



Focus  
**Ukraine**

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

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# Daily Insight

## No refinancing of debt repayments

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MONDAY, 27 APRIL 2015

### UX Index (3 months to 27 Apr 2015)



Source: UX.

### Key market indicators (as of 24 Apr 2015)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	22.9500	+2.00	+45.07
USD/UAH (1Y NDF)	27.6000	+1.85	+49.59
EUR/USD	1.0873	+0.45	-10.13
USD/RUB	50.8745	+0.12	-16.24
KievPRIME O/N (%)	21.67	-13bp	+277bp
KievPRIME 1M (%)	27.83	+13bp	+793bp
<b>SOVEREIGN EUROBONDS: yields and spreads</b>			
Ukraine 15, Eurobond (%)	258.57	+158bp	+19,680bp
Ukraine 17, Eurobond (%)	56.76	+6bp	+2,900bp
Ukraine 22, Eurobond (%)	24.56	+0bp	+831bp
Ukraine 23, Eurobond (%)	22.69	+0bp	+712bp
Ukraine 5Y CDS	3,379bp	-66bp	+1,180bp
<b>EQUITIES</b>			
<b>Stock market indices</b>			
UX (Ukraine)	1,065.38	+2.79	+3.10
MSCI World	441.57	+0.45	+5.86
MSCI EM	1,060.50	+0.63	+10.90
RTS (Russia)	1,037.52	+0.88	+31.81
WIG-20 (Poland)	2,519.20	-0.14	+8.78
S&P 500 (USA)	2,117.69	+0.23	+2.86

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.

# Bonds: News & Comments

## No refinancing of debt repayments

The MoF has sold only a small portion of military bonds but made significant debt repayments since mid-March. UAH28.72bn in principal and interest repayments, including this week's repayments, was scheduled in April, included US\$0.34bn in domestic FX-denominated bond redemptions. These repayments were all fulfilled with no new borrowings, except for funds from the debut tranche from the IMF.

The debut tranche of the new EFF program from the IMF and significantly increased the NBU's key interest rate, putting the IMF into a difficult situation. Obligated to repay debt, including large repayments in FX (about US\$1.5bn during March and April) without FX proceeds, the MoF is unable to attract new domestic financing as lack of domestic QE support caused the cost of new borrowings to rise significantly.

**Investment implications: The MoF must tap the newly received EFF funds to fulfil FX debt repayments, while it utilizes budget revenues to repay local currency repayments. At the beginning of the month, the MoF had 26.67bn in its treasury accounts, the highest level since the end of 2005. During April, the MoF is expected to repay UAH16.58bn in local currency using budget revenues. Current money market and domestic bond market interest rates are unattractive to the MoF, and the IMF terms have banned the further use of domestic QE. Because of this, we foresee no new domestic borrowings through the end of the month and during May, while the MoF is able to issue US-backed bonds very soon (see our Daily from last Friday).**

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## NBU absorbs extra liquidity

With UAH9.86bn in CD redemptions last Thursday, banks could receive extra liquidity for month-end tax payments conclude. But as the NBU sold UAH11.94bn of new CDs last Thursday, including UAH3.54bn with maturities ranging from seven to 29 days, total CDs outstanding rose UAH2.10bn to UAH26.82bn. After UAH1.22bn of funds was absorbed, banks' correspondent accounts with the NBU declined to UAH25.06bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH9.49bn, and broader banking sector liquidity rose UAH0.88bn to UAH61.37bn.

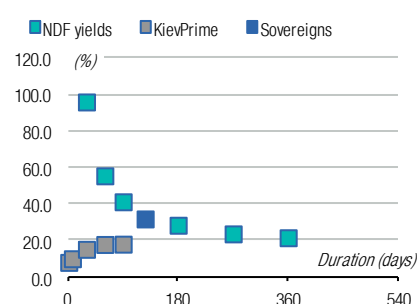
KyivPrime interest rates slightly diverged: the KyivPrime ON interest rate slid 13bp to 21.67% while the KyivPrime 1M interest rate rose by the same 13bp to 27.83%.

**Investment implications: Last Friday's increase in the indicators should be short-lived as the NBU could sell a fewer CDs than it must repay. Month-end tax payments will continue to be the main reason that liquidity declines this week.**

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## Yield curve of the local bond market

(as of market close on 24 Apr 2015)



Sources: Bloomberg, Investment Capital Ukraine LLC.

