

Daily Insight

Investments in 1Q; labor market in April

Contents

Economics: News & Comments	2
Investments in 1Q show further declines.....	2
Labor market in April: wages sit at record lows	2
Bonds: News & Comments	4
Liquidity declines despite inflows.....	4
Chart page: Local bond market & Eurobond markets.....	5
FX: News & Comments	7
Weak ruble poses concern for hryvnia	7
Chart page #1: Foreign-exchange market.....	8
Chart page #2: ICU's UAH trade-weighted indices.....	9

FRIDAY, 29 MAY 2015

UX Index (3 months to 29 May 2015)



Source: UX.

Key market indicators (as of 28 May 2015)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	21.0000	-0.47	+32.74
USD/UAH (1Y NDF)	25.6000	-1.16	+38.75
EUR/USD	1.0949	+0.41	-9.50
USD/RUB	52.7049	+1.47	-13.22
KievPRIME O/N (%)	21.00	+0bp	+210bp
KievPRIME 1M (%)	27.80	+0bp	+790bp
SOVEREIGN EUROBONDS: yields and spreads			
Ukraine 15, Eurobond (%)	318.43	+261bp	+25,667bp
Ukraine 17, Eurobond (%)	54.44	+85bp	+2,668bp
Ukraine 22, Eurobond (%)	23.48	+50bp	+723bp
Ukraine 23, Eurobond (%)	21.17	+122bp	+561bp
Ukraine 5Y CDS	3,245bp	+67bp	+1,046bp
EQUITIES			
Stock market indices			
UX (Ukraine)	1,007.84	+1.13	-2.46
MSCI World	437.39	-0.21	+4.86
MSCI EM	1,009.52	-0.94	+5.56
RTS (Russia)	990.87	-2.11	+25.88
WIG-20 (Poland)	2,441.15	-0.80	+5.41
S&P 500 (USA)	2,120.79	-0.13	+3.01

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

Investments in 1Q show further declines

Fixed investments in 1Q15 dropped 14.8% YoY, excluding Crimea and the occupied enclaves of the Donetsk and Luhansk oblasts. Of the 25 regional units of the country, which consists of 24 oblasts and the city of Kyiv, five posted an increase in investments.

The city of Kyiv, which accounts for the largest share of investments in Ukraine (in 1Q15, its share was 42.6% of total investments at current prices of UAH44.7bn, or slightly more than US\$2bn), saw a 31.7% increase in investments. Kyiv's share most likely reflects a phenomena of reporting entities, when an entity files statistical forms by its legal address while its physical economic activity occurs in another region.

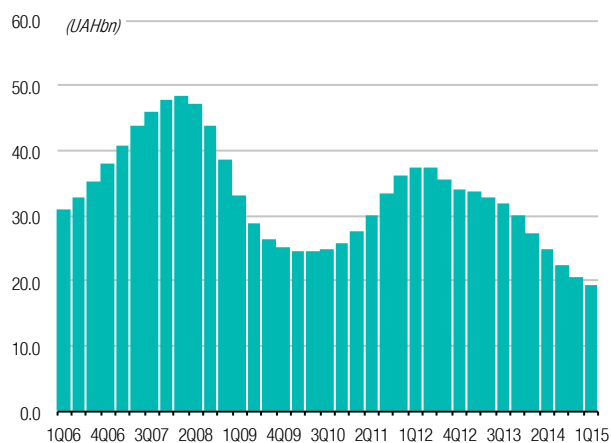
Other oblasts that reported YoY increases in investments in real terms were Volyn (bordering Poland, up 66.6% YoY), Symu (bordering Russia to the north, up 9.8%), and Khmelnytsk and Cherkasy (central oblasts, up 12.1% and 4.7%, respectively).

The most depressing regions in 1Q were Donetsk and Luhansk (infiltrated by Russian army militants), where investments dropped 70.9% and 94.1%, respectively. Other oblasts close to the war zone included Poltava (down 45.6%), Zaporizhya (down 30.7%), Odessa (down 32.9%), and Kherson (down 53.1%).

Agriculture, telecommunications, education, and leisure/hospitality saw investments increase. Industrial and construction declined 37.4% and 21%, respectively.

Chart 1. Quarterly volume of investments in the economy at constant prices of December 2005*

Seasonally adjusted data, history from 1Q of 2006 through 1Q of 2015

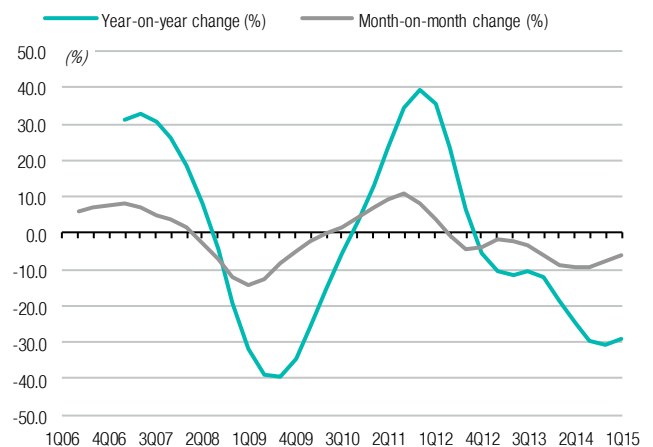


Note: * adjusted by CPI.

