



Focus  
**Ukraine**

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

Research team  
**Alexander Valchyshen**  
**Taras Kotovych**

# Daily Insight

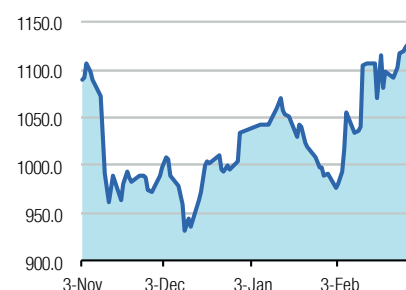
## MPs adopt laws required by the IMF

### Contents

<b>Economics: News &amp; Comments</b>	<b>2</b>
Politics: MPs adopt laws required by the IMF .....	2
<b>Bonds: News &amp; Comments</b>	<b>3</b>
MoF will offer only one local currency bond.....	3
Liquidity up due to inflows .....	3
Chart page: Local bond market & Eurobond markets.....	4
<b>FX: News &amp; Comments</b>	<b>7</b>
Chart page #1: Foreign-exchange market.....	8
Chart page #2: ICU's UAH trade-weighted indices.....	9

**TUESDAY, 3 MARCH 2015**

### UX Index (3 months to 3 Mar 2015)



Source: UX.

### Key market indicators (as of 2 Mar 2015)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	26.5000	-2.75	+67.51
USD/UAH (1Y NDF)	29.9500	-2.95	+62.33
EUR/USD	1.1184	-0.11	-7.55
USD/RUB	62.5361	+1.27	+2.96
KievPRIME O/N (%)	19.25	+45bp	+35bp
KievPRIME 1M (%)	22.75	-5bp	+285bp

### SOVEREIGN EUROBONDS: yields and spreads

Ukraine 15, Eurobond (%)	195.33	+129bp	+13,356bp
Ukraine 17, Eurobond (%)	54.73	+5bp	+2,698bp
Ukraine 22, Eurobond (%)	24.74	+0bp	+849bp
Ukraine 23, Eurobond (%)	23.55	+0bp	+798bp
Ukraine 5Y CDS	4,195bp	-327bp	+1,996bp

### EQUITIES

<b>Stock market indices</b>			
UX (Ukraine)	1,135.93	+0.98	+9.93
MSCI World	433.21	+0.17	+3.86
MSCI EM	988.26	-0.20	+3.34
RTS (Russia)	903.56	+0.77	+14.79
WIG-20 (Poland)	2,358.25	-0.37	+1.83
S&P 500 (USA)	2,117.39	+0.61	+2.84

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

### Politics: MPs adopt laws required by the IMF

Parliament worked late hours yesterday to adopt a number of laws required to obtain IMF funding later this month. These included legislation on Naftogas, the state pension fund, and the state budget. As a result, the state budget approved UAH563bn in expenditures, which corresponds to 29.6% of the expected GDP. In 2014, expenditures were UAH430bn or 27.7% of GDP. In our view, the state budget is forecast to have a UAH140bn deficit instead of a government-projected deficit of UAH76bn as expenditures increased by 31% from the previous year, according to the government and statistical data. The budget, as approved by the IMF, now appears ready to be cleared from all bureaucratic impediments. Later this month, the IMF is expected to assess and approve the program at its headquarters in Washington. Ukraine's authorities should get the first tranche of about US\$5bn this month.

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

# Bonds: News & Comments

## MoF will offer only one local currency bond

At the debut auction in March, the MoF will offer only one 2-year local currency bond maturing on 1 February 2017. This bond was sold a few times earlier at low volumes with a 16.70% interest rate.

**Investment implications:** The MoF is scheduled to repay UAH1.63bn in local currency tomorrow but most likely will not utilize domestic QE to refinance these repayments. We expect little to no demand for this bond today. With UAH14.62bn in the treasury accounts, the MoF needs no refinancing currently but could increase borrowings in the second half of the month.

Taras Kotovych, Kiev, +38044 2200120 ext.724

## Liquidity up due to inflows

The NBU increased ON loans from UAH0.35bn to UAH1.50bn last Friday, causing an increase in broader banking sector liquidity of UAH1.56bn to UAH49.34bn yesterday. Banks' correspondent accounts with the NBU rose a mere UAH0.17bn to UAH27.47bn while total CDs outstanding rose UAH1.40bn to UAH18.12bn. Local currency debt repayments scheduled for the next 30 days remained steady at UAH3.75bn.

