



Focus  
**Ukraine**

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

Research team  
**Alexander Valchyshen  
Taras Kotovych  
Mykhaylo Demkiv**

# Daily Insight

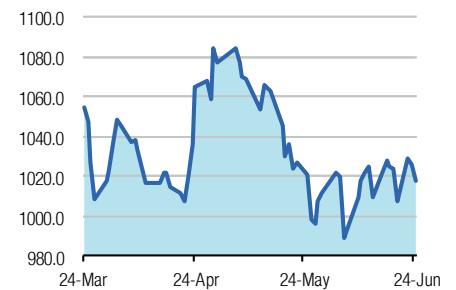
## Another top-20 bank declared insolvent

**THURSDAY, 25 JUNE 2015**

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### UX Index (3 months to 25 Jun 2015)



Source: UX.

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

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	21.1750	-2.08	+33.85
USD/UAH (1Y NDF)	25.0000	+0.73	+35.50
EUR/USD	1.1205	+0.34	-7.38
USD/RUB	54.4623	+1.14	-10.33
KievPRIME O/N (%)	21.00	+0bp	+210bp
KievPRIME 1M (%)	28.00	+0bp	+810bp
<b>SOVEREIGN EUROBONDS: yields and spreads</b>			
Ukraine 15, Eurobond (%)	363.63	-219bp	+30,186bp
Ukraine 17, Eurobond (%)	50.40	-289bp	+2,264bp
Ukraine 22, Eurobond (%)	20.08	-61bp	+383bp
Ukraine 23, Eurobond (%)	19.48	-14bp	+392bp
Ukraine 5Y CDS	2,875bp	+27bp	+675bp
<b>EQUITIES</b>			
<b>Stock market indices</b>			
UX (Ukraine)	1,017.80	-0.83	-1.50
MSCI World	435.41	-0.48	+4.38
MSCI EM	993.31	+0.27	+3.87
RTS (Russia)	951.45	-1.33	+20.88
WIG-20 (Poland)	2,348.97	+0.33	+1.43
S&P 500 (USA)	2,108.58	-0.74	+2.41

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

### Gasoline retail market in May

The latest statistical data for May reveals that the retail gasoline consumption has been stabilizing after a collapse at the end of 1Q15. Raw statistical data shows that in 2Q 2015, the volumes of sales of gasoline and diesel have risen across the country. In May in particular, sales volumes rose +2.1% MoM and +0.3% to 152,000 tonnes and 107,200 tonnes, respectively. In April, the increase was more profound, which is explained by the seasonal factor. If data is adjusted for seasonality, then a recovery appears to be underway, albeit from a very low level seen in March, the first month that reflected the impact of massive currency devaluation that took place at the end of February (see table below). The seasonally-adjusted data for April-May shows that 2Q is going to be weaker than 1Q, suggesting that very early signs of stabilization might be seen in June's data or early in 3Q. The key risk is the expansion of the war in Donbas.

**Table 1. Retail gasoline consumption in 2015 (000 tonnes)**

Period	Raw data						Seasonally-adjusted data					
	Ukraine		City of Kyiv		Rest of Ukraine (ex city of Kyiv)		Ukraine		City of Kyiv		Rest of Ukraine (ex city of Kyiv)	
	Gasoline	Diesel	Gasoline	Diesel	Gasoline	Diesel	Gasoline	Diesel	Gasoline	Diesel	Gasoline	Diesel
<b>Jan-15</b>	138.1	100.9	18.8	6.6	119.3	94.3	169.8	128.2	21.8	7.9	148.0	120.3
<b>Feb-15</b>	128.7	112.7	15.5	6.4	113.2	106.3	166.6	134.3	17.2	7.6	149.4	126.7
<b>Mar-15</b>	123.5	97.6	14.8	6.1	108.7	91.5	150.7	99.6	16.6	7.1	134.2	92.5
<b>Apr-15</b>	149.6	106.9	16.9	6.8	132.7	100.1	153.5	108.2	16.9	7.0	136.6	101.3
<b>May-15</b>	152.8	107.2	16.3	6.6	136.5	100.6	152.0	111.1	16.1	7.1	135.9	104.0
<b>Change May vs Apr (%MoM)</b>	2.1	0.3	-3.6	-2.9	2.9	0.5	-1.0	2.6	-4.5	1.6	-0.5	2.7

Sources: State Statistics Service of Ukraine, ICU.

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

### Another top-20 bank declared insolvent

The NBU took regulatory control of Financial Initiative Bank as the result of financial insolvency, ongoing insufficient liquidity, and its inability to make the repayments. The institution was related to VAB which failed in November 2014.

