



Focus  
**Ukraine**

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

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# Daily Insight

## UAH routinely fluctuates within the 21-23/band

### Contents

<b>Bonds: News &amp; Comments</b>	<b>2</b>
Liquidity recovers.....	2
Chart page: Local bond market & Eurobond markets.....	3
<b>FX: News &amp; Comments</b>	<b>5</b>
UAH routinely fluctuates within the 21-23/band.....	5
Chart page #1: Foreign-exchange market.....	6
Chart page #2: ICU's UAH trade-weighted indices.....	7

MONDAY, 5 OCTOBER 2015

### UX Index (3 months to 5 Oct 2015)



Source: UX.

### Key market indicators (as of 2 Oct 2015)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	21.1500	+0.45	+33.69
USD/UAH (1Y NDF)	25.4000	-1.84	+37.67
EUR/USD	1.1216	+0.19	-7.29
USD/RUB	66.3850	+1.07	+9.30
KievPRIME O/N (%)	18.80	+0bp	-10bp
KievPRIME 1M (%)	22.90	-20bp	+300bp
<b>SOVEREIGN EUROBONDS: yields and spreads</b>			
Ukraine 15, Eurobond (%)	N/A	+7bp	-5,346bp
Ukraine 17, Eurobond (%)	25.44	+15bp	-232bp
Ukraine 22, Eurobond (%)	12.81	-2bp	-344bp
Ukraine 23, Eurobond (%)	12.27	-5bp	-330bp
Ukraine 5Y CDS	1,029bp	-2bp	-1,170bp
<b>EQUITIES</b>			
<b>Stock market indices</b>			
UX (Ukraine)	880.28	+0.99	-14.81
MSCI World	387.71	+1.17	-7.05
MSCI EM	804.10	+0.81	-15.92
RTS (Russia)	764.93	-2.14	-2.82
WIG-20 (Poland)	2,036.32	-0.66	-12.07
S&P 500 (USA)	1,951.36	+1.43	-5.22

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 recovers

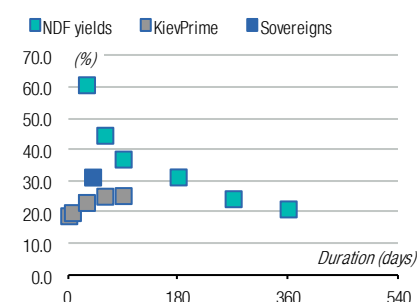
Banking sector liquidity continued to recover last Friday as it was up UAH1.15bn to UAH79.29bn. Banks' correspondent accounts with the NBU fell a significant UAH6.82bn to UAH24.07bn while total CDs outstanding rose UAH7.98bn to UAH55.22bn that day.

**Investment implications: Banks significantly increased purchases of CDs last Thursday, causing the above-mentioned changes in the liquidity structure. Anticipations remain high that the NBU will decrease interest rates on CDs in reaction to the recent key rate cut as banks purchased the largest volume of 2-week CDs in recent trading, at UAH7.76bn, while UAH7.15bn of ON CDs were sold. This significant reallocation of funds between banks' accounts and a slightly higher volume of CDs could be due to the NBU's purchasing a new portion of FX.**

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## Yield curve of the local bond market

(as of market close on 2 Oct 2015)



Sources: Bloomberg, Investment Capital Ukraine LLC.

## Bond market indicators (as of 2 Oct 2015)

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

### MONEY MARKET KIEV PRIME RATES (%)

0/n	18.80	+0bp	-3bp	-70bp	-10bp
1wk	19.80	+0bp	-3bp	-33bp	+80bp
1m	22.90	-20bp	-23bp	-110bp	+300bp
2m	24.70	+0bp	-13bp	-93bp	+470bp
3m	25.00	+0bp	-17bp	-75bp	+500bp

### LIQUIDITY WIDE MEASUREMENT (UAHm)

CB acc's <sup>1</sup>	24,070	-22.08	-0.01	-1.47	-27.61
CDs <sup>2</sup>	38,320	-18.88	-32.09	-16.52	+142.7
Sovgns <sup>3</sup>	5,003	+0.00	+13.24	+10.51	+10.40
<b>Total</b>	<b>67,393</b>	<b>-18.94</b>	<b>-20.64</b>	<b>-9.97</b>	<b>+25.81</b>

