



Focus  
**Ukraine**

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

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# Daily Insight

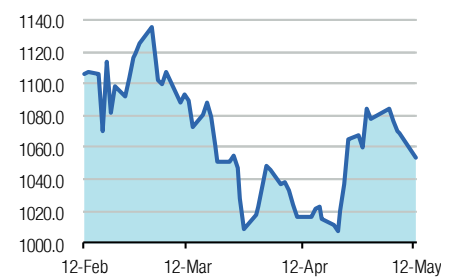
## MoF negotiations with creditors heats up

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WEDNESDAY, 13 MAY 2015

### UX Index (3 months to 13 May 2015)



Source: UX.

### Key market indicators (as of 12 May 2015)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	20.9000	+2.00	+32.11
USD/UAH (1Y NDF)	25.1000	+0.00	+36.04
EUR/USD	1.1213	+0.52	-7.32
USD/RUB	49.9745	-2.48	-17.72
KievPRIME O/N (%)	22.00	+17bp	+310bp
KievPRIME 1M (%)	28.00	+0bp	+810bp
<b>SOVEREIGN EUROBONDS: yields and spreads</b>			
Ukraine 15, Eurobond (%)	257.56	-319bp	+19,579bp
Ukraine 17, Eurobond (%)	50.68	-61bp	+2,293bp
Ukraine 22, Eurobond (%)	22.21	-17bp	+596bp
Ukraine 23, Eurobond (%)	20.90	+6bp	+534bp
Ukraine 5Y CDS	3,046bp	-68bp	+847bp
<b>EQUITIES</b>			
<b>Stock market indices</b>			
UX (Ukraine)	1,053.70	-1.41	+1.97
MSCI World	436.87	-0.28	+4.73
MSCI EM	1,029.03	-0.67	+7.60
RTS (Russia)	1,070.19	+1.01	+35.96
WIG-20 (Poland)	2,542.65	+0.30	+9.79
S&P 500 (USA)	2,099.12	-0.29	+1.95

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

### MoF negotiations with creditors heats up

Yesterday, Interfax-Ukraine reported that a letter in its possession from the ad-hoc committee of Ukraine's external creditors stated “a lack of real work in regard to the restructuring proposals [from Ukraine]”. Click the following [link](#) to the Bloomberg article on this issue. In response, Ukraine's Ministry of Finance said that it reiterates the three pillars of its strategy and urges the creditors to agree on a sustainable debt level, achieve the debt service objectives, and fulfill the targets of the IMF supported program by this June. To read the full text, follow this [link](#).

In our view, this media outburst flames unnecessary controversy, muddling both sides' positions. Even more damaging, this news was sparked precisely on the day that the IMF mission convenes in Kyiv to assess the program's progress. As the external debt restructuring, codified as the “debt operation”, is an integral part of the review, the creditors, represented by the ad-hoc committee that issued the letter, could pressure Ukraine's top negotiator, Minister of Finance Yaresko, to yield to their demands, namely to avoid a reduction of principal reduction, which would be self-defeating. We believe that an effective restructuring must include a reduction of both the coupon rate and the principal. Should this not occur, the unsustainable debt burden inevitably will force Ukraine to endure another round of debt restructuring, mainly to implement the crucial principal haircut.

### State-owned railroad in technical debt default

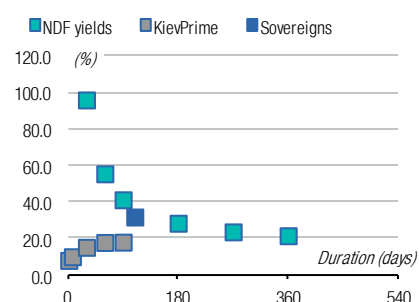
The MoF announced yesterday that state-owned railroad monopoly Ukrzaliznytsia is in technical default on UAH32bn of debt and has begun debt restructuring talks with creditors. Here is a [link](#) to the statement. The MoF stated that the domestic debt owed to state banks is secured and outside the perimeter of debt which is subject to restructuring. The Transportation Ministry issued a statement of support for the company and its operations, and pledged a future investment program. In our view, this Ukrzaliznytsia debt case is similar to other state-run institutions, like Ukreximbank, that have become overly indebted. As such, it most likely will seek a debt restructuring with no principal reduction.

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### Yield curve of the local bond market

(as of market close on 12 May 2015)



Sources: Bloomberg, Investment Capital Ukraine LLC.