Financial Initiative has 1.1% of Ukraine's total banking system retail deposits, with insured deposits estimated at UAH3.7bn (around 78% of its total deposits). This will increase the amount of expected disbursements paid by the Deposit Guarantee Fund by up to 10%. In our opinion, the Fund will fulfill its obligations, considering the contingency support from the NBU.

Financial Initiative's insolvency has been anticipated due to its chronic problems with liquidity. Total NBU loans to the bank reached a stunning 63.4% of its total liabilities.

The bank increased its share capital by UAH925m in 2Q15 without a material cash inflow, in our opinion. With corporate loans constituting over 80% of the bank's total assets, as only a small fraction of this amount is currently characterized as overdue, we suspect a dangerous share of insider lending.

**Mykhaylo Demkiv, Kiev, +38044 2200120 ext.723**

# Bonds: News & Comments

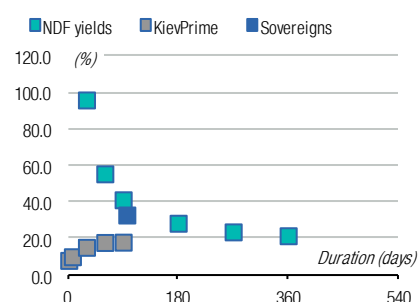
## Liquidity steady

Banking sector liquidity remains steady yesterday. Tuesday's outflows caused broader liquidity to increase UAH0.17bn to UAH68.89bn as banks' correspondent accounts fell UAH1.06bn to UAH21.97bn while total CDs outstanding were up UAH1.23bn to UAH41.66bn. Reallocation in liquidity is routine and expected to continue through the end of week.

**Taras Kotovych, Kiev, +38044 2200120 ext.724**

## Yield curve of the local bond market

(as of market close on 24 Jun 2015)



Sources: Bloomberg, Investment Capital Ukraine LLC.

## Bond market indicators (as of 24 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	+0bp	-33bp	-53bp	+417bp
1m	28.00	+0bp	+25bp	+20bp	+810bp
2m	26.67	+0bp	+42bp	+27bp	+667bp
3m	26.67	+0bp	+42bp	+27bp	+667bp

### LIQUIDITY WIDE MEASUREMENT (UAHm)

CB acc's <sup>1</sup>	21,974	-4.62	-15.20	-9.58	-33.92
CDs <sup>2</sup>	16,411	-13.85	-57.10	-47.11	+3.96
Sovgns <sup>3</sup>	4,150	-15.79	+2.04	-2.06	-8.42
<b>Total</b>	<b>42,535</b>	<b>-9.53</b>	<b>-37.67</b>	<b>-28.59</b>	<b>-20.60</b>

### HOLDERS OF UAH SOVEREIGN BONDS (UAHm)

C.bank	356,337	+0.95	+0.95	+3.14	+12.01
Banks	80,322	-3.19	-4.03	-6.63	-14.03
Resid's <sup>4</sup>	21,762	+0.20	+0.64	-5.79	-11.36
Non-res <sup>5</sup>	23,416	-0.93	-2.33	+0.07	+8.69
<b>Total</b>	<b>481,838</b>	<b>+0.11</b>	<b>-0.09</b>	<b>+0.80</b>	<b>+5.28</b>

### 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 <sup>6</sup>	N/A	N/A	N/A	N/A	N/A

### EUROBONDS USD SOVEREIGN BOND YIELDS (%)

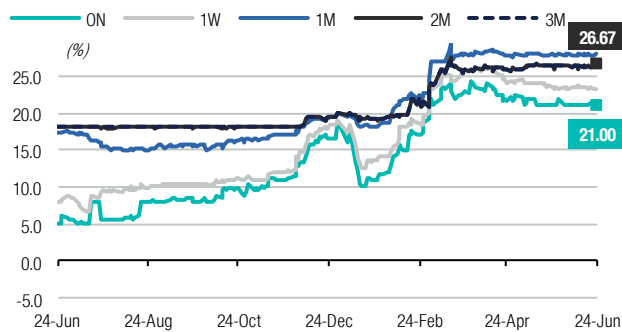
CDS 5yr	2,875	+27bp	-244bp	-359bp	+675bp
Jun '16	93.81	-697bp	-739bp	-390bp	+57bp
Jul '17	50.40	-289bp	-407bp	-261bp	+23bp
Sep '20	24.76	-160bp	-179bp	-257bp	+591bp
Sep '21	23.07	-61bp	-71bp	-334bp	+453bp
Sep '22	20.08	-61bp	-141bp	-277bp	+383bp
Feb '23	19.48	-14bp	+26bp	-156bp	+392bp

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.