### HOLDERS OF UAH SOVEREIGN BONDS (UAHm)

C.bank	369,210	+0.00	+1.37	+0.85	+16.06
Banks	79,853	-0.33	-1.00	-2.58	-14.54
Resid's <sup>4</sup>	20,951	-0.01	+1.11	-0.53	-14.66
Non-res <sup>5</sup>	21,113	-0.55	-1.19	-2.70	-2.00
<b>Total</b>	<b>491,126</b>	<b>-0.08</b>	<b>+0.85</b>	<b>+0.06</b>	<b>+7.31</b>

### NDF IMPLIED YIELDS (%)

3m	57.19	-11ppt	+304bp	+19bp	+31bp
6m	33.57	-560bp	+163bp	+10bp	+13bp
9m	25.92	-376bp	+116bp	+765bp	+772bp
1yr	21.12	-283bp	+89bp	+598bp	+376bp

### 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 (%)

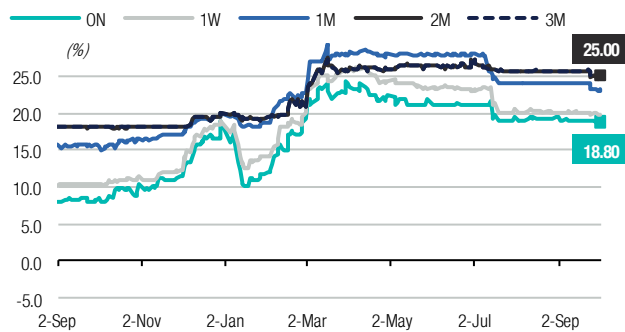
CDS 5yr	1,029	-2bp	-51bp	-181bp	-12ppt
Jun '16	48.92	+51bp	+195bp	-181bp	+12bp
Jul '17	25.44	+15bp	+65bp	-249bp	-232bp
Sep '20	13.08	-7bp	-94bp	-226bp	-577bp
Sep '21	13.87	+17bp	-3bp	-124bp	-467bp
Sep '22	12.81	-2bp	+31bp	-74bp	-344bp
Feb '23	12.27	-5bp	+14bp	-71bp	-330bp

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.

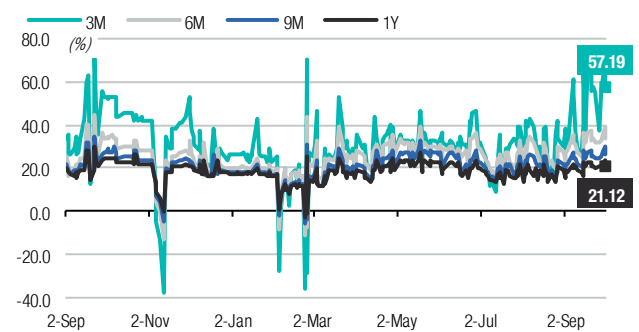
Chart page: Local bond market & Eurobond markets

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



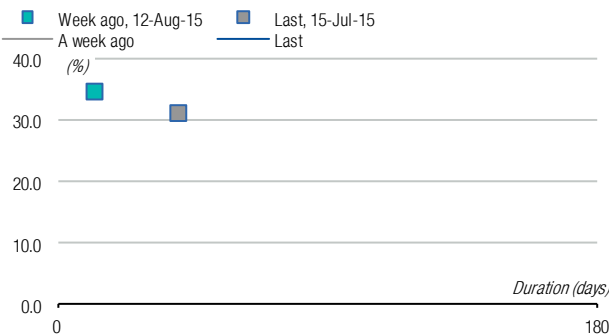
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