### Bond market indicators (as of 12 May 2015)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
O/n	22.00	+17bp	-25bp	-200bp	+310bp
1wk	24.00	+0bp	-60bp	-200bp	+500bp
1m	28.00	+0bp	+20bp	-38bp	+810bp
2m	26.50	+17bp	+50bp	+25bp	+650bp
3m	26.50	+17bp	+50bp	+25bp	+650bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	24,555	+15.07	+5.81	+10.43	-26.15
CDs <sup>2</sup>	27,514	+0.19	+22.53	+32.25	+74.29
Sovgns <sup>3</sup>	6,357	+17.40	+3.93	-34.85	+40.27
<b>Total</b>	<b>58,426</b>	<b>+7.77</b>	<b>+12.84</b>	<b>+10.66</b>	<b>+9.07</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	343,213	+0.00	+0.84	+1.20	+7.89
Banks	86,785	-0.30	-6.42	-16.63	-7.12
Resid's <sup>4</sup>	25,591	-0.01	-5.73	-16.71	+4.24
Non-res <sup>5</sup>	23,328	-0.52	-4.06	-14.13	+8.28
<b>Total</b>	<b>478,918</b>	<b>-0.08</b>	<b>-1.16</b>	<b>-4.43</b>	<b>+4.65</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	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	3,046	-68bp	-293bp	-12ppt	+847bp
Jun '16	89.40	+59bp	-543bp	-17ppt	+52bp
Jul '17	50.68	-61bp	-285bp	-10ppt	+23bp
Sep '20	26.27	-43bp	-134bp	-356bp	+742bp
Sep '21	25.48	-41bp	-154bp	-540bp	+694bp
Sep '22	22.21	-17bp	-117bp	-443bp	+596bp
Feb '23	20.90	+6bp	-59bp	-360bp	+534bp

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.

## Liquidity hits monthly record high

Broader banking sector liquidity rose to this month's record high yesterday, up UAH4.21bn to UAH58.56bn. Banks' correspondent accounts with the NBU rose UAH3.22bn to UAH24.55bn and total local currency debt repayments scheduled for the next 30 days rose UAH0.94bn to UAH6.49bn. Total CDs outstanding rose a mere UAH0.05bn to UAH27.51bn.

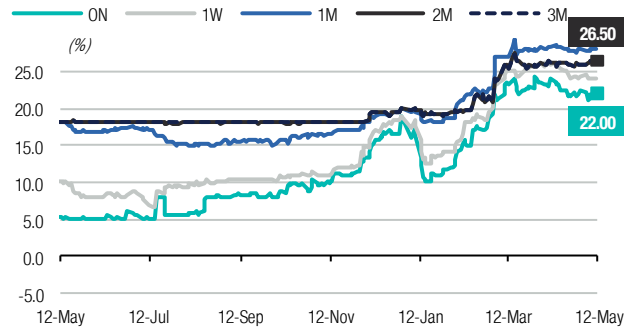
KyivPrime interest rates slightly diverged: the KyivPrime ON interest rate rose 17bp to 22.00% while the KyivPrime 1M interest rate remained steady at 28.00%.

***Investment implications: Liquidity significantly recovered yesterday with little to no support from the NBU or the MoF. As loans and bond purchases had no impact on liquidity, last Friday's deals provided the funds. While we expect no significant decline today, debt repayments scheduled today should have an impact on liquidity indicators tomorrow.***

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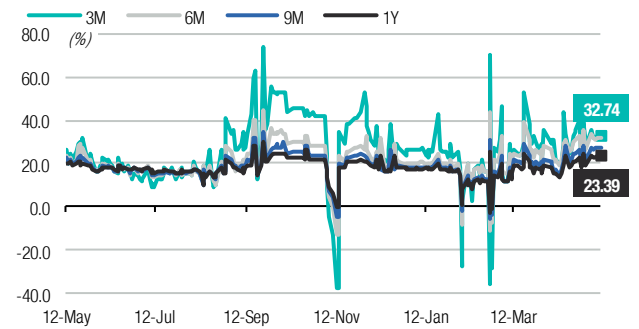
## Chart page: Local bond market & Eurobond markets

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



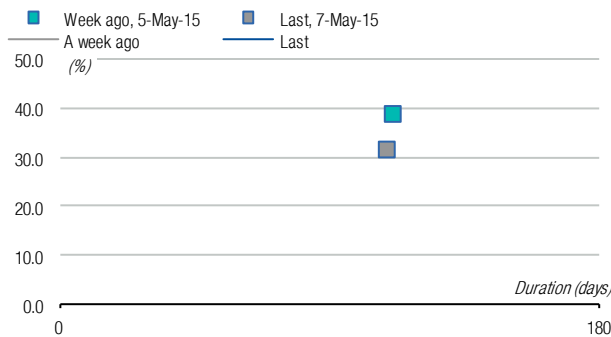
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