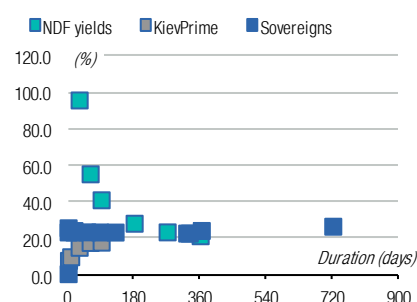
KyivPrime interest rates slightly diverged: the KyivPrime ON interest rate rose 45bp to 19.25% while the KyivPrime 1M interest rate slid 5bp to 22.75%.

**Investment implications:** While the NBU slightly supported eight banks via ON loans last Friday, 24 banks increased their portfolios of ON CDs to UAH10.63bn, causing an increase in total CDs outstanding by UAH1.40bn, a bit more than the NBU issued in additional ON loans. This week, we could see a slight recovery in liquidity after month-end tax payments, but this recovery depends on the NBU regulations and its support to banks.

Taras Kotovych, Kiev, +38044 2200120 ext.724

## Yield curve of the local bond market

(as of market close on 2 Mar 2015)



Sources: Bloomberg, Investment Capital Ukraine LLC.

## Bond market indicators (as of 2 Mar 2015)

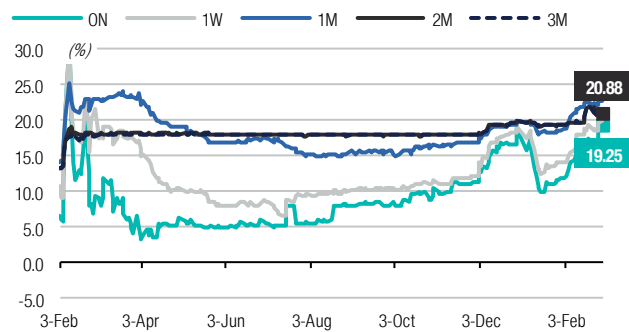
	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
O/n	19.25	+45bp	+225bp	+35bp	+35bp
1wk	20.00	+40bp	+133bp	+100bp	+100bp
1m	22.75	-5bp	+75bp	+285bp	+285bp
2m	20.88	-62bp	-29bp	+88bp	+88bp
3m	20.88	-62bp	-29bp	+88bp	+88bp
<b>LIQUIDITY WIDE MEASUREMENT (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	338,391	-0.06	+0.50	+6.37	+6.37
Banks	126,159	-4.87	-2.04	+35.02	+35.02
Resid's <sup>4</sup>	29,805	-0.95	+3.58	+21.41	+21.41
Non-res <sup>5</sup>	31,837	-6.45	-1.15	+47.78	+47.78
<b>Total</b>	<b>526,192</b>	<b>-1.71</b>	<b>-0.05</b>	<b>+14.98</b>	<b>+14.98</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	N/A	N/A	N/A	N/A	N/A
6m	N/A	N/A	N/A	N/A	N/A
9m	N/A	N/A	N/A	N/A	N/A
1yr	N/A	N/A	N/A	N/A	N/A
<b>LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)</b>					
Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	N/A	+320bp	+0bp	+0bp	+0bp
Aug '15 <sup>6</sup>	N/A	-24ppt	+0bp	-24ppt	-24ppt
<b>EUROBONDS USD SOVEREIGN BOND YIELDS (%)</b>					
CDS 5yr	4,195	-327bp	-85bp	+20bp	+20bp
Jun '16	86.42	+19bp	+18bp	+50bp	+50bp
Jul '17	54.73	+5bp	+727bp	+27bp	+27bp
Sep '20	29.50	+1bp	-96bp	+11bp	+11bp
Sep '21	28.39	+1bp	+192bp	+986bp	+986bp
Sep '22	24.74	+0bp	+146bp	+849bp	+849bp
Feb '23	23.55	+0bp	+103bp	+798bp	+798bp

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.

