



Focus
Ukraine

Scope
Economics, bonds, equity & FX markets

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Daily Insight

F&C Bank to raise UAH2.5bn in capital

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FRIDAY, 17 JULY 2015

UX Index (3 months to 17 Jul 2015)



Source: UX.

Key market indicators (as of 16 Jul 2015)

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

USD/UAH	22.1000	-0.99	+39.70
USD/UAH (1Y NDF)	25.3940	-2.31	+37.64
EUR/USD	1.0875	-0.68	-10.11
USD/RUB	56.9695	+0.04	-6.20
KievPRIME O/N (%)	19.33	-37bp	+43bp
KievPRIME 1M (%)	24.67	-33bp	+477bp

SOVEREIGN EUROBONDS: yields and spreads

Ukraine 15, Eurobond (%)	463.82	+702bp	+40,205bp
Ukraine 17, Eurobond (%)	46.47	+5bp	+1,872bp
Ukraine 22, Eurobond (%)	19.11	+0bp	+286bp
Ukraine 23, Eurobond (%)	18.50	+0bp	+293bp
Ukraine 5Y CDS	2,215bp	-49bp	+16bp

EQUITIES

Stock market indices

UX (Ukraine)	998.09	+0.19	-3.41
MSCI World	432.19	+0.74	+3.61
MSCI EM	941.69	+0.40	-1.53
RTS (Russia)	919.81	+1.14	+16.86
WIG-20 (Poland)	2,298.54	+1.81	-0.75
S&P 500 (USA)	2,124.29	+0.80	+3.18

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

Parliament amends the DGF law

Rada has passed amendments to the law on the Deposit Guarantee Fund (DGF), which was one of the commitments under the IMF program. The new legislation is geared to facilitate the bank resolution process and remove obstacles and loopholes that were revealed over the past eighteen months of investigating mismanagement in the banking sector.

In particular, the law empowers the DGF to determine whether deposits were fraudulent and consequently non-insured. Banks under DGF administration obtained partial protection from court actions, thus allowing former shareholders to slow down bank resolutions.

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NBU anticipates easing of capital controls

The current restrictions of FX operations are subject to gradual removal, depending upon the sovereign bond restructuring and ultimate stabilization of the Ukrainian financial sector. The NBU announced that it has agreed to abide by the IMF's one-year plan through April 2016.

As of today, the only minor relaxations of controls involve household deposit withdrawals in local currency. While we expect the NBU's next step will be to increase of the maximum amount of FX deposits in September 2015, easing dividend repayments and early loan repayments for corporations will more likely occur in 1H2016.

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Bonds: News & Comments

F&C Bank to raise UAH2.5bn in capital

Finance and Credit Bank (F&C) announced that it will hold a shareholders' meeting on August 17 to increase its share capital by UAH2.5bn, or 46.4%, to avoid insolvency. We expect the bulk of this amount to come from the bank's existing large depositors, allowing it to reduce interest expenses.

If the bank cannot raise the promised recapitalization and decrease related party lending, it will most likely declare insolvency and require bank resolution. Moreover, the NBU has already stated that F&C does not meet the nationalization criteria.

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Liquidity recovers to UAH71.4bn

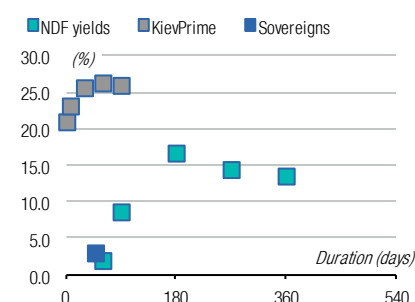
The broader liquidity indicator rose to UAH71.40bn yesterday, with slight changes in its components. Banks' correspondent accounts with the NBU rose UAH1.45bn to UAH24.16bn and total CDs outstanding rose UAH0.37bn to UAH41.12bn. Total local currency debt repayments declined UAH1.33bn to UAH5.12bn. KyivPrime interest rates continued to decline yesterday on the increase in liquidity: the ON interest rate slid 37bp to 19.33% while the 1M interest rate fell 33bp to 24.67%.

