



Focus  
**Ukraine**

Scope  
**Economics, bonds, equity & FX markets**

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# Daily Insight

## Preliminary reading of 4Q real GDP

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WEDNESDAY, 18 FEBRUARY 2015

### UX Index (3 months to 18 Feb 2015)



Source: UX.

### Key market indicators (as of 17 Feb 2015)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	26.4000	+0.00	+66.88
USD/UAH (1Y NDF)	29.4500	+1.06	+59.62
EUR/USD	1.1411	+0.49	-5.68
USD/RUB	63.2582	+0.09	+4.15
KievPRIME O/N (%)	17.00	+200bp	-190bp
KievPRIME 1M (%)	22.50	+50bp	+260bp
<b>SOVEREIGN EUROBONDS: yields and spreads</b>			
Ukraine 15, Eurobond (%)	99.10	+51bp	+3,733bp
Ukraine 17, Eurobond (%)	38.05	+3bp	+1,030bp
Ukraine 22, Eurobond (%)	19.48	+0bp	+323bp
Ukraine 23, Eurobond (%)	18.84	+0bp	+328bp
Ukraine 5Y CDS	2,780bp	+119bp	+581bp
<b>EQUITIES</b>			
<b>Stock market indices</b>			
UX (Ukraine)	1,070.39	-3.27	+3.59
MSCI World	428.20	+0.09	+2.66
MSCI EM	983.12	-0.10	+2.80
RTS (Russia)	894.61	-0.31	+13.65
WIG-20 (Poland)	2,360.31	-0.07	+1.92
S&P 500 (USA)	2,100.34	+0.16	+2.01

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.

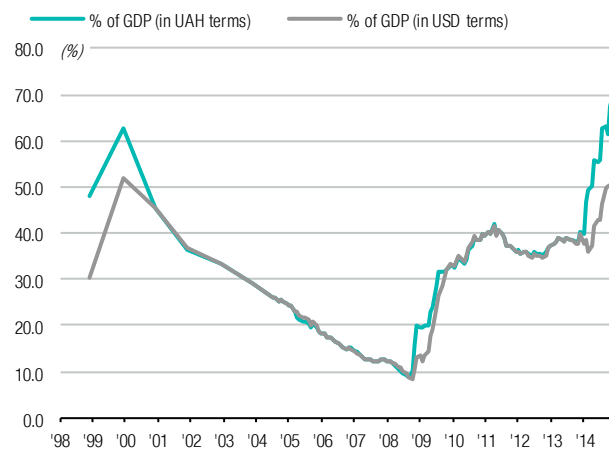
# Economics: News & Comments

## Preliminary reading of 4Q real GDP

The official headline 4Q real GDP contracted 15.2% YoY and down 3.8% from the previous quarter in seasonally adjusted terms. Details will be published in the future. This information implied a 6.7% YoY contraction for full-year 2014. Our estimations of nominal GDP for 2014 amounted to UAH1,551bn or US\$130bn in US dollar terms at market exchange rates, affecting the 60% debt to GDP covenant of the US\$3bn Russian Eurobond originally due this December. This bond prospectus do not specify which convention it should follow while making the calculation -- either all in local currency or all in FX (US dollars). The former method routinely overstates the ratio especially when EM economy is affected by currency devaluations. The latter method provides a lower value for the ratio. Ukraine's public debt to GDP ratio as of end-2014 was 71% by the former method and 53.3% by the latter. A Russian official yesterday claimed (source Interfax) that his government does not intend to exercise an early redemption clause, acknowledging the lack of clarity of the covenant's wording in the prospectus.

**Chart 1. History of Ukraine's public debt level by two methods of calculations: all in local currency or all in FX (% of GDP)**

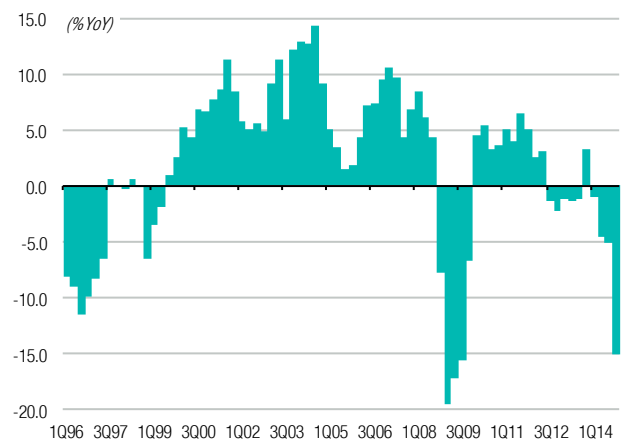
History from December 1998 through December 2014



Source: Ministry of Finance of Ukraine, State Statistics Committee of Ukraine, ICU.

