

Daily Insight

Russian debt status remains uncertain

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WEDNESDAY, 15 JULY 2015

UX Index (3 months to 15 Jul 2015)



Source: UX.

Key market indicators (as of 14 Jul 2015)

	Last	Daily chg (%)	YTD chg (%)
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FX & MONEY RATES

USD/UAH	22.2000	+0.00	+40.33
USD/UAH (1Y NDF)	25.0153	+0.00	+35.58
EUR/USD	1.1009	+0.06	-9.00
USD/RUB	56.4132	-0.24	-7.12
KievPRIME 0/N (%)	21.50	+50bp	+260bp
KievPRIME 1M (%)	25.50	-17bp	+560bp

SOVEREIGN EUROBONDS: yields and spreads

Ukraine 15, Eurobond (%)	441.31	+1,050bp	+37,954bp
Ukraine 17, Eurobond (%)	47.67	+115bp	+1,991bp
Ukraine 22, Eurobond (%)	19.00	+24bp	+275bp
Ukraine 23, Eurobond (%)	18.63	+23bp	+306bp
Ukraine 5Y CDS	2,225bp	-9bp	+26bp

EQUITIES

Stock market indices

UX (Ukraine)	999.79	-0.80	-3.24
MSCI World	429.43	+0.52	+2.95
MSCI EM	940.83	-0.23	-1.62
RTS (Russia)	919.79	+0.47	+16.85
WIG-20 (Poland)	2,259.98	-0.40	-2.42
S&P 500 (USA)	2,108.95	+0.45	+2.43

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

Russian debt status remains uncertain

After Ukrainian government officials met with the US President and other top officials, a FT [article](#) reported the controversial Russian US\$3bn Eurobond has been classified by IMF as official debt, although there has yet been no official announcement. This classification was first mentioned nearly a month ago in another FT [article](#) published on June 19, attributed to an anonymous IMF source, which the IMF has neither publicly denied nor confirmed. On June 23rd, Bloomberg posted a similar [claim](#), again, with no named source. If this is true and the debt is paid in December, Ukraine's FX reserves would amount to US\$9.5bn rather than the US\$12.5bn forecast for year-end 2015. As this would put downward pressure on the hryvnia's FX rate, this fall should become quite heated in both political and economic terms. A mini political crisis could arise as many MPs in the coalition could punish the current administration for repaying a sizable debt to an aggressor country that has been waging war on Ukraine.

Alexander Valchyshen, Kiev, +38044 2200120 ext.721

Bonds: News & Comments

Liquidity reallocated back to CDs

Broader banking sector liquidity rose UAH1.13bn to UAH72.04bn due to an increase in total debt repayments scheduled for the next 30 days, up UAH1.16bn to UAH6.44bn. Funds from banks' correspondent accounts were reallocated to CDs, as there are no other available instruments for short-term investments. Banks' correspondent accounts with the NBU declined UAH2.16bn to UAH23.56bn while total CDs outstanding increased UAH2.13bn.

KyivPrime interest rates slightly diverged, as the ON interest rate rose 50bp to 21.50% while the 1M interest rate slid 17bp to 25.50%.

Investment implication: The NBU did not offer 1-month CDs on Monday or yesterday an instead announced tenders of 1-month and 3-month CDs today at interest rates lower than before, no higher than 22% for both offerings. Even though the NBU offered government bonds from its portfolio at a maximum rate of 21.20%. Instead, banks prefers CDs with tenors of up to 14 days at interest rates up to 26%. Banking sector liquidity has remained rather steady as funds were reallocated between banks' accounts and CDs. While this activity should continue, declining interest rates on low risk assets could force banks to either invest in CDs with shorter maturities or buy a limited supply of government bonds that are more attractive than CDs.

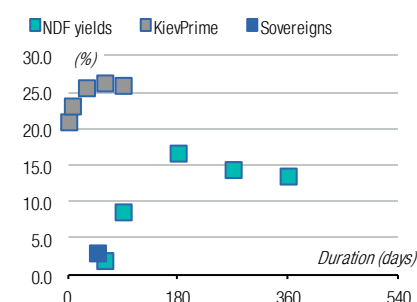
Primary auction failed.