Source: State Statistics Committee of Ukraine, ICU.

Chart 2. Growth rates of investments (%)

Seasonally adjusted data, history from 1Q of 2006 through 1Q of 2015



Source: State Statistics Committee of Ukraine, ICU.

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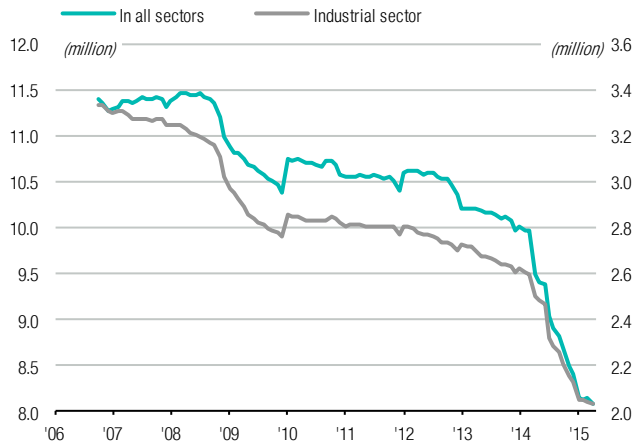
Labor market in April: wages sit at record lows

April's report on employment conditions did not improve. The economy remains in a depression. National payrolls decreased 56,600, including 10,200 in industrial sector. Average pay in local currency, while inching up, remains at a near historical low of US\$1.40/hour nationally and US\$1.50/hour in the industrial sector. The national hourly wage rose slightly from March at US\$1.30 seasonally adjusted. Such a decline in the

purchasing power of the local currency (CPI was above 60% in April) explains weak retail sales data reported this year. Most likely, household consumption is under pressure this year. Combined with weak investments in 1Q, this could explain the 1Q GDP decline of 17%.

Chart 3. Number of employees on payroll (million)

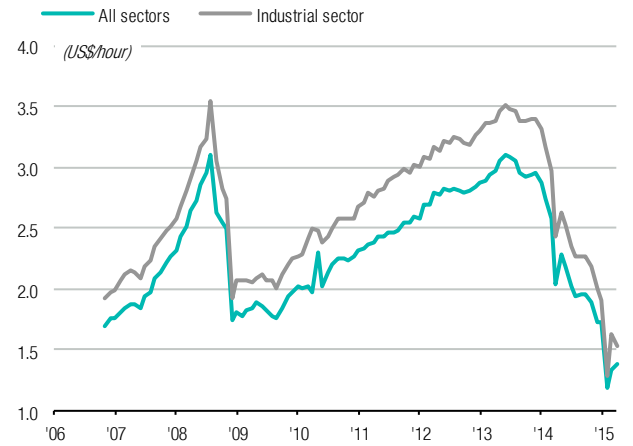
History from November 2006 through April 2015



Source: State Statistics Committee of Ukraine, ICU.

Chart 4. Average hourly wage (US\$ per hour)

Seasonally adjusted data. History from November 2006 through April 2015



Source: State Statistics Committee of Ukraine, ICU.

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Bonds: News & Comments

Liquidity declines despite inflows

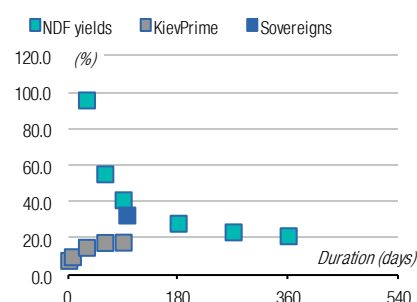
Banks' correspondent accounts with the NBU remained steady at UAH21.03bn yesterday, as the NBU received about UAH1.7bn of inflows. Total CDs outstanding fell UAH0.80bn to UAH31.64bn and total local currency debt repayments scheduled for the next 30 days declined UAH0.76bn to UAH4.36bn. In addition, the NBU issued UAH0.16bn of additional loans on Wednesday. As a result, the broader liquidity indicator declined UAH1.56bn to UAH57.03bn.

Investment implications: Liquidity continued its decline under the pressure of month-end tax payments and should continue to fall further today. After today's outflows, liquidity should decline below UAH55.0bn in indicators on Tuesday (the next business day in Ukraine). The NBU could issue additional ON loans for banks and decrease CDs outstanding today yet again.