**Chart 2. Quarterly real GDP growth rate (% YoY)**

History from 1Q of 1996 through 4Q of 2014



Source: State Statistics Committee of Ukraine, ICU.

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# Bonds: News & Comments

## Liquidity declines

Banks' correspondent accounts with the NBU fell UAH1.03bn to UAH30.79bn and total CDs outstanding declined UAH0.21bn to UAH16.90bn yesterday. Broader banking sector liquidity rose slightly, up UAH0.22bn to UAH54.76bn, thanks to the UAH1.46bn increase in total local currency debt repayments scheduled for the next 30 days to UAH7.07bn.

KyivPrime interest rates diverged: the KyivPrime ON interest rate remained steady at 17.00% while the KyivPrime 1M interest rate rose 50bp to 22.50%.

**Investment implications: Banks repaid a significant volume of loans to the NBU, including UAH1.71bn of ON loans received last Friday and UAH1.61bn of longer loans issued at tenders. At the same time, the NBU issued only UAH2.11bn of new ON loans, or UAH1.11bn less than was absorbed, which is very similar to the decline in banks' correspondent accounts with the NBU.**

## Primary auction results

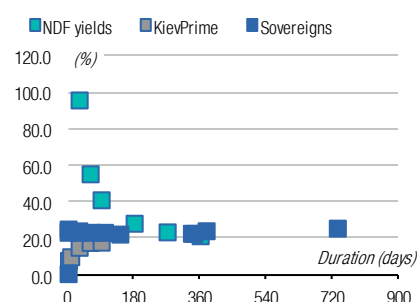
The MoF offered two local currency bonds and one USD-denominated bond at yesterday's primary auction. While the two-year and five-year local currency bonds received no bids, the 1-month USD-denominated bond raised US\$100.0m, providing US\$99.36m in proceeds. It appears there was no domestic QE support.

**Investment implications: Following the MoF's large FX debt repayment last week, only US\$50.0m in weekly FX repayments are scheduled over the next two weeks. As a result, yesterday's FX proceeds should mostly cover FX-denominated domestic debt repayments through the end of February. As the MoF anticipates the first IMF tranche at the beginning of March, yesterday's raised funds should cover the short-term budget gap and repay it after the new financing from the IMF is received.**

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## Yield curve of the local bond market

(as of market close on 17 Feb 2015)



Sources: Bloomberg, Investment Capital Ukraine LLC.

## Bond market indicators (as of 17 Feb 2015)

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

### MONEY MARKET KIEV PRIME RATES (%)

O/n	17.00	+200bp	+190bp	+700bp	-190bp
1wk	18.75	+75bp	+235bp	+625bp	-25bp
1m	22.50	+50bp	+150bp	+430bp	+260bp
2m	20.63	+96bp	+103bp	+143bp	+63bp
3m	20.63	+96bp	+103bp	+143bp	+63bp

### LIQUIDITY WIDE MEASUREMENT (UAHm)

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>

### HOLDERS OF UAH SOVEREIGN BONDS (UAHm)

C.bank	N/A	N/A	N/A	N/A	N/A
Banks	N/A	N/A	N/A	N/A	N/A
Resid's <sup>4</sup>	N/A	N/A	N/A	N/A	N/A
Non-res <sup>5</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>

### 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 <sup>6</sup>	N/A	-24ppt	+0bp	-24ppt	-24ppt

### EUROBONDS USD SOVEREIGN BOND YIELDS (%)

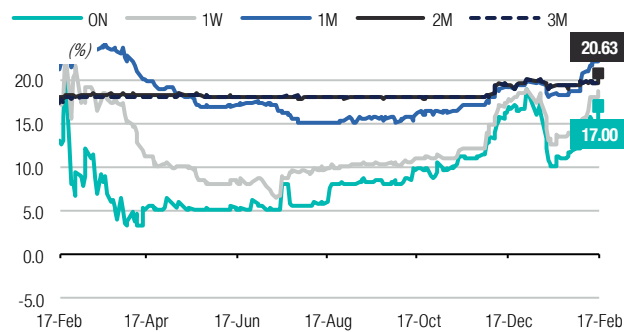
CDS 5yr	2,780	+119bp	+246bp	+307bp	+581bp
Jun '16	57.11	+11bp	-166bp	+12bp	+20bp
Jul '17	38.05	+3bp	-78bp	+347bp	+10bp
Sep '20	24.04	+27bp	+179bp	+363bp	+519bp
Sep '21	22.05	+1bp	+27bp	+203bp	+351bp
Sep '22	19.48	+0bp	-32bp	+121bp	+323bp
Feb '23	18.84	+0bp	-12bp	+125bp	+328bp

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.

