



Focus
Ukraine

Scope
Economics, bonds, equity & FX markets

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Daily Insight

Record high volume of budget funds accumulated

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WEDNESDAY, 2 SEPTEMBER 2015

UX Index (3 months to 2 Sep 2015)



Source: UX.

Key market indicators (as of 1 Sep 2015)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	21.8500	-1.80	+38.12
USD/UAH (1Y NDF)	25.8054	+2.91	+39.87
EUR/USD	1.1315	+0.93	-6.47
USD/RUB	66.6705	+3.81	+9.77
KievPRIME O/N (%)	19.40	+0bp	+50bp
KievPRIME 1M (%)	24.00	+0bp	+410bp
SOVEREIGN EUROBONDS: yields and spreads			
Ukraine 15, Eurobond (%)	681.51	-745bp	+61,974bp
Ukraine 17, Eurobond (%)	28.49	-109bp	+73bp
Ukraine 22, Eurobond (%)	13.75	-55bp	-250bp
Ukraine 23, Eurobond (%)	13.19	-49bp	-237bp
Ukraine 5Y CDS	1,213bp	-10bp	-986bp
EQUITIES			
Stock market indices			
UX (Ukraine)	972.39	-0.75	-5.89
MSCI World	386.17	-2.66	-7.42
MSCI EM	801.11	-2.15	-16.23
RTS (Russia)	805.06	-3.42	+2.28
WIG-20 (Poland)	2,115.75	-2.22	-8.64
S&P 500 (USA)	1,913.85	-2.96	-7.05

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 reallocation

Banking sector liquidity was reallocated from CDs to banks' accounts yesterday. Total CDs outstanding fell UAH7.21bn to UAH37.79bn while banks' correspondent accounts with the NBU rose UAH7.33bn to UAH30.82bn. As the result, banking sector liquidity rose a mere UAH0.12bn to UAH68.60bn.

Investment implications: Although total CDs outstanding fell to its lowest level since the end of June 2015, the level remains very high and we could see a significant increase in CDs outstanding soon. Meanwhile, while banks' correspondent accounts rose significantly to above UAH30bn for the first time since the end of March 2015, funds should be reallocated back to CDs soon. Liquidity should recover above UAH70.0bn soon as the MoF executes budget expenditures from its record volume of budget funds accumulated at treasury accounts.

Record high volume of budget funds accumulated

The Ukrainian treasury reported a record high volume of local currency funds accumulated at budget accounts. This indicator was at its historically high level of UAH45.85bn at the end of August, up UAH12.58bn for the month and up UAH42.85bn since the beginning of the year. It declined only twice so far this year, in April and June.

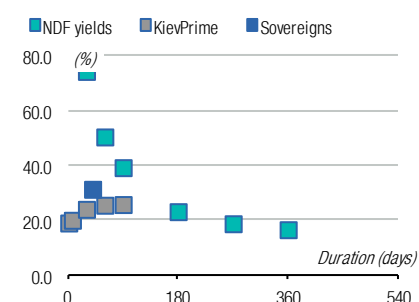
This record level could be due to the monetary budget structure as a result of tenders and the inability to make prepayments, among other factors. There was also a significant decline in the volume of VAT refunds which fell about 33.8% from UAH6.77bn to UAH4.46bn, Interfax-Ukraine reported.

Investment implications: The significant increase in budget funds accumulated at treasury accounts could short-lived as upcoming budget expenditures are scheduled. The MoF could postpone some expenditures as there could be complications in the restructuring process and they might be unable to raise funds.