Having provided no indication of what interest rates would be accepted, the MoF's primary auction of 2-year bonds received no bids. Considering the rates at which these bonds were last sold in February, the NBU's interest rates in its quotes at the secondary market, and lower interest rates on CDs at today's tender, the market appears to have anticipated that the MoF could reject bids with interest rates above 19%, a level below the NBU's 6-month and 12-month bond offerings at 21.20% and 20.50%, respectively, that investors would rationally prefer. Most likely, this negative anticipation resulted in no bids being submitted at the primary auction, causing it to be cancelled.

Taras Kotovych, Kiev, +38044 2200120 ext.724

Yield curve of the local bond market

(as of market close on 14 Jul 2015)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 14 Jul 2015)

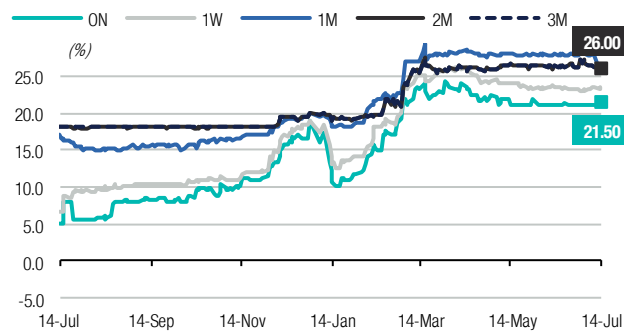
	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
O/n	21.50	+50bp	+50bp	+50bp	+260bp
1wk	23.38	+21bp	+5bp	+0bp	+438bp
1m	25.50	-17bp	-217bp	-250bp	+560bp
2m	26.00	-33bp	-33bp	-50bp	+600bp
3m	26.00	+0bp	-33bp	-50bp	+600bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	23,555	-8.40	+8.73	-12.70	-29.16
CDs ²	2,148	+0.00	-66.10	-93.35	-86.39
Sovgns ³	5,773	+0.00	+1.53	+48.05	+27.39
Total	31,476	-6.42	-6.56	-50.18	-41.24
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	359,358	+0.00	+0.14	+2.54	+12.96
Banks	83,850	+0.08	+1.43	+2.29	-10.26
Resid's ⁴	24,240	+0.01	-1.08	+13.15	-1.26
Non-res ⁵	23,794	+0.19	+2.64	+3.53	+10.45
Total	491,242	+0.02	+0.42	+3.02	+7.34
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	2,225	-9bp	-478bp	-908bp	+26bp
Jun '16	86.94	+99bp	-246bp	-964bp	+50bp
Jul '17	47.67	+115bp	-219bp	-458bp	+20bp
Sep '20	23.30	+20bp	-113bp	-262bp	+446bp
Sep '21	21.68	+18bp	-108bp	-219bp	+315bp
Sep '22	19.00	+24bp	-61bp	-203bp	+275bp
Feb '23	18.63	+23bp	-50bp	+17bp	+306bp

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.

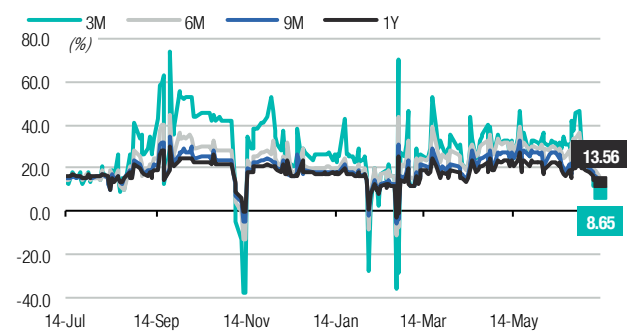
Chart page: Local bond market & Eurobond markets

