

Daily Insight

Hryvnia's FX regime exposes itself

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WEDNESDAY, 24 JUNE 2015

UX Index (3 months to 24 Jun 2015)



Source: UX.

Key market indicators (as of 23 Jun 2015)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	21.6250	-0.69	+36.69
USD/UAH (1Y NDF)	24.8180	-3.69	+34.51
EUR/USD	1.1167	-1.53	-7.70
USD/RUB	53.8496	-0.16	-11.34
KievPRIME O/N (%)	21.00	+0bp	+210bp
KievPRIME 1M (%)	28.00	+20bp	+810bp
SOVEREIGN EUROBONDS: yields and spreads			
Ukraine 15, Eurobond (%)	365.82	+1,085bp	+30,405bp
Ukraine 17, Eurobond (%)	53.29	-29bp	+2,553bp
Ukraine 22, Eurobond (%)	20.69	+6bp	+444bp
Ukraine 23, Eurobond (%)	19.62	+30bp	+406bp
Ukraine 5Y CDS	2,847bp	-158bp	+648bp
EQUITIES			
Stock market indices			
UX (Ukraine)	1,026.35	-0.21	-0.67
MSCI World	437.53	+0.03	+4.89
MSCI EM	990.67	+0.34	+3.59
RTS (Russia)	964.32	-1.48	+22.51
WIG-20 (Poland)	2,341.26	-0.38	+1.09
S&P 500 (USA)	2,124.20	+0.06	+3.17

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

Liquidity significant reallocation sets new record high

Broader banking sector liquidity rose UAH0.13bn to UAH68.73bn as a significant volume of funds were reallocated from banks' correspondent accounts with the NBU to CDs. The NBU's absorption resulted in a new record high of CDs outstanding, up UAH2.39bn to UAH40.43bn yesterday, the largest volume since 2011. At the same time, banks' correspondent accounts with the NBU fell UAH3.11bn to UA23.04bn while total debt repayment scheduled for the next 30 days rose UAH0.86bn to UAH5.26bn.

Investment implications: The NBU continued to absorb extra liquidity from the market to tighten demand for FX. Although CDs outstanding set a new historical record high, the volume was mostly concentrated in ON CDs prior to month-end tax payments.

Taras Kotovych, Kiev, +38044 2200120 ext.724

FX bonds sold after hiatus

After a three month hiatus of auctions, the MoF yesterday offered a 12-month USD-denominated bond with semi-annual coupon payments and raised US\$140.03m un proceeds at a weighted average interest rate of 8.66%.

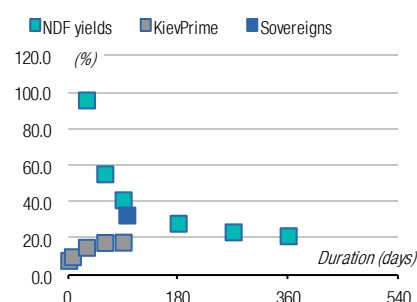
Of the total of six bids at rates between 8.50% to 12.00%, the MoF accepted only three at rates no higher than 8.75% and accepted most of the demand volume, rejecting only US\$20.0m in bids, or one-eighth of demand.

Investment implications: Demand was quite sufficient as only FX dealers could participate in the auction. Because of the volume, this auction appears to be the first step of fulfilling the EFF program to have the MoF refinance all FX-denominated debt repayments in the local bond market. The MoF has not had to refinance many repayments since the program's approval even though large repayments were made from the beginning of the program through yesterday.

Taras Kotovych, Kiev, +38044 2200120 ext.724

Yield curve of the local bond market

(as of market close on 23 Jun 2015)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 23 Jun 2015)

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

MONEY MARKET KIEV PRIME RATES (%)

O/n	21.00	+0bp	-13bp	+0bp	+210bp
1wk	23.17	-3bp	-21bp	-53bp	+417bp
1m	28.00	+20bp	+0bp	+20bp	+810bp
2m	26.67	+27bp	+17bp	+27bp	+667bp
3m	26.67	+27bp	+17bp	+27bp	+667bp

LIQUIDITY WIDE MEASUREMENT (UAHm)