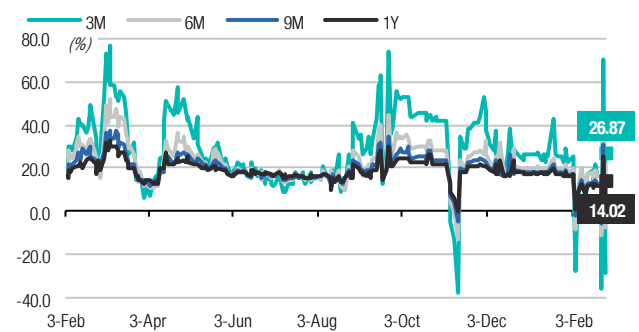
## Chart page: Local bond market &amp; Eurobond markets

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



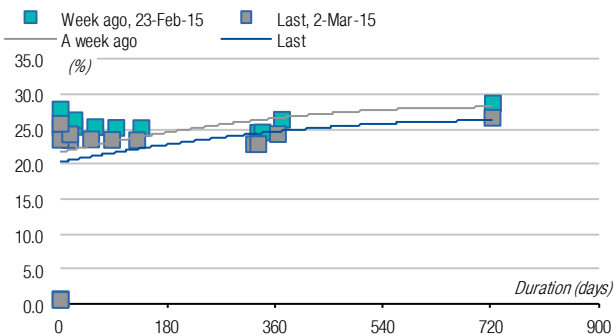
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



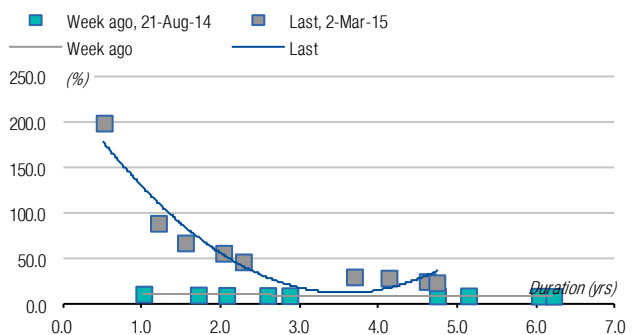
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 2 Mar 2015



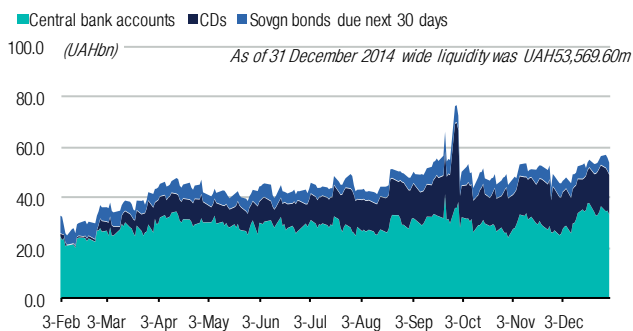
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 2 Mar 2015



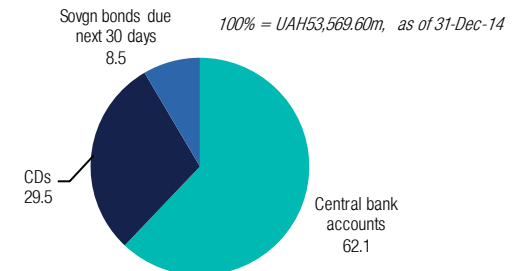
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



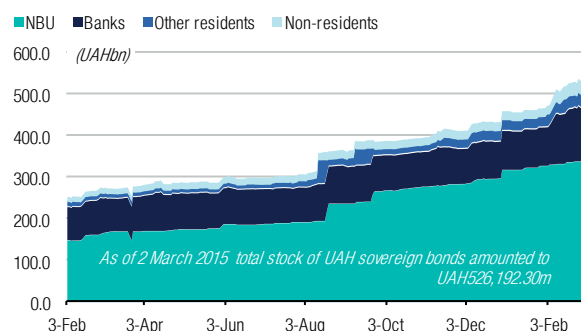
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 2 Mar 2015



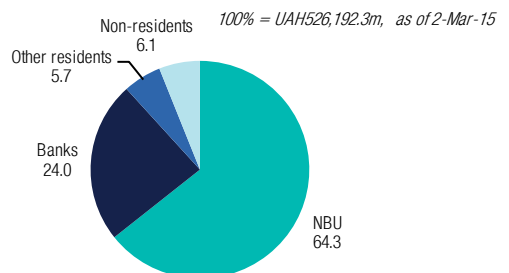
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 2 Mar 2015