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Yield curve of the local bond market

(as of market close on 1 Sep 2015)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 1 Sep 2015)

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

MONEY MARKET KIEV PRIME RATES (%)

O/n	19.40	+0bp	+15bp	-10bp	+50bp
1wk	20.10	+0bp	-15bp	-40bp	+110bp
1m	24.00	+0bp	+0bp	+0bp	+410bp
2m	25.60	+0bp	-3bp	+10bp	+560bp
3m	25.70	+0bp	-5bp	-5bp	+570bp

LIQUIDITY WIDE MEASUREMENT (UAHm)

CB acc's ¹	30,817	+31.22	+22.45	+38.74	-7.32
CDs ²	0	+0.00	+0.00	+0.00	-100.0
Sovgns ³	6,443	+0.00	-0.94	+15.81	+42.18
Total	37,260	+24.50	+17.65	+34.15	-30.45

HOLDERS OF UAH SOVEREIGN BONDS (UAHm)

C.bank	366,157	-0.01	-0.09	+0.98	+15.10
Banks	81,985	+1.48	-0.76	-0.82	-12.25
Resid's ⁴	20,994	-0.06	-0.25	-7.00	-14.48
Non-res ⁵	21,705	+2.39	-1.71	-0.93	+0.75
Total	490,841	+0.34	-0.28	+0.23	+7.25

NDF IMPLIED YIELDS (%)

3m	29.76	-396bp	+12bp	-902bp	+342bp
6m	27.51	-236bp	+653bp	-486bp	+719bp
9m	21.77	-166bp	+446bp	-330bp	+357bp
1yr	19.11	-131bp	+343bp	-256bp	+176bp

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 (%)

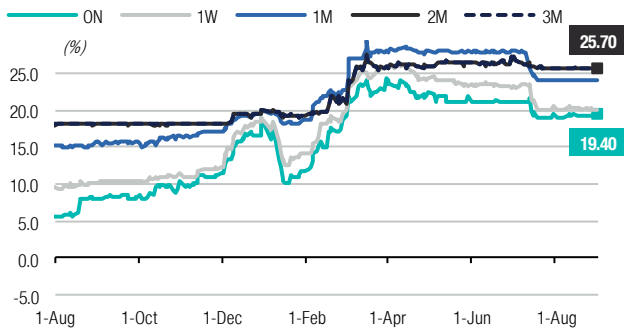
CDS 5yr	1,213	-10bp	-11ppt	-777bp	-986bp
Jun '16	52.24	-319bp	-39ppt	-37ppt	+15bp
Jul '17	28.49	-109bp	-16ppt	-17ppt	+73bp
Sep '20	15.59	-63bp	-692bp	-761bp	-326bp
Sep '21	15.39	-69bp	-555bp	-665bp	-314bp
Sep '22	13.75	-55bp	-528bp	-559bp	-250bp
Feb '23	13.19	-49bp	-481bp	-525bp	-237bp

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.

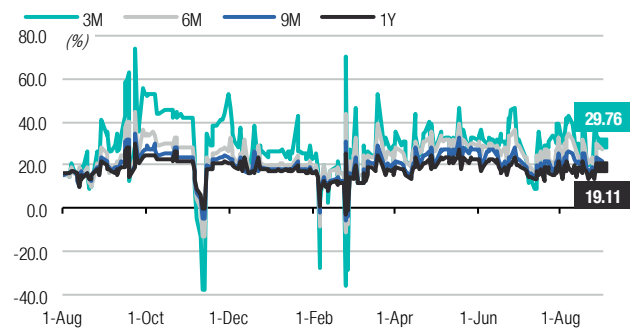
Chart page: Local bond market & Eurobond markets

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



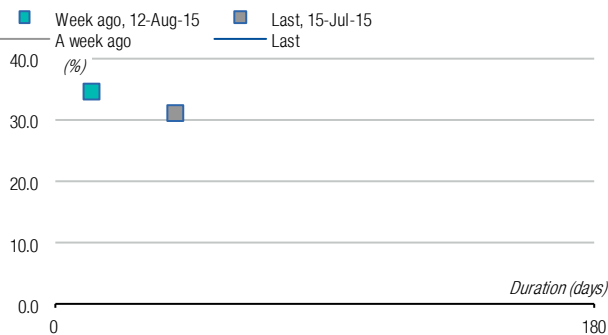
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