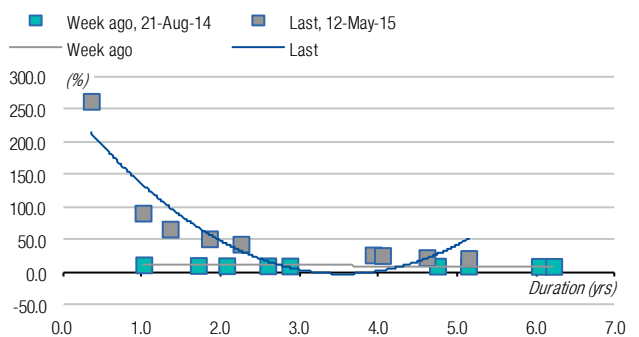
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



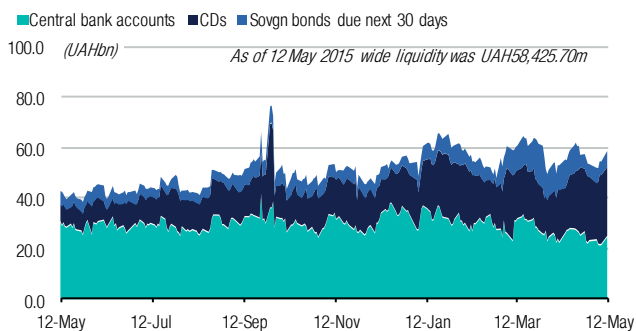
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



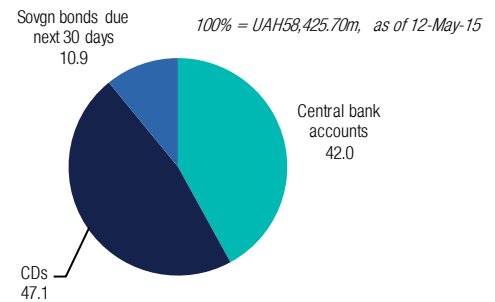
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



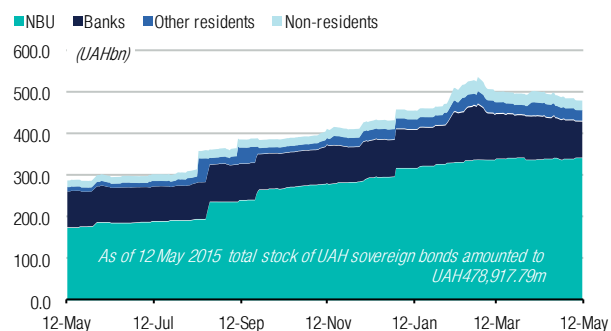
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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



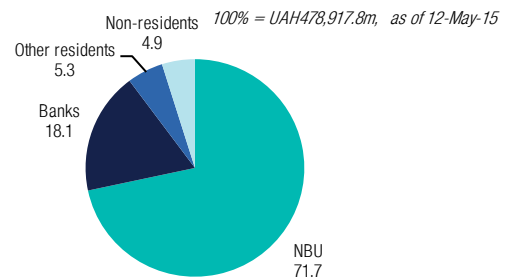
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