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

Table 1. Ukrainian stocks (closing prices as of 2-Mar-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	9.63 GBp	+0.0	-7.2	-3.8	-1.3	0.15	34.2	-13.3	40.2	13.8	0.1	9.4	0.04	2,583	Neg.	N/A	N/A	2.0	N/A	N/A	Neg.	N/A	N/A	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	8.16 UAH	+2.0	+19.1	+8.1	+66.1	0.31	113.3	106.2	21.7	24.6	35.7	33.5	0.15	670	6.2	6.2	Neg.	0.1	3.1	Neg.	0.4	0.2	0.3	1.2	16.3
Coal Energy	CLE PW	Warsaw	0.66 PLN	+0.0	+0.0	+6.5	-53.5	0.18	8.0	108.4	25.0	2.0	6.0	8.3	0.54	184	Neg.	N/A	N/A	4.8	N/A	N/A	0.9	N/A	N/A	0.1	39.8
Donbasenerg	DOEN UK	Kiev, UX	30.11 UAH	+0.7	-0.5	-8.8	-15.4	1.13	26.8	56.6	14.2	3.8	1.3	5.1	0.12	853	1.3	0.9	5.4	0.1	1.2	2.5	0.3	0.2	0.4	1.1	25.1
JKX Oil & Gas	JKX LN	London	35.50 GBp	-1.7	+149.1	+195.8	-36.0	0.55	94.1	99.2	47.2	44.4	458.4	441.8	1.14	88	14.5	235.2	Neg.	1.5	2.0	2.0	0.5	0.6	0.7	0.2	5.5
Regal Petroleum	RPT LN	London	4.57 GBp	+0.0	+10.8	+46.2	-57.0	0.07	22.6	-7.6	80.9	18.2	1.2	3.7	0.01	19,194	Neg.	11.3	N/A	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	0.2	0.0
Sadova Group	SGR PW	Warsaw	0.49 PLN	+2.1	-38.0	-38.0	-32.9	0.13	5.7	45.6	25.0	1.4	11.4	1.4	0.22	451	Neg.	N/A	N/A	Neg.	N/A	N/A	22.2	N/A	N/A	0.4	54.9
Zakhidenerg	ZAEN UK	Kiev, PFTS	156.90 UAH	+0.0	-4.4	+5.9	+29.2	5.90	75.4	82.6	5.0	3.8	0.0	0.5	0.00	100,897	3.5	N/A	N/A	0.5	N/A	N/A	0.2	N/A	N/A	1.4	0.0
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.02 UAH	+1.3	+26.2	+5.5	-60.3	0.00	14.8	1,091.7	3.9	0.6	0.4	0.9	0.09	1,114	Neg.	Neg.	N/A	Neg.	Neg.	N/A	2.0	1.1	N/A	N/A	85.7
Avdiivskyi Cok...	AVDK UK	Kiev, UX	1.52 UAH	-0.3	+30.2	-12.1	-47.9	0.06	11.1	-12.4	4.0	0.4	0.4	2.3	0.34	294	Neg.	Neg.	N/A	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1
Azovstal	AZST UK	Kiev, UX	0.84 UAH	-0.6	+19.1	+13.2	+24.0	0.03	133.2	112.3	4.1	5.5	13.7	5.8	0.10	1,018	Neg.	Neg.	N/A	Neg.	5.4	N/A	0.1	0.1	N/A	0.3	0.0
Ferrexpo PLC	FXPO LN	London	65.50 GBp	+0.0	+26.6	+23.6	-52.4	1.01	593.5	1,245.0	22.4	132.9	539.6	1,062.7	0.78	128	2.3	2.5	8.7	2.5	2.8	4.8	0.8	0.9	1.1	0.5	35.1
Yasynivskyi Cok...	YASK UK	Kiev, UX	0.38 UAH	+8.0	+57.1	+34.6	-37.9	0.01	3.9	4.3	9.0	0.3	0.4	0.6	0.03	2,958	Neg.	0.7	0.4	0.0	0.4	N/A	0.0	0.0	0.0	0.1	0.0
Yenakievo Steel	ENMZ UK	Kiev, UX	18.40 UAH	-0.3	+5.1	-12.2	-46.2	0.69	7.3	2.3	9.4	0.7	3.7	2.4	0.29	349	Neg.	Neg.	N/A	0.4	0.1	N/A	0.0	0.0	N/A	0.9	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	0.61 EUR	+60.5	+90.6	+41.9	-48.3	0.68	63.2	111.6	34.0	21.5	1,360.2	55.6	0.41	244	Neg.	N/A	N/A	Neg.	N/A	N/A	1.9	N/A	N/A	1.3	35.9