CB acc's ¹	23,037	-11.91	-6.30	-5.21	-30.72
CDs ²	19,050	-10.36	-48.53	-38.60	+20.68
Sovgns ³	4,928	+0.00	-6.00	+16.31	+8.75
Total	47,016	-10.16	-29.66	-21.07	-12.23

HOLDERS OF UAH SOVEREIGN BONDS (UAHm)

C.bank	352,972	+0.00	+0.72	+2.16	+10.95
Banks	82,965	+0.23	+0.29	-3.56	-11.20
Resid's ⁴	21,718	+0.19	+1.49	-5.98	-11.54
Non-res ⁵	23,635	+0.51	+1.22	+1.01	+9.71
Total	481,291	+0.07	+0.70	+0.68	+5.17

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 (%)

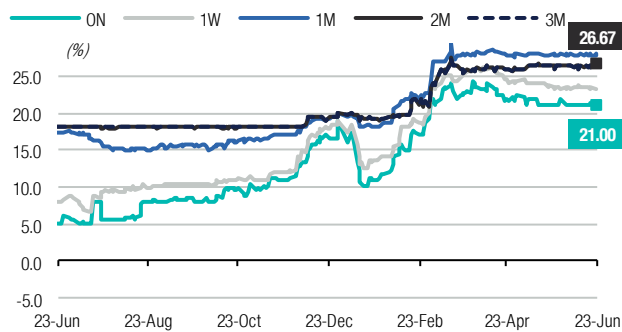
CDS 5yr	2,847	-158bp	-185bp	-386bp	+648bp
Jun '16	100.78	+30bp	+6bp	+307bp	+64bp
Jul '17	53.29	-29bp	-82bp	+28bp	+26bp
Sep '20	26.36	+8bp	-24bp	-97bp	+751bp
Sep '21	23.68	+13bp	-21bp	-273bp	+514bp
Sep '22	20.69	+6bp	-57bp	-216bp	+444bp
Feb '23	19.62	+30bp	-18bp	-142bp	+406bp

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.

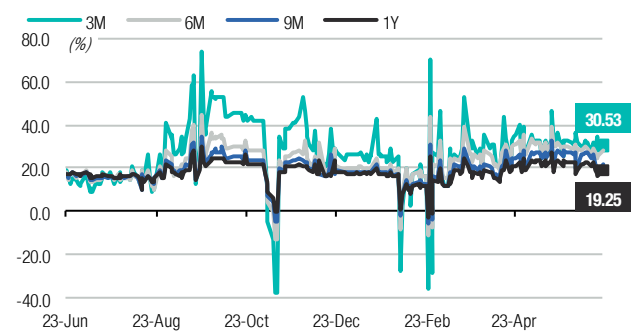
Chart page: Local bond market & Eurobond markets

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



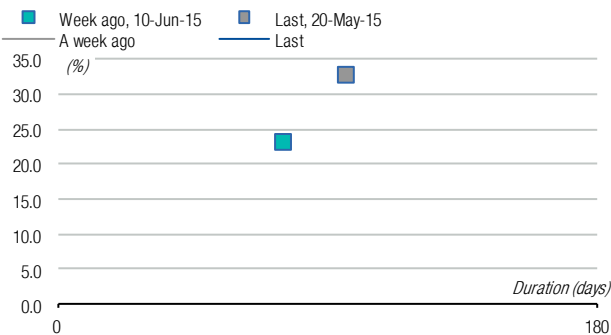
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



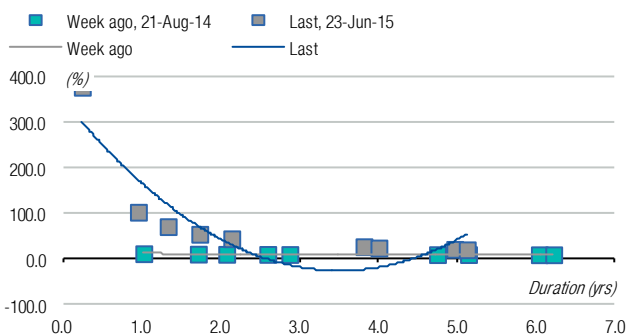
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 23 Jun 2015