**Chart 7. Holders of sovereign bonds (UAHbn), last 12 months**



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

**Chart 8. Domestic sovereign debt (%) as of 12 May 2015**



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

Table 1. Ukrainian stocks (closing prices as of 12-May-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	8.75 GBp	+0.0	+4.5	-12.5	-5.4	0.14	31.7	0.4	40.2	12.7	0.0	8.7	0.11	923	Neg.	N/A	N/A	Neg.	N/A	N/A	0.0	N/A	N/A	0.4	15.3
Centrenerg	CEEN UK	Kiev, UX	8.17 UAH	-1.6	+3.5	+8.3	+38.4	0.40	146.4	137.3	21.7	31.8	26.4	33.6	0.07	1,531	42.7	Neg.	6.8	0.2	Neg.	2.8	0.4	0.3	0.2	1.2	16.3
Coal Energy	CLE PW	Warsaw	0.57 PLN	-3.4	-9.5	-8.1	-51.3	0.16	7.0	84.0	25.0	1.8	2.3	4.4	0.09	1,144	Neg.	N/A	N/A	11.5	N/A	N/A	0.8	N/A	N/A	0.3	56.9
Donbasenergo	DOEN UK	Kiev, UX	23.09 UAH	-1.7	+5.0	-30.0	-42.4	1.12	26.5	65.0	14.2	3.8	7.6	7.6	0.25	405	5.4	Neg.	N/A	0.1	17.6	N/A	0.3	0.3	N/A	0.8	25.1
JXK Oil & Gas	JXK LN	London	30.00 GBp	+0.0	-3.2	+150.0	-48.3	0.47	81.0	92.0	47.2	38.2	12.4	295.2	0.09	1,176	Neg.	Neg.	Neg.	Neg.	1.6	N/A	0.6	0.6	1.2	0.3	9.9
Regal Petroleum	RPT LN	London	4.75 GBp	+24.7	-0.2	+51.8	-45.8	0.07	23.9	-6.3	80.9	19.3	1.5	1.9	0.01	19,840	Neg.	11.9	8.0	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	150.00 UAH	+0.0	-13.8	+1.3	+12.8	7.28	93.1	145.7	5.0	4.7	0.0	1.2	0.01	18,242	Neg.	N/A	N/A	0.1	N/A	N/A	0.2	N/A	N/A	0.6	11.6
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.02 UAH	-6.8	+12.7	+3.4	-51.9	0.00	18.8	2,011.4	3.9	0.7	2.2	0.9	0.19	536	Neg.	Neg.	N/A	0.7	Neg.	N/A	2.8	6.3	N/A	N/A	145.5
Avdiyivsky Cok...	AVDK UK	Kiev, UX	1.34 UAH	-1.3	-1.6	-22.5	-54.7	0.07	12.7	-17.7	4.0	0.5	0.0	1.4	0.42	239	Neg.	Neg.	N/A	Neg.	0.3	N/A	Neg.	Neg.	N/A	0.1	0.1
Azovstal	AZST UK	Kiev, UX	0.84 UAH	-0.9	+5.9	+12.6	+23.4	0.04	171.2	144.1	4.1	7.0	3.5	8.4	0.09	1,129	3.9	3.0	N/A	Neg.	1.2	N/A	0.1	0.1	N/A	0.3	0.0
Ferrexpo PLC	FXPO LN	London	76.00 GBp	-2.6	+16.0	+55.4	-44.1	1.19	701.3	1,387.6	22.4	157.1	510.7	1,285.7	0.64	156	3.9	10.8	11.2	3.3	5.7	6.0	1.0	1.3	1.2	1.0	61.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.27 UAH	+0.0	-2.5	-2.5	-56.7	0.01	3.6	4.2	9.0	0.3	0.0	0.1	0.01	14,436	Neg.	8.3	N/A	0.0	Neg.	N/A	0.0	0.0	N/A	0.1	0.0