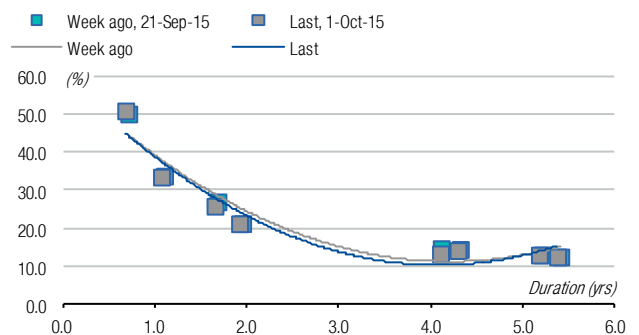
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 2 Oct 2015



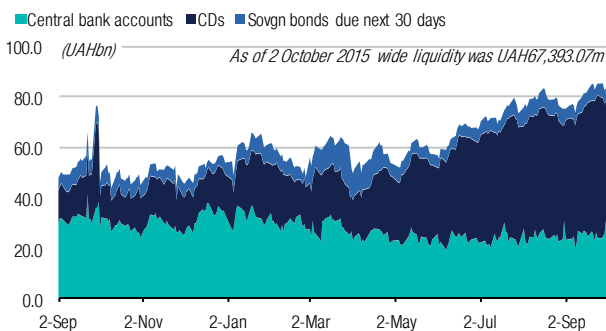
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 2 Oct 2015



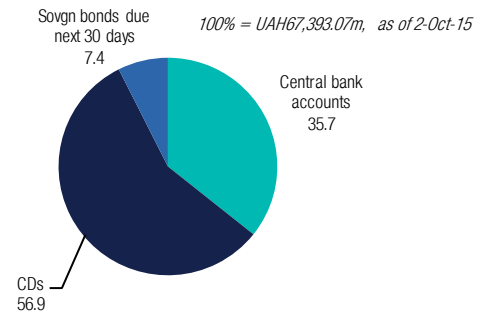
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



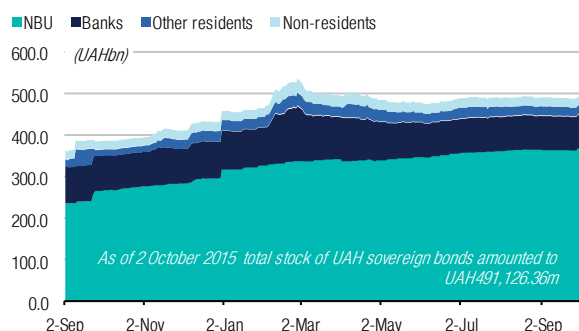
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 2 Oct 2015



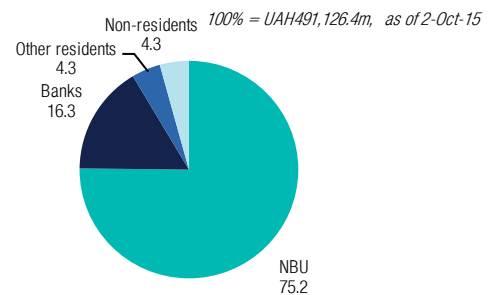
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 2 Oct 2015