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



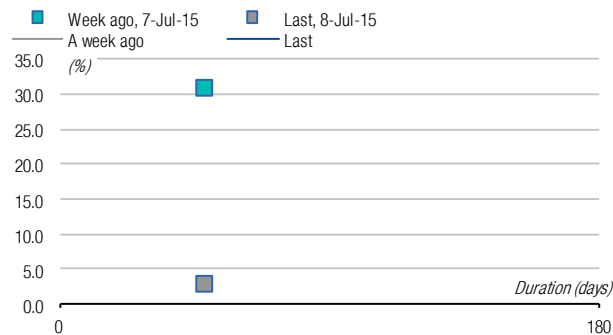
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



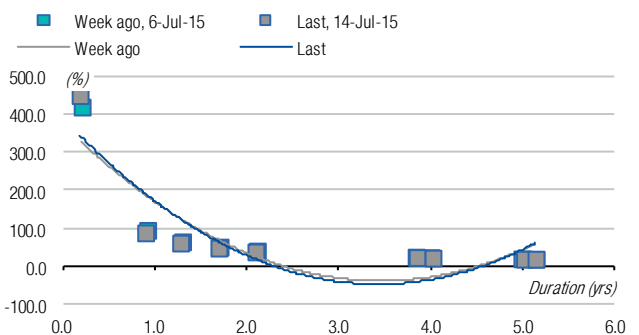
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 14 Jul 2015



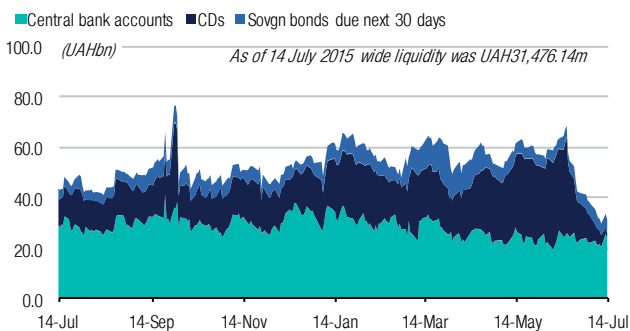
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 14 Jul 2015



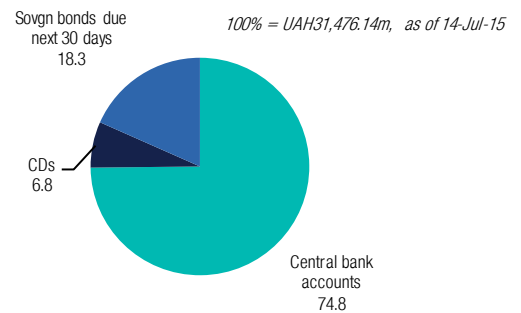
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



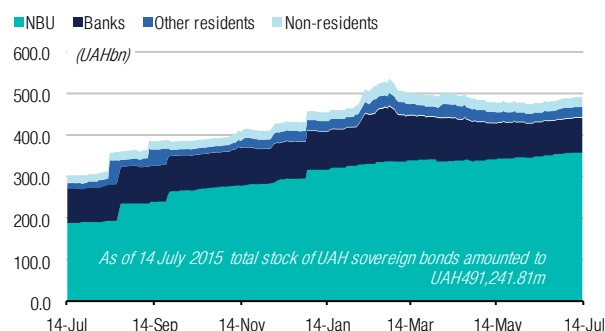
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 14 Jul 2015



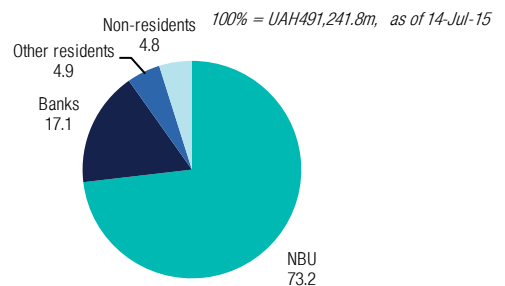
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 14 Jul 2015