## Bond market indicators (as of 24 Apr 2015)

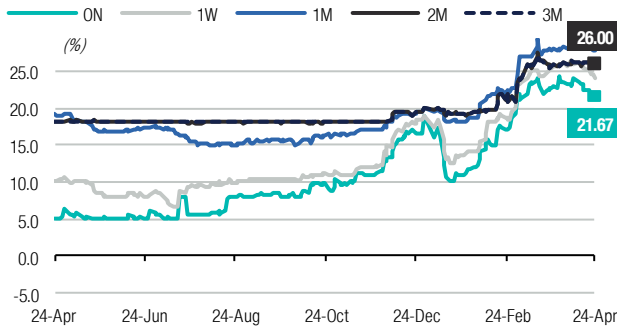
	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
O/n	21.67	-13bp	-83bp	-73bp	+277bp
1wk	24.00	-45bp	-125bp	-110bp	+500bp
1m	27.83	+13bp	-55bp	-7bp	+793bp
2m	26.00	+0bp	-25bp	+0bp	+600bp
3m	26.00	+0bp	-25bp	+0bp	+600bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	25,063	-4.65	-9.59	-21.22	-24.63
CDs <sup>2</sup>	26,822	+8.51	+26.94	+33.74	+69.91
Sovgns <sup>3</sup>	4,974	-47.90	-49.02	-57.51	+9.76
<b>Total</b>	<b>56,859</b>	<b>-6.10</b>	<b>-2.98</b>	<b>-10.56</b>	<b>+6.14</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	342,557	+0.00	+0.62	+0.01	+7.68
Banks	95,498	-0.02	-3.11	-9.20	+2.21
Resid's <sup>4</sup>	27,890	+0.00	-8.78	+18.26	+13.60
Non-res <sup>5</sup>	25,685	-0.04	+1.84	-4.51	+19.23
<b>Total</b>	<b>491,629</b>	<b>-0.01</b>	<b>-0.64</b>	<b>-1.31</b>	<b>+7.42</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	35.21	+19bp	+178bp	+552bp	+886bp
6m	30.47	-16bp	-80bp	+378bp	+10bp
9m	24.66	-19bp	-348bp	+373bp	+646bp
1yr	21.11	-18bp	-280bp	+284bp	+375bp
<b>LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)</b>					
Mar '13	N/A	N/A	N/A	N/A	N/A
Jan '14	N/A	N/A	N/A	N/A	N/A
Aug '15 <sup>6</sup>	N/A	N/A	N/A	N/A	N/A
<b>EUROBONDS USD SOVEREIGN BOND YIELDS (%)</b>					
CDS 5yr	3,379	-66bp	-466bp	-16ppt	+12bp
Jun '16	99.02	+26bp	+403bp	-742bp	+62bp
Jul '17	56.76	+6bp	+166bp	-73bp	+29bp
Sep '20	29.22	+1bp	+51bp	-48bp	+10bp
Sep '21	28.26	+1bp	+67bp	-231bp	+973bp
Sep '22	24.56	+0bp	+88bp	-230bp	+831bp
Feb '23	22.69	+0bp	+20bp	-209bp	+712bp

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.

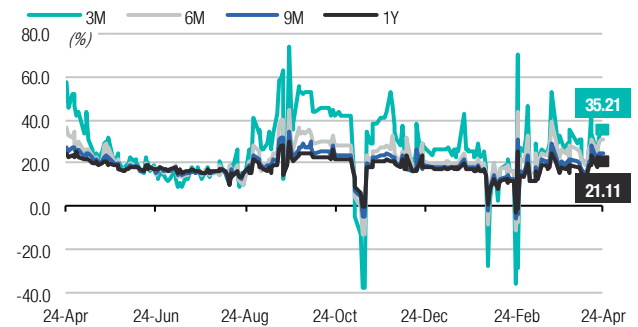
Chart page: Local bond market & Eurobond markets

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



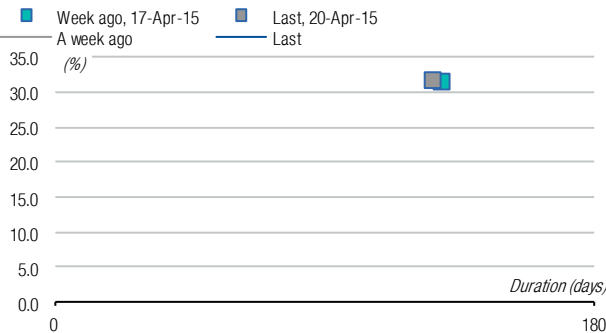
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