Yenakievo Steel	ENMZ UK	Kiev, UX	17.90 UAH	-3.7	+1.8	-14.6	-45.4	0.87	9.2	1.0	9.4	0.9	15.7	2.3	0.26	381	Neg.	Neg.	N/A	0.0	0.0	N/A	0.0	0.0	N/A	0.3	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	0.47 EUR	-4.1	+4.4	+9.3	-53.9	0.53	48.8	97.3	34.0	16.6	2.2	50.8	0.10	1,030	Neg.	N/A	N/A	Neg.	N/A	N/A	1.3	N/A	N/A	1.0	35.9
Agroliga	AGL PW	Warsaw	8.77 PLN	-0.2	+3.4	-2.6	-49.2	2.40	3.7	4.5	16.7	0.6	1.7	1.6	0.24	415	1.0	N/A	N/A	1.3	N/A	N/A	0.2	N/A	N/A	0.4	5.7
Agroton	AGT PW	Warsaw	1.06 PLN	-0.9	-5.4	-13.8	-53.7	0.29	6.3	51.6	26.2	1.6	11.1	20.5	0.54	185	Neg.	N/A	N/A	19.3	N/A	N/A	0.9	N/A	N/A	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	25.80 PLN	+0.3	+7.5	+29.0	-34.5	7.07	176.8	420.1	31.0	54.8	330.1	161.6	0.45	220	Neg.	Neg.	3.7	3.5	4.1	4.5	1.1	1.1	1.0	0.7	49.6
Avangard	AVGR LI	London Intl	2.70 USD	-10.0	+3.8	+31.7	-69.3	2.70	172.5	425.8	21.7	37.4	1.8	63.1	0.23	439	Neg.	2.7	1.6	3.3	3.5	3.0	1.0	1.0	0.8	0.2	33.1
IMC	IMC PW	Warsaw	5.00 PLN	+0.0	-12.6	-11.8	-44.3	1.37	42.9	182.1	23.9	10.2	4.6	3.0	0.02	5,907	Neg.	5.3	1.3	3.4	3.6	3.1	1.3	1.1	0.9	0.3	38.7
Kernel Holding...	KER PW	Warsaw	35.30 PLN	-1.5	-7.2	+24.0	+24.4	9.67	770.9	1,498.5	58.8	453.1	666.2	1,831.9	0.40	252	Neg.	5.6	5.1	6.7	4.5	4.5	0.6	0.6	0.6	0.8	39.1
KSG Agro	KSG PW	Warsaw	0.79 PLN	-4.8	-7.1	-29.5	-82.6	0.22	3.3	85.0	34.4	1.1	5.1	7.2	0.41	245	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	11.65 USD	+1.3	+2.2	+26.6	-20.7	11.65	1,231.0	2,409.8	22.3	274.8	5.4	826.6	0.14	723	Neg.	5.1	4.2	4.3	4.8	5.0	1.7	1.8	1.7	1.4	53.0
Milkiland	MLK PW	Warsaw	2.42 PLN	-2.4	+1.3	+63.5	-60.7	0.66	20.7	133.8	20.0	4.1	10.9	44.1	0.73	137	Neg.	Neg.	2.7	4.0	4.3	4.0	0.4	0.5	0.5	0.1	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	0.07 EUR	+0.0	-82.5	-87.5	-98.5	0.08	8.4	736.1	20.0	1.7	0.0	0.1	0.01	17,084	0.1	N/A	N/A	4.5	N/A	N/A	1.5	N/A	N/A	0.0	45.3
Ovostar Union	OVO PW	Warsaw	76.00 PLN	-1.0	+8.6	+5.6	+15.2	20.83	125.0	134.4	25.0	31.2	0.6	97.4	0.72	138	4.9	5.6	6.2	4.6	5.2	4.5	1.7	1.7	1.6	1.5	9.4
<b>TRANSPORTATION</b>																											
KDM Shipping	KDM PW	Warsaw	4.00 PLN	+0.0	-20.0	-1.2	-63.6	1.10	10.2	-2.3	10.9	1.1	0.0	0.3	0.04	2,327	1.5	N/A	N/A	Neg.	N/A	N/A	Neg.	N/A	N/A	0.2	5.6
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Frankfurt	0.06 EUR	+0.0	-5.0	-28.8	-61.7	0.06	3.3	130.4	13.1	0.4	0.0	0.7	0.22	448	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	-1.8	+1.5	+0.1	-39.9	0.00	139.8	N/A	3.8	5.3	8.7	13.5	0.26	392	Neg.	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.7	27.9