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

Table 1. Ukrainian stocks (closing prices as of 14-Jul-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	11.13 GBp	+0.0	-10.1	+11.3	+0.0	0.17	40.2	8.9	40.2	16.2	7.0	34.9	0.34	291	Neg.	N/A	N/A	Neg.	N/A	N/A	0.3	N/A	N/A	0.4	15.3
Centrenerg	CEEN UK	Kiev, UX	7.70 UAH	-0.5	-2.3	+2.1	-3.7	0.35	128.7	133.6	21.7	27.9	19.0	18.5	0.06	1,681	40.3	Neg.	6.4	0.4	Neg.	N/A	0.4	0.3	0.2	1.3	4.2
Coal Energy	CLE PW	Warsaw	0.66 PLN	+0.0	+17.9	+6.5	-41.1	0.18	7.9	80.5	25.0	2.0	0.8	1.9	0.15	645	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	21.62 UAH	+1.1	-2.0	-34.5	-44.2	0.98	23.1	36.5	14.2	3.3	0.0	5.2	0.08	1,331	5.1	Neg.	N/A	0.0	10.6	N/A	0.2	0.2	N/A	0.3	13.6
JXK Oil & Gas	JXK LN	London	19.00 GBp	+4.1	-33.9	+58.3	-66.5	0.30	51.2	62.2	47.2	24.2	83.6	127.9	0.15	660	Neg.	Neg.	Neg.	Neg.	1.2	N/A	0.4	0.4	0.8	0.2	9.9
Regal Petroleum	RPT LN	London	4.99 GBp	+0.0	-9.3	+59.5	-45.4	0.08	25.0	-6.8	80.9	20.2	0.0	4.3	0.02	5,203	4.3	8.3	N/A	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.3	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	167.00 UAH	+0.0	+7.1	+12.8	+17.4	7.56	96.7	145.7	5.0	4.8	0.0	0.1	0.00	37,819	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	+2.3	-3.9	-9.7	-63.8	0.00	15.3	1,874.1	3.9	0.6	0.0	0.8	0.08	1,203	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	1.06 UAH	-7.8	-7.8	-38.7	-66.5	0.05	9.4	7.0	4.0	0.4	0.1	1.0	0.36	278	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.0	0.0	N/A	0.0	0.0
Azovstal	AZST UK	Kiev, UX	0.77 UAH	-1.2	-1.4	+3.4	-4.2	0.03	146.5	105.9	4.1	6.0	1.1	5.3	0.03	2,874	3.5	2.7	N/A	0.0	1.0	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	59.75 GBp	-4.8	-15.8	+22.2	-54.6	0.94	550.4	1,247.2	22.4	123.3	538.4	694.3	0.63	159	3.1	6.8	10.3	3.9	5.2	6.6	0.9	1.2	1.2	0.8	61.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.20 UAH	-12.2	-16.3	-28.2	-71.3	0.01	2.5	3.2	9.0	0.2	0.1	0.2	0.28	358	Neg.	6.1	N/A	Neg.	Neg.	N/A	0.0	0.0	N/A	0.0	0.0
Yenakievo Steel	ENMZ UK	Kiev, UX	16.80 UAH	+0.7	+1.7	-19.8	-60.3	0.76	8.0	0.4	9.4	0.8	0.0	2.9	0.34	291	Neg.	Neg.	N/A	0.0	0.0	N/A	0.0	0.0	N/A	0.2	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	0.42 EUR	-4.5	-10.6	-2.3	-58.0	0.46	42.8	90.4	34.0	14.5	0.0	8.2	0.05	1,925	Neg.	N/A	N/A	Neg.	N/A	N/A	1.3	N/A	N/A	0.9	35.9