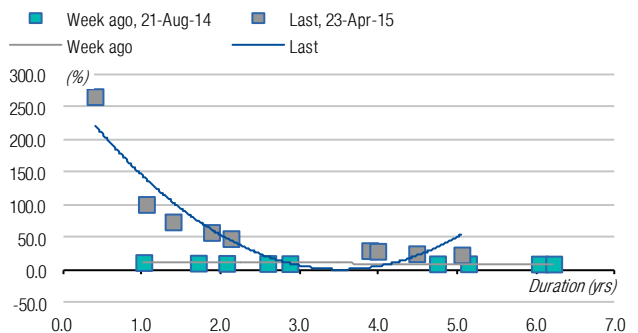
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 24 Apr 2015



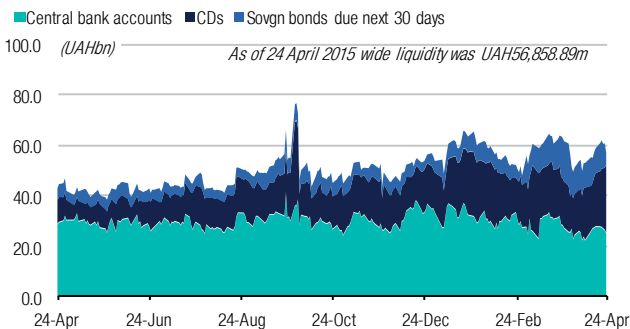
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 24 Apr 2015



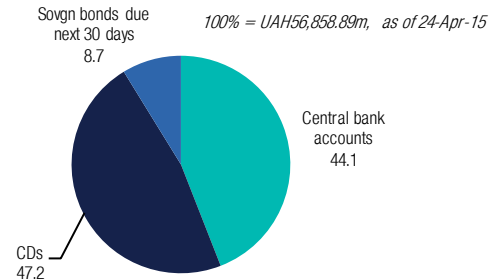
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



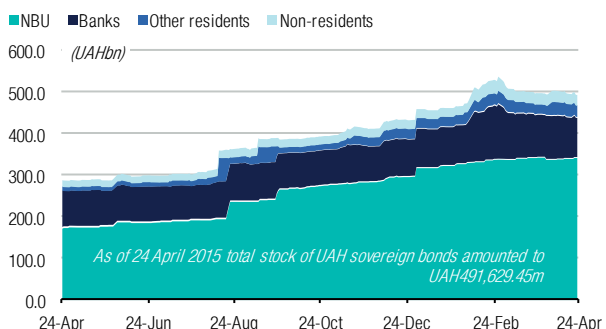
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 24 Apr 2015



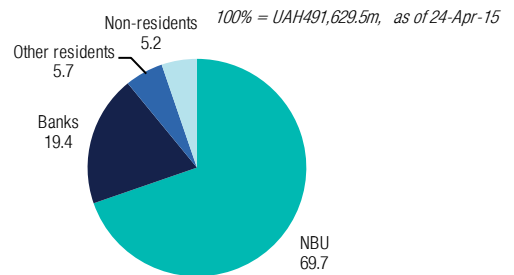
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 24 Apr 2015