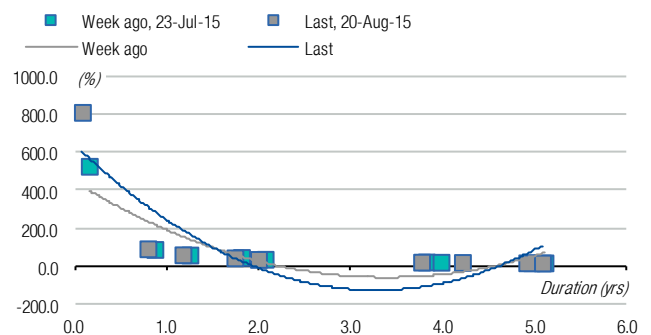
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 1 Sep 2015



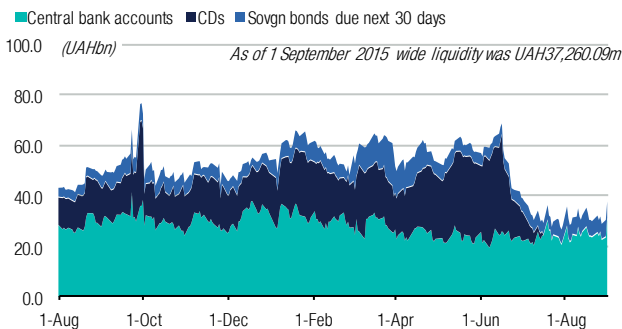
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 1 Sep 2015



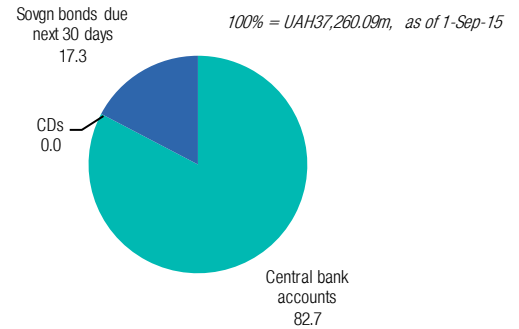
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



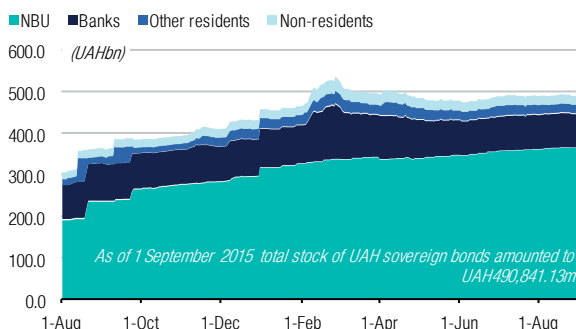
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 1 Sep 2015



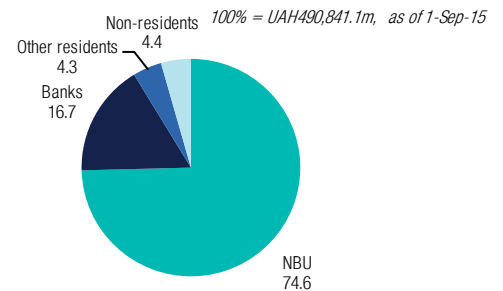
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 1 Sep 2015