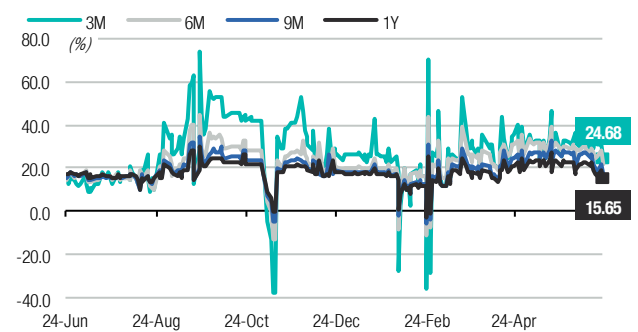
Chart page: Local bond market & Eurobond markets

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



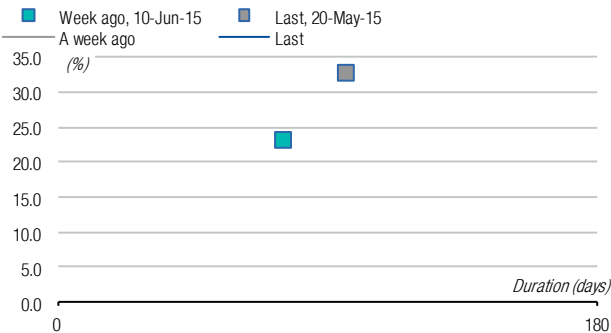
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



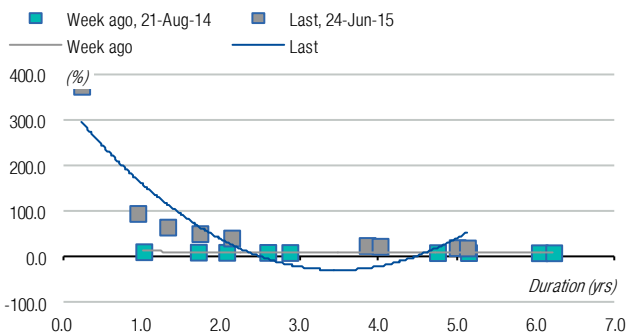
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



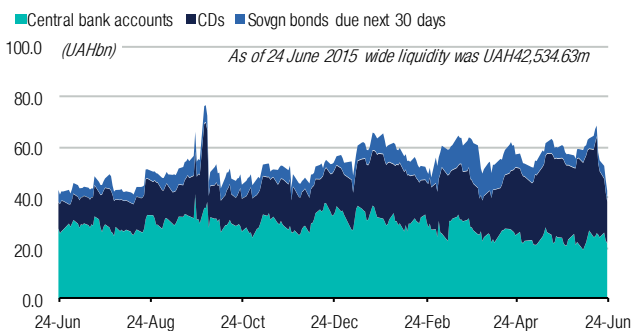
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



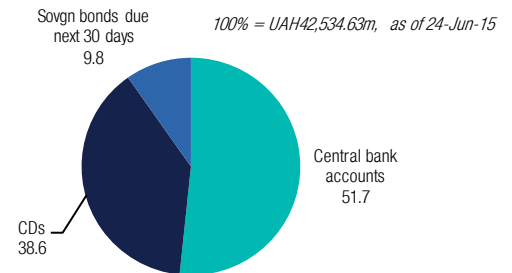
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



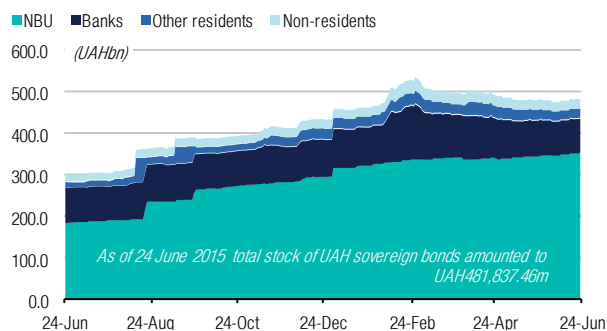
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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



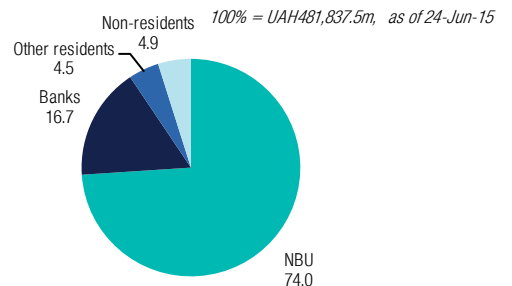
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 24 Jun 2015