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

Table 1. Ukrainian stocks (closing prices as of 24-Apr-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	8.50 GBp	+0.0	-1.4	-15.0	-6.8	0.13	29.8	-17.8	40.2	12.0	0.0	8.4	0.08	1,191	Neg.	N/A	N/A	2.6	N/A	N/A	Neg.	N/A	N/A	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	8.32 UAH	+2.5	+6.6	+10.2	+34.8	0.37	135.4	127.1	21.7	29.4	72.3	33.9	0.06	1,557	6.3	63.3	Neg.	0.2	6.9	Neg.	0.4	0.2	0.3	1.2	16.3
Coal Energy	CLE PW	Warsaw	0.63 PLN	+1.6	+0.0	+1.6	-51.9	0.17	7.6	84.6	25.0	1.9	2.6	5.0	0.09	1,124	Neg.	N/A	N/A	11.6	N/A	N/A	0.8	N/A	N/A	0.3	56.9
Donbasenergo	DOEN UK	Kiev, UX	22.80 UAH	+1.3	+1.0	-30.9	-49.4	1.01	23.8	58.8	14.2	3.4	20.8	5.9	0.18	553	N/A	Neg.	N/A	0.1	17.5	N/A	N/A	0.3	N/A	0.8	25.1
JJK Oil & Gas	JJK LN	London	29.50 GBp	+0.0	-8.5	+145.8	-47.8	0.45	77.1	87.9	47.2	36.4	44.2	377.3	0.13	780	Neg.	Neg.	Neg.	Neg.	1.5	N/A	0.7	0.6	1.1	0.3	9.9
Regal Petroleum	RPT LN	London	4.75 GBp	-0.1	+11.6	+51.8	-47.2	0.07	23.1	-7.0	80.9	18.7	0.0	1.9	0.00	21,397	Neg.	11.6	7.7	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	0.2	0.0
Sadova Group	SGR PW	Warsaw	0.29 PLN	+0.0	+70.6	-63.3	-64.2	0.08	3.4	43.3	25.0	0.8	3.9	4.6	1.24	81	Neg.	N/A	N/A	Neg.	N/A	N/A	21.1	N/A	N/A	0.2	54.9
Zakhidenergo	ZAEN UK	Kiev, PFTS	150.00 UAH	+0.0	-9.1	+1.3	+15.4	6.61	84.6	93.0	5.0	4.2	0.0	1.0	0.02	6,253	Neg.	N/A	N/A	0.6	N/A	N/A	0.2	N/A	N/A	1.3	9.7
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.02 UAH	+9.4	+23.9	+4.1	-54.0	0.00	17.2	1,279.8	3.9	0.7	2.5	0.7	0.14	699	Neg.	Neg.	N/A	Neg.	Neg.	N/A	1.9	4.4	N/A	N/A	85.7
Avdiyivsky Cok...	AVDK UK	Kiev, UX	1.40 UAH	+1.4	+4.3	-19.2	-55.6	0.06	12.0	-15.6	4.0	0.5	4.1	1.4	0.33	299	Neg.	Neg.	Neg.	0.3	0.3	Neg.	Neg.	Neg.	0.1	0.1	
Azovstal	AZST UK	Kiev, UX	0.86 UAH	+4.2	+15.5	+15.3	+24.0	0.04	159.2	134.6	4.1	6.5	16.9	7.7	0.08	1,180	3.9	3.1	N/A	Neg.	1.3	N/A	0.1	0.1	N/A	0.3	0.0
Ferrexpo PLC	FXPO LN	London	71.75 GBp	+6.7	+16.2	+46.7	-48.4	1.09	641.3	1,327.7	22.4	143.7	932.9	1,189.7	0.62	161	3.6	9.9	10.3	3.2	5.5	5.8	1.0	1.2	1.2	0.9	61.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.30 UAH	+0.0	-20.4	+7.1	-60.0	0.01	3.6	4.1	9.0	0.3	0.0	0.1	0.01	16,148	Neg.	Neg.	9.1	0.0	Neg.	Neg.	0.0	0.0	0.0	0.1	0.0