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

Table 1. Ukrainian stocks (closing prices as of 1-Sep-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	10.13 GBp	+0.0	-5.8	+1.3	-12.0	0.16	35.8	-13.3	40.2	14.4	0.0	27.1	0.08	1,206	Neg.	N/A	N/A	1.9	N/A	N/A	Neg.	N/A	N/A	0.5	15.3
Centrenerg	CEEN UK	Kiev, UX	7.38 UAH	-0.1	-0.8	-2.2	-3.2	0.34	125.0	134.2	21.7	27.1	0.4	15.6	0.03	2,882	38.6	Neg.	6.2	0.4	Neg.	N/A	0.4	0.3	0.2	1.3	4.2
Coal Energy	CLE PW	Warsaw	0.63 PLN	-1.6	-3.1	+1.6	+0.0	0.17	7.5	80.1	25.0	1.9	0.0	1.7	0.10	1,019	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	19.40 UAH	-1.8	-4.7	-41.2	-43.2	0.89	21.0	31.3	14.2	3.0	0.2	4.3	0.24	418	4.5	Neg.	N/A	0.0	9.0	N/A	0.1	0.2	N/A	0.4	13.6
JXK Oil & Gas	JXK LN	London	15.75 GBp	+0.0	-3.1	+31.3	-65.2	0.24	41.5	52.2	47.2	19.6	0.1	57.0	0.79	127	Neg.	Neg.	Neg.	Neg.	1.1	N/A	0.4	0.4	0.7	0.2	9.9
Regal Petroleum	RPT LN	London	4.25 GBp	+0.0	-15.3	+36.0	-29.2	0.07	20.9	-11.0	80.9	16.9	0.0	2.6	0.02	4,955	3.6	7.0	N/A	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	130.00 UAH	+0.0	-23.5	-12.2	+0.0	5.96	76.3	110.8	5.0	3.8	0.0	0.1	0.00	46,313	Neg.	N/A	N/A	0.1	N/A	N/A	0.2	N/A	N/A	0.6	11.6
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.01 UAH	-3.0	+5.1	-10.3	-59.2	0.00	15.4	1,898.3	3.9	0.6	0.4	0.4	0.02	5,616	Neg.	Neg.	N/A	0.6	Neg.	N/A	2.8	6.3	N/A	N/A	145.5
Avdiivsky Cok...	AVDK UK	Kiev, UX	1.05 UAH	+4.7	+7.1	-39.3	-61.4	0.05	9.4	8.8	4.0	0.4	0.4	1.3	0.39	253	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.0	0.0	N/A	0.0	0.0
Azovstal	AZST UK	Kiev, UX	0.78 UAH	+0.3	+0.9	+4.7	+0.0	0.04	150.4	98.9	4.1	6.2	0.1	3.2	0.02	5,273	3.6	2.8	N/A	0.0	0.9	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	57.00 GBp	-7.7	-1.3	+16.5	-51.7	0.87	513.6	1,170.3	22.4	115.1	507.7	532.0	0.50	201	2.9	5.2	9.7	3.7	4.6	5.9	0.8	1.2	1.1	1.1	61.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.32 UAH	+0.0	+33.3	+14.3	-44.8	0.01	4.0	4.7	9.0	0.4	0.0	0.3	0.01	10,491	Neg.	9.7	N/A	Neg.	Neg.	N/A	0.1	0.0	N/A	0.1	0.0
Yenakievo Steel	ENMZ UK	Kiev, UX	16.77 UAH	+0.0	-1.4	-20.0	-50.7	0.77	8.1	0.4	9.4	0.8	9.5	3.0	0.26	379	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	0.46 EUR	-2.1	-8.0	+7.0	-47.1	0.52	47.9	96.6	34.0	16.3	5.3	34.6	0.25	397	Neg.	N/A	N/A	Neg.	N/A	N/A	1.3	N/A	N/A	1.0	35.9