Agroliga	AGL PW	Warsaw	10.60 PLN	-5.7	-9.3	+17.8	-42.7	2.83	4.3	5.1	16.7	0.7	5.3	2.0	0.12	855	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	1.10 PLN	-1.8	+7.8	-10.6	-60.3	0.29	6.4	33.7	26.2	1.7	4.0	8.9	0.38	261	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	32.00 PLN	+5.8	+18.5	+60.0	-21.0	8.54	213.4	445.7	31.0	66.2	87.9	188.3	0.08	1,181	Neg.	Neg.	4.1	3.7	3.7	4.4	1.1	1.1	1.0	1.3	49.6
Avangard	AVGR LI	London Intl	1.10 USD	+8.4	-27.0	-46.6	-88.5	1.10	69.9	332.1	21.7	15.2	2.4	20.0	0.06	1,684	Neg.	Neg.	Neg.	2.6	4.8	4.1	0.8	1.0	1.0	0.2	33.1
IMC	IMC PW	Warsaw	4.90 PLN	+3.8	-2.0	-13.6	-47.4	1.31	40.9	149.3	23.9	9.8	8.2	10.4	0.27	367	Neg.	5.0	1.3	2.6	2.7	2.5	1.1	0.9	0.8	1.5	69.8
Kernel Holding...	KER PW	Warsaw	39.10 PLN	+0.8	+3.3	+37.4	+29.4	10.43	831.0	1,304.3	58.8	488.4	5,009.6	1,370.2	0.20	503	Neg.	6.4	5.1	5.8	3.9	3.9	0.5	0.5	0.5	1.0	39.1
KSG Agro	KSG PW	Warsaw	0.65 PLN	+4.8	+0.0	-42.0	-85.7	0.17	2.6	67.6	34.4	0.9	1.9	3.1	0.07	1,345	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	10.35 USD	+0.0	-1.0	+12.5	-30.8	10.35	1,093.7	2,253.6	22.3	244.1	414.0	564.6	0.19	513	Neg.	5.8	4.4	4.1	4.5	4.5	1.6	1.8	1.7	2.6	53.0
Milkiland	MLK PW	Warsaw	1.48 PLN	-2.6	-18.7	+0.0	-76.3	0.39	12.3	124.9	20.0	2.5	9.2	10.1	0.43	230	Neg.	Neg.	1.6	9.1	4.3	3.9	0.4	0.5	0.5	0.1	42.5
Ovostar Union	OVO PW	Warsaw	80.00 PLN	+1.3	+1.3	+11.1	+15.9	21.34	128.0	138.1	25.0	32.0	42.7	106.1	0.02	6,077	5.1	5.5	10.3	4.7	5.3	7.7	1.8	1.8	2.4	1.5	9.4
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	2.70 PLN	-9.7	-10.0	-33.3	-71.6	0.72	6.7	-7.9	10.9	0.7	0.4	0.3	0.02	5,079	Neg.	N/A	N/A	15.4	N/A	N/A	Neg.	N/A	N/A	0.1	7.9
CONSTRUCTION																											
TMM	TR61 GF	Frankfurt	0.05 EUR	+0.0	+100.0	-37.5	-73.8	0.06	2.9	130.0	13.1	0.4	0.0	0.6	0.05	1,999	Neg.	N/A	N/A	Neg.	N/A	N/A	4.0	N/A	N/A	0.0	45.5
FINANCIAL SERVICES																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.09 UAH	-0.8	-5.3	-6.3	-40.0	0.00	122.1	N/A	3.8	4.7	2.2	8.0	0.06	1,582	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	0.09 UAH	+1.7	-12.0	-32.4	-47.0	0.00	98.3	N/A	4.5	4.4	0.1	0.7	0.03	2,923	Neg.	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.4	38.2

