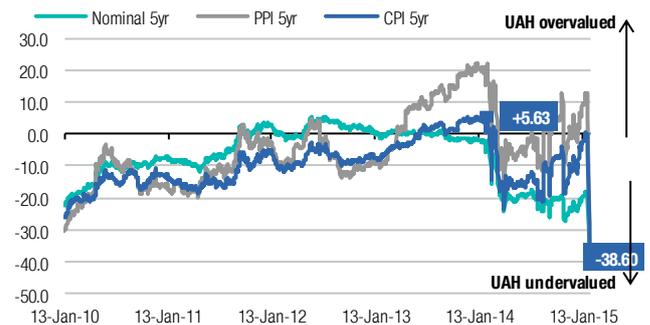


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

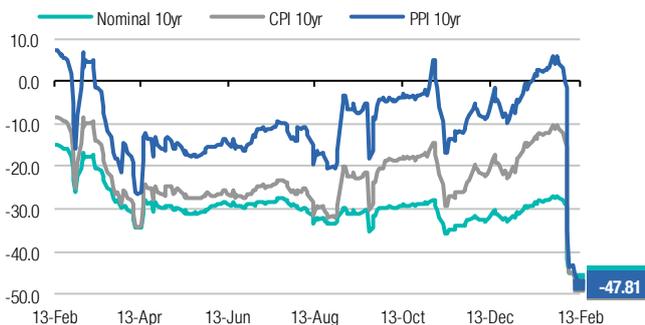


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

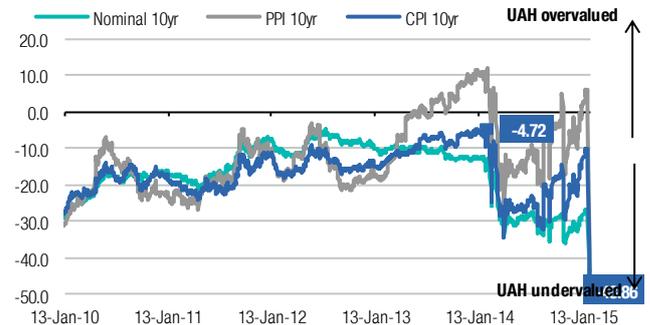


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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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**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

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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

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