Table 1. Ukrainian stocks (closing prices as of 12-May-2015)

Company	Bloomberg Ticker	Listing	Share price performance (% change)				Valuation (US\$)			Free float (FF) & Liquidity				P/E			EV/EBITDA			EV/Sales			Ratios					
			Last price	Daily	MoM	YTD	YoY	Last price	Market cap (m)	EV (m)	FF (%)	FF mkt cap (US\$m)	Last day turnover (US\$ 000)	3M avg. turnover (US\$ 000)	FF share traded (%)	FF turnover (days)	2014	2015E	2016E	2014	2015E	2016E	2014	2015E	2016E	P/B	Debt/(x) Assets	
Ukrsotsbank	USCB UK	Kiev, UX	0.10 UAH	-13.5	-10.0	-24.0	-34.0	0.00	118.6	N/A	4.5	5.3	0.4	0.4	0.00	32,819	Neg.	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.2	28.2

Notes: mln - millions; FF - free float; n/a - not available; neg. - negative; a company name (the left column of the table) is shortened to fit the column and hence in some cases is not displayed in full; \*\*\* - P/E is above 10,000x. Sources: Bloomberg, ICU.

## FX: News & Comments

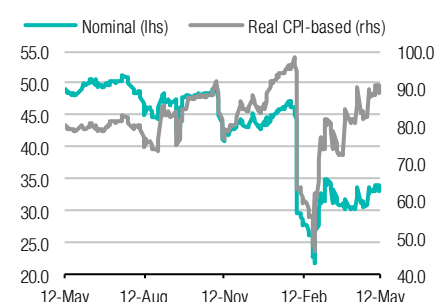
### UAH crawls closer to 20/USD

Yesterday, the hryvnia hit 20.9/USD, slightly below the last close, on US\$160m in trading, down 20.4% from the previous day. The nominal move was mild yesterday in contrast to that of its real trade-weighted index which declined 2.71% on the dollar's weakness versus other currencies. The euro rose 0.52% and the Russian ruble increased 2.48% to close at 49.9745/USD.

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### ICU's UAH trade-weighted indices

(Last 12-month history to 13 May 2015)



Source: Investment Capital Ukraine LLC.

### FX market indicators (as of 12 May 2015)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	20.9000	+2.00	+0.00	-10.68	+32.11
NBU avg	20.6376	+0.23	-2.34	-9.81	+30.88
Ttl vlm <sup>1</sup>	225.49	-12.33	+14.12	-15.11	-47.67
\$ volume <sup>2</sup>	159.98	-20.43	+1.95	-17.93	-54.84
NDF 3M	22.1500	+0.00	-2.64	-10.25	+31.45
NDF 6M	23.7000	+0.00	-2.87	-8.42	+36.21
NDF 1Y	25.1000	+0.00	-1.95	-6.62	+36.04
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	33.101	-2.71	-0.16	+8.41	-25.56
UAH real CPI	88.579	-2.71	-0.16	+8.41	+2.17
UAH real PPI	100.085	-2.71	-0.16	+8.41	-15.01
USD nom'l	94.534	-0.50	-0.57	-4.84	+4.72
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	49.9745	-2.48	-1.06	-6.74	-17.72
EUR/USD	1.1213	+0.52	+0.25	+5.74	-7.32
USD/CNY	6.2091	-0.01	+0.05	+0.01	+0.06
USD/PLN	3.6564	-0.05	+1.51	-3.61	+3.18
USD/TRY	2.6635	-1.12	-1.51	+1.33	+14.07
USD/BYR	14,450.00	+0.70	+0.21	+1.05	+31.36
USD/KZT	185.8700	-0.04	+0.04	+0.03	+1.93
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	119.8700	-0.17	+0.01	-0.29	+0.08
GBP/USD	1.5671	+0.55	+3.22	+7.10	+0.60
USD/CHF	0.9292	-0.54	+0.29	-5.10	-6.55
AUD/USD	0.7976	+1.08	+0.43	+3.83	-2.43
USD/CAD	1.2019	-0.69	-0.41	-4.35	+3.42
USD/BRL	3.0197	-1.39	-1.19	-1.81	+13.63
USD/KRW	1,095.85	+0.41	+1.24	+0.29	+0.45
<b>COMMODITIES</b>					
Gold(\$/oz)	1,193.93	+0.84	+0.05	-1.13	+0.77
WTI crude <sup>3</sup>	60.75	+2.53	+0.58	+17.64	+14.04
Brent crd <sup>3</sup>	66.29	+3.79	-0.12	+15.61	+18.88
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	231.09	+1.24	+0.11	+6.43	+0.49

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

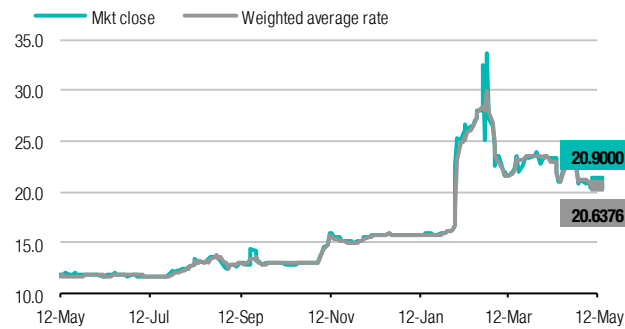
Section on FX market is continued on next page.

Notes: [1] trading volume in all foreign currencies (US\$m); [2] trading volume in the pair USD/UAH (US\$m); [3] crude oil price (USD per barrel); [4] the Thomson Reuters/Jefferies CRB Index. A green-/red-shaded box means gain or loss, respectively, of the investment into the asset. Currencies are gaining when their exchange rates strengthen versus USD.