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

Table 2. Ukrainian stocks (closing prices as of 24-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 (%)
<b>ENERGY</b>																											
Cadogan Petrol...	CAD LN	London	13.00 GBP	-1.9	+40.5	+30.0	+36.8	0.20	47.1	15.8	40.2	18.9	99.7	37.6	0.44	226	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	7.76 UAH	+0.1	-2.0	+2.9	+5.1	0.36	131.3	136.3	21.7	28.5	14.2	20.1	0.09	1,154	40.6	Neg.	N/A	0.4	Neg.	N/A	0.4	0.3	N/A	1.3	4.2
Coal Energy	CLE PW	Warsaw	0.60 PLN	-1.6	+5.3	-3.2	-54.5	0.16	7.3	79.8	25.0	1.8	2.1	1.3	0.06	1,539	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	22.25 UAH	-0.8	-0.8	-32.6	-44.3	1.02	24.1	37.6	14.2	3.4	5.3	5.7	0.17	585	5.2	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	-52.3	0.44	75.6	86.6	47.2	35.7	81.0	195.2	0.06	1,735	Neg.	Neg.	Neg.	Neg.	1.7	N/A	0.6	0.6	1.1	0.3	9.9
Regal Petroleum	RPT LN	London	4.75 GBP	+14.9	+11.6	+51.8	-42.5	0.07	23.9	-8.0	80.9	19.3	5.2	3.9	0.01	7,196	4.1	8.0	N/A	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.3	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	167.00 UAH	+0.0	+0.6	+12.8	+16.0	7.65	97.9	147.5	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
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.01 UAH	-7.1	-8.5	-9.7	-64.9	0.00	15.5	1,896.8	3.9	0.6	0.5	0.8	0.14	739	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	1.14 UAH	-1.4	-6.7	-34.2	-65.8	0.05	10.2	7.8	4.0	0.4	0.0	1.3	0.45	223	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.0	0.0	N/A	0.0	0.0
Azovstal	AZST UK	Kiev, UX	0.79 UAH	-2.0	-2.1	+6.4	+0.6	0.04	152.8	111.6	4.1	6.3	6.1	5.8	0.14	734	3.6	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	70.25 GBP	+1.1	-5.7	+43.6	-39.3	1.10	648.7	1,345.5	22.4	145.3	771.5	919.1	0.62	161	3.6	8.0	14.2	3.2	6.1	7.3	1.0	1.3	1.3	0.9	61.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.25 UAH	-28.1	-3.5	-10.4	-64.5	0.01	3.1	3.8	9.0	0.3	1.7	0.2	0.21	470	Neg.	7.6	N/A	Neg.	Neg.	N/A	0.0	0.0	N/A	0.1	0.0
Yenakievo Steel	ENMZ UK	Kiev, UX	16.98 UAH	-2.5	+2.3	-18.9	-62.9	0.78	8.2	0.5	9.4	0.8	0.2	2.6	0.57	175	Neg.	Neg.	N/A	0.0	0.0	N/A	0.0	0.0	N/A	0.2	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	0.43 EUR	+0.0	-8.5	+0.0	-59.4	0.48	44.5	92.9	34.0	15.1	1.1	10.0	0.03	3,482	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	+0.0	+12.0	+18.3	-46.2	2.86	4.4	5.2	16.7	0.7	0.6	1.9	0.32	315	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	+0.0	+11.8	-7.3	-60.7	0.31	6.6	34.0	26.2	1.7	7.4	12.4	0.52	191	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	31.00 PLN	+4.0	+27.1	+55.0	-29.5	8.32	208.1	444.2	31.0	64.6	42.1	233.3	0.17	576	Neg.	Neg.	3.9	3.7	3.7	4.4	1.1	1.1	1.0	1.3	49.6
Avangard	AVGR LI	London Intl	1.39 USD	-0.7	-44.4	-32.2	-86.0	1.39	88.8	350.9	21.7	19.3	1.1	29.8	0.13	742	Neg.	Neg.	2.4	2.7	5.1	4.4	0.8	0.9	0.8	0.3	33.1
IMC	IMC PW	Warsaw	4.51 PLN	-2.0	+0.2	-20.5	-55.9	1.21	37.9	146.4	23.9	9.1	6.7	4.0	0.11	903	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	+0.0	+4.6	+36.3	+16.9	10.42	830.0	1,304.3	58.8	487.8	732.7	1,298.4	0.27	372	Neg.	6.6	5.2	5.8	3.9	3.9	0.5	0.5	0.5	1.0	39.1
MHP	MHPC LI	London Intl	10.50 USD	-4.5	+0.0	+14.1	-28.9	10.50	1,109.5	2,269.5	22.3	247.6	1,106.0	757.8	0.33	305	Neg.	5.9	4.4	4.1	4.5	4.5	1.6	1.8	1.7	2.6	53.0
Milkiland	MLK PW	Warsaw	1.65 PLN	-2.4	-25.3	+11.5	-76.8	0.44	13.8	128.3	20.0	2.8	2.3	12.3	0.26	385	Neg.	Neg.	1.8	9.3	4.3	3.9	0.4	0.5	0.5	0.1	42.5
Ovostar Union	OVO PW	Warsaw	79.00 PLN	+1.3	-4.2	+9.7	+8.2	21.21	127.3	137.5	25.0	31.8	32.4	126.6	0.17	592	5.0	5.5	6.3	4.7	5.3	4.6	1.8	1.8	1.6	1.5	9.4
<b>CONSTRUCTION</b>																											
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
<b>FINANCIAL SERVICES</b>																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.09 UAH	-2.0	-4.7	-7.0	-40.5	0.00	122.7	N/A	3.8	4.7	4.1	9.4	0.15	646	N/A	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.7	N/A
Ukrsofsbank	USCB UK	Kiev, UX	0.08 UAH	+0.0	-18.6	-36.2	-51.0	0.00	93.8	N/A	4.5	4.2	0.0	0.3	0.01	8,821	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