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Yield curve of the local bond market

(as of market close on 28 May 2015)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 28 May 2015)

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

MONEY MARKET KIEV PRIME RATES (%)

0/n	21.00	+0bp	+0bp	-55bp	+210bp
1wk	23.40	+0bp	+0bp	-80bp	+440bp
1m	27.80	+0bp	+0bp	+20bp	+790bp
2m	26.40	+0bp	+0bp	+20bp	+640bp
3m	26.40	+0bp	+0bp	+20bp	+640bp

LIQUIDITY WIDE MEASUREMENT (UAHm)

CB acc's ¹	21,030	+0.01	-15.10	-6.59	-36.75
CDs ²	31,641	-2.48	+2.71	+16.64	+100.4
Sovgns ³	4,260	+0.00	+0.55	-25.64	-5.99
Total	56,932	-1.39	-4.82	+2.82	+6.28

HOLDERS OF UAH SOVEREIGN BONDS (UAHm)

C.bank	347,727	-0.01	+0.79	+2.82	+9.31
Banks	83,919	-3.80	-2.79	-12.88	-10.18
Resid's ⁴	22,706	-2.69	-3.62	-18.66	-7.51
Non-res ⁵	23,735	-1.47	+0.90	-8.70	+10.17
Total	478,086	-0.90	-0.07	-2.12	+4.47

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	N/A	N/A	N/A	N/A
Jan '14	N/A	N/A	N/A	N/A	N/A
Aug '15 ⁶	N/A	N/A	N/A	N/A	N/A

EUROBONDS USD SOVEREIGN BOND YIELDS (%)

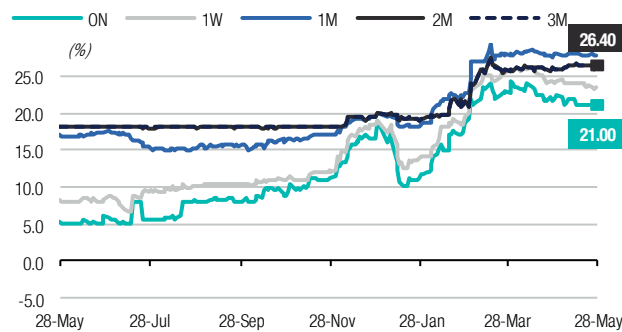
CDS 5yr	3,245	+67bp	-2bp	-111bp	+10bp
Jun '16	99.94	+225bp	+223bp	+10bp	+63bp
Jul '17	54.44	+85bp	+143bp	+264bp	+27bp
Sep '20	27.52	+24bp	+35bp	+76bp	+868bp
Sep '21	26.52	+22bp	+25bp	+35bp	+798bp
Sep '22	23.48	+50bp	+63bp	+68bp	+723bp
Feb '23	21.17	+122bp	+12bp	-13bp	+561bp

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.

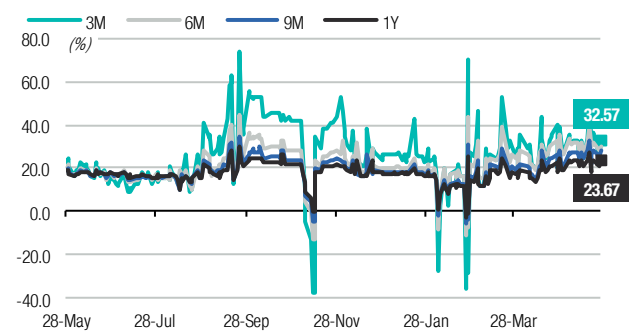
Chart page: Local bond market & Eurobond markets

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



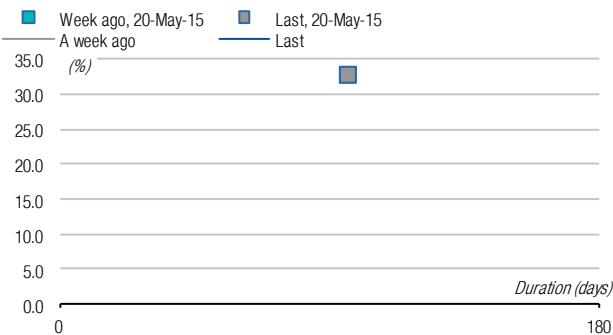
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



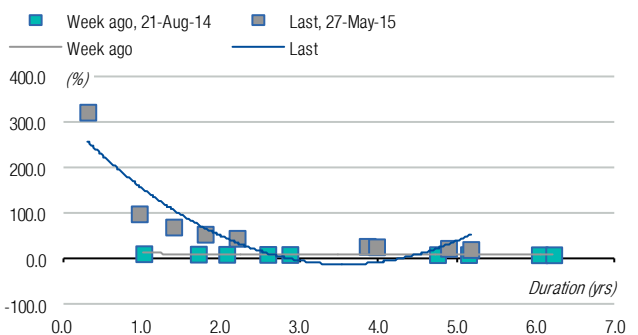
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 28 May 2015