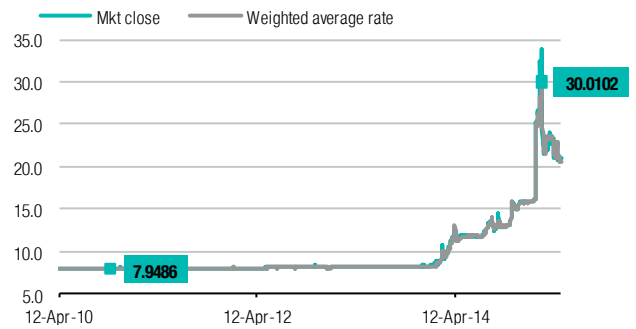
Sources: Bloomberg, Investment Capital Ukraine LLC.

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

**Chart 9. Spot market rates USD/UAH: last 12-month and 5-year periods (UAH per USD, left and right respectively)**

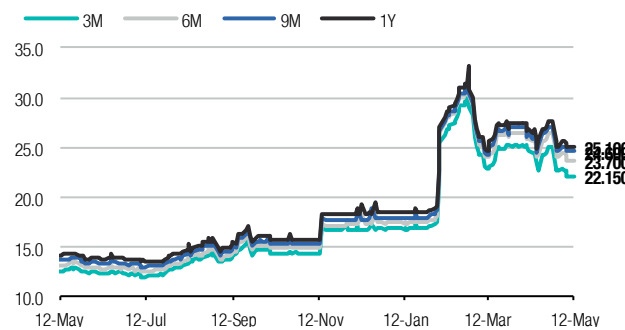


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

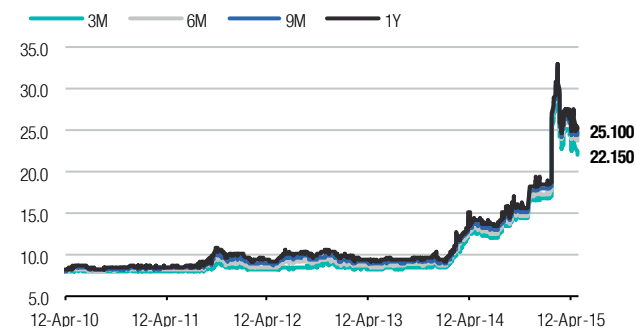


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

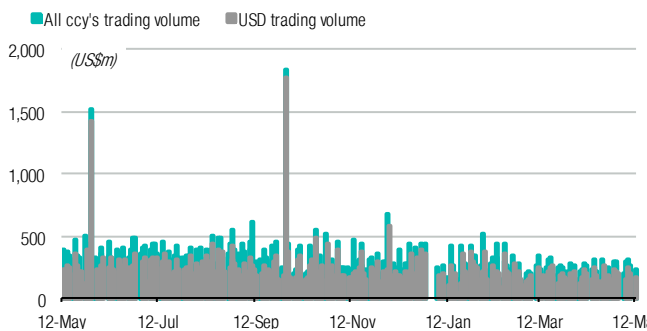


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

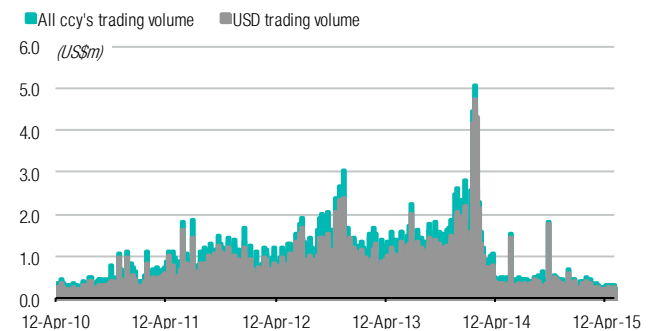


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

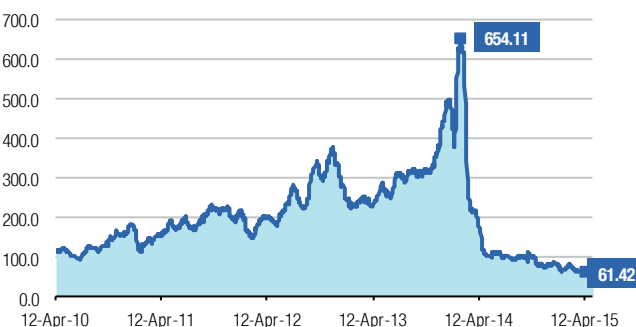


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

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



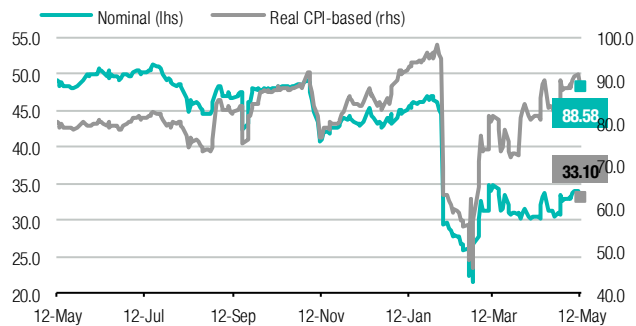
Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