Agroliga	AGL PW	Warsaw	9.29 PLN	+3.7	-1.0	+3.2	-55.8	2.50	3.9	4.6	16.7	0.6	3.0	3.3	0.49	205	1.1	N/A	N/A	1.3	N/A	N/A	0.3	N/A	N/A	0.4	5.7
Agroton	AGT PW	Warsaw	1.31 PLN	-0.8	+2.3	+6.5	-68.9	0.35	7.7	52.9	26.2	2.0	10.3	34.6	2.43	41	Neg.	N/A	N/A	19.8	17.6	N/A	0.7	0.6	N/A	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	25.00 PLN	+0.8	+4.2	+25.0	-46.8	6.74	168.5	408.3	31.0	52.3	32.8	80.9	0.19	525	5.8	Neg.	Neg.	5.4	3.5	6.2	1.0	0.9	1.1	0.6	38.2
Avangard	AVGR LI	London Intl	2.88 USD	+0.0	+37.1	+40.5	-65.7	2.88	184.0	395.2	21.7	39.9	0.0	69.0	0.21	482	0.8	4.0	1.5	1.3	2.7	2.2	0.6	0.8	0.8	0.2	17.8
IMC	IMC PW	Warsaw	5.95 PLN	-0.2	-0.8	+4.9	-25.6	1.60	50.2	189.4	23.9	12.0	5.9	5.8	0.04	2,240	1.9	Neg.	6.2	3.5	3.7	3.8	1.7	1.2	1.1	0.3	38.7
Kernel Holding...	KER PW	Warsaw	31.82 PLN	-0.6	+6.1	+11.8	+24.8	8.58	683.6	1,411.0	58.8	401.8	1,150.4	1,147.7	0.32	314	Neg.	4.7	4.5	6.3	4.2	4.2	0.6	0.6	0.6	0.7	39.1
KSG Agro	KSG PW	Warsaw	1.08 PLN	+0.0	+1.9	-3.6	-82.5	0.29	4.4	91.3	34.4	1.5	3.9	15.8	1.41	71	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	9.45 USD	+2.2	+3.3	+2.7	-28.9	9.45	998.6	2,129.0	22.3	222.9	10.4	437.0	0.18	567	6.4	80.7	3.5	5.4	4.1	4.2	1.4	1.5	1.5	2.0	47.0
Milkiland	MLK PW	Warsaw	3.13 PLN	+6.5	+41.6	+111.5	-63.2	0.84	26.4	139.1	20.0	5.3	88.3	49.5	1.24	80	2.2	Neg.	Neg.	4.2	4.5	4.7	0.4	0.4	0.6	0.1	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	0.36 EUR	+0.0	-30.4	-35.2	-91.1	0.41	43.4	771.1	20.0	8.7	0.0	0.6	0.02	6,609	0.5	0.5	0.2	4.7	2.8	2.6	1.5	1.8	1.8	0.1	45.3
Ovostar Union	OVO PW	Warsaw	68.00 PLN	-2.9	-4.2	-5.6	+14.5	18.33	110.0	119.6	25.0	27.5	3.4	37.0	0.24	416	3.6	4.4	5.9	3.2	3.8	4.4	1.3	1.5	1.4	0.8	8.5
CONSTRUCTION																											
TMM	TR61 GF	Frankfurt	0.11 EUR	+0.0	+52.8	+37.5	-63.3	0.12	6.4	133.5	13.1	0.8	0.0	0.1	0.01	15,775	Neg.	N/A	N/A	Neg.	N/A	N/A	3.9	N/A	N/A	0.1	45.5
FINANCIAL SERVICES																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.11 UAH	+2.4	+23.3	+12.5	-21.7	0.00	121.7	N/A	3.8	4.6	25.3	10.2	0.21	482	3.2	Neg.	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	0.6	22.4
Ukrsotsbank	USCB UK	Kiev, UX	0.11 UAH	+0.0	+9.5	-15.5	-37.9	0.00	102.0	N/A	4.5	4.6	0.0	0.4	0.01	7,823	Neg.	9.5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.2	28.2