Agroliga	AGL PW	Warsaw	10.85 PLN	+2.4	-9.5	+20.6	-35.7	2.87	4.4	5.2	16.7	0.7	1.0	1.6	0.16	606	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	1.06 PLN	+0.0	-13.8	-13.8	-41.4	0.28	6.1	33.5	26.2	1.6	2.1	14.7	0.61	164	Neg.	N/A	N/A	1.4	N/A	N/A	0.6	N/A	N/A	0.1	33.4
Astarta Holdin...	AST PW	Warsaw	30.41 PLN	+2.2	-14.7	+52.1	-15.5	8.06	201.4	433.7	31.0	62.5	60.6	73.7	0.11	948	Neg.	1,294.7	3.4	3.6	3.9	3.9	1.1	1.1	1.0	0.9	49.6
Avangard	AVGR LI	London Intl	0.55 USD	+5.8	-47.6	-73.2	-93.5	0.55	35.1	297.3	21.7	7.6	7.5	5.6	0.07	1,420	Neg.	Neg.	Neg.	2.3	5.2	3.7	0.7	1.0	0.9	0.1	33.1
IMC	IMC PW	Warsaw	5.20 PLN	-0.2	-3.7	-8.3	-36.4	1.38	43.1	151.6	23.9	10.3	7.8	12.5	0.05	1,856	Neg.	3.4	1.4	2.6	2.6	2.8	1.1	0.9	0.8	1.6	69.8
Kernel Holding...	KER PW	Warsaw	40.80 PLN	-2.2	-6.8	+43.4	+72.6	10.81	861.4	1,335.7	58.8	506.3	2,175.1	1,298.9	0.27	365	Neg.	6.2	4.4	6.0	3.3	3.8	0.6	0.6	0.6	1.0	39.1
KSG Agro	KSG PW	Warsaw	0.98 PLN	-3.0	+1.0	-12.5	+100.0	0.26	3.9	68.9	34.4	1.3	8.7	10.5	1.24	81	Neg.	0.2	N/A	6.9	N/A	N/A	2.1	0.6	N/A	N/A	67.4
MHP	MHPC LI	London Intl	9.10 USD	-2.4	-9.0	-1.1	-18.4	9.10	961.6	2,187.4	22.3	214.6	850.2	505.2	0.27	371	Neg.	5.2	3.6	3.9	4.3	4.3	1.6	1.7	1.6	1.4	53.0
Milkiland	MLK PW	Warsaw	1.00 PLN	+3.1	-25.9	-32.4	-76.0	0.26	8.3	123.4	20.0	1.7	4.4	14.4	0.97	103	Neg.	Neg.	Neg.	9.0	5.1	6.4	0.4	0.5	0.5	0.1	42.5
Ovostar Union	OVO PW	Warsaw	82.10 PLN	+0.1	-1.1	+14.0	+21.5	21.75	130.5	140.7	25.0	32.6	8.1	18.6	0.02	5,000	5.2	5.6	8.7	4.8	5.2	6.7	1.8	1.9	2.3	1.6	9.4
CONSTRUCTION																											
TMM	TR61 GF	Frankfurt	0.02 EUR	+0.0	-56.1	-77.5	-90.5	0.02	1.1	93.9	13.1	0.1	0.0	0.1	0.06	1,758	Neg.	N/A	N/A	Neg.	N/A	N/A	3.6	N/A	N/A	0.0	41.9
FINANCIAL SERVICES																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.09 UAH	-1.9	+4.8	-6.3	-29.6	0.00	123.7	N/A	3.8	4.7	4.0	5.2	0.11	929	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	0.10 UAH	-1.0	+10.0	-24.0	-41.7	0.00	112.0	N/A	4.5	5.0	0.8	1.0	0.02	6,451	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