Table 1. Ukrainian stocks (closing prices as of 14-Jul-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

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

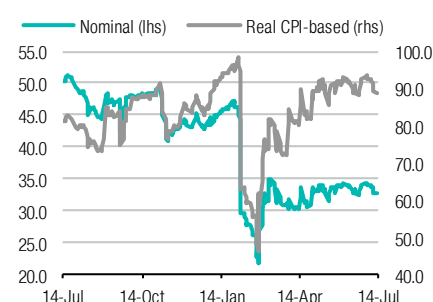
Hryvnia steady at 22.2/USD

Despite no reported intervention from the NBU into the FX market, the UAH rate moved away from the 22/USD threshold, implying that some sort of demand and supply filtration by the bank has occurred. The volume was up 2.12% from the previous day at US\$174m. The hryvnia's trade-weighted value declined just 0.02% yesterday due to the Russian ruble's 0.24% surge while the euro was largely flat.

Alexander Valchyshen, Kiev, +38044 2200120 ext.242

ICU's UAH trade-weighted indices

(Last 12-month history to 15 Jul 2015)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 14 Jul 2015)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	22.2000	+0.00	+3.17	+5.46	+40.33
NBU avg	21.9953	+0.14	+1.36	+4.45	+39.49
Ttl vlm ¹	249.59	+1.61	+10.90	+16.58	-42.07
\$ volume ²	173.54	+2.12	+7.07	+14.50	-51.02
NDF 3M	22.6653	+0.00	+0.00	-0.15	+34.51
NDF 6M	24.0153	+0.00	+0.00	-0.35	+38.02
NDF 1Y	25.0153	+0.00	+0.00	-2.28	+35.58
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	32.554	-0.02	-3.50	-3.94	-26.79
UAH real CPI	88.503	-0.02	-3.50	-3.94	+2.27
UAH real PPI	105.848	-0.02	-3.50	-3.94	-10.12
USD nom'l	96.643	-0.22	-0.23	+1.76	+7.06
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	56.4132	-0.24	-0.52	+2.15	-7.12
EUR/USD	1.1009	+0.06	-0.02	-2.28	-9.00
USD/CNY	6.2090	+0.01	-0.01	+0.01	+0.06
USD/PLN	3.7508	-0.24	-1.86	+1.91	+5.85
USD/TRY	2.6315	-0.55	-2.04	-3.02	+12.70
USD/BYR	15,374.00	+1.39	-0.21	+0.48	+39.76
USD/KZT	186.8100	-0.01	+0.33	+0.25	+2.45
OTHER MAJOR CURRENCIES					
USD/JPY	123.4000	-0.02	+0.70	+0.01	+3.02
GBP/USD	1.5636	+0.96	+1.13	+0.48	+0.38
USD/CHF	0.9448	-0.57	-0.19	+1.72	-4.98
AUD/USD	0.7452	+0.61	+0.01	-3.61	-8.84
USD/CAD	1.2728	-0.10	+0.18	+3.29	+9.53
USD/BRL	3.1401	+0.20	-1.45	+0.65	+18.16
USD/KRW	1,142.06	+1.02	+1.05	+2.46	+4.68
COMMODITIES					
Gold(\$/oz)	1,155.83	-0.18	+0.04	-2.19	-2.45
WTI crude ³	53.04	+1.61	+1.36	-11.54	-0.43
Brent crd ³	57.73	+0.84	+2.25	-7.91	+3.53
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	219.38	+0.40	+1.79	-1.85	-4.60

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.

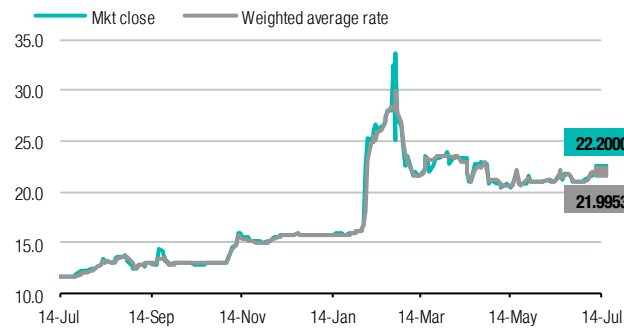
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

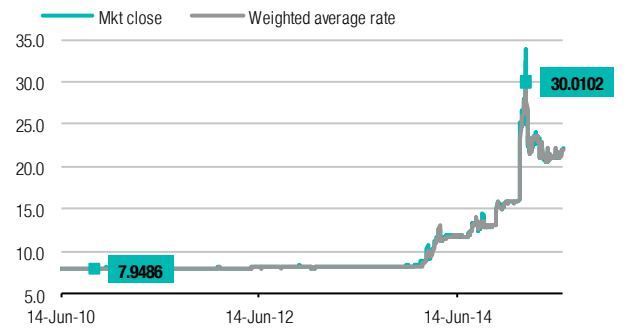
Section on FX market is continued on next page.