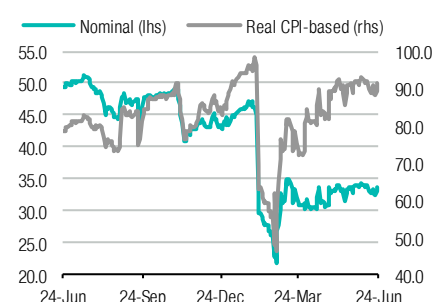
### Hryvnia's TWI appreciation

The hryvnia's trade weighted value rose 2.36% yesterday while its market rate moved up just 2.08% as the result of two factors. First, the third review of 1Q real GDP yielded a 0.2% contraction, an improvement from the previous estimate of a 0.7% contraction. This was reinforced by updates of the Greek debt restructuring to determine if Greece withdraws its membership from the EU or adopts a socially painful austerity program. The second factor is that the Russian ruble dropped 1.14%. The more the hryvnia's TWI appreciates, the more severely the market will inevitably correct.

**Alexander Valchyshen, Kiev, +38044 2200120 ext.242**

### ICU's UAH trade-weighted indices

(Last 12-month history to 25 Jun 2015)



Source: Investment Capital Ukraine LLC.

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

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	21.1750	-2.08	-2.64	+2.05	+33.85
NBU avg	21.1780	-1.62	-2.18	+1.64	+34.31
Ttl vlm <sup>1</sup>	224.85	-6.25	+1.57	-18.36	-47.82
\$ volume <sup>2</sup>	154.13	-10.32	-4.26	-20.15	-56.50
NDF 3M	23.3500	+1.78	+0.21	+3.32	+38.58
NDF 6M	24.4500	+2.20	-0.81	+1.88	+40.52
NDF 1Y	25.0000	+0.73	-2.53	-1.57	+35.50
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	33.635	+2.36	+3.43	+0.43	-24.36
UAH real CPI	91.441	+2.36	+3.43	+0.43	+5.66
UAH real PPI	109.362	+2.36	+3.43	+0.43	-7.14
USD nom'l	95.264	-0.18	+1.03	-0.78	+5.53
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	54.4623	+1.14	+1.53	+8.92	-10.33
EUR/USD	1.1205	+0.34	-1.16	+1.74	-7.38
USD/CNY	6.2072	+0.01	-0.04	+0.16	+0.03
USD/PLN	3.7224	-0.11	+1.60	-0.22	+5.05
USD/TRY	2.6777	-0.06	-1.08	+3.02	+14.68
USD/BYR	15,400.00	+0.54	-0.65	+7.69	+40.00
USD/KZT	186.2100	+0.07	+0.08	+0.06	+2.12
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	123.8500	-0.07	+0.34	+1.90	+3.40
GBP/USD	1.5706	-0.15	-0.80	+1.39	+0.83
USD/CHF	0.9337	-0.04	+1.27	-1.04	-6.09
AUD/USD	0.7704	-0.41	-0.58	-1.52	-5.76
USD/CAD	1.2383	+0.45	+1.27	+0.85	+6.56
USD/BRL	3.0984	+0.75	+1.37	+0.14	+16.59
USD/KRW	1,108.51	+0.34	-0.82	+1.69	+1.61
<b>COMMODITIES</b>					
Gold(\$/oz)	1,175.47	-0.27	-0.85	-2.55	-0.79
WTI crude <sup>3</sup>	60.12	-1.09	+0.33	+1.86	+12.86
Brent crd <sup>3</sup>	62.08	-0.50	+0.93	-4.17	+11.33
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	224.04	-0.14	+0.24	-0.67	-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.