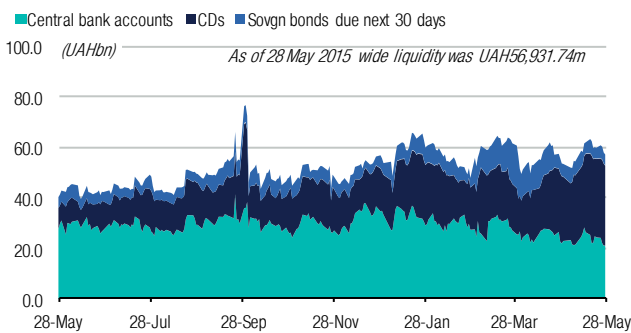
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 28 May 2015



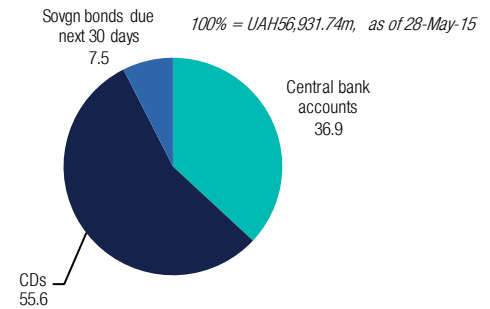
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



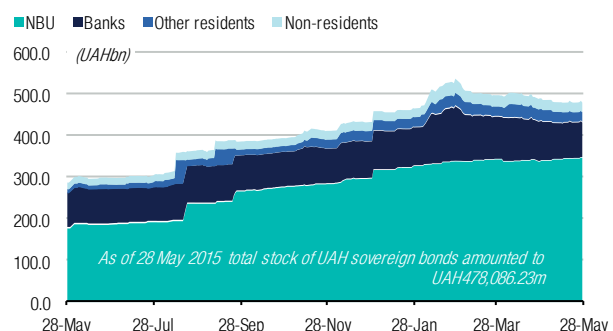
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 28 May 2015



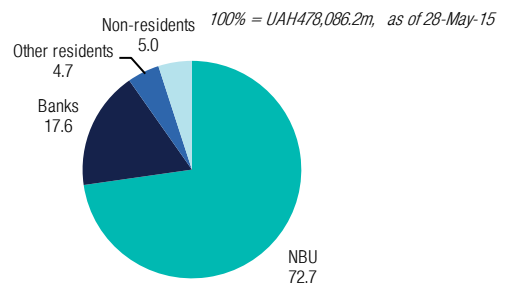
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 28 May 2015