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

Table 1. Ukrainian stocks (closing prices as of 2-Oct-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	11.88 GBp	+0.0	+9.2	+18.8	+11.8	0.18	41.7	-7.4	40.2	16.8	27.1	11.1	0.11	929	Neg.	N/A	N/A	1.1	N/A	N/A	Neg.	N/A	N/A	0.5	15.3	
Centrenerg	CEEN UK	Kiev, UX	5.64 UAH	+2.5	-23.5	-25.2	-22.5	0.27	99.2	108.8	21.7	21.5	13.1	11.1	0.10	1,049	29.5	Neg.	4.7	0.3	Neg.	N/A	0.3	0.2	0.2	1.0	4.2	
Coal Energy	CLE PW	Warsaw	0.69 PLN	-1.4	+7.8	+11.3	-23.3	0.18	8.2	80.8	25.0	2.1	0.5	1.6	0.09	1,143	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	19.30 UAH	+1.7	-2.7	-41.5	-32.1	0.92	21.7	32.3	14.2	3.1	0.3	3.7	0.11	924	4.5	Neg.	N/A	0.0	Neg.	N/A	0.1	0.2	N/A	0.4	13.6	
JKX Oil & Gas	JKX LN	London	18.50 GBp	-1.3	+17.5	+54.2	-63.7	0.28	48.3	59.0	47.2	22.8	65.7	101.1	0.48	210	Neg.	Neg.	Neg.	Neg.	1.2	N/A	0.4	0.4	0.8	0.2	9.9	
Regal Petroleum	RPT LN	London	3.75 GBp	+0.0	-16.7	+20.0	-53.1	0.06	18.3	-15.1	80.9	14.8	0.1	2.2	0.01	6,902	3.2	6.1	N/A	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.3	0.0	
Zakhidenergo	ZAEN UK	Kiev, PFTS	130.00 UAH	+0.0	+0.0	-12.2	-11.3	6.19	79.1	115.0	5.0	4.0	0.0	0.0	N/A	N/A	Neg.	N/A	N/A	0.1	N/A	N/A	0.2	N/A	N/A	0.6	11.6	
<b>METALLURGY</b>																												
Alchevsky Meta...	ALMK UK	Kiev, UX	0.01 UAH	-0.7	+1.5	-5.5	-45.9	0.00	16.8	1,971.1	3.9	0.7	0.1	0.3	0.04	2,461	Neg.	Neg.	N/A	0.7	Neg.	N/A	2.8	6.8	N/A	N/A	145.5	
Avdiyivsky Cok...	AVDK UK	Kiev, UX	1.17 UAH	-0.7	+10.4	-32.4	-49.1	0.06	10.9	10.2	4.0	0.4	0.0	1.1	0.28	352	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	+3.4	-2.2	+2.7	+18.1	0.04	153.1	99.7	4.1	6.3	0.5	1.7	0.05	2,028	3.5	2.7	N/A	0.0	0.9	N/A	0.1	0.1	N/A	0.2	0.0	
Ferrexpo PLC	FXPO LN	London	35.75 GBp	+3.6	-39.1	-26.9	-62.1	0.54	320.1	976.7	22.4	71.7	445.5	429.5	1.13	89	1.8	3.0	7.6	3.1	3.8	5.4	0.7	1.0	1.0	0.7	61.1	
Yasynivsky Cok...	YASK UK	Kiev, UX	0.26 UAH	+0.0	-3.7	-7.1	-44.2	0.01	3.4	4.1	9.0	0.3	9.8	1.0	0.83	121	Neg.	Neg.	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	+0.0	+3.1	-18.9	-34.1	0.81	8.5	0.6	9.4	0.8	0.0	2.6	0.44	225	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	0.41 EUR	+0.0	-8.9	-4.7	-40.6	0.46	42.6	138.5	34.0	14.5	123.8	41.6	0.35	282	Neg.	Neg.	2.4	Neg.	5.9	4.5	1.9	1.9	1.6	N/A	35.9	