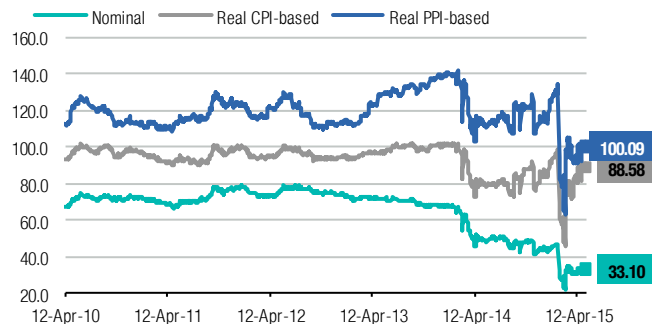
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



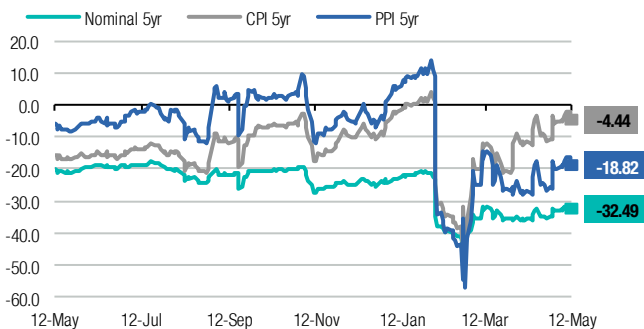
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

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

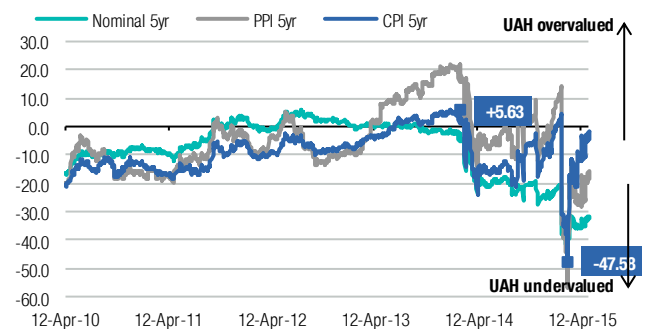


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**Chart 15. Deviation of UAH trade-weighted indices from their 5-year moving averages: last 12-month and 5-year periods (% , left and right respectively)**

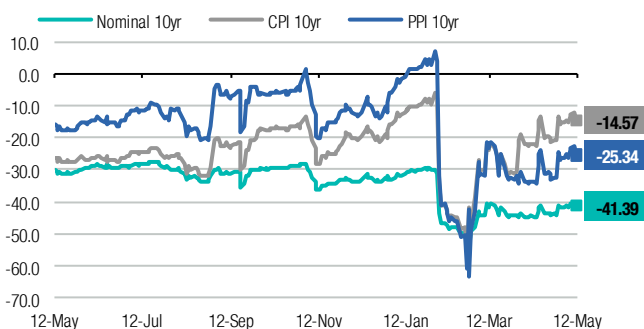


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

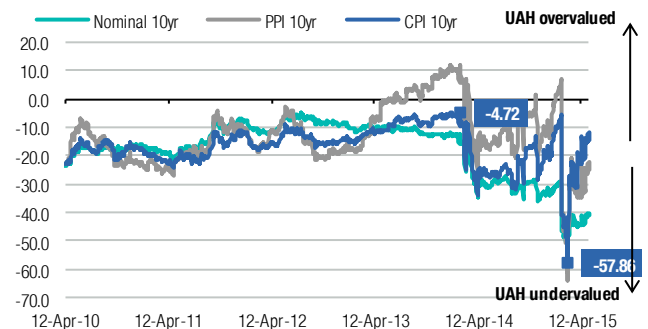


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**Chart 16. Deviation of UAH trade-weighted indices from their 10-year moving averages: last 12-month and 5-year periods (% , left and right respectively)**



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



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

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**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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