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

Table 1. Ukrainian stocks (closing prices as of 28-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 (%)
ENERGY																											
Cadogan Petrol...	CAD LN	London	9.63 GBP	+4.1	+10.0	-3.8	+4.1	0.15	34.1	2.8	40.2	13.7	32.5	10.6	0.06	1,713	Neg.	N/A	N/A	Neg.	N/A	N/A	0.1	N/A	N/A	0.4	15.3
Centrenerg	CEEN UK	Kiev, UX	7.87 UAH	+0.5	-5.4	+4.3	+8.7	0.37	138.4	143.5	21.7	30.0	3.0	23.8	0.05	2,217	41.2	Neg.	6.6	0.5	Neg.	3.0	0.4	0.3	0.2	1.3	4.2
Coal Energy	CLE PW	Warsaw	0.60 PLN	+5.3	+0.0	-3.2	-54.5	0.16	7.2	84.1	25.0	1.8	4.8	2.1	0.08	1,292	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	22.80 UAH	+3.5	-2.1	-30.9	-49.7	1.09	25.7	63.5	14.2	3.7	0.1	6.9	0.13	746	5.3	Neg.	N/A	0.1	17.5	N/A	0.3	0.3	N/A	0.8	25.1
JKX Oil & Gas	JKX LN	London	30.75 GBP	+0.0	+2.5	+156.3	-50.2	0.47	81.1	92.2	47.2	38.3	130.7	417.6	1.47	68	Neg.	Neg.	Neg.	Neg.	1.8	N/A	0.6	0.6	1.2	0.3	9.9
Regal Petroleum	RPT LN	London	4.50 GBP	-2.7	-5.2	+44.0	-52.0	0.07	22.1	-9.7	80.9	17.9	1.8	3.9	0.04	2,424	3.8	7.4	N/A	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	166.00 UAH	+0.0	+10.7	+12.1	+16.5	7.90	101.1	152.7	5.0	5.1	0.0	1.2	0.00	86,100	Neg.	N/A	N/A	0.1	N/A	N/A	0.3	N/A	N/A	0.7	11.6
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.01 UAH	+0.0	-14.1	+0.0	-59.4	0.00	17.8	1,973.1	3.9	0.7	0.0	0.8	0.13	792	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	1.17 UAH	+0.0	-17.8	-32.4	-64.4	0.06	10.9	9.1	4.0	0.4	0.0	0.9	0.21	473	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.0	0.0	N/A	0.0	0.0
Azovstal	AZST UK	Kiev, UX	0.80 UAH	+2.4	-7.7	+7.2	+0.8	0.04	160.0	117.2	4.1	6.6	4.1	6.9	0.06	1,699	3.7	2.8	N/A	0.1	1.0	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	73.50 GBP	+2.1	-8.1	+50.3	-42.7	1.13	663.1	1,359.9	22.4	148.5	532.4	1,128.1	0.58	171	3.7	8.7	9.3	3.3	6.8	6.6	1.0	1.3	1.2	1.0	61.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.26 UAH	+0.0	-3.7	-7.1	-59.8	0.01	3.4	3.9	9.0	0.3	0.0	0.0	0.01	15,493	Neg.	7.9	N/A	0.0	Neg.	N/A	0.0	0.0	N/A	0.0	0.0
Yenakievo Steel	ENMZ UK	Kiev, UX	15.30 UAH	-1.9	-18.2	-27.0	-65.1	0.73	7.7	-0.3	9.4	0.7	0.1	1.6	0.36	279	Neg.	Neg.	N/A	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.2	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	0.47 EUR	-2.1	-6.0	+9.3	-51.5	0.51	47.5	94.8	34.0	16.2	0.0	43.4	0.06	1,606	Neg.	N/A	N/A	Neg.	N/A	N/A	1.3	N/A	N/A	1.0	35.9
Agroliga	AGL PW	Warsaw	10.00 PLN	+5.2	+17.5	+11.1	-47.3	2.65	4.1	4.8	16.7	0.7	9.9	1.6	0.29	345	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	1.01 PLN	-1.9	-9.8	-17.9	-60.4	0.27	5.8	33.2	26.2	1.5	7.1	12.1	0.71	141	Neg.	N/A	N/A	1.4	N/A	N/A	0.6	N/A	N/A	0.0	33.4
Astarta Holdin...	AST PW	Warsaw	28.00 PLN	+8.1	+15.2	+40.0	-36.4	7.42	185.5	416.2	31.0	57.5	511.7	201.0	0.39	255	Neg.	Neg.	3.9	3.5	4.2	4.6	1.1	1.1	1.0	1.2	49.6
Avangard	AVGR LI	London Intl	2.60 USD	-3.7	+4.0	+26.8	-71.0	2.60	166.1	419.4	21.7	36.0	2.6	51.3	0.16	636	Neg.	2.6	1.5	3.2	3.5	3.0	1.0	1.0	0.8	0.2	33.1
IMC	IMC PW	Warsaw	4.40 PLN	+0.5	-20.0	-22.4	-54.5	1.17	36.5	145.0	23.9	8.7	0.7	1.8	0.02	4,890	Neg.	4.5	1.1	2.5	2.9	2.5	1.0	0.9	0.7	1.4	69.8
Kernel Holding...	KER PW	Warsaw	38.51 PLN	+3.1	+10.2	+35.3	+39.8	10.20	813.0	1,540.5	58.8	477.9	12,337.4	1,896.2	0.45	220	Neg.	6.2	5.0	6.9	4.5	4.5	0.6	0.7	0.6	0.8	39.1
KSG Agro	KSG PW	Warsaw	0.65 PLN	-9.7	-18.8	-42.0	-85.7	0.17	2.6	84.3	34.4	0.9	43.7	4.3	0.74	135	Neg.	N/A	0.1	9.7	N/A	N/A	1.1	0.9	0.8	0.2	44.5
MHP	MHPC LI	London Intl	11.25 USD	+1.8	-1.3	+22.3	-23.1	11.25	1,188.8	2,348.7	22.3	265.3	44.5	858.5	0.28	353	Neg.	5.4	4.4	4.2	4.6	4.9	1.7	1.8	1.8	2.8	53.0
Milkiland	MLK PW	Warsaw	2.15 PLN	+2.4	-19.8	+45.3	-66.1	0.57	17.8	127.9	20.0	3.6	8.8	27.6	0.33	306	Neg.	Neg.	2.4	3.9	4.4	4.0	0.4	0.5	0.5	0.1	30.8
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	2.59 PLN	-13.7	-38.0	-36.0	-69.6	0.69	6.4	-6.1	10.9	0.7	0.3	0.3	0.12	838	0.9	N/A	N/A	Neg.	N/A	N/A	Neg.	N/A	N/A	0.1	5.6
CONSTRUCTION																											
TMM	TR61 GF	Frankfurt	0.03 EUR	-15.0	+240.0	-57.5	-80.0	0.04	1.9	129.1	13.1	0.3	0.0	0.4	0.02	5,365	Neg.	N/A	N/A	Neg.	N/A	N/A	3.8	N/A	N/A	0.0	45.5
FINANCIAL SERVICES																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.09 UAH	-1.5	-9.6	-5.2	-43.1	0.00	129.9	N/A	3.8	5.0	1.6	11.8	0.19	533	Neg.	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.7	27.9
Ukrsotsbank	USCB UK	Kiev, UX	0.10 UAH	+0.0	-12.4	-23.3	-41.2	0.00	117.4	N/A	4.5	5.3	0.0	0.3	0.01	10,977	Neg.	Neg.	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