Investment implication: While the MoF repaid UAH1.33bn in interest repayments on local currency denominated bonds on Wednesday, which should be mostly in the NBU's portfolio, only about UAH0.10bn could be received by the market. Because of this, the liquidity recovery without purchasing additional CDs could temporary, and liquidity could decline again in a few days due to outflows to the budget, the FX market etc. The NBU sold only UAH0.40bn of 3-month CDs likely due to the large discrepancy between the market's and the regulator's view on interest rates and future liquidity in the banking sector.

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Yield curve of the local bond market

(as of market close on 16 Jul 2015)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 16 Jul 2015)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
O/n	19.33	-37bp	-167bp	-180bp	+43bp
1wk	21.00	-30bp	-238bp	-238bp	+200bp
1m	24.67	-33bp	-308bp	-333bp	+477bp
2m	25.83	-7bp	-42bp	-67bp	+583bp
3m	25.83	-7bp	-42bp	-67bp	+583bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	24,165	+6.40	+11.66	-1.71	-27.33
CDs ²	1,446	-32.68	-72.77	-96.09	-90.84
Sovgns ³	4,429	+0.00	-7.11	-15.53	-2.27
Total	30,040	+2.56	-5.30	-55.06	-43.92
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	360,317	+0.00	+0.26	+2.81	+13.26
Banks	83,160	-0.97	-0.78	+0.53	-11.00
Resid's ⁴	23,927	-1.22	-1.41	+11.81	-2.54
Non-res ⁵	22,325	-6.28	-6.24	-4.40	+3.63
Total	489,729	-0.53	-0.31	+2.47	+7.01
NDF IMPLIED YIELDS (%)					
3m	35.58	+12bp	+24bp	+398bp	+924bp
6m	22.10	-226bp	+366bp	-728bp	+179bp
9m	17.88	-167bp	+226bp	-879bp	-32bp
1yr	15.79	-157bp	+136bp	-654bp	-156bp
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	2,215	-49bp	-155bp	-817bp	+16bp
Jun '16	86.58	+27bp	-244bp	-14ppt	+50bp
Jul '17	46.47	+5bp	-263bp	-763bp	+19bp
Sep '20	23.30	+1bp	-11bp	-330bp	+445bp
Sep '21	21.53	+1bp	-54bp	-236bp	+300bp
Sep '22	19.11	+0bp	-51bp	-215bp	+286bp
Feb '23	18.50	+0bp	-7bp	-131bp	+293bp

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.

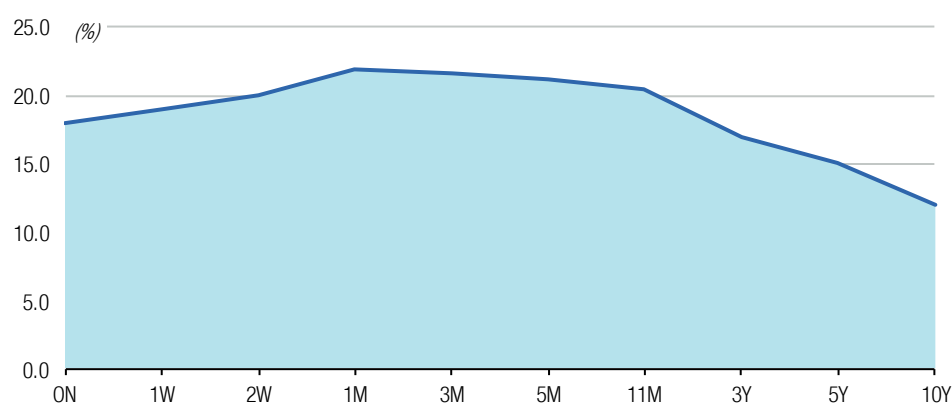
Sources: Bloomberg, Investment Capital Ukraine LLC.

The NBU updates yield curve

The NBU offered CDs under new conditions on Wednesday with an indication of a maximum yield, signalling the acceptable level bids at lower rates. While the cut-off interest rate for CDs with maturities below two weeks was the same as the maximum yield, 30-day and 89-day CDs were sold at yields below that level. 30-day CDs sold at 3bp lower yield, and 89-day CDs sold at a 40bp lower yield than the maximum level. As the NBU updated its yield curve to include maturities between 30-day CDs and 5-month government bond offerings. Now, the highest yield is 21.97% for 30-day CDs, while CDs with shorter maturities were sold at 8-20%. Longer maturities such as 3-month CDs were sold at 21.60%, the NBU offered 5-month government bonds from its portfolio at 21.20%, and longer maturities were offered at interest rates below this level (see the chart below).