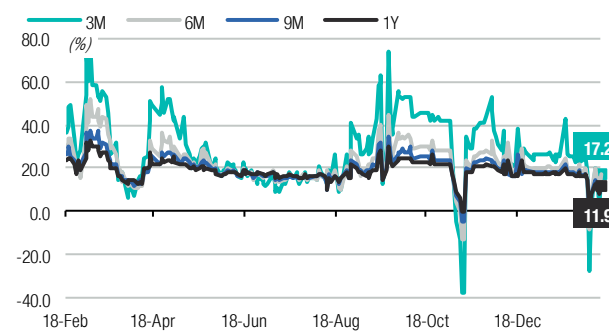
Chart page: Local bond market & Eurobond markets

Chart 3. Kiev Prime rates (%), last 12-month period



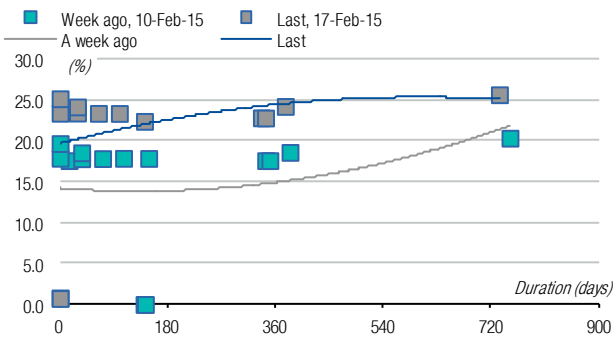
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. UAH NDF implied yields (%), last 12-month period



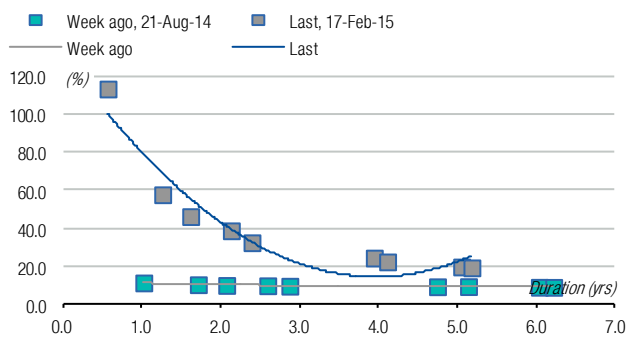
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 5. UAH sovereign yield curve (%) as of 17 Feb 2015



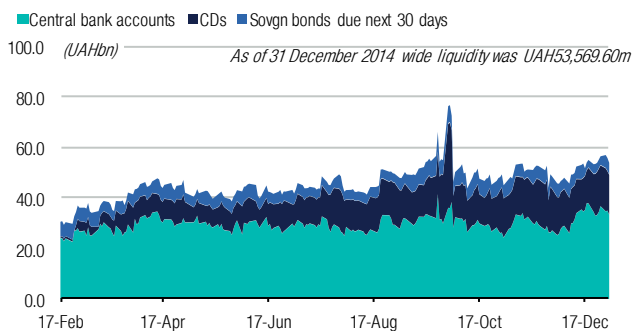
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 6. USD sovereign yield curve (%) as of 17 Feb 2015



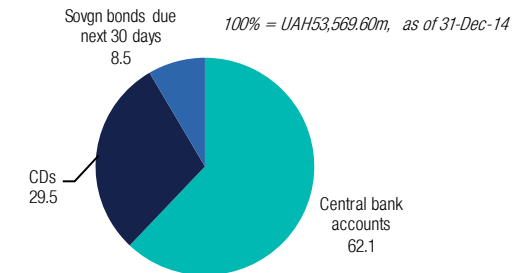
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 7. Banking sector liquidity (UAHbn), last 12-month period



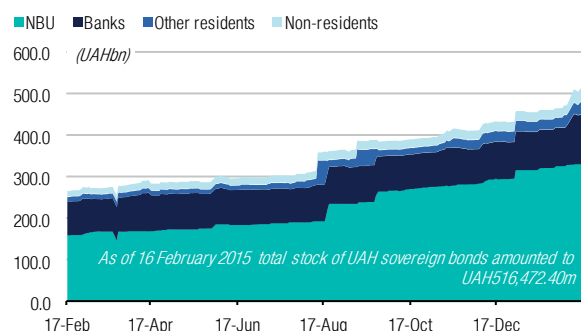
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 8. Breakdown of liquidity pool (%) as of 17 Feb 2015