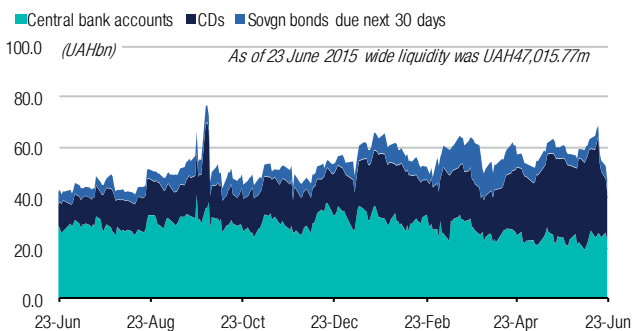
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 23 Jun 2015



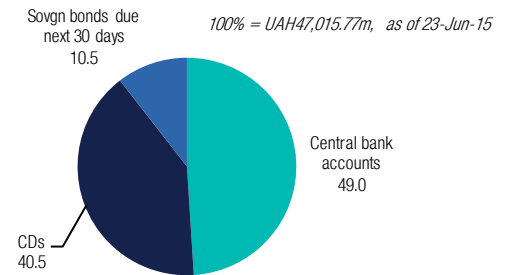
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



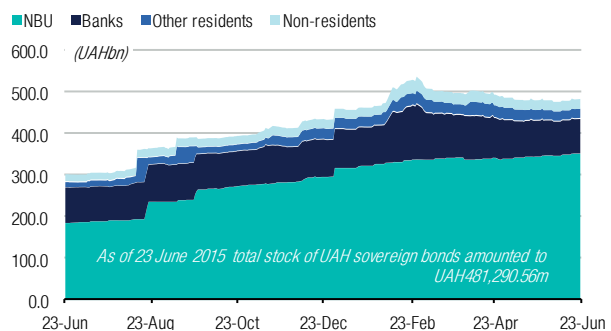
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 23 Jun 2015



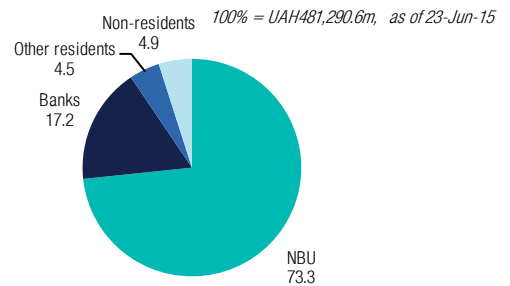
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 23 Jun 2015