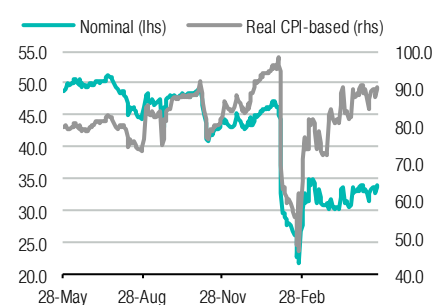
Weak ruble poses concern for hryvnia

After a nearly three-month bull market for the Russian ruble, the trend began to reverse over the last two days. RUB was down 1.47% yesterday and 5.45% over past week. As a reminder, from early February and through May 25th the ruble appreciated 38.9% in nominal terms and up 44.9% in CPI-based real trade-weighted terms. Factoring in the severe devaluation in December-February, the ruble's rebound was all the more significant, particularly as Russian authorities capitulated in the face of high inflation. To fight it, they opted for currency appreciation. This strategy worked as inflation in Russia reportedly slowed to 16%. Should this new trend (of ruble decline) continue, the Ukrainian hryvnia could be under pressure to weaken too.

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ICU's UAH trade-weighted indices

(Last 12-month history to 29 May 2015)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 28 May 2015)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	21.0000	-0.47	+1.20	-7.69	+32.74
NBU avg	21.0482	+0.03	+1.79	-5.45	+33.48
Ttl vlm ¹	338.29	+29.78	+48.60	+13.98	-21.49
\$ volume ²	262.84	+37.68	+58.82	+13.25	-25.81
NDF 3M	22.7000	-0.44	+1.34	-4.82	+34.72
NDF 6M	24.1000	-0.41	+1.26	-5.12	+38.51
NDF 1Y	25.6000	-1.16	+1.59	-3.76	+38.75
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	33.767	+0.79	+1.21	+9.89	-24.06
UAH real CPI	90.363	+0.79	+1.21	+9.89	+4.23
UAH real PPI	102.100	+0.79	+1.21	+9.89	-13.30
USD nom'l	96.965	-0.42	+1.80	+0.91	+7.42
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	52.7049	+1.47	+5.45	+2.67	-13.22
EUR/USD	1.0949	+0.41	-1.47	-0.29	-9.50
USD/CNY	6.2014	+0.00	+0.07	-0.06	-0.07
USD/PLN	3.7822	-0.10	+2.58	+3.94	+6.73
USD/TRY	2.6545	+0.46	+2.55	-0.14	+13.68
USD/BYR	14,800.00	+0.68	+3.50	+2.42	+34.55
USD/KZT	185.9700	+0.03	+0.09	+0.08	+1.99
OTHER MAJOR CURRENCIES					
USD/JPY	123.9500	+0.23	+2.40	+4.28	+3.48
GBP/USD	1.5316	-0.25	-2.21	-0.15	-1.68
USD/CHF	0.9440	-0.57	+0.77	-1.20	-5.06
AUD/USD	0.7649	-1.04	-3.13	-4.65	-6.43
USD/CAD	1.2435	-0.14	+1.93	+3.34	+7.00
USD/BRL	3.1628	+0.74	+4.10	+7.68	+19.01
USD/KRW	1,106.12	+0.05	+1.11	+3.37	+1.39
COMMODITIES					
Gold(\$/oz)	1,188.40	+0.03	-1.49	-1.96	+0.30
WTI crude ³	57.68	+0.30	-3.82	+1.09	+8.28
Brent crd ³	61.31	+0.34	-6.24	-2.17	+9.95
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	220.91	+0.33	-3.21	-1.82	-3.93

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

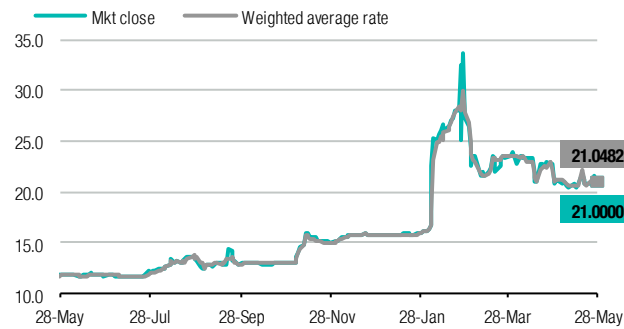
Sources: Bloomberg, Investment Capital Ukraine LLC.