Agroliga	AGL PW	Warsaw	11.40 PLN	+3.6	+2.7	+26.7	-21.4	3.01	4.6	5.4	16.7	0.8	0.2	1.3	0.11	896	1.3	N/A	N/A	1.6	N/A	N/A	0.3	N/A	N/A	0.4	5.7	
Agroton	AGT PW	Warsaw	1.06 PLN	+1.9	+0.0	-13.8	-44.8	0.28	6.1	32.8	26.2	1.6	1.1	13.0	0.19	514	Neg.	N/A	N/A	1.4	N/A	N/A	0.6	N/A	N/A	0.2	33.4	
Astarta Holdin...	AST PW	Warsaw	27.91 PLN	+2.3	-5.2	+39.6	-24.1	7.38	184.5	416.1	31.0	57.2	10.3	64.1	0.10	955	Neg.	5.9	3.1	3.5	3.6	3.7	1.1	1.1	1.0	0.8	49.6	
Avangard	AVGR LI	London Intl	0.90 USD	+0.0	+100.0	-56.1	-88.6	0.90	57.5	357.7	21.7	12.5	0.0	36.7	0.32	310	Neg.	Neg.	Neg.	2.8	6.3	4.2	0.9	1.2	1.1	0.2	33.1	
IMC	IMC PW	Warsaw	5.25 PLN	+1.2	-0.4	-7.4	-21.1	1.39	43.5	143.9	23.9	10.4	1.7	5.0	0.01	9,910	Neg.	1.9	1.4	2.5	2.8	2.7	1.0	0.9	0.8	1.6	69.8	
Kernel Holding...	KER PW	Warsaw	44.90 PLN	-0.2	+4.9	+57.8	+80.2	11.87	946.2	1,420.6	58.8	556.1	2,344.8	1,574.2	0.23	430	Neg.	6.4	4.7	6.3	3.6	3.9	0.6	0.6	0.6	1.1	39.1	
KSG Agro	KSG PW	Warsaw	0.95 PLN	+0.0	-3.1	-15.2	-26.9	0.25	3.8	73.8	34.4	1.3	0.2	10.8	0.32	309	Neg.	N/A	N/A	7.4	N/A	N/A	2.3	N/A	N/A	N/A	67.4	
MHP	MHPC LI	London Intl	9.70 USD	+10.6	+9.0	+5.4	-17.4	9.70	1,025.0	2,250.8	22.3	228.8	94.7	412.4	0.15	689	Neg.	4.8	3.8	4.1	4.5	4.5	1.6	1.8	1.7	1.5	53.0	
Milkiland	MLK PW	Warsaw	0.98 PLN	+0.0	-3.0	-33.8	-74.5	0.26	8.1	117.2	20.0	1.6	0.1	15.0	0.49	205	Neg.	Neg.	Neg.	8.5	4.9	6.1	0.4	0.5	0.4	0.1	42.5	
Ovostar Union	OVO PW	Warsaw	85.12 PLN	-4.4	+3.1	+18.2	+23.4	22.51	135.1	143.5	25.0	33.8	1.3	17.4	0.11	950	5.3	5.6	6.2	4.9	5.3	4.9	1.8	1.7	1.4	1.6	9.4	
<b>CONSTRUCTION</b>																												
TMM	TR61 GF	Frankfurt	0.01 EUR	+0.0	+0.0	-85.0	-94.7	0.01	0.7	93.6	13.1	0.1	0.0	0.0	0.00	848,097	Neg.	N/A	N/A	Neg.	N/A	N/A	3.6	N/A	N/A	0.0	41.9	
<b>FINANCIAL SERVICES</b>																												
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.08 UAH	-0.6	-16.3	-20.2	-39.1	0.00	109.3	N/A	3.8	4.2	2.3	4.6	0.18	563	N/A	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.6	N/A
Ukrsotsbank	USCB UK	Kiev, UX	0.10 UAH	+0.0	-19.1	-27.0	-34.2	0.00	111.6	N/A	4.5	5.0	0.0	1.0	0.03	3,474	Neg.	Neg.	N/A	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