Table 1. Ukrainian stocks (closing prices as of 2-Mar-2015)

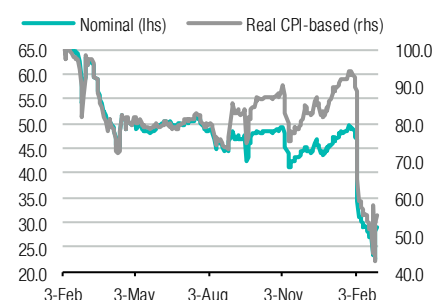
Company	Bloomberg Ticker	Listing	Share price performance (% change)					Valuation (US\$)			Free float (FF) & Liquidity						P/E			EV/EBITDA			EV/Sales			Ratios	
			Last price	Daily	MoM	YTD	YoY	Last price	Market cap (m)	EV (m)	FF (%)	FF mkt cap (US\$m)	FF Last day turnover (US\$ 000)	FF 3M avg. turnover (US\$ 000)	FF share traded (%)	FF turnover (days)	2014	2015E	2016E	2014	2015E	2016E	2014	2015E	2016E	P/B (x)	Debt/ Assets (%)

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 3 Mar 2015)



Source: Investment Capital Ukraine LLC.

## FX market indicators (as of 2 Mar 2015)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET</b> (HRYVNIA per US DOLLAR)					
Spot mkt	26.5000	-2.75	-5.36	+67.53	+67.51
NBU avg	26.8581	-3.26	-5.26	+70.33	+70.33
Ttl vlm <sup>1</sup>	141.92	-28.73	-59.25	-67.06	-67.06
\$ volume <sup>2</sup>	102.63	-32.83	-63.48	-71.03	-71.03
NDF 3M	28.1500	-3.13	-3.43	+67.06	+67.06
NDF 6M	29.2500	-3.02	-3.31	+68.10	+68.10
NDF 1Y	29.9500	-2.95	-3.23	+62.33	+62.33
<b>TRADE-WEIGHTED INDICES</b> (TWIs, points)					
UAH nom'l	28.941	+3.36	+5.63	-36.32	-36.72
UAH real CPI	55.103	+3.36	+5.63	-36.32	-35.51
UAH real PPI	77.790	+3.36	+5.63	-36.32	-36.72
USD nom'l	95.462	+0.18	+0.94	+4.81	+5.75
<b>FX RATES OF KEY CURRENCIES</b> THAT SHAPE UAH's TWIs					
USD/RUB	62.5361	+1.27	-1.83	+6.44	+2.96
EUR/USD	1.1184	-0.11	-1.33	-6.82	-7.55
USD/CNY	6.2729	+0.06	+0.26	+1.05	+1.09
USD/PLN	3.7180	+0.35	+0.81	+3.68	+4.92
USD/TRY	2.5172	+0.36	+1.71	+7.34	+7.80
USD/BYR	14,950.00	+1.01	+0.34	+35.91	+35.91
USD/KZT	185.0600	-0.01	+0.01	+1.40	+1.49
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	120.1300	+0.42	+1.11	-0.31	+0.29
GBP/USD	1.5366	-0.47	-0.59	+0.25	-1.35
USD/CHF	0.9585	+0.44	+0.92	-4.31	-3.60
AUD/USD	0.7766	-0.54	-0.46	-3.99	-5.00
USD/CAD	1.2535	+0.16	-0.29	+6.36	+7.87
USD/BRL	2.8954	+1.91	+0.58	+7.47	+8.95
USD/KRW	1,100.77	+0.25	-0.72	-0.24	+0.90
<b>COMMODITIES</b>					
Gold(\$/oz)	1,206.83	-0.53	+0.43	+1.48	+1.85
WTI crude <sup>3</sup>	49.59	-0.34	+2.14	-5.88	-6.91
Brent crd <sup>3</sup>	60.87	-1.52	+3.93	+9.30	+9.16
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	221.98	-0.94	+0.01	-2.82	-3.47

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>).

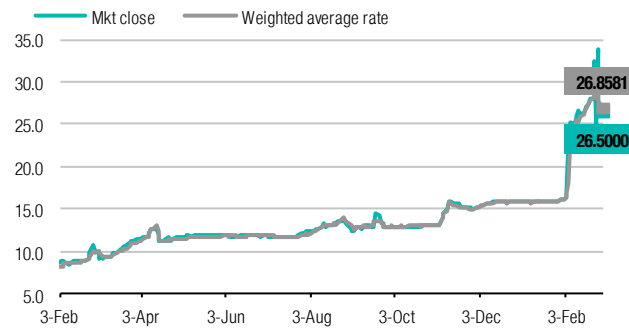
Section on FX market is continued on next page.

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.

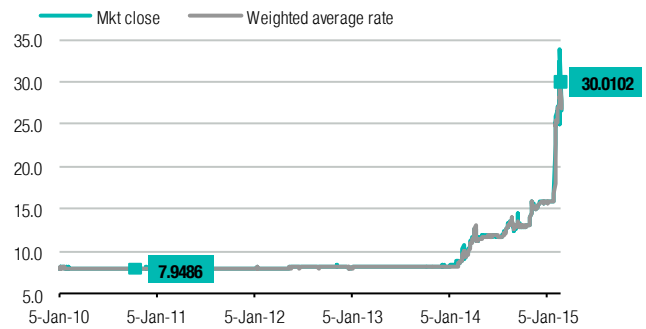
Sources: Bloomberg, Investment Capital Ukraine LLC.