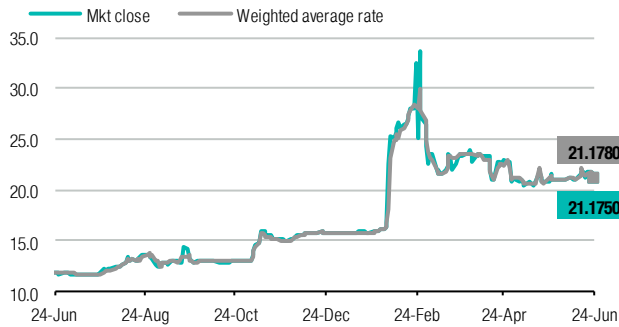
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

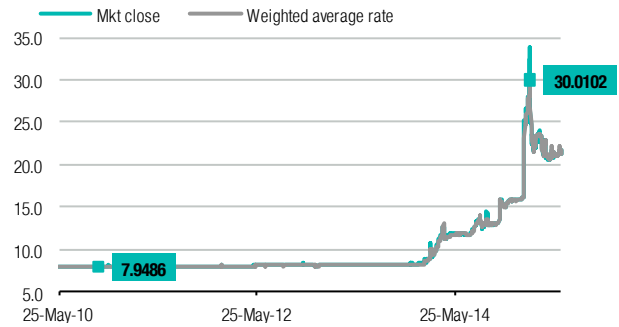
Section on FX market is continued on next page.

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)