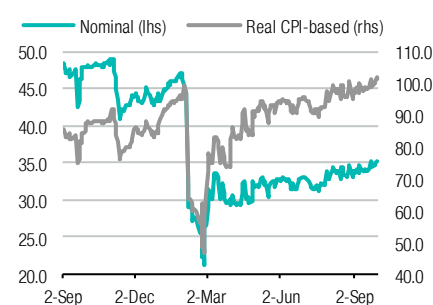
### UAH routinely fluctuates within the 21-23/band

Last Friday, the hryvnia slid 0.45% versus the dollar to 21.15/USD, a routine decline for this market, still remaining within the 21-23/USD de facto band on volume of US\$216m, an amount that has become normal over the past year. It appears that the NBU intends to continue this FX policy of tight capital controls until late 2016 when IMF directives on emerging markets' growth trajectory becomes clearer. For the time being, their growth story has been predominately down, as exemplified in yesterday's FT blog "Global growth shows clear signs of slowdown" by Gavyn Davies which points precisely to this factor. Hence, any discussions of phasing out the NBU capital control measures is premature. In the US, even though last month's jobs report indicated clear signs of a slowdown, the markets still anticipate that the key policy rate will be increased in December.

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### ICU's UAH trade-weighted indices

(Last 12-month history to 5 Oct 2015)



Source: Investment Capital Ukraine LLC.

### FX market indicators (as of 2 Oct 2015)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	21.1500	+0.45	-2.31	-4.51	+33.69
NBU avg	21.1474	-0.03	-2.17	-3.83	+34.11
Ttl vlm <sup>1</sup>	267.50	-11.59	-0.45	+26.58	-37.92
\$ volume <sup>2</sup>	216.33	-1.56	+17.36	+47.50	-38.94
NDF 3M	24.1500	-1.94	-1.66	-0.43	+43.32
NDF 6M	24.6500	-1.90	-1.62	-0.25	+41.67
NDF 1Y	25.4000	-1.84	-1.58	+0.44	+37.67
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	35.096	-0.32	+2.47	+5.00	-21.07
UAH real CPI	101.303	-0.32	+2.47	+5.00	+17.06
UAH real PPI	121.829	-0.32	+2.47	+5.00	+3.45
USD nom'l	95.830	-0.37	-0.46	+0.00	+6.16
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	66.3850	+1.07	+1.49	-0.85	+9.30
EUR/USD	1.1216	+0.19	+0.19	-0.10	-7.29
USD/CNY	N/A	N/A	N/A	N/A	N/A
USD/PLN	3.7886	-0.19	+0.39	+0.42	+6.91
USD/TRY	2.9917	-1.16	-1.82	+1.71	+28.12
USD/BYR	17,750.00	+0.40	+0.25	+1.71	+61.36
USD/KZT	271.7200	+0.16	+0.62	+12.97	+49.01
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	119.9100	-0.02	-0.56	-0.35	+0.11
GBP/USD	1.5185	+0.36	+0.03	-0.75	-2.52
USD/CHF	0.9715	-0.58	-0.82	+0.24	-2.29
AUD/USD	0.7045	+0.21	+0.30	+0.09	-13.82
USD/CAD	1.3152	-0.87	-1.39	-0.88	+13.17
USD/BRL	3.9330	-1.91	-1.07	+4.57	+47.99
USD/KRW	1,180.55	+0.36	-1.18	-0.02	+8.21
<b>COMMODITIES</b>					
Gold(\$/oz)	1,138.82	+2.27	-0.66	+0.42	-3.89
WTI crude <sup>3</sup>	45.54	+1.79	-0.35	-1.54	-14.51
Brent crd <sup>3</sup>	47.41	+0.47	+1.59	-4.61	-14.97
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	194.11	+0.83	-0.82	-1.36	-15.59

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.

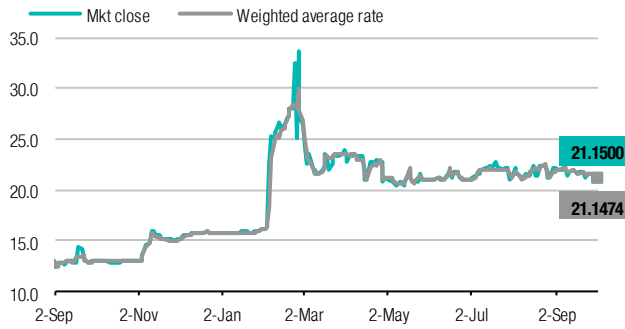
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

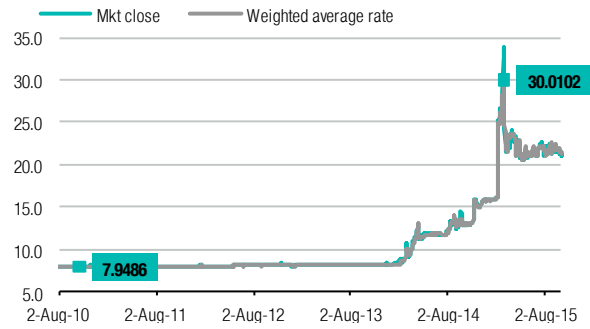
Section on FX market is continued on next page.