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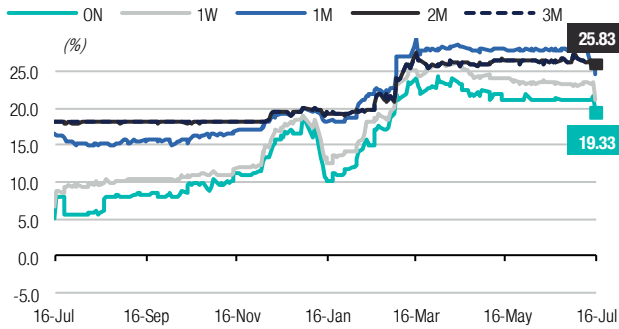
Chart 1. The NBU yield curve



Source: National Bank of Ukraine, ICU LLC.

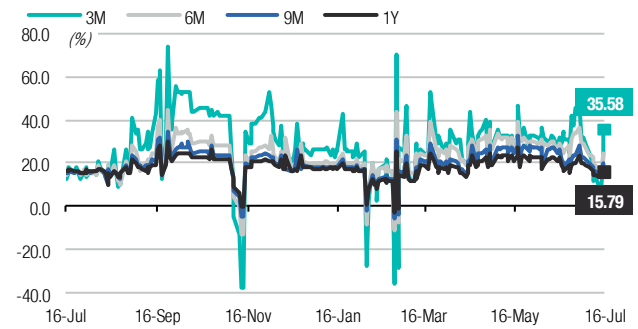
Chart page: Local bond market & Eurobond markets

Chart 2. Kiev Prime rates (%), last 12-month period



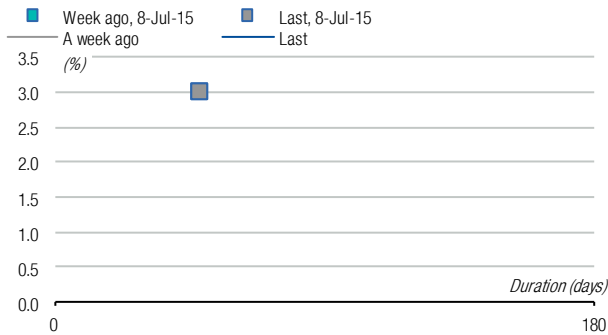
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH NDF implied yields (%), last 12-month period



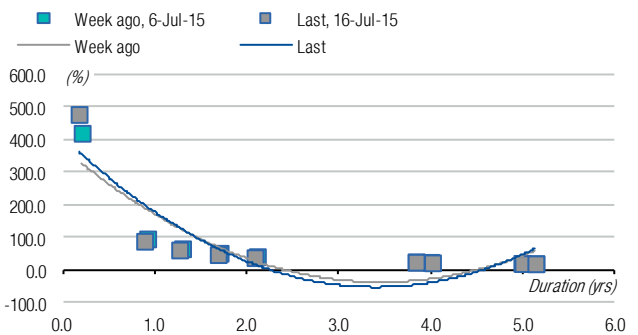
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. UAH sovereign yield curve (%) as of 16 Jul 2015



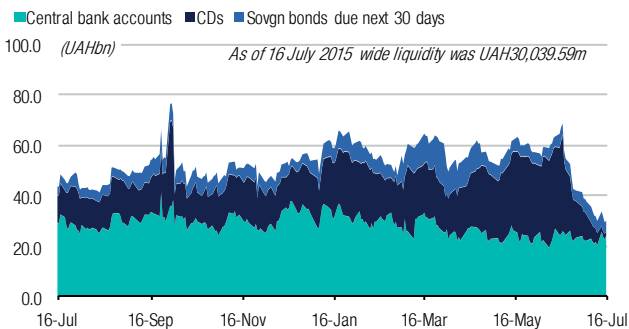
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 5. USD sovereign yield curve (%) as of 16 Jul 2015



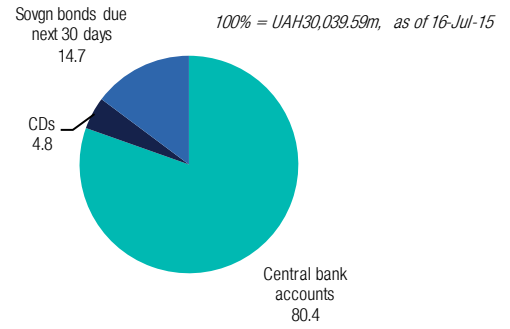
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 6. Banking sector liquidity (UAHbn), last 12-month period