Yenakievo Steel	ENMZ UK	Kiev, UX	17.79 UAH	+5.0	-1.2	-15.1	-49.2	0.78	8.3	-6.8	9.4	0.8	3.3	1.8	0.12	837	Neg.	Neg.	N/A	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.8	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	0.47 EUR	+0.0	+2.2	+9.3	-55.7	0.51	47.2	94.3	34.0	16.1	7.9	52.1	0.09	1,062	Neg.	N/A	N/A	Neg.	N/A	N/A	1.6	N/A	N/A	1.0	35.9
Agroliga	AGL PW	Warsaw	8.50 PLN	-0.6	-5.6	-5.6	-51.4	2.29	3.5	4.3	16.7	0.6	0.0	1.7	0.21	471	1.0	N/A	N/A	1.2	N/A	N/A	0.2	N/A	N/A	0.3	5.7
Agroton	AGT PW	Warsaw	1.13 PLN	+0.0	-2.6	-8.1	-51.3	0.30	6.6	51.9	26.2	1.7	2.7	22.9	1.01	99	Neg.	N/A	N/A	19.4	17.3	N/A	0.6	0.6	N/A	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	24.15 PLN	+0.6	+7.4	+20.8	-39.3	6.51	162.8	395.6	31.0	50.5	48.7	119.5	0.49	205	Neg.	Neg.	3.5	5.2	4.0	4.4	1.0	1.0	1.0	0.6	38.2
Avangard	AVGR LI	London Intl	2.07 USD	+3.5	-37.2	+1.0	-77.0	2.07	132.2	385.5	21.7	28.7	67.2	41.1	0.18	550	Neg.	2.1	1.2	3.0	3.2	2.7	0.9	0.9	0.7	0.2	33.1
IMC	IMC PW	Warsaw	5.60 PLN	+0.0	+2.8	-1.2	-37.8	1.51	47.3	186.5	23.9	11.3	0.2	3.0	0.01	11,143	Neg.	5.8	1.5	3.4	3.7	3.2	1.3	1.1	0.9	0.3	38.7
Kernel Holding...	KER PW	Warsaw	36.18 PLN	-2.2	+3.4	+27.1	+24.8	9.75	777.2	1,505.0	58.8	456.8	296.2	1,524.8	0.15	650	Neg.	5.6	5.1	6.7	4.6	4.5	0.6	0.6	0.6	0.8	39.1
KSG Agro	KSG PW	Warsaw	0.82 PLN	-4.7	-11.8	-26.8	-82.7	0.22	3.3	85.0	34.4	1.1	5.4	8.5	0.49	203	Neg.	N/A	0.2	9.8	N/A	N/A	1.1	0.9	0.8	0.3	44.5
MHP	MHPC LI	London Intl	11.00 USD	+0.0	+18.3	+19.6	-6.0	11.00	1,162.3	2,292.8	22.3	259.4	52.4	781.5	0.20	500	7.5	166.8	4.7	5.9	4.4	4.5	1.5	1.6	1.7	2.3	47.0
Milkiland	MLK PW	Warsaw	2.83 PLN	+1.1	+23.6	+91.2	-58.1	0.76	23.8	133.3	20.0	4.8	30.1	56.3	0.70	142	2.0	Neg.	Neg.	4.0	4.1	4.4	0.4	0.4	0.5	0.1	30.8
Ovostar Union	OVO PW	Warsaw	75.00 PLN	+0.0	+7.9	+4.2	+8.7	20.22	121.3	130.7	25.0	30.3	1,431.9	97.0	0.74	134	4.8	5.9	6.4	4.5	5.0	4.3	1.7	1.6	1.3	1.5	9.4
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Frankfurt	0.03 EUR	+0.0	-60.0	-62.5	-81.0	0.03	1.7	128.8	13.1	0.2	17.2	0.4	0.55	181	Neg.	N/A	N/A	Neg.	N/A	N/A	3.8	N/A	N/A	0.0	45.5
<b>FINANCIAL SERVICES</b>																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.10 UAH	-0.7	+3.7	+1.9	-45.8	0.00	129.2	N/A	3.8	4.9	34.1	11.8	0.25	395	2.9	Neg.	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	0.5	22.4
Ukrsofsbank	USCB UK	Kiev, UX	0.11 UAH	+1.9	+3.2	-14.0	-24.9	0.00	121.8	N/A	4.5	5.5	1.6	0.4	0.01	18,274	Neg.	6.2	6.5	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