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

Table 1. Ukrainian stocks (closing prices as of 23-Jun-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	13.25 GBp	+0.0	+43.2	+32.5	+39.5	0.21	48.3	17.0	40.2	19.4	83.9	36.8	0.40	247	Neg.	N/A	N/A	Neg.	N/A	N/A	0.5	N/A	N/A	0.5	15.3
Centrenerg	CEEN UK	Kiev, UX	7.75 UAH	+0.0	-2.9	+2.7	+4.7	0.35	130.4	135.4	21.7	28.3	93.5	20.1	0.09	1,145	40.5	Neg.	N/A	0.4	Neg.	N/A	0.4	0.3	N/A	1.3	4.2
Coal Energy	CLE PW	Warsaw	0.61 PLN	+3.4	+5.2	-1.6	-54.1	0.16	7.4	79.9	25.0	1.8	6.7	1.6	0.06	1,701	Neg.	N/A	N/A	11.0	N/A	N/A	0.7	N/A	N/A	0.3	56.9
Donbasenergo	DOEN UK	Kiev, UX	22.44 UAH	+0.0	-3.6	-32.0	-43.6	1.02	24.2	37.6	14.2	3.4	0.3	6.0	0.16	618	5.3	Neg.	N/A	0.0	10.8	N/A	0.2	0.2	N/A	0.3	13.6
JXK Oil & Gas	JXK LN	London	28.00 GBp	+0.0	-8.9	+133.3	-52.1	0.44	76.1	87.1	47.2	35.9	3.7	195.8	0.05	2,089	Neg.	Neg.	Neg.	Neg.	1.7	N/A	0.6	0.6	1.1	0.3	9.9
Regal Petroleum	RPT LN	London	4.13 GBp	-17.3	-2.8	+32.2	-51.4	0.07	20.9	-10.9	80.9	16.9	17.9	3.4	0.01	7,137	3.6	7.0	N/A	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	167.00 UAH	+0.0	+0.6	+12.8	+16.0	7.61	97.3	146.7	5.0	4.9	0.0	0.5	0.00	109,031	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	+0.7	-2.8	-62.1	0.00	16.6	1,887.4	3.9	0.6	0.1	0.9	0.13	786	Neg.	Neg.	N/A	0.6	Neg.	N/A	2.8	6.3	N/A	N/A	145.5
Avdiyivsky Cok...	AVDK UK	Kiev, UX	1.15 UAH	+0.0	-8.8	-33.3	-65.2	0.05	10.3	7.9	4.0	0.4	0.0	1.3	0.44	226	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.0	0.0	N/A	0.0	0.0
Azovstal	AZST UK	Kiev, UX	0.81 UAH	+0.0	-2.1	+8.6	+2.1	0.04	155.0	114.0	4.1	6.4	1.1	6.5	0.13	775	3.7	2.9	N/A	0.1	1.0	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	69.50 GBp	+3.0	-6.7	+42.1	-39.5	1.10	645.8	1,342.7	22.4	144.7	384.4	922.7	0.62	160	3.6	8.0	14.1	3.2	6.1	7.2	1.0	1.3	1.3	0.9	61.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.35 UAH	+0.0	+34.2	+24.6	-50.6	0.02	4.4	5.0	9.0	0.4	5.6	0.2	0.13	762	Neg.	10.6	N/A	Neg.	Neg.	N/A	0.1	0.0	N/A	0.1	0.0
Yenakievo Steel	ENMZ UK	Kiev, UX	17.42 UAH	+0.0	+2.5	-16.8	-62.1	0.79	8.4	0.7	9.4	0.8	0.9	2.7	0.56	179	Neg.	Neg.	N/A	0.0	0.0	N/A	0.0	0.0	N/A	0.3	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	0.43 EUR	-6.5	-8.5	+0.0	-59.8	0.48	44.5	92.9	34.0	15.1	7.7	10.3	0.03	2,972	Neg.	N/A	N/A	Neg.	N/A	N/A	1.3	N/A	N/A	0.9	35.9
Agroliga	AGL PW	Warsaw	10.65 PLN	-5.1	+6.9	+18.3	-46.4	2.86	4.4	5.2	16.7	0.7	0.4	2.0	0.32	316	1.2	N/A	N/A	1.5	N/A	N/A	0.3	N/A	N/A	0.4	5.7
Agroton	AGT PW	Warsaw	1.14 PLN	+4.6	+9.6	-7.3	-64.3	0.31	6.6	34.0	26.2	1.7	18.5	12.6	0.51	197	Neg.	N/A	N/A	1.5	N/A	N/A	0.6	N/A	N/A	0.1	33.4
Astarta Holdin...	AST PW	Warsaw	29.80 PLN	+1.2	+21.1	+49.0	-33.8	8.01	200.3	436.4	31.0	62.1	16.4	224.1	0.18	554	Neg.	Neg.	3.7	3.7	3.6	4.3	1.1	1.1	1.0	1.2	49.6
Avangard	AVGR LI	London Intl	1.40 USD	+0.0	-44.0	-31.7	-85.3	1.40	89.4	351.6	21.7	19.4	14.0	30.1	0.13	749	Neg.	Neg.	2.4	2.7	5.1	4.4	0.8	0.9	0.8	0.3	33.1
IMC	IMC PW	Warsaw	4.60 PLN	+2.0	+0.2	-18.9	-55.7	1.24	38.7	147.2	23.9	9.2	16.7	4.0	0.11	952	Neg.	Neg.	1.4	2.6	2.6	2.5	1.1	1.1	1.0	1.4	69.8
Kernel Holding...	KER PW	Warsaw	38.79 PLN	+0.1	+4.8	+36.3	+12.4	10.43	831.2	1,305.7	58.8	488.5	602.6	1,328.5	0.26	378	Neg.	6.6	5.2	5.8	3.9	3.9	0.5	0.5	0.5	1.0	39.1
KSG Agro	KSG PW	Warsaw	0.65 PLN	+0.0	-15.6	-42.0	-85.7	0.17	2.6	67.7	34.4	0.9	0.1	4.0	0.45	222	Neg.	N/A	0.1	7.8	N/A	N/A	0.9	0.7	0.6	N/A	44.5
MHP	MHPC LI	London Intl	11.00 USD	+0.0	+4.8	+19.6	-26.2	11.00	1,162.3	2,322.3	22.3	259.4	0.0	776.7	0.33	307	Neg.	6.2	4.6	4.2	4.6	4.6	1.7	1.8	1.8	2.8	53.0
Milkiland	MLK PW	Warsaw	1.69 PLN	-1.2	-27.2	+14.2	-76.4	0.45	14.2	128.6	20.0	2.8	4.9	13.0	0.26	386	Neg.	Neg.	1.9	9.4	4.3	3.9	0.4	0.5	0.5	0.1	42.5
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	3.00 PLN	+0.0	+0.0	-25.9	-69.8	0.81	7.5	-7.1	10.9	0.8	0.0	0.4	0.01	12,424	Neg.	N/A	N/A	13.8	N/A	N/A	Neg.	N/A	N/A	0.2	7.9
CONSTRUCTION																											
TMM	TR61 GF	Frankfurt	0.02 EUR	+0.0	-4.0	-70.0	-89.3	0.03	1.4	128.5	13.1	0.2	0.0	0.3	0.09	1,110	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	+0.0	-1.5	-5.1	-39.3	0.00	124.4	N/A	3.8	4.8	1.6	9.9	0.15	662	N/A	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.7	N/A
Ukrsotsbank	USCB UK	Kiev, UX	0.08 UAH	+0.0	-18.6	-36.2	-49.9	0.00	93.3	N/A	4.5	4.2	0.1	0.3	0.02	4,982	Neg.	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.3	38.2