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)

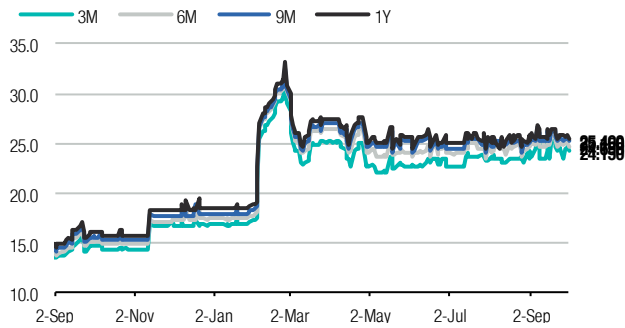


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

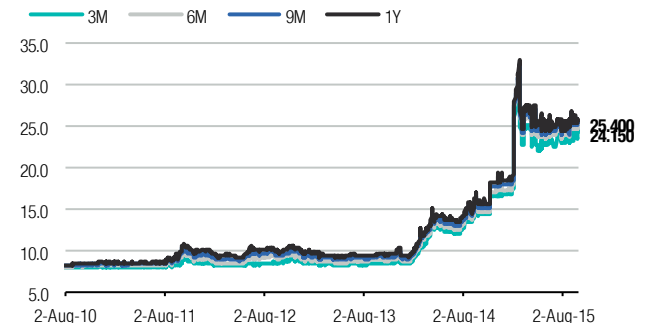


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

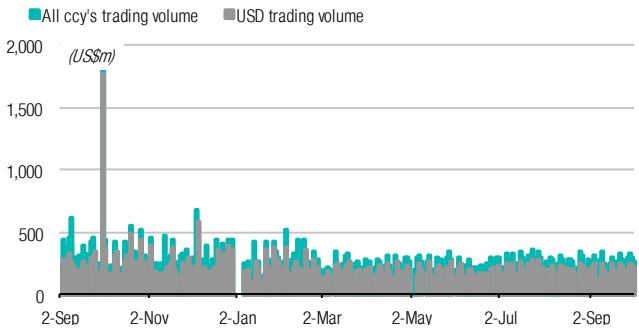


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

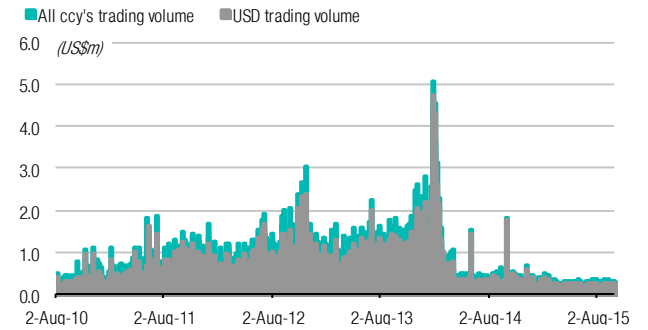


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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.

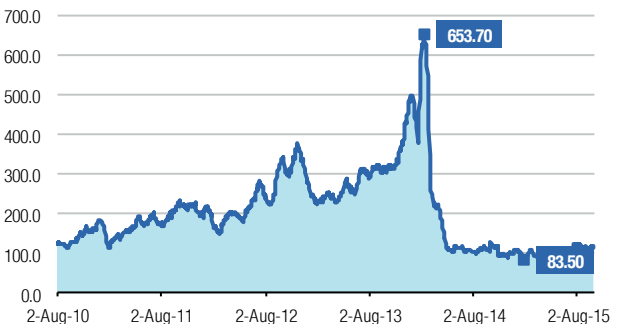


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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



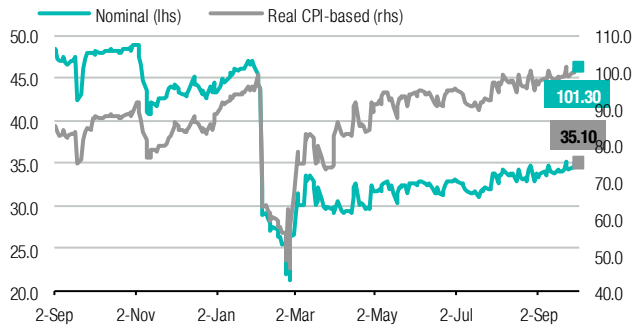
Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