### Hryvnia slides versus the weak dollar

The hryvnia closed at 22.9500/USD, down 2.00% from the previous close, on US\$185.37m in trading volume. The ratio of daily FX volume to the average daily foreign trade turnover in goods (exports plus imports) was 61% last Friday, in line with the trailing 12-month tendency of this ratio to trade at a below-normal level of slightly above 100% (Chart 12). Hence, this ratio could exhibit evidence that some part of the economy has shifted away from the official regulatory regime.

Friday's slide of the hryvnia reflects the Russian ruble's weakness, albeit a relatively small decline of 0.12%. There have been several statements by second tier officials in Russia that the ruble's appreciation was over-extended and that they welcome some retreat from its current highs.

In the global FX market place, US statistical data brought further evidence that the US economy is losing growth momentum, in particular as US durable goods orders contracted further following declines in the orders seen over the prior several months. This propelled the euro to increase 0.45% to close the day at 1.0873. The US dollar index, a nominal trade-weighted index that tracks a basket of key developed nations' currencies, fell 0.37%, extending the general tendency of this index over the past few weeks to trade sideways.

The UAH's trade-weighted index declined 1.97% as a result of the hryvnia's nominal weakness to the US dollar's weakness, mostly versus the euro.

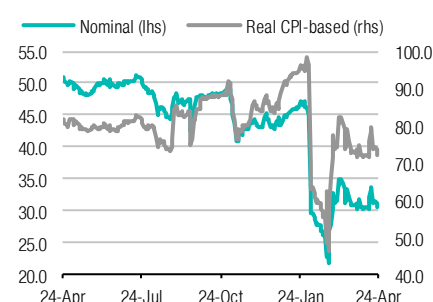
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Readers may follow the ICU trade-weighted indices of the local-currency, the hryvnia (UAH), on the ICU [website](#) and Bloomberg (type: ALLX UTWI <GO>).

**Section on FX market is continued on next page.**

### ICU's UAH trade-weighted indices

(Last 12-month history to 27 Apr 2015)



Source: Investment Capital Ukraine LLC.

### FX market indicators (as of 24 Apr 2015)

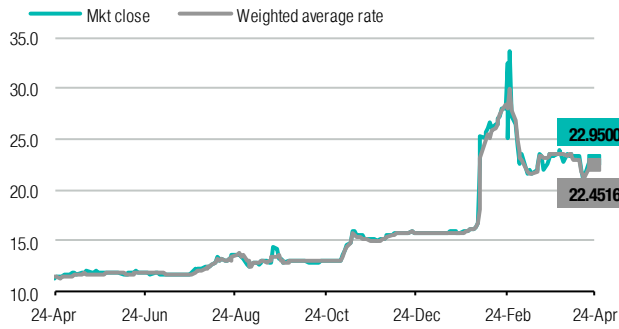
	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	22.9500	+2.00	+9.55	-1.18	+45.07
NBU avg	22.4516	-0.35	+6.62	-3.59	+42.38
Ttl vlm <sup>1</sup>	240.81	+7.66	+14.81	-0.88	-44.11
\$ volume <sup>2</sup>	185.37	+9.05	+30.60	-2.40	-47.68
NDF 3M	24.9500	+2.04	+9.99	+0.08	+48.07
NDF 6M	26.4000	+1.93	+9.17	+0.46	+51.72
NDF 1Y	27.6000	+1.85	+7.05	+1.17	+49.59
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	30.556	-1.97	-9.25	-1.67	-31.28
UAH real CPI	72.181	-1.97	-9.25	-1.67	-16.72
UAH real PPI	89.529	-1.97	-9.25	-1.67	-23.97
USD nom'l	96.922	-0.37	-0.61	-0.28	+7.37
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	50.8745	+0.12	-2.10	-11.88	-16.24
EUR/USD	1.0873	+0.45	+0.62	-0.47	-10.13
USD/CNY	6.1948	-0.05	-0.05	-0.17	-0.17
USD/PLN	3.7145	+0.52	-0.35	-0.84	+4.82
USD/TRY	2.7143	+0.47	+1.34	+6.36	+16.24
USD/BYR	14,280.00	-0.49	-0.16	-2.19	+29.82
USD/KZT	186.0700	+0.12	+0.14	+0.03	+2.04
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	118.9900	-0.49	+0.08	-0.64	-0.66
GBP/USD	1.5188	+0.87	+1.51	+2.27	-2.50
USD/CHF	0.9539	-0.08	+0.19	-0.45	-4.06
AUD/USD	0.7824	+0.59	+0.54	-0.67	-4.29
USD/CAD	1.2174	+0.25	-0.59	-2.55	+4.76
USD/BRL	2.9513	-0.65	-2.94	-5.99	+11.05
USD/KRW	1,079.53	-0.24	-0.38	-2.28	-1.05
<b>COMMODITIES</b>					
Gold(\$/oz)	1,179.44	-1.22	-2.06	-1.16	-0.46
WTI crude <sup>3</sup>	55.55	-1.84	-0.34	+17.92	+4.28
Brent crd <sup>3</sup>	63.63	+1.61	+3.95	+19.56	+14.11
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	224.05	+0.16	+0.05	+3.95	-2.57

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.