## 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)**

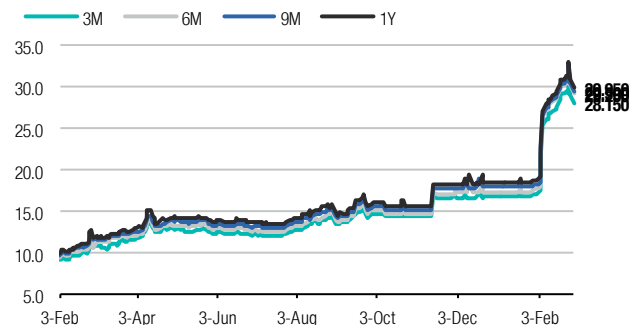


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

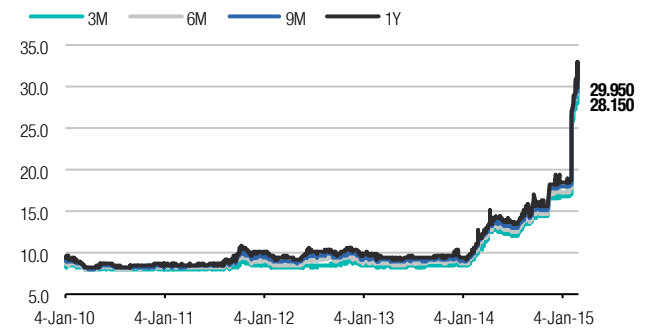


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

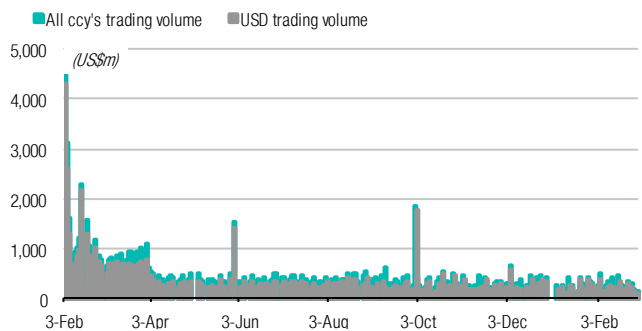


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

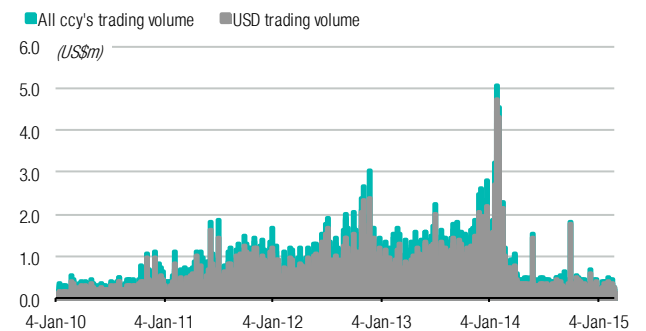


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

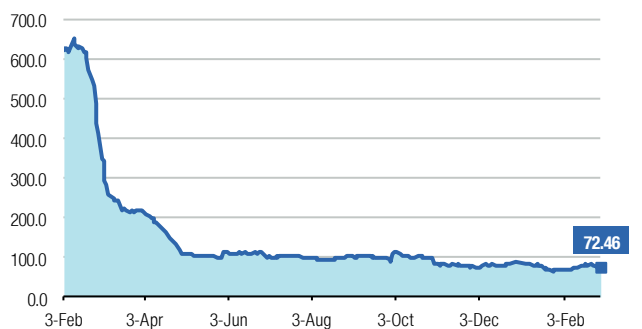


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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.