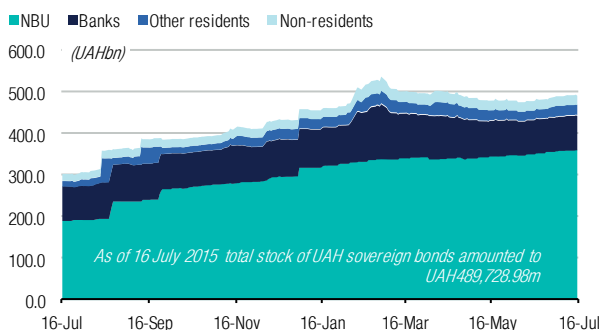
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 7. Breakdown of liquidity pool (%) as of 16 Jul 2015



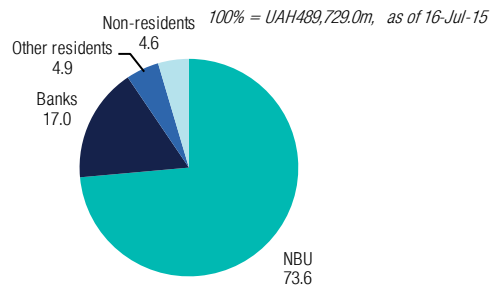
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 8. Holders of sovereign bonds (UAHbn), last 12 months



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

Chart 9. Domestic sovereign debt (%) as of 16 Jul 2015



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

Table 1. Ukrainian stocks (closing prices as of 16-Jul-2015)