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

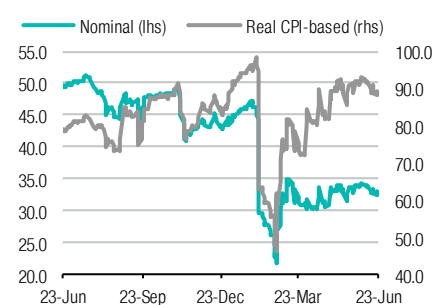
Hryvnia's FX regime exposes itself

The NBU showed its ongoing tight control of FX policy as the hryvnia rose 0.69% to the dollar while most of the other emerging and developed market currencies declined on the news from the US and EU. The euro declined 1.53% on the Greek debt news, as the Polish zloty slid 1.42%, the Turkish lira fell 0.52%, while the Russian ruble added 0.16%. The hryvnia's gain yesterday illustrates the glowing disconnection of Ukraine from the global FX market as NBU authorities continue to intervene indirectly and directly.

Alexander Valchyshen, Kiev, +38044 2200120 ext.242

ICU's UAH trade-weighted indices

(Last 12-month history to 24 Jun 2015)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 23 Jun 2015)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	21.6250	-0.69	-0.57	+4.22	+36.69
NBU avg	21.5257	-1.12	-2.81	+3.31	+36.51
Ttl vlm ¹	239.85	+6.17	+19.35	-12.92	-44.33
\$ volume ²	171.87	+19.75	+16.77	-10.96	-51.49
NDF 3M	22.9422	-2.03	-2.17	+1.51	+36.16
NDF 6M	23.9240	-3.41	-3.92	-0.32	+37.49
NDF 1Y	24.8180	-3.69	-5.99	-2.29	+34.51
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	32.860	+1.21	+0.70	-1.88	-26.10
UAH real CPI	89.333	+1.21	+0.70	-1.88	+3.22
UAH real PPI	106.841	+1.21	+0.70	-1.88	-9.28
USD nom'l	95.432	+1.17	+0.46	-0.61	+5.72
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	53.8496	-0.16	+0.12	+7.69	-11.34
EUR/USD	1.1167	-1.53	-0.72	+1.40	-7.70
USD/CNY	6.2067	-0.04	-0.03	+0.15	+0.02
USD/PLN	3.7265	+1.42	+1.15	-0.11	+5.16
USD/TRY	2.6794	+0.52	-2.01	+3.09	+14.75
USD/BYR	15,318.00	-0.24	-0.53	+7.12	+39.25
USD/KZT	186.0800	-0.06	+0.01	-0.01	+2.05
OTHER MAJOR CURRENCIES					
USD/JPY	123.9400	+0.46	+0.47	+1.97	+3.47
GBP/USD	1.5729	-0.60	+0.52	+1.54	+0.98
USD/CHF	0.9341	+1.38	+0.20	-1.00	-6.05
AUD/USD	0.7736	+0.10	-0.21	-1.11	-5.37
USD/CAD	1.2327	+0.15	+0.26	+0.39	+6.08
USD/BRL	3.0754	-0.16	-0.44	-0.61	+15.72
USD/KRW	1,104.70	+0.52	-1.23	+1.34	+1.26
COMMODITIES					
Gold(\$/oz)	1,178.60	-0.61	-0.30	-2.29	-0.53
WTI crude ³	60.78	+1.84	+1.35	+2.98	+14.10
Brent crd ³	62.39	+1.96	+0.47	-3.69	+11.89
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	224.36	+0.50	+0.26	-0.53	-2.44