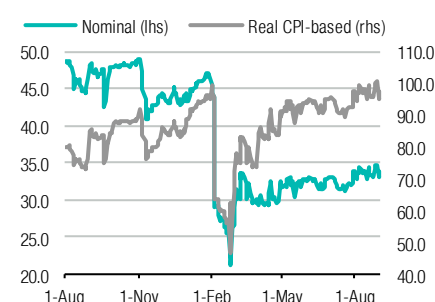
UAH gains, remains within desired band

The hryvnia rose 1.80% yesterday, reversing losses incurred just a few days ago, closing at 21.85/USD and well inside the authorities' unofficial trading range. As their top priority is to prevent future currency run, Ukrainian authorities have implemented a system of capital controls that must eventually be phased out. Several factors are making authorities hesitant to make move forward, including the usual rise of political turbulence that occurs every fall, the current debt restructuring deal that has not yet been fully ratified, and the resolution of the Russian debt issue. Until these factors are further resolved, authorities will most likely continue to maintain controls and intervene to keep the hryvnia within the unofficial band.

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ICU's UAH trade-weighted indices

(Last 12-month history to 2 Sep 2015)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 1 Sep 2015)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	21.8500	-1.80	-2.67	+2.95	+38.12
NBU avg	21.7985	-0.03	-3.65	+3.18	+38.24
Ttl vlm ¹	276.95	+20.25	+30.68	+18.37	-35.73
\$ volume ²	202.07	+18.42	+32.74	+23.20	-42.96
NDF 3M	23.4554	-2.46	+0.20	+0.83	+39.20
NDF 6M	24.8054	+1.25	+0.19	+0.79	+42.56
NDF 1Y	25.8054	+2.91	+0.19	+0.76	+39.87
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	33.744	+2.40	+2.27	+0.09	-24.11
UAH real CPI	97.403	+2.40	+2.27	+0.09	+12.55
UAH real PPI	117.138	+2.40	+2.27	+0.09	-0.53
USD nom'l	95.450	-0.39	+0.97	-1.94	+5.74
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	66.6705	+3.81	-3.41	+8.05	+9.77
EUR/USD	1.1315	+0.93	-1.75	+3.01	-6.47
USD/CNY	6.3642	-0.23	-0.76	+2.49	+2.56
USD/PLN	3.7605	-0.40	+1.66	-0.28	+6.12
USD/TRY	2.9307	+0.54	-0.32	+5.77	+25.51
USD/BYR	17,403.00	-0.29	-2.50	+14.07	+58.21
USD/KZT	239.4800	-0.43	+0.46	+27.52	+31.33
OTHER MAJOR CURRENCIES					
USD/JPY	119.3700	-1.53	+0.45	-3.65	-0.34
GBP/USD	1.5304	-0.27	-2.44	-2.04	-1.75
USD/CHF	0.9588	-0.88	+2.09	-0.78	-3.57
AUD/USD	0.7019	-1.32	-1.56	-3.95	-14.14
USD/CAD	1.3259	+0.91	-0.58	+1.28	+14.10
USD/BRL	3.6987	+2.16	+2.26	+8.10	+39.17
USD/KRW	1,171.70	-0.95	-1.99	+0.12	+7.40
COMMODITIES					
Gold(\$/oz)	1,140.28	+0.48	-0.01	+4.06	-3.76
WTI crude ³	45.41	-7.70	+16.05	-3.63	-14.76
Brent crd ³	47.56	-7.25	+14.33	-5.95	-14.71
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	196.00	-3.01	+4.44	-3.25	-14.77

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

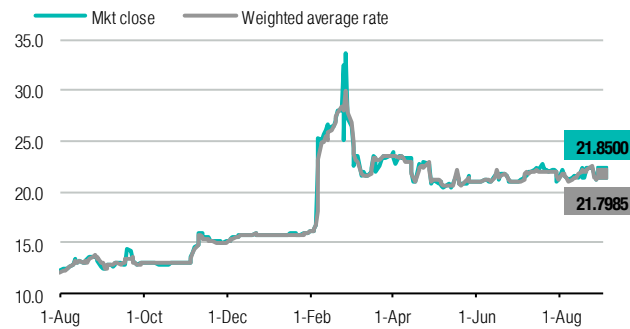
Sources: Bloomberg, Investment Capital Ukraine LLC.

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

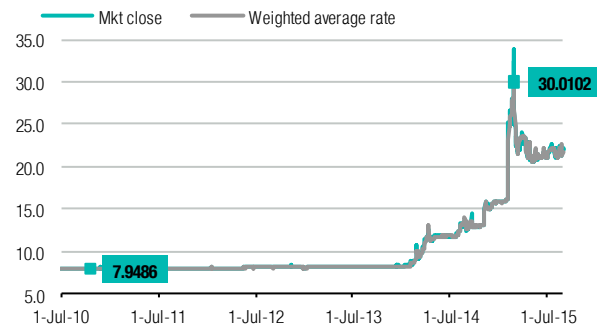
Section on FX market is continued on next page.