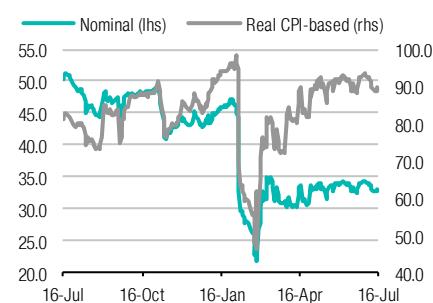
Company	Bloomberg Ticker	Listing	Share price performance (% change)				Valuation (US\$)			Free float (FF) & Liquidity					P/E			EV/EBITDA			EV/Sales			Ratios			
			Last price	Daily	MoM	YTD	YoY	Last price	Market cap (m)	EV (m)	FF (%)	FF mkt cap (US\$m)	Last day turnover (US\$ 000)	3M avg. turnover (US\$ 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	0.0	34.7	0.23	433	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	7.69 UAH	-0.9	-1.9	+1.9	+0.7	0.35	128.4	133.3	21.7	27.9	4.1	18.4	0.06	1,746	40.2	Neg.	6.4	0.4	Neg.	N/A	0.4	0.3	0.2	1.3	4.2
Coal Energy	CLE PW	Warsaw	0.68 PLN	+3.0	+19.3	+9.7	-37.6	0.18	8.1	80.6	25.0	2.0	1.1	1.8	0.15	657	Neg.	N/A	N/A	11.1	N/A	N/A	0.7	N/A	N/A	0.3	56.9
Donbasenergo	DOEN UK	Kiev, UX	20.35 UAH	-3.0	-6.0	-38.3	-46.4	0.92	21.8	35.1	14.2	3.1	0.6	4.9	0.07	1,538	4.8	Neg.	N/A	0.0	10.2	N/A	0.2	0.2	N/A	0.3	13.6
JKX Oil & Gas	JKX LN	London	19.25 GBp	-1.3	-31.9	+60.4	-63.5	0.30	51.8	62.9	47.2	24.5	17.2	129.3	0.16	627	Neg.	Neg.	Neg.	Neg.	1.2	N/A	0.4	0.4	0.8	0.2	9.9
Regal Petroleum	RPT LN	London	5.75 GBp	+15.3	+21.1	+84.0	-37.0	0.09	28.8	-3.0	80.9	23.3	15.7	5.2	0.02	4,992	5.0	9.6	N/A	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.3	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	167.00 UAH	+0.0	+0.0	+12.8	+30.5	7.55	96.6	145.6	5.0	4.8	0.0	0.1	0.00	51,101	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	-5.6	-7.6	-62.3	0.00	15.6	1,872.5	3.9	0.6	0.0	0.8	0.08	1,264	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	1.10 UAH	-2.5	-4.8	-36.4	-65.1	0.05	9.7	7.4	4.0	0.4	0.0	1.1	0.34	291	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	+3.5	-1.0	+6.3	-0.5	0.04	150.6	110.0	4.1	6.2	0.5	5.2	0.03	3,804	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	60.00 GBp	+0.8	-13.4	+22.7	-52.8	0.94	552.5	1,249.4	22.4	123.8	464.1	681.6	0.61	164	3.1	6.8	11.8	3.9	5.3	6.6	0.9	1.2	1.2	0.8	61.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.22 UAH	+0.0	-22.8	-21.4	-67.6	0.01	2.7	3.4	9.0	0.2	0.0	0.2	0.26	388	Neg.	6.7	N/A	Neg.	Neg.	N/A	0.0	0.0	N/A	0.0	0.0
Yenakievo Steel	ENMZ UK	Kiev, UX	16.84 UAH	+4.0	-4.2	-19.6	-59.5	0.76	8.0	0.5	9.4	0.8	0.1	2.9	0.32	311	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	0.45 EUR	+4.7	-2.2	+4.7	-56.3	0.49	45.2	92.3	34.0	15.4	29.8	9.2	0.06	1,623	Neg.	N/A	N/A	Neg.	N/A	N/A	1.3	N/A	N/A	1.0	35.9
Agroliga	AGL PW	Warsaw	11.10 PLN	+3.1	+2.8	+23.3	-42.3	2.94	4.5	5.3	16.7	0.8	0.8	2.0	0.12	844	1.3	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	+0.9	-7.3	-58.8	0.30	6.5	33.9	26.2	1.7	5.5	9.1	0.33	306	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	34.20 PLN	+3.4	+20.0	+71.0	-17.7	9.05	226.3	455.7	31.0	70.2	36.3	185.6	0.07	1,393	Neg.	Neg.	4.4	3.8	3.9	4.6	1.2	1.1	1.1	1.4	49.6
Avngard	AVGR LI	London Intl	1.10 USD	+0.5	-26.7	-46.3	-88.4	1.10	70.3	332.4	21.7	15.2	6.3	20.1	0.06	1,677	Neg.	Neg.	Neg.	2.6	4.8	4.1	0.8	1.0	1.0	0.2	33.1
IMC	IMC PW	Warsaw	5.05 PLN	+0.0	+1.0	-10.9	-42.7	1.34	41.8	150.3	23.9	10.0	1.7	10.7	0.27	376	Neg.	5.1	1.3	2.6	2.7	2.5	1.1	0.9	0.8	1.5	69.8
Kernel Holding...	KER PW	Warsaw	40.35 PLN	+2.3	+5.5	+41.8	+34.1	10.68	851.1	1,325.3	58.8	500.2	3,680.1	1,483.4	0.25	399	Neg.	6.6	5.2	5.9	3.9	3.9	0.6	0.6	0.5	1.0	39.1
KSG Agro	KSG PW	Warsaw	0.64 PLN	+0.0	-1.5	-42.9	-85.9	0.17	2.5	67.6	34.4	0.9	0.3	3.0	0.07	1,340	Neg.	0.1	N/A	6.7	N/A	N/A	2.1	0.6	N/A	N/A	67.4
MHP	MHPC LI	London Intl	10.00 USD	+0.0	-4.3	+8.7	-34.0	10.00	1,056.7	2,216.6	22.3	235.8	0.8	532.0	0.18	564	Neg.	5.6	4.2	4.0	4.4	4.4	1.6	1.8	1.7	2.5	53.0
Milkiland	MLK PW	Warsaw	1.52 PLN	+2.7	-20.0	+2.7	-74.7	0.40	12.6	123.8	20.0	2.5	41.0	9.5	0.49	202	Neg.	Neg.	1.7	9.0	4.3	3.9	0.4	0.5	0.5	0.1	42.5
Ovostar Union	OVO PW	Warsaw	81.45 PLN	-1.9	+3.1	+13.1	+16.4	21.56	129.4	139.6	25.0	32.3	26.4	108.0	0.02	4,295	5.1	5.6	10.4	4.8	5.4	7.8	1.8	1.8	2.4	1.6	9.4
CONSTRUCTION																											
TMM	TR61 GF	Frankfurt	0.05 EUR	+0.0	+100.0	-37.5	-73.8	0.05	2.8	129.9	13.1	0.4	2.0	0.6	0.07	1,425	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	-4.4	-7.7	-36.7	0.00	120.1	N/A	3.8	4.6	1.1	7.8	0.07	1,528	N/A	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.6	N/A
Ukrsotsbank	USCB UK	Kiev, UX	0.09 UAH	+0.0	+1.1	-32.4	-46.5	0.00	98.2	N/A	4.5	4.4	0.0	0.7	0.03	3,033	Neg.	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.4	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