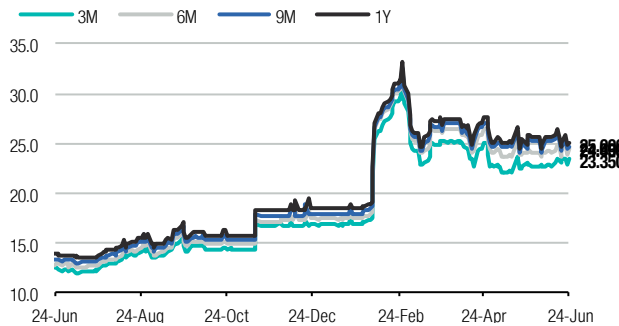


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

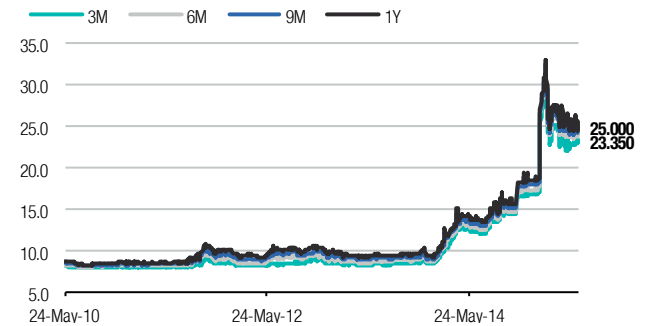


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

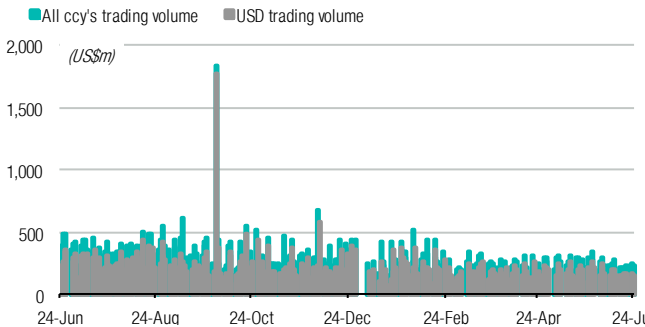


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

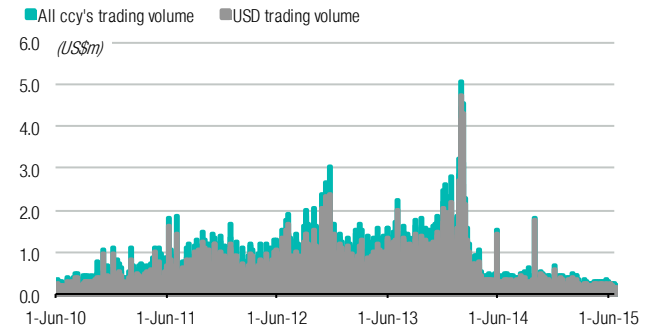


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

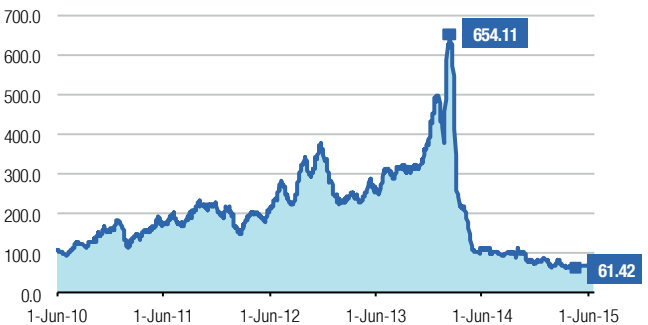
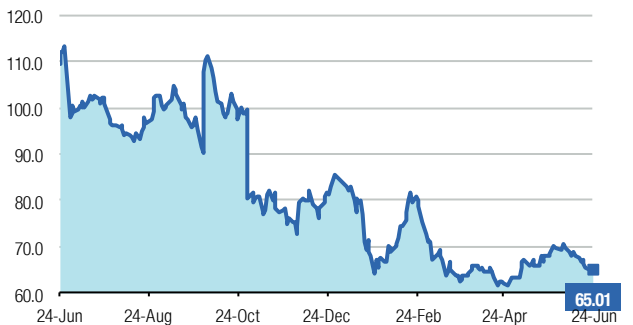


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)

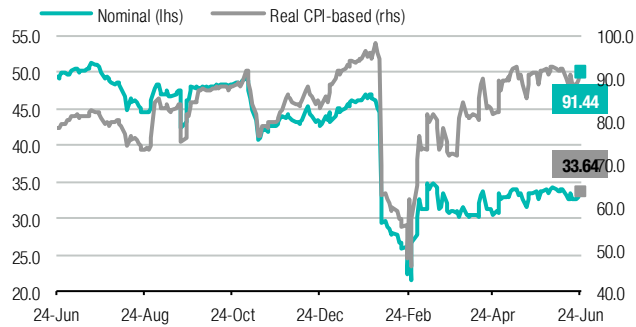


Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

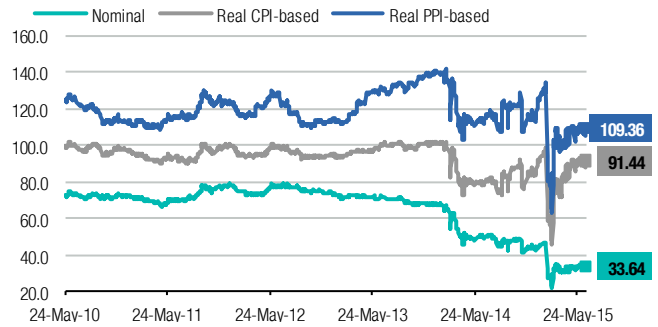
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology (for more details visit <http://www.icu.ua/en/research/currency-indices>).

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



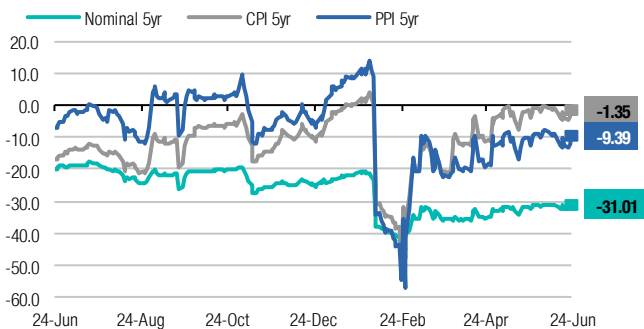
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