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)

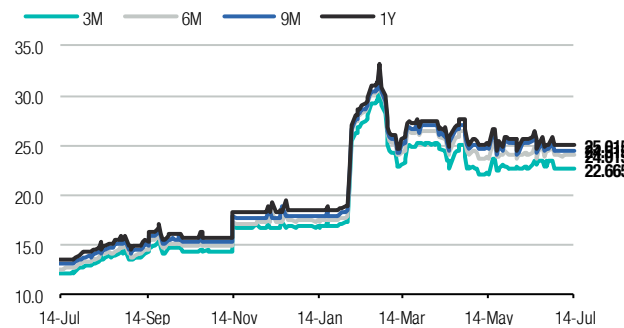


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

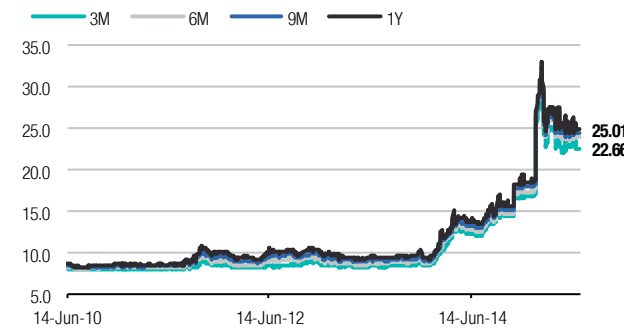


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

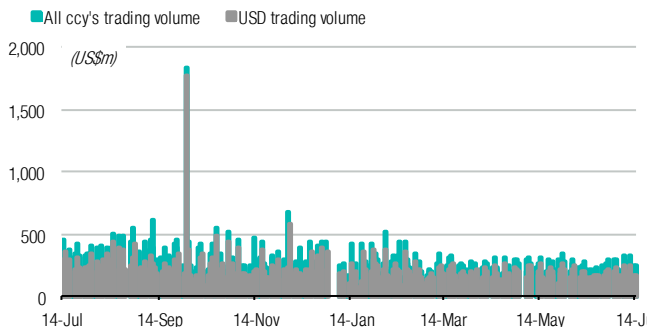


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

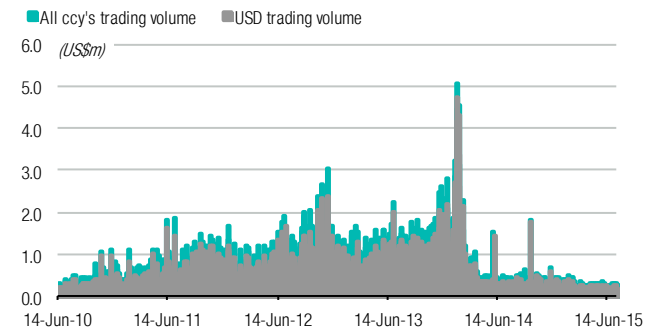


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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)

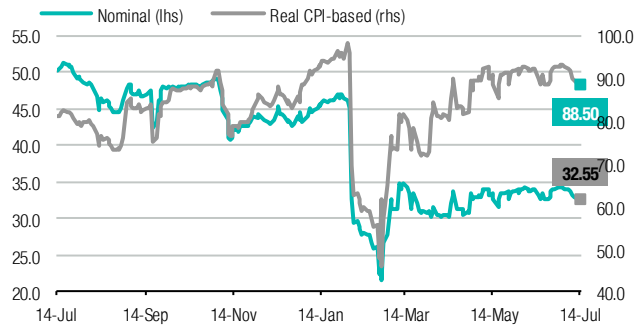


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

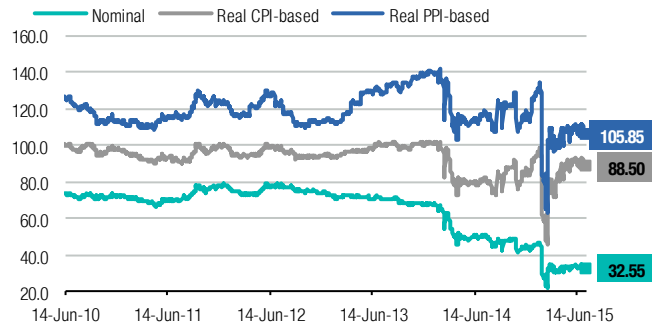
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology (for more details visit <http://www.icu.ua/en/research/currency-indices>).