ICU's UAH trade-weighted indices

(Last 12-month history to 17 Jul 2015)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 16 Jul 2015)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	22.1000	-0.99	+0.34	+1.61	+39.70
NBU avg	21.9867	-0.55	+0.63	-0.73	+39.43
Ttl vlm ¹	337.62	+39.03	+34.44	+68.00	-21.64
\$ volume ²	259.92	+54.26	+43.29	+76.60	-26.64
NDF 3M	24.0461	+1.70	+6.09	+2.54	+42.71
NDF 6M	24.5000	-1.98	+2.02	-1.61	+40.80
NDF 1Y	25.3940	-2.31	+1.51	-3.81	+37.64
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	32.939	+1.25	-0.19	+0.95	-25.92
UAH real CPI	89.548	+1.25	-0.19	+0.95	+3.47
UAH real PPI	107.098	+1.25	-0.19	+0.95	-9.06
USD nom'l	97.668	+0.52	+1.10	+2.81	+8.20
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	56.9695	+0.04	-0.34	+5.92	-6.20
EUR/USD	1.0875	-0.68	-1.46	-3.32	-10.11
USD/CNY	6.2095	+0.00	+0.01	+0.02	+0.06
USD/PLN	3.7820	+0.26	-1.01	+2.65	+6.73
USD/TRY	2.6567	+0.39	-0.82	-2.84	+13.78
USD/BYR	15,333.00	-0.16	-0.87	-0.44	+39.39
USD/KZT	187.1000	+0.03	+0.39	+0.56	+2.60
OTHER MAJOR CURRENCIES					
USD/JPY	124.1500	+0.32	+2.32	+0.64	+3.65
GBP/USD	1.5609	-0.19	+1.49	-0.25	+0.21
USD/CHF	0.9578	+0.62	+1.06	+2.75	-3.67
AUD/USD	0.7405	+0.35	-0.56	-4.48	-9.42
USD/CAD	1.2957	+0.34	+1.97	+5.38	+11.50
USD/BRL	3.1565	+0.53	-1.98	+2.19	+18.77
USD/KRW	1,149.25	+0.50	+1.35	+2.75	+5.34
COMMODITIES					
Gold(\$/oz)	1,145.40	-0.35	-1.21	-3.11	-3.33
WTI crude ³	50.91	-0.97	-3.54	-15.11	-4.43
Brent crd ³	56.45	+0.34	-2.08	-9.10	+1.24
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	215.55	-0.49	-0.94	-3.67	-6.26

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.

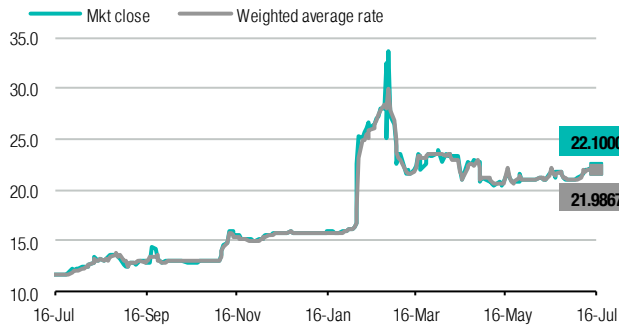
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

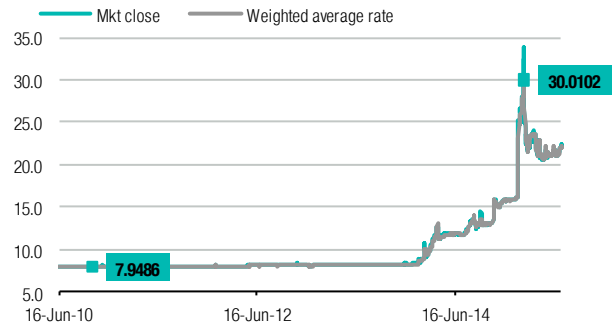
Section on FX market is continued on next page.