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

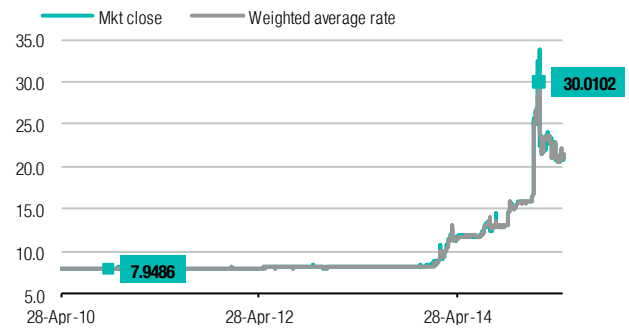
Section on FX market is continued on next page.

Chart page #1: Foreign-exchange market

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

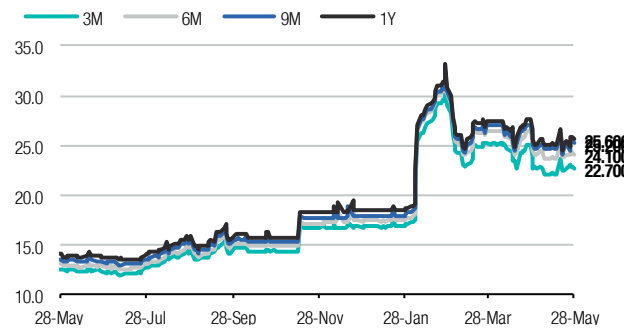


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

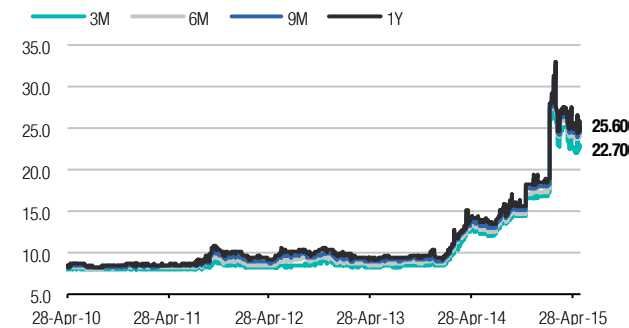


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

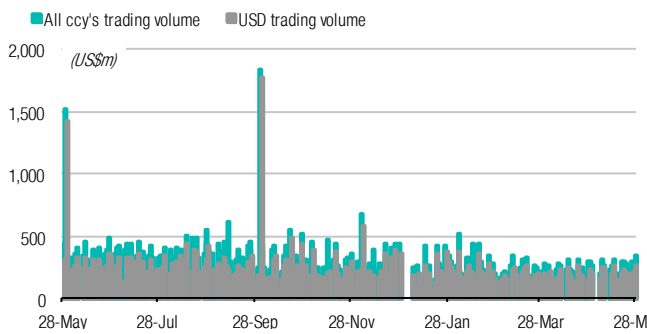


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

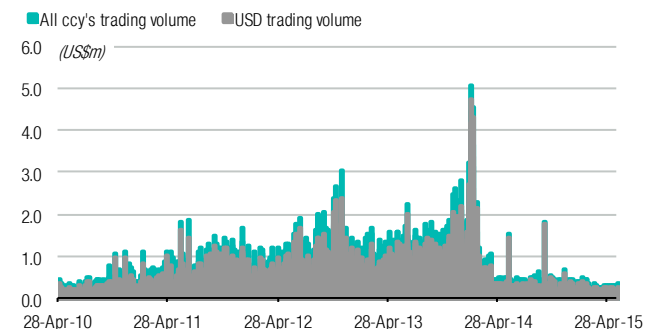


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

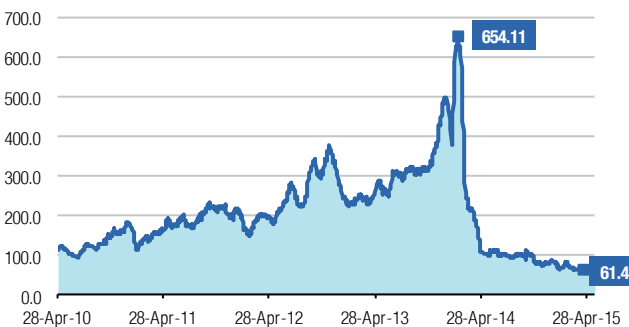


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

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

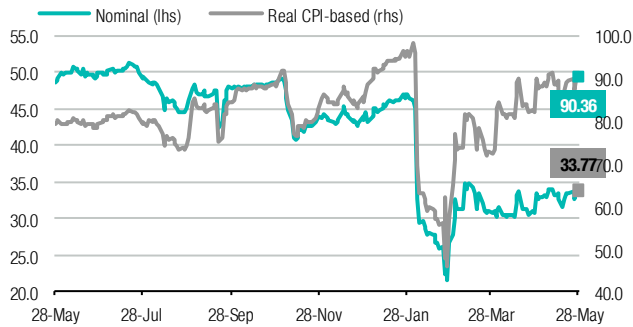


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

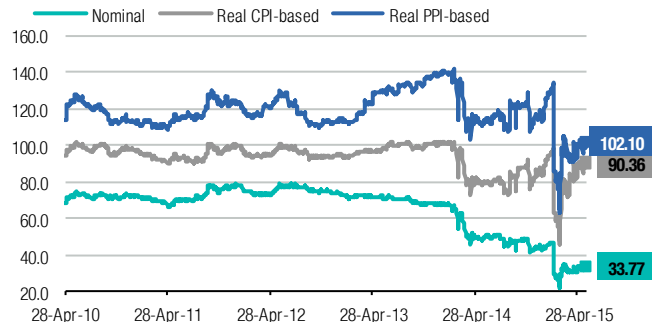
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology (for more details visit <http://www.icu.ua/en/research/currency-indices>).

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



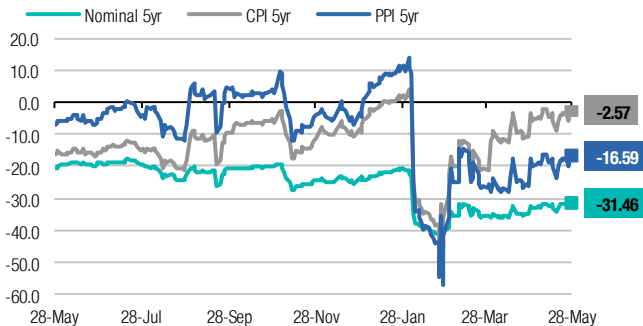
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