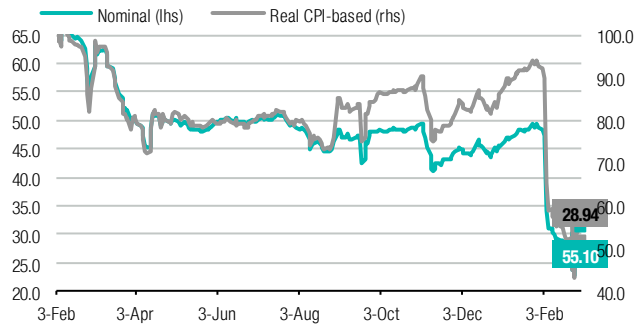




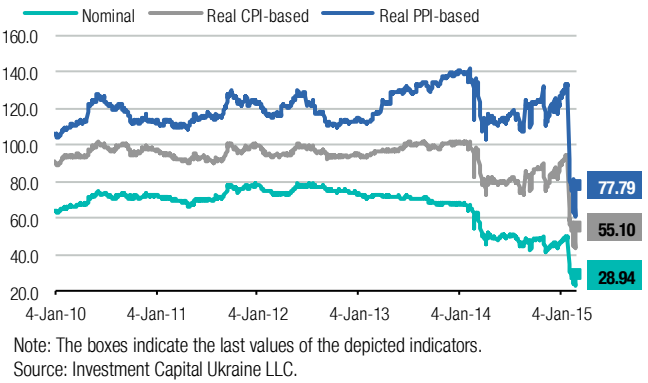
## Chart page #2: ICU's UAH trade-weighted indices

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.

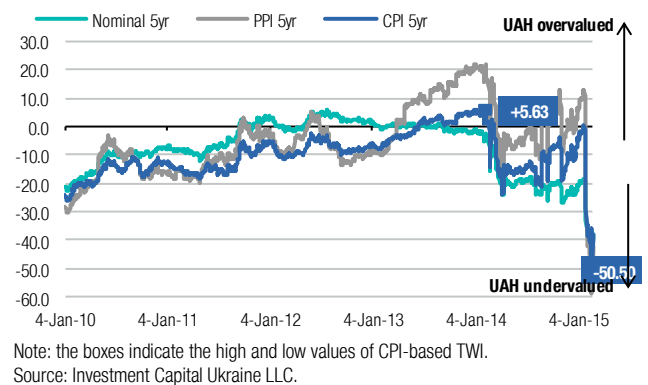
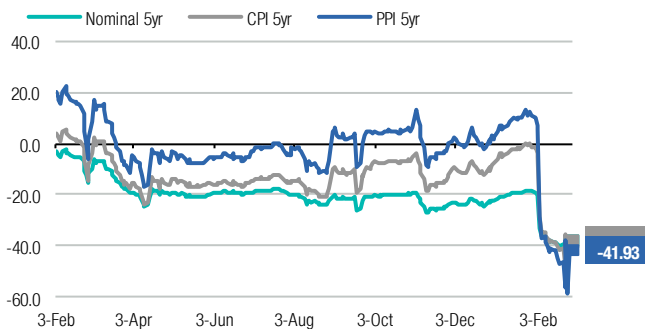
**Chart 13. Nominal and CPI-based real TWIs of UAH, history of last 12-month period**



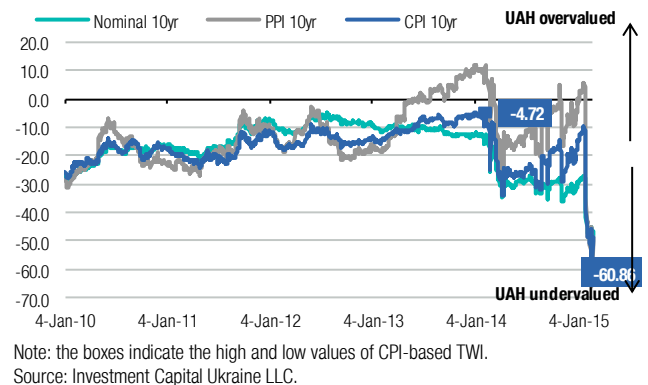
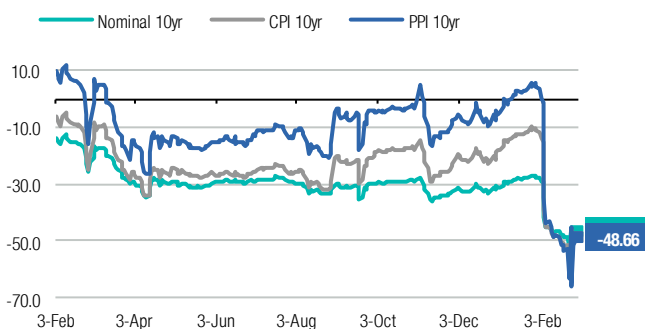
**Chart 14. Nominal, CPI- and PPI-based TWIs of UAH, history of last 5-year period**



**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)**



**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)**



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.**