Chart page #1: Foreign-exchange market

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

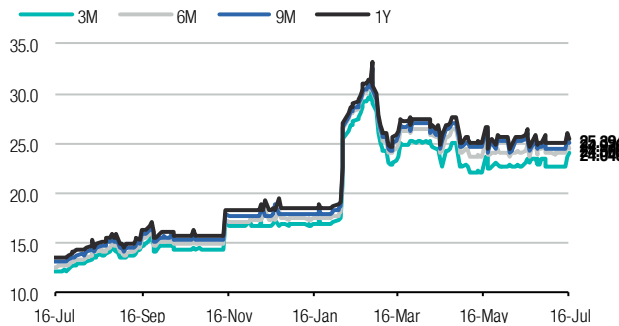


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

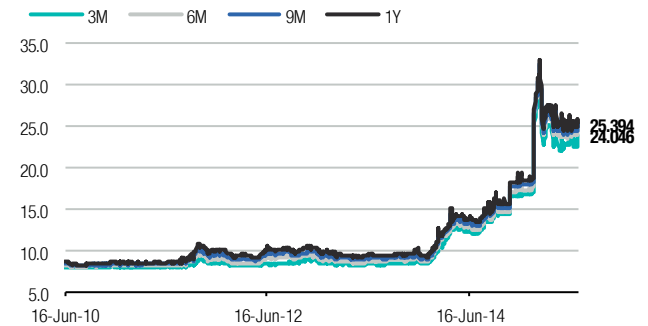


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

Chart 11. NDF market rates USD/UAH: last 12-month and 5-year periods (UAH per USD, left and right respectively)

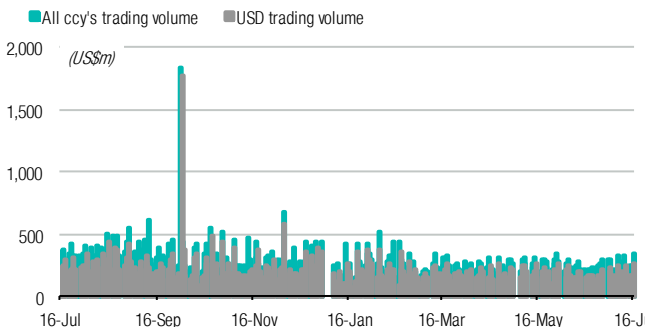


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

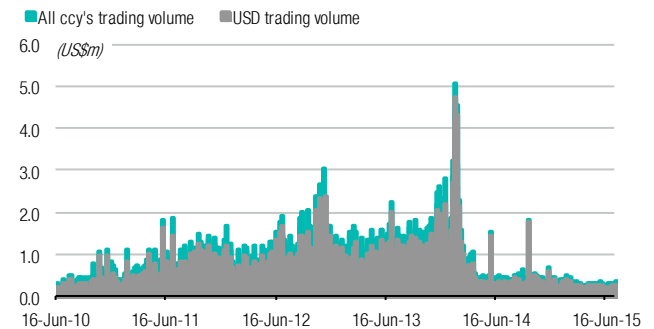


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

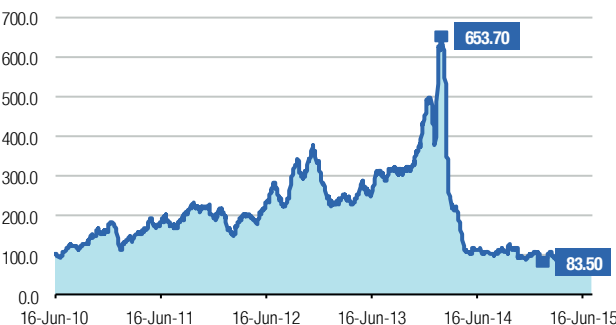


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

Chart 13. 30D MA* ratio of FX market turnover to merchandise trade: last 12m and 5yr periods (% , left and right respectively)