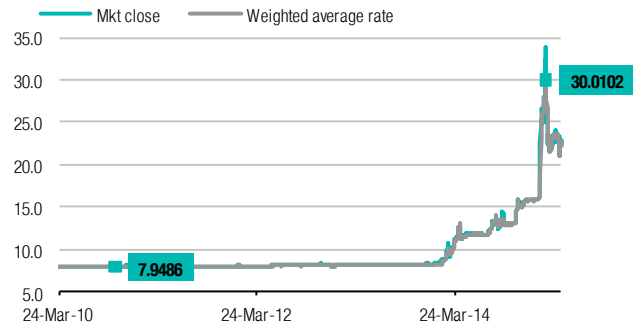
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

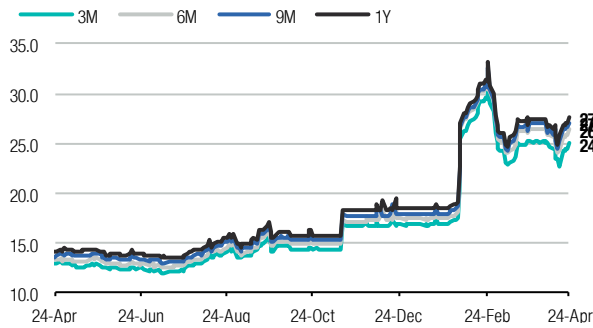


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

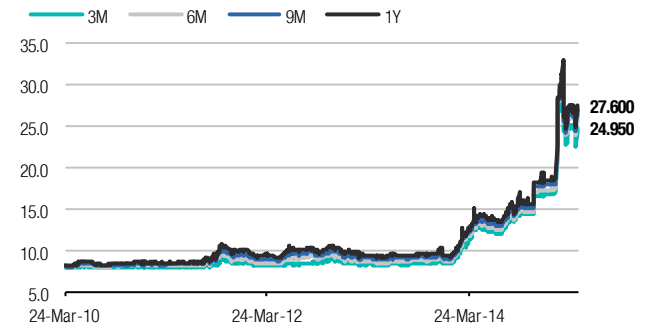


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

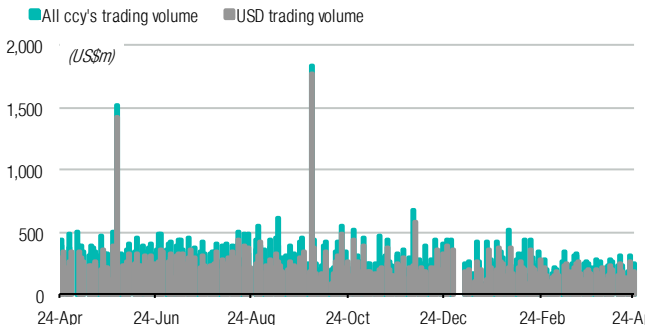


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

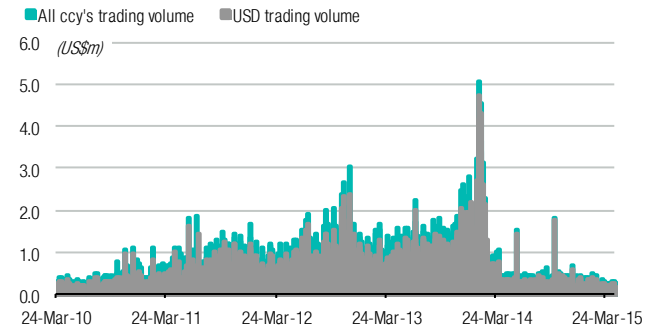


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

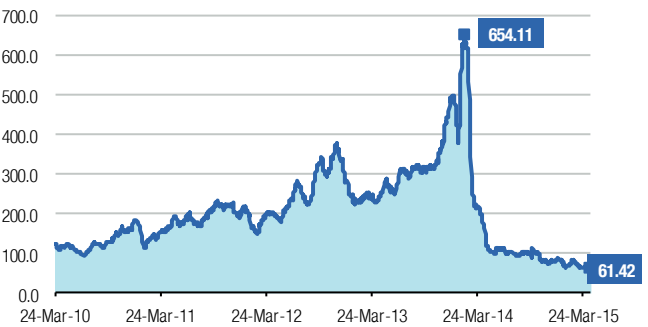


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)