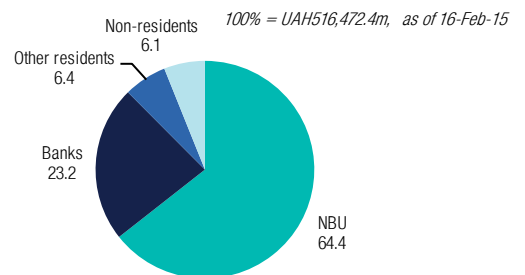
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 9. Holders of sovereign bonds (UAHbn), last 12 months



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

Chart 10. Domestic sovereign debt (%) as of 17 Feb 2015



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

Table 1. Ukrainian stocks (closing prices as of 17-Feb-2015)

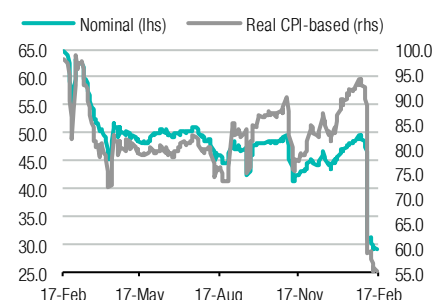
Company	Bloomberg Ticker	Listing	Share price performance (% change)				Valuation (US\$)			Free float (FF) & Liquidity					P/E			EV/EBITDA			EV/Sales			Ratios			
			Last price	Daily	MoM	YTD	YoY	Last price	Market cap (m)	EV (m)	FF (%)	FF mkt cap (US\$m)	Last day turnover (US\$ 000)	3M avg. turnover (US\$ 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	10.13 GBp	-2.4	+8.0	+1.3	-10.0	0.16	35.9	-11.7	40.2	14.4	71.8	15.2	0.13	786	Neg.	N/A	N/A	1.7	N/A	N/A	Neg.	N/A	N/A	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.26 UAH	-2.4	-5.1	-3.7	+67.7	0.27	101.3	94.2	21.7	22.0	26.9	27.8	0.12	842	5.5	4.4	7.2	0.1	2.6	2.9	0.3	0.2	0.2	1.0	16.3
Coal Energy	CLE PW	Warsaw	0.67 PLN	+1.5	-1.5	+8.1	-42.7	0.18	8.2	108.6	25.0	2.0	10.8	9.7	0.45	224	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	30.30 UAH	-0.6	-8.0	-8.2	-3.7	1.14	27.1	57.0	14.2	3.8	2.5	4.7	0.09	1,076	1.3	1.1	1.1	0.1	1.6	1.2	0.3	0.2	0.2	1.1	25.1
JXK Oil & Gas	JXK LN	London	33.50 GBp	+2.7	+173.5	+179.2	-50.9	0.51	88.3	93.4	47.2	41.7	245.6	347.0	0.76	132	13.6	14.7	2.7	1.4	1.8	1.5	0.5	0.5	0.5	0.2	5.5
Regal Petroleum	RPT LN	London	4.25 GBp	-8.1	-1.5	+36.0	-64.2	0.07	20.9	-9.2	80.9	16.9	4.7	3.6	0.01	9,917	Neg.	10.5	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	+52.9	6.20	79.3	86.5	5.0	4.0	0.0	0.5	0.00	639,527	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	-7.9	-4.3	-3.4	-60.4	0.00	13.6	1,095.2	3.9	0.5	0.2	0.9	0.10	1,014	Neg.	Neg.	N/A	Neg.	Neg.	N/A	2.0	1.1	N/A	N/A	85.7
Avdiyivsky Cok...	AVDK UK	Kiev, UX	1.36 UAH	-7.4	-18.0	-21.6	-49.6	0.05	10.0	-13.6	4.0	0.4	0.2	1.7	0.23	431	Neg.	Neg.	N/A	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1
Azovstal	AZST UK	Kiev, UX	0.79 UAH	-7.6	+3.8	+6.3	+33.1	0.03	125.7	104.7	4.1	5.2	5.7	5.1	0.10	970	Neg.	Neg.	N/A	Neg.	5.0	N/A	0.1	0.1	N/A	0.3	0.0
Ferrexpo PLC	FXPO LN	London	63.50 GBp	-6.6	+14.4	+19.8	-61.8	0.97	573.6	1,225.0	22.4	128.5	1,076.0	1,024.2	0.84	119	2.2	2.3	8.8	2.4	2.7	4.8	0.8	0.9	1.0	0.5	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.30 UAH	-2.6	+25.5	+5.4	-48.2	0.01	3.0	3.5	9.0	0.3	0.0	0.5	0.01	7,068	Neg.	0.5	0.3	0.0	0.3	N/A	0.0	0.0	0.0	0.1	0.0