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

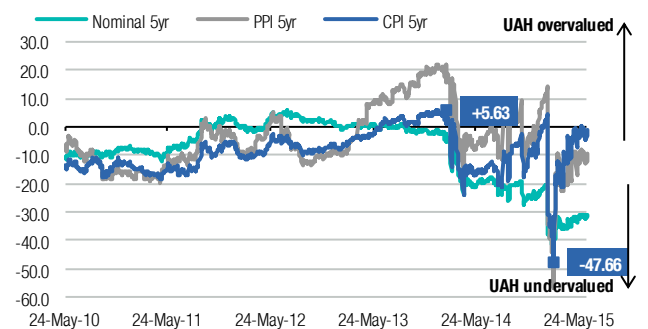


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

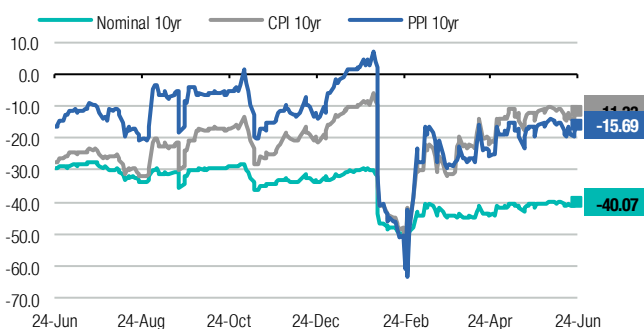


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

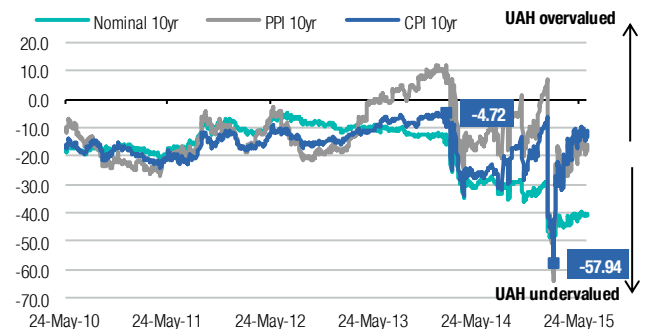


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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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**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



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

**WEB** [www.icu.ua](http://www.icu.ua)



@ICU\_UA

## CORPORATE FINANCE

**Makar Paseniuk, CFA**, Managing Director  
[makar.paseniuk@icu.ua](mailto:makar.paseniuk@icu.ua)

**Roman Nikitov, ACCA** Director  
[roman.nikitov@icu.ua](mailto:roman.nikitov@icu.ua)

**Ruslan Kilmukhametov**, Director  
[ruslan.kilmukhametov@icu.ua](mailto:ruslan.kilmukhametov@icu.ua)

**Ivan Shvydanenko**, Vice President  
[ivan.shvydanenko@icu.ua](mailto:ivan.shvydanenko@icu.ua)

**Yuriy Kamarytskyi**, Vice President  
[yuriy.kamarytskyi@icu.ua](mailto:yuriy.kamarytskyi@icu.ua)

**Ruslan Patlavsky**, Vice President  
[ruslan.patlavsky@icu.ua](mailto:ruslan.patlavsky@icu.ua)

## STRATEGY AND CORPORATE DEVELOPMENT

**Vlad Sinani**, Director  
[vlad.sinani@icu.ua](mailto:vlad.sinani@icu.ua)

## SALES AND TRADING

**Konstantin Stetsenko**   
Managing Director  
[konstantin.stetsenko@icu.ua](mailto:konstantin.stetsenko@icu.ua)

**Sergiy Byelyayev**  
Fixed-Income Trading  
[sergiy.byelyayev@icu.ua](mailto:sergiy.byelyayev@icu.ua)


**Vitaliy Sivach**   
Fixed-Income & FX Trading  
[vitaliy.sivach@icu.ua](mailto:vitaliy.sivach@icu.ua)


**Liliya Kubytovych**   
Asset Management Product Sales  
[liliya.kubytovych@icu.ua](mailto:liliya.kubytovych@icu.ua)

**Julia Pecheritsa**  
Ukraine and CIS International Sales  
[julia.pecheritsa@icu.ua](mailto:julia.pecheritsa@icu.ua)

**Yevgeniya Gryshchenko**  
Fixed-Income Sales  
[yevgeniya.gryshchenko@icu.ua](mailto:yevgeniya.gryshchenko@icu.ua)


## RESEARCH DEPARTMENT

**Alexander Valchyshen**   
Head of Research  
[alexander.valchyshen@icu.ua](mailto:alexander.valchyshen@icu.ua)

**Alexander Martynenko**   
Head of corporate research  
[alexander.martynenko@icu.ua](mailto:alexander.martynenko@icu.ua)

**Bogdan Vorotilin**   
Financial analyst (Food & Agribusiness)  
[bogdan.vorotilin@icu.ua](mailto:bogdan.vorotilin@icu.ua)

**Taras Kotovych**   
Senior financial analyst (Sovereign debt)  
[taras.kotovych@icu.ua](mailto:taras.kotovych@icu.ua)

**Mykhaylo Demkiv**   
Financial analyst (Banks)  
[mykhaylo.demkiv@icu.ua](mailto:mykhaylo.demkiv@icu.ua)

**Lee Daniels, Rolfe Haas**  
Editors

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