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.

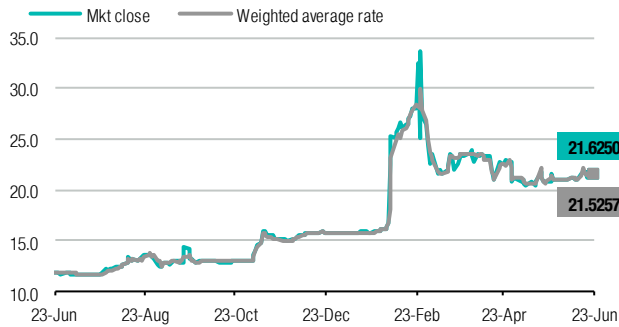
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

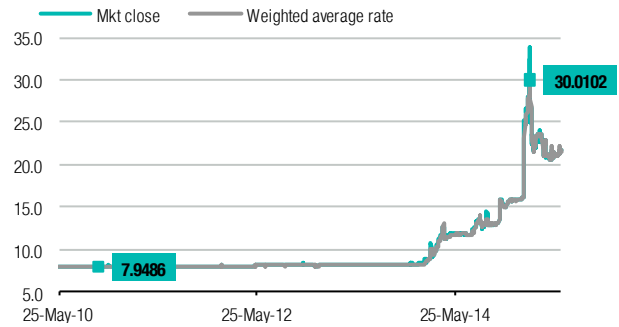
Section on FX market is continued on next page.

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)