Chart page #1: Foreign-exchange market

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

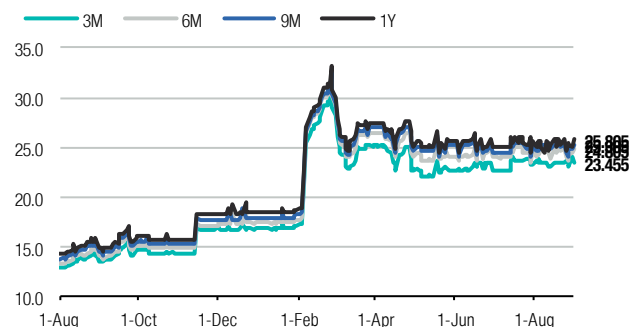


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

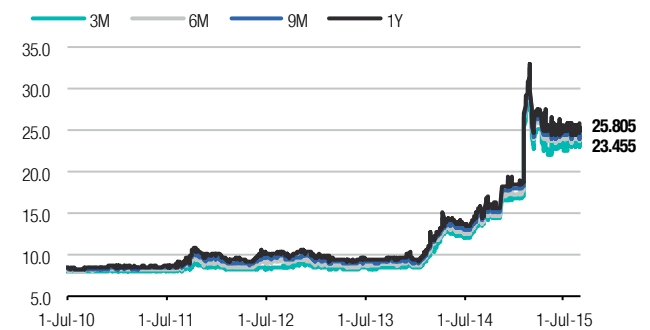


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

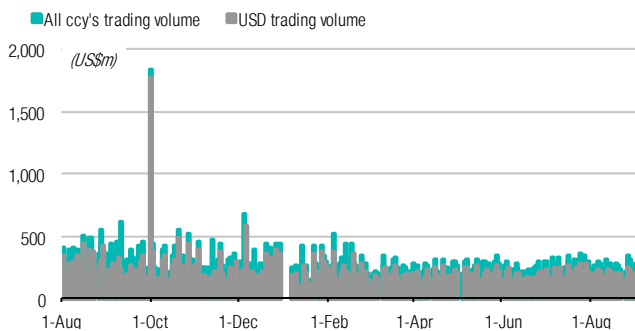


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

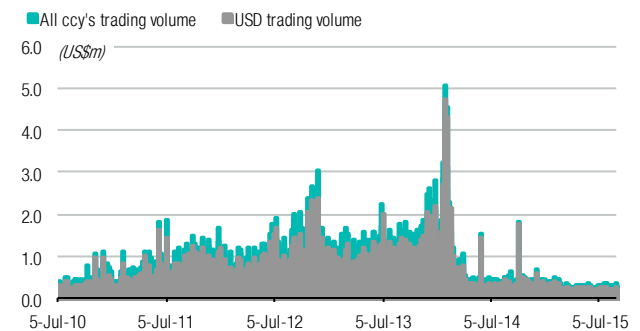


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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



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



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

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

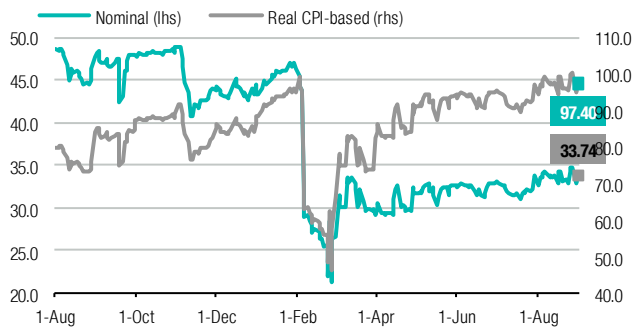


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

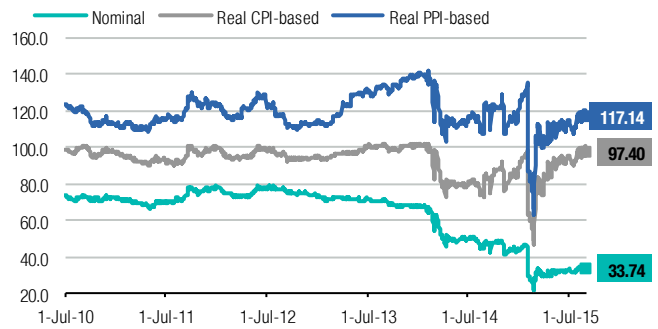
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology (for more details visit <http://www.icu.ua/en/research/currency-indices>).