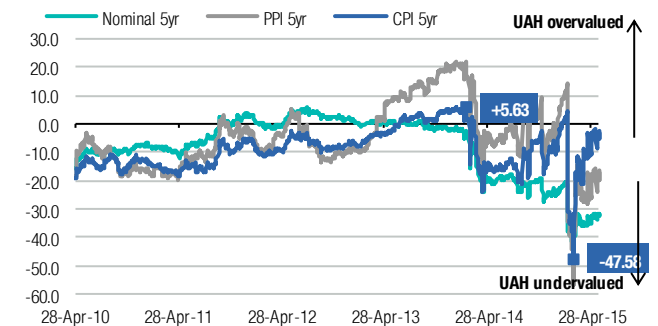


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

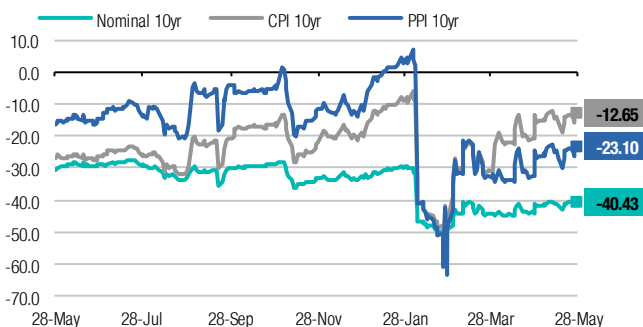


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

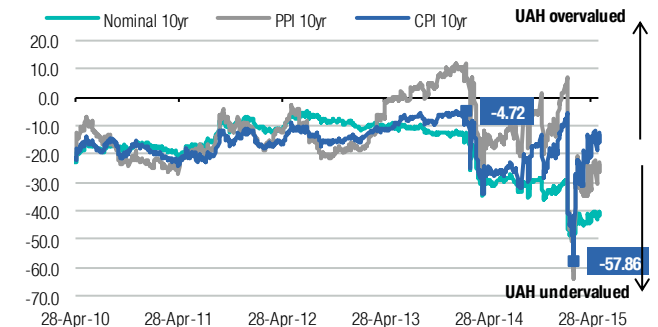


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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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Disclosures

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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.

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Buy: Forecasted 12-month total return greater than 20%

Hold: Forecasted 12-month total return 0% to 20%

Sell: Forecasted 12-month total return less than 0%

Note: total return is share price appreciation to a target price in relative terms plus forecasted dividend yield.

DEBT RATING DEFINITIONS

Buy: Forecasted 12-month total return significantly greater than that of relevant benchmark

Hold: Forecasted 12-month total return is in line with or modestly deviates from relevant benchmark

Sell: Forecasted 12-month total return significantly less than that of relevant benchmark



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