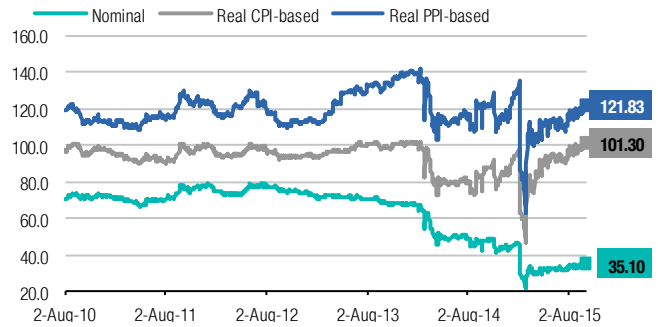
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology (for more details visit <http://www.icu.ua/en/research/currency-indices>).

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



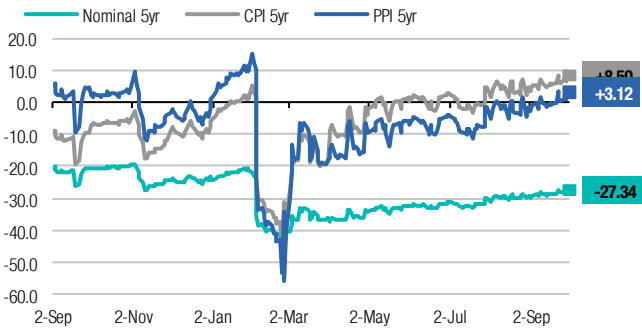
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

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

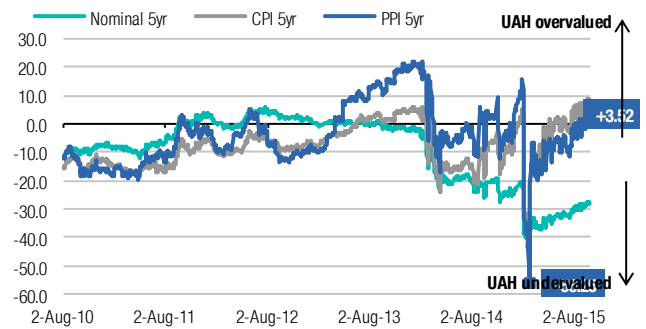


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

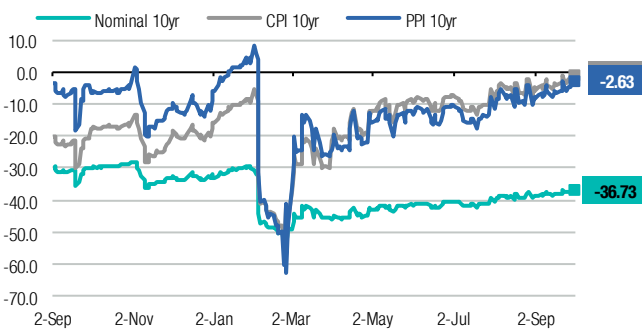


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

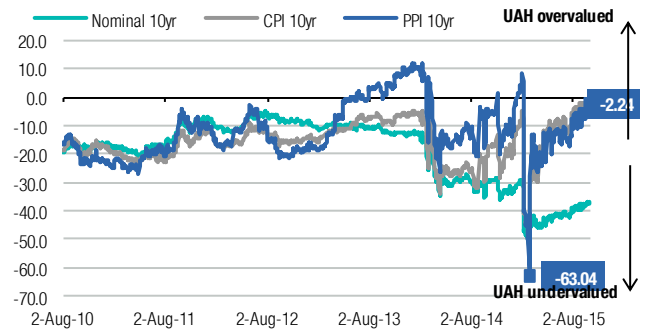


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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

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