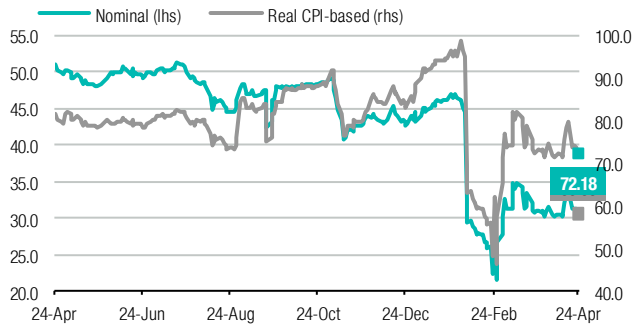


Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

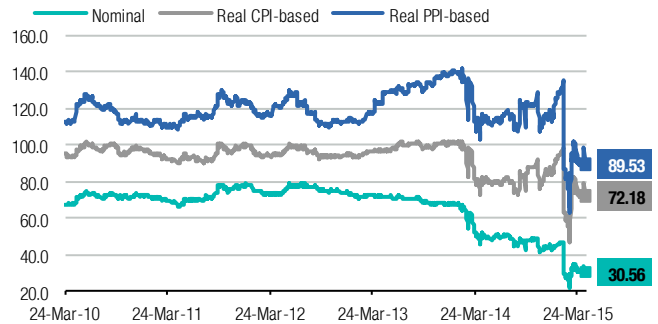
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



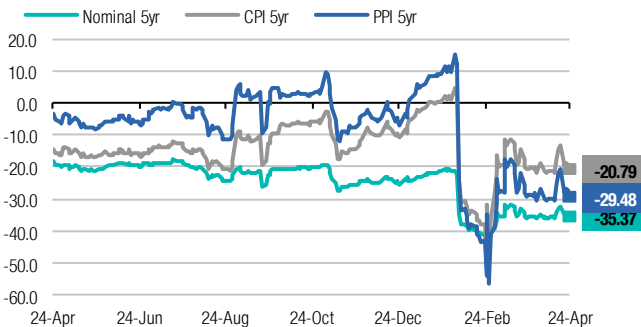
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

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

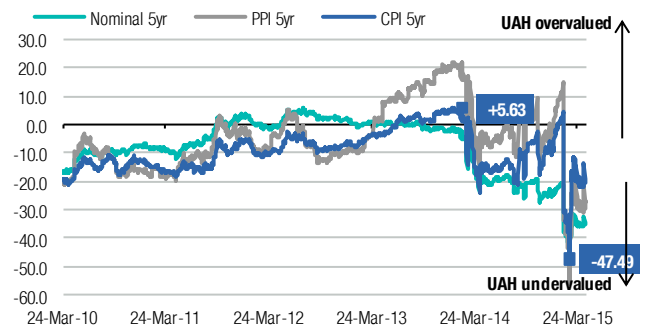


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

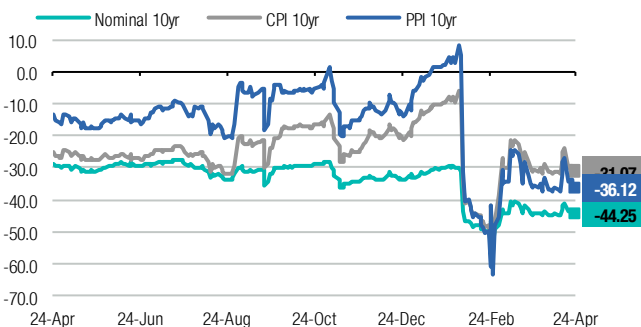


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

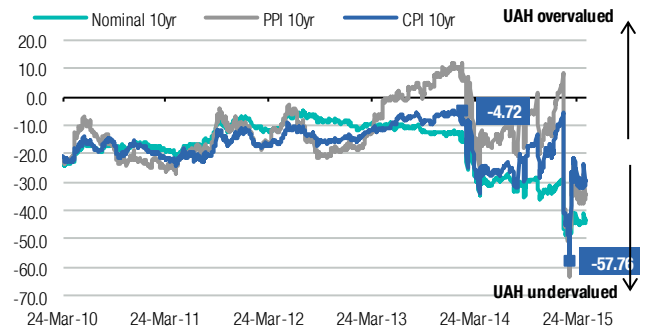


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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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**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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**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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