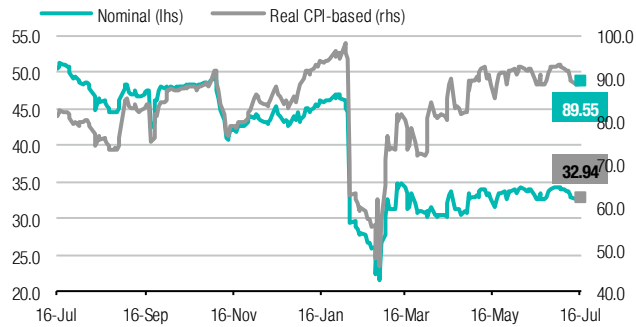


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

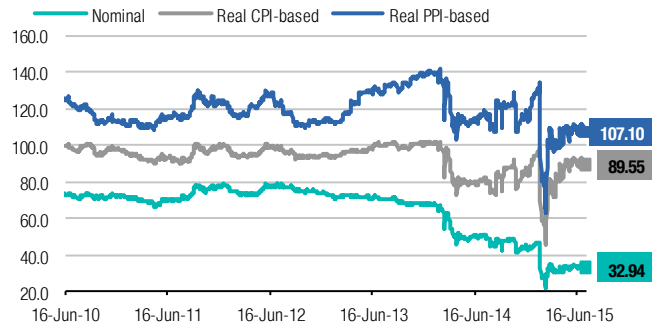
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology (for more details visit <http://www.icu.ua/en/research/currency-indices>).

Chart 14. Nominal and CPI-based real TWIs of UAH, history of last 12-month period



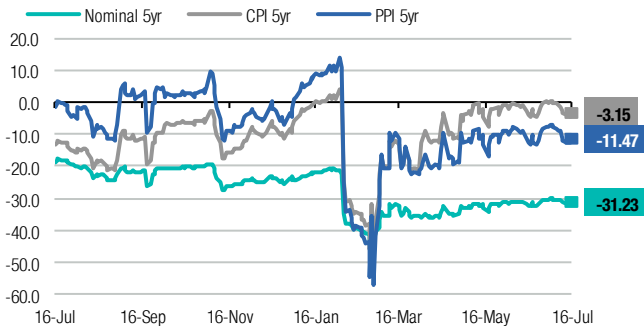
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

Chart 15. Nominal, CPI- and PPI-based TWIs of UAH, history of last 5-year period

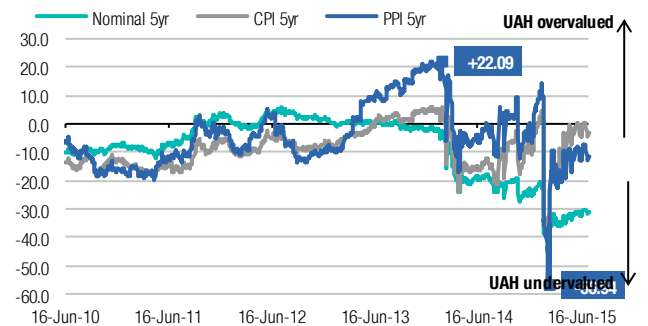


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

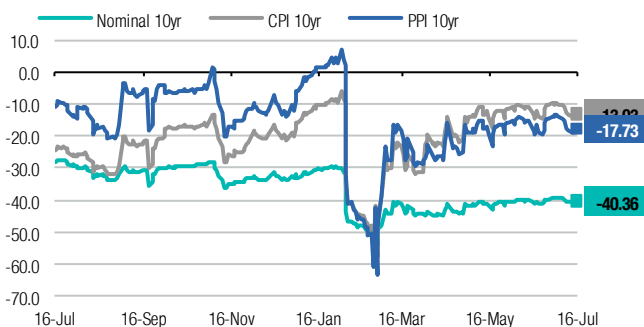


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

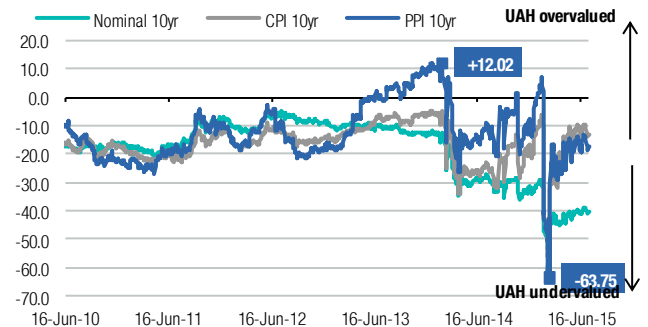


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

Chart 17. 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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