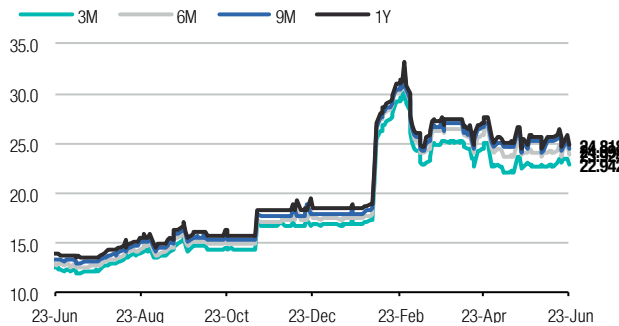


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

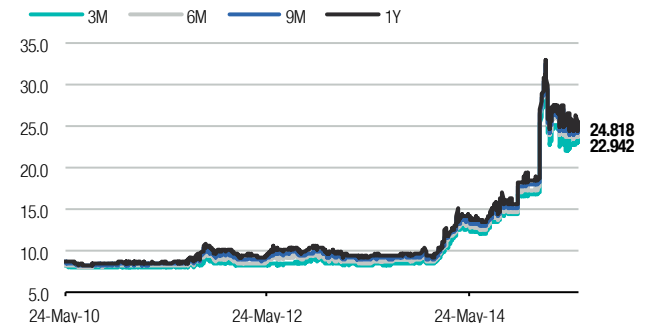


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

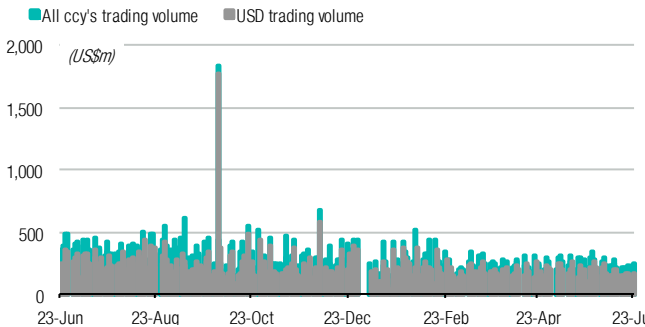


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

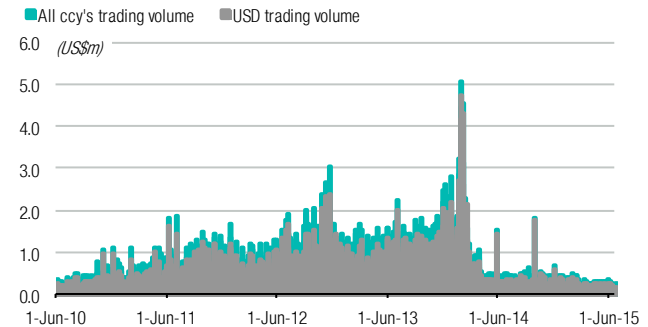


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

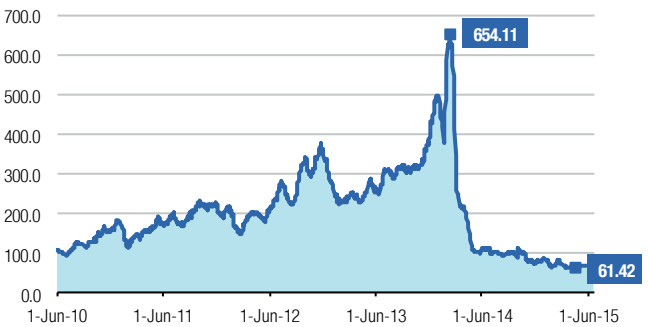
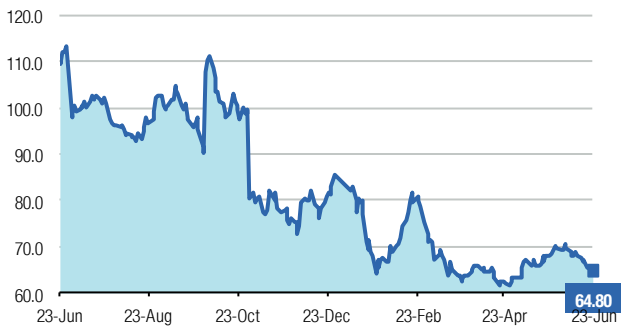


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)

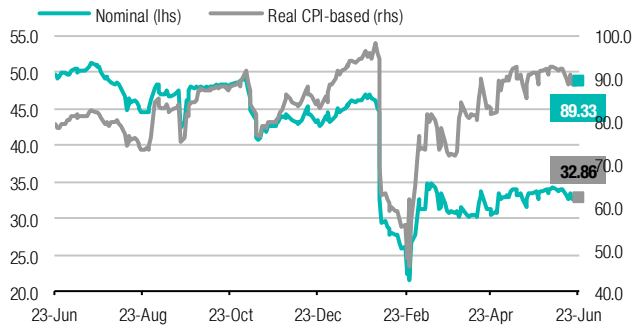


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

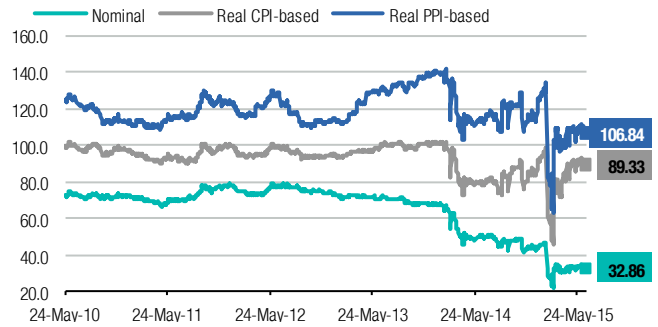
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology (for more details visit <http://www.icu.ua/en/research/currency-indices>).