Yenakievo Steel	ENMZ UK	Kiev, UX	17.61 UAH	+0.3	-16.0	-15.9	-43.2	0.66	7.0	2.0	9.4	0.7	0.1	2.0	0.38	266	Neg.	Neg.	N/A	0.4	0.1	N/A	0.0	0.0	N/A	0.8	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	0.39 EUR	+2.6	+8.3	-9.3	-66.9	0.44	41.0	90.2	34.0	14.0	15.7	20.9	0.28	351	Neg.	N/A	N/A	Neg.	N/A	N/A	1.5	N/A	N/A	0.8	35.9
Agroliga	AGL PW	Warsaw	10.12 PLN	-3.9	+5.2	+12.4	-62.4	2.75	4.2	5.0	16.7	0.7	7.6	3.6	0.51	198	1.2	N/A	N/A	1.4	N/A	N/A	0.3	N/A	N/A	0.4	5.7
Agroton	AGT PW	Warsaw	1.37 PLN	-3.5	+4.6	+11.4	-61.9	0.37	8.1	53.4	26.2	2.1	65.5	37.1	1.96	51	Neg.	N/A	N/A	19.9	17.8	N/A	0.7	0.6	N/A	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	26.41 PLN	+5.6	+2.8	+32.1	-54.6	7.18	179.4	423.1	31.0	55.7	134.9	122.6	0.19	520	6.1	Neg.	5.4	5.6	3.5	4.5	1.0	0.9	1.0	0.6	38.2
Avangard	AVGR LI	London Intl	3.11 USD	-17.7	+56.0	+51.5	-72.4	3.11	198.3	409.6	21.7	43.0	322.0	73.7	0.27	366	0.8	2.2	1.6	1.4	2.4	2.3	0.6	0.8	0.8	0.2	17.8
IMC	IMC PW	Warsaw	7.24 PLN	+1.3	+20.7	+27.7	-20.0	1.97	61.6	200.8	23.9	14.7	8.5	6.7	0.03	2,910	2.4	Neg.	2.6	3.7	3.9	3.9	1.7	1.3	1.1	0.4	38.7
Kernel Holding...	KER PW	Warsaw	31.70 PLN	+0.6	+4.9	+11.4	-13.9	8.61	686.4	1,330.6	58.8	403.4	559.7	1,207.7	0.30	328	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	-1.7	-2.6	+0.9	-86.4	0.31	4.6	91.5	34.4	1.6	17.3	22.8	1.49	67	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	10.50 USD	+0.0	+12.9	+14.1	-22.5	10.50	1,109.5	2,239.9	22.3	247.6	14.7	495.7	0.24	411	7.1	52.2	3.9	5.7	4.3	4.5	1.5	1.6	1.5	2.2	47.0
Milkiland	MLK PW	Warsaw	2.80 PLN	+8.5	+87.9	+89.2	-73.1	0.76	23.8	138.4	20.0	4.8	81.6	33.9	0.99	101	1.9	Neg.	Neg.	4.2	4.7	4.7	0.4	0.4	0.5	0.1	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	0.48 EUR	+0.0	-10.0	-15.3	-91.0	0.54	57.6	785.4	20.0	11.5	0.0	0.8	0.01	10,014	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	69.80 PLN	-1.4	-1.7	-3.1	-6.2	18.97	113.8	123.4	25.0	28.5	6.7	38.6	0.24	422	3.7	4.6	5.7	3.4	3.9	4.3	1.4	1.5	1.3	0.8	8.5
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Frankfurt	0.08 EUR	+0.0	+11.1	+0.0	-70.5	0.09	4.7	131.8	13.1	0.6	0.0	0.1	0.01	11,595	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	-4.6	+6.2	+2.3	-9.9	0.00	111.2	N/A	3.8	4.2	9.2	9.3	0.16	636	2.9	Neg.	12.5	N/A	N/A	N/A	N/A	N/A	N/A	0.5	22.4
Ukrsotsbank	USCB UK	Kiev, UX	0.11 UAH	+0.0	-15.4	-15.5	-29.3	0.00	102.5	N/A	4.5	4.6	0.3	0.3	0.01	11,144	Neg.	9.5	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 18 Feb 2015)



Source: Investment Capital Ukraine LLC.