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



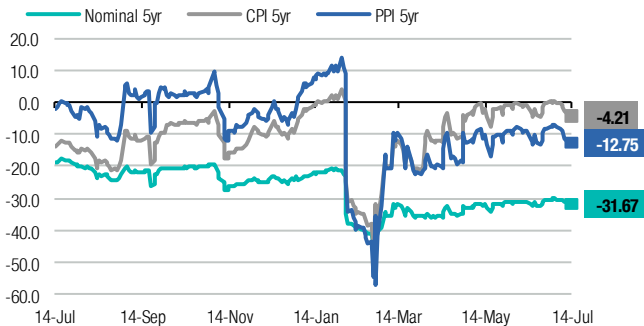
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

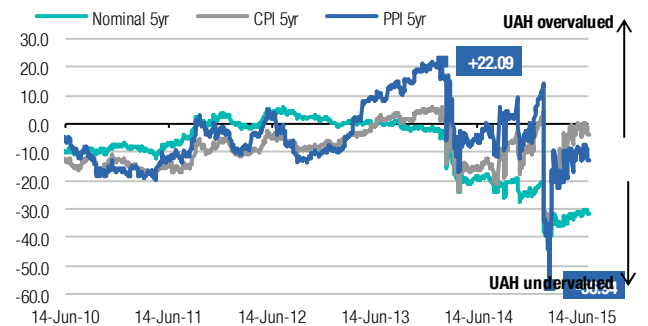


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

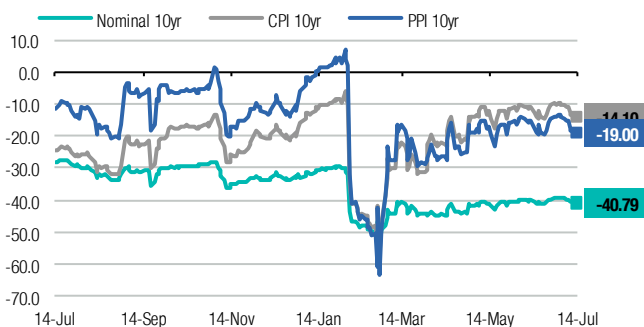


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

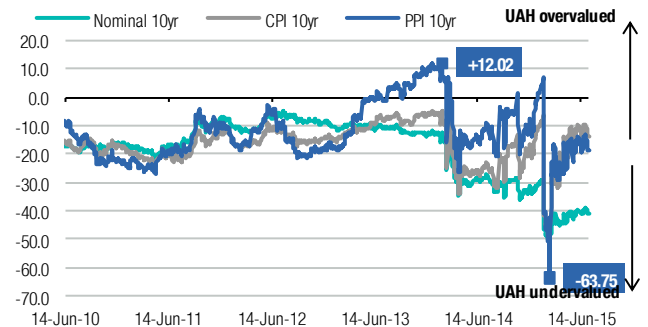


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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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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

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

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

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


Ruslan Kilmukhametov, Director
ruslan.kilmukhametov@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

Liliya Kubytovych 
Asset Management Product Sales
liliya.kubytovych@icu.ua


Sergiy Byelyayev
Fixed-Income Trading
sergiy.byelyayev@icu.ua

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


Vitaliy Sivach 
Fixed-Income & FX Trading
vitaliy.sivach@icu.ua


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

RESEARCH DEPARTMENT

Alexander Valchyshen 
Head of Research
alexander.valchyshen@icu.ua

Taras Kotovych 
Senior financial analyst (Sovereign debt)
taras.kotovych@icu.ua

Alexander Martynenko 
Head of corporate research
alexander.martynenko@icu.ua

Mykhaylo Demkiv 
Financial analyst (Banks)
mykhaylo.demkiv@icu.ua

Bogdan Vorotilin 
Financial analyst (Food & Agribusiness)
bogdan.vorotilin@icu.ua

Lee Daniels, Rolfe Haas
Editors

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