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



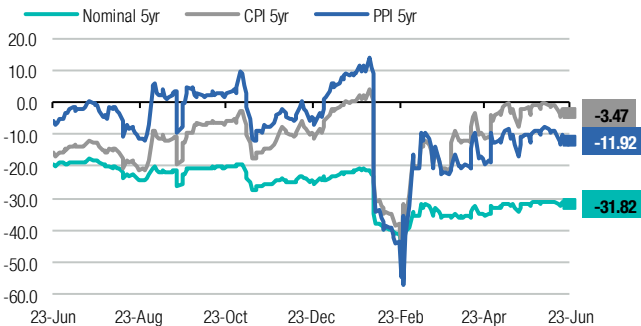
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

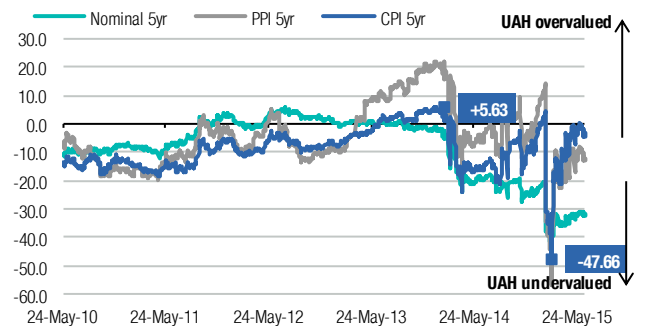


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

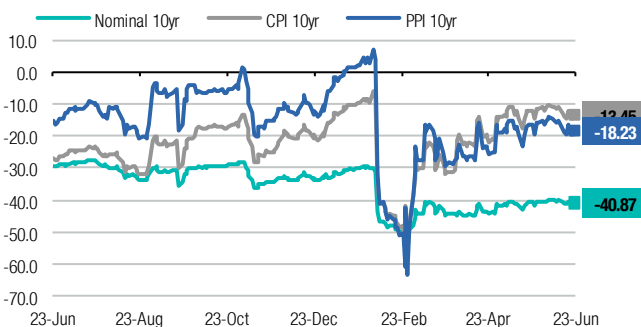


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

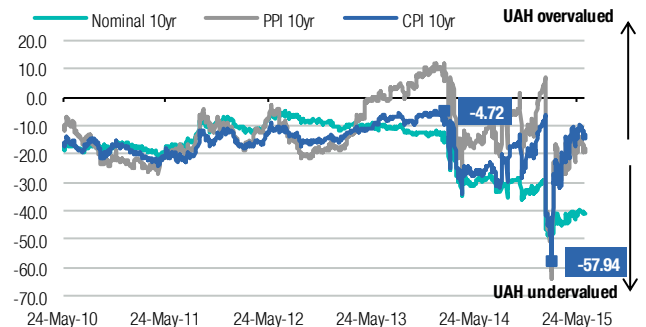


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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



11th floor, LEONARDO Business Centre
19-21 Bogdan Khmelnytsky Street
Kiev, 01030 Ukraine
Phone/Fax +38 044 2200120

WEB www.icu.ua



@ICU_UA

CORPORATE FINANCE

Makar Paseniuk, CFA, Managing Director
makar.paseniuk@icu.ua

Roman Nikitov, ACCA Director
roman.nikitov@icu.ua

Ruslan Kilmukhametov, Director
ruslan.kilmukhametov@icu.ua

Ivan Shvydanenko, Vice President
ivan.shvydanenko@icu.ua

Yuriy Kamarytskyi, Vice President
yuriy.kamarytskyi@icu.ua

Ruslan Patlavsky, Vice President
ruslan.patlavsky@icu.ua

STRATEGY AND CORPORATE DEVELOPMENT

Vlad Sinani, Director
vlad.sinani@icu.ua

SALES AND TRADING

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

Liliya Kubytyovych
Asset Management Product Sales
liliya.kubytyovych@icu.ua

Julia Pecheritsa
Ukraine and CIS International Sales
julia.pecheritsa@icu.ua

Yevgeniya Gryshchenko
Fixed-Income Sales
yevgeniya.gryshchenko@icu.ua

RESEARCH DEPARTMENT

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

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