## FX market indicators (as of 17 Feb 2015)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	26.4000	+0.00	+2.94	+66.59	+66.88
NBU avg	26.3587	+1.19	+6.11	+66.02	+67.16
Ttl vlm <sup>1</sup>	440.43	+206.0	+37.51	+369.8	+2.22
\$ volume <sup>2</sup>	358.05	+292.9	+36.51	+411.5	+1.06
NDF 3M	27.6500	+1.13	+5.33	+64.09	+64.09
NDF 6M	28.7500	+1.09	+5.12	+65.23	+65.23
NDF 1Y	29.4500	+1.06	+4.99	+59.62	+59.62
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	28.980	-0.14	-4.21	-39.97	-36.63
UAH real CPI	55.178	-0.14	-4.21	-39.97	-35.42
UAH real PPI	77.895	-0.14	-4.21	-39.97	-36.63
USD nom'l	94.061	-0.15	-0.74	+1.67	+4.20
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	63.2582	+0.09	-3.37	-3.14	+4.15
EUR/USD	1.1411	+0.49	+0.79	-1.35	-5.68
USD/CNY	6.2548	+0.09	+0.21	+0.76	+0.79
USD/PLN	3.6724	-0.19	-1.04	-1.45	+3.63
USD/TRY	2.4516	-0.19	-1.79	+5.40	+4.99
USD/BYR	14,930.00	-1.74	-3.11	-2.13	+35.73
USD/KZT	185.2100	+0.06	-0.29	+0.59	+1.57
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	119.2500	+0.65	-0.15	+1.48	-0.44
GBP/USD	1.5354	-0.06	+0.66	+1.35	-1.43
USD/CHF	0.9369	+0.54	+1.13	+9.11	-5.77
AUD/USD	0.7819	+0.59	+0.62	-4.91	-4.35
USD/CAD	1.2389	-0.62	-1.57	+3.38	+6.61
USD/BRL	N/A	N/A	N/A	N/A	N/A
USD/KRW	1,102.18	-0.01	+1.16	+2.32	+1.03
<b>COMMODITIES</b>					
Gold(\$/oz)	1,209.77	-1.76	-1.93	-5.52	+2.10
WTI crude <sup>3</sup>	53.53	+0.00	+7.02	+9.94	+0.49
Brent crd <sup>3</sup>	61.23	+2.25	+8.78	+28.39	+9.81
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	228.80	-0.17	+2.30	+2.03	-0.51

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>).

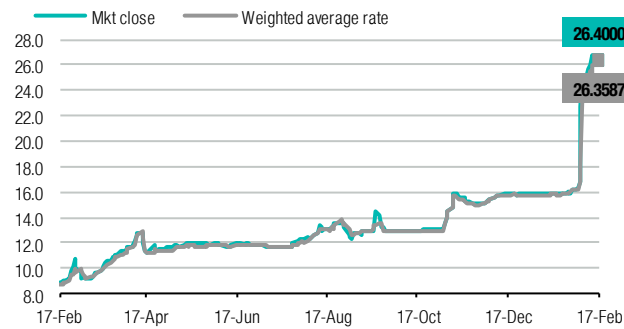
Section on FX market is continued on next page.

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.

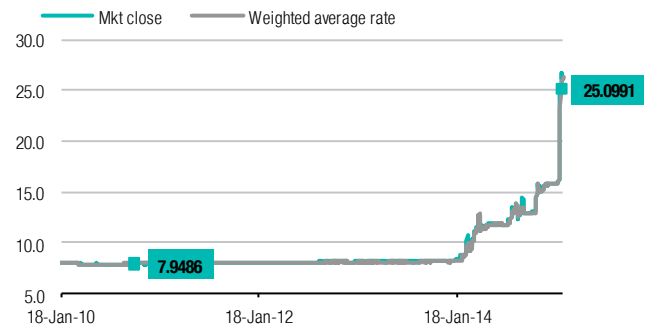
Sources: Bloomberg, Investment Capital Ukraine LLC.