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



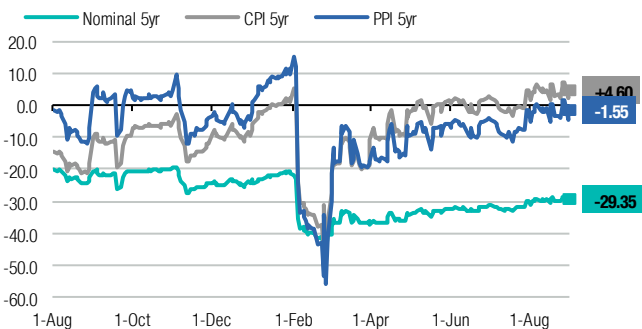
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

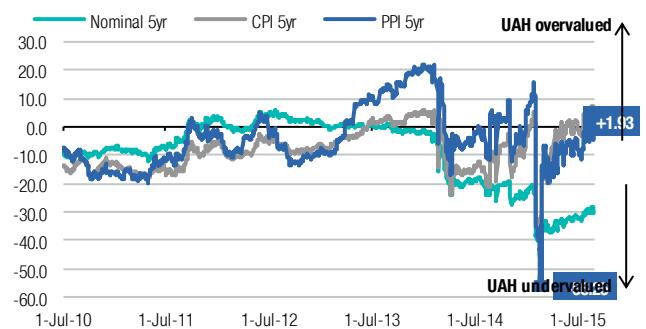


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

Chart 15. Deviation of UAH trade-weighted indices from their 5-year moving averages: last 12-month and 5-year periods (% , left and right respectively)

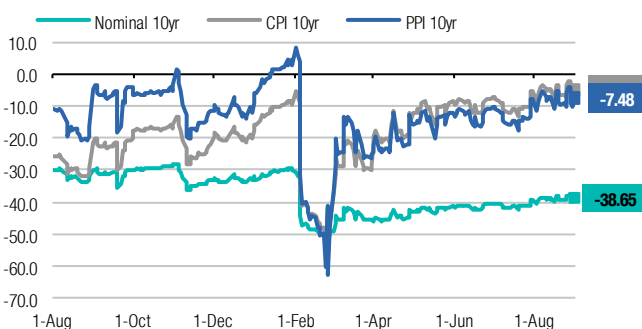


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

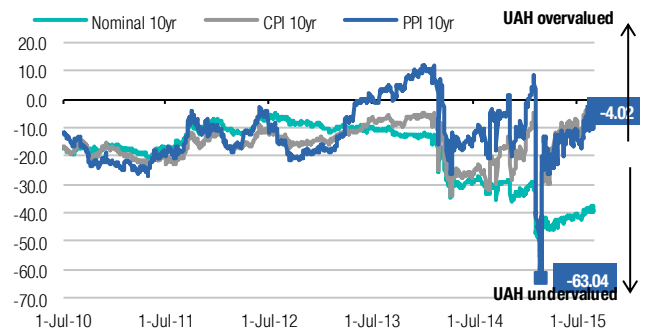


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

Chart 16. Deviation of UAH trade-weighted indices from their 10-year moving averages: last 12-month and 5-year periods (% , left and right respectively)



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



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

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Disclosures

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This research publication has been prepared by the analyst(s), whose name(s) appear on the front page of this publication. The analyst(s) hereby certifies that the views expressed within this publication accurately reflect her/his own views about the subject financial instruments or issuers and no part of her/his compensation was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views within this research publication.

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

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

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

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

DEBT RATING DEFINITIONS

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

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

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



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