### Chart page #1: Foreign-exchange market

**Chart 11. Spot market rates USD/UAH: last 12-month and 5-year periods (UAH per USD, left and right respectively)**

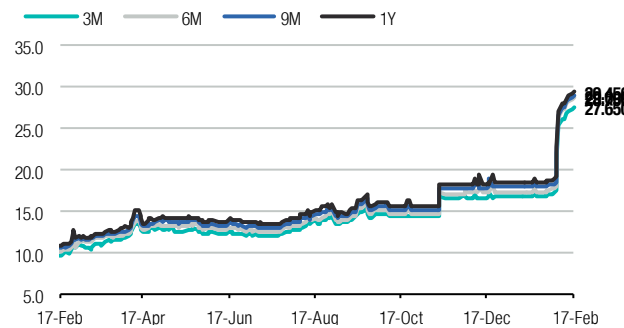


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

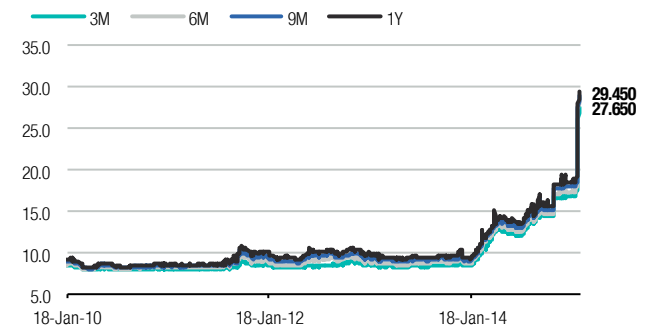


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

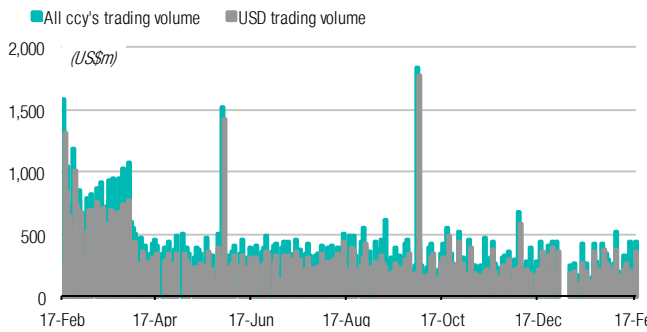


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

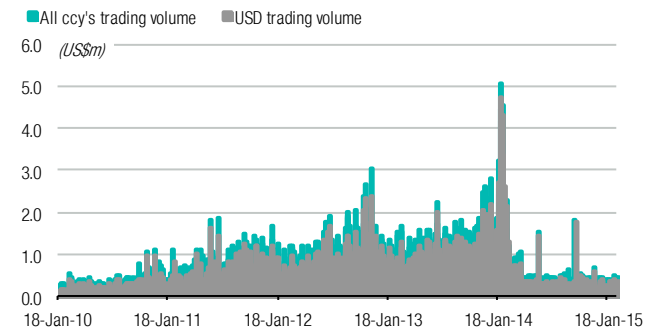


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

**Chart 13. Trading volume: last 12-month and 5-year periods (US\$m, left and right respectively)**

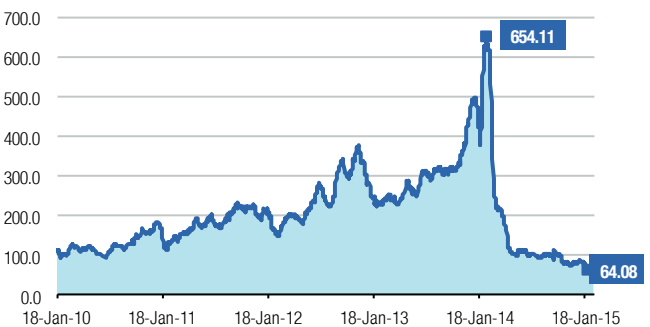
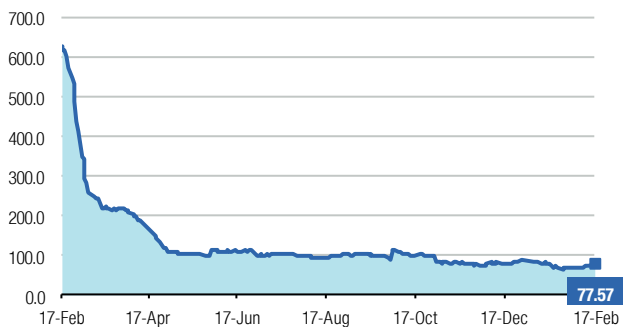


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

**Chart 14. 30D MA\* ratio of FX market turnover to merchandise trade: last 12m and 5yr periods (% , left and right respectively)**

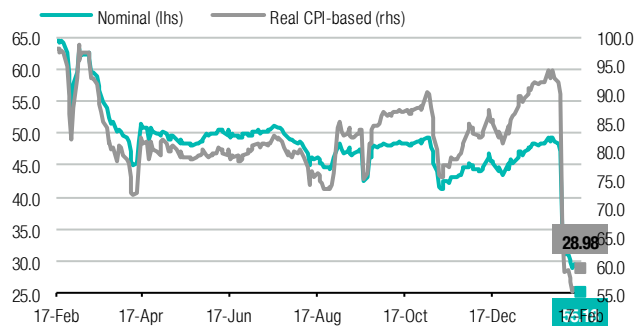


Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

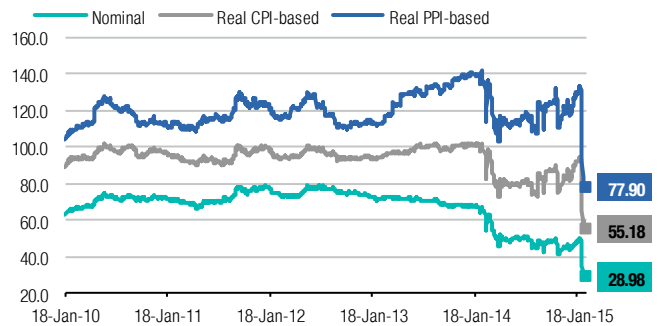
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

**Chart 15. Nominal and CPI-based real TWIs of UAH, history of last 12-month period**



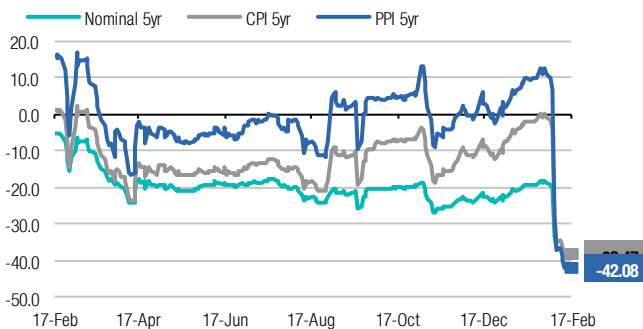
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**Chart 16. Nominal, CPI- and PPI-based TWIs of UAH, history of last 5-year period**

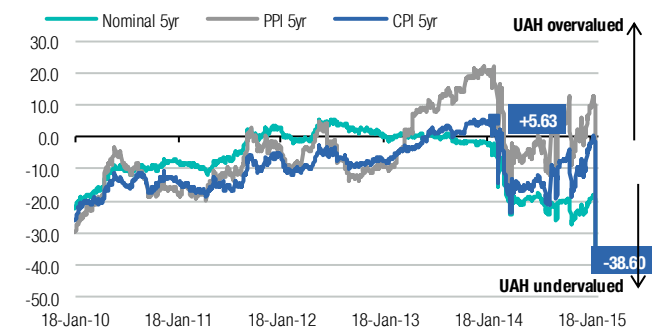


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**Chart 17. Deviation of UAH trade-weighted indices from their 5-year moving averages: last 12-month and 5-year periods (% , left and right respectively)**

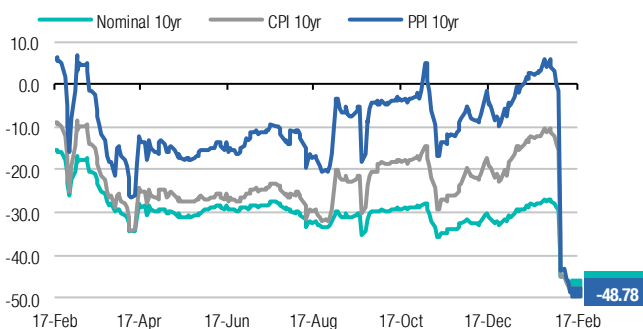


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

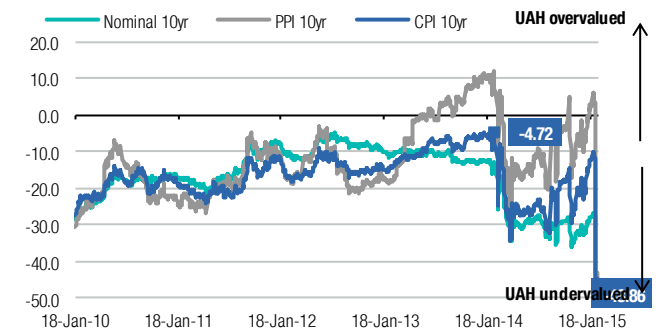


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**Chart 18. 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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