



Focus
Ukraine

Scope
Economics, bonds, equity & FX markets

Research team
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Daily Insight

Stat budget law for 2016

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WEDNESDAY, 2 DECEMBER 2015

UX Index (3 months to 2 Dec 2015)



Source: UX.

Key market indicators (as of 1 Dec 2015)

| | Last | Daily chg (%) | YTD chg (%) |
|------------------------------------------------|----------|---------------|-------------|
| FX & MONEY RATES | | | |
| USD/UAH | 23.9700 | -0.13 | +51.52 |
| USD/UAH (1Y NDF) | 28.1030 | +0.32 | +52.32 |
| EUR/USD | 1.0633 | +0.64 | -12.11 |
| USD/RUB | 66.6675 | +0.37 | +9.77 |
| KievPRIME O/N (%) | 19.10 | -40bp | +20bp |
| KievPRIME 1M (%) | 22.70 | -5bp | +280bp |
| SOVEREIGN EUROBONDS: yields and spreads | | | |
| Ukraine 15, Eurobond (%) | N/A | +0bp | -5,343bp |
| Ukraine 17, Eurobond (%) | 28.88 | +2bp | +113bp |
| Ukraine 22, Eurobond (%) | 0.00 | -1,305bp | -1,625bp |
| Ukraine 23, Eurobond (%) | 0.00 | -1,165bp | -1,556bp |
| Ukraine 5Y CDS | N/A | | |
| EQUITIES | | | |
| Stock market indices | | | |
| UX (Ukraine) | 708.22 | -1.11 | -31.46 |
| MSCI World | 411.15 | +0.97 | -1.43 |
| MSCI EM | 825.48 | +1.37 | -13.68 |
| RTS (Russia) | 839.14 | -0.94 | +6.61 |
| WIG-20 (Poland) | 1,923.94 | -0.09 | -16.93 |
| S&P 500 (USA) | 2,102.63 | +1.07 | +2.12 |

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 slightly declines

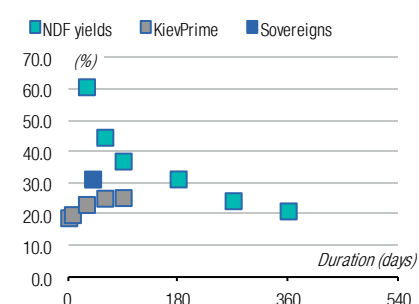
December started with UAH88.29bn of banking sector liquidity, down UAH0.84bn from the previous day. Banks' correspondent accounts with the NBU slid UAH0.32bn to UAH26.94bn and total CDs outstanding declined UAH0.51bn to UAH61.36bn yesterday.

Investment implications: Yesterday's liquidity data showed a slight decline in liquidity after falling significantly the day before. This decline to UAH88.29bn from the mid-November high of UAH93.18bn most likely is the result of the MoF's UAH4.33bn increase in treasury account funds to UAH47.96bn. It appears that the MoF did not increase its budget expenditures, despite having large balance in hand. One reason that the MoF is maintaining this level of funds in budget accounts is to decrease pressure on the hryvnia's exchange rate which weakened in recent weeks.

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Yield curve of the local bond market

(as of market close on 1 Dec 2015)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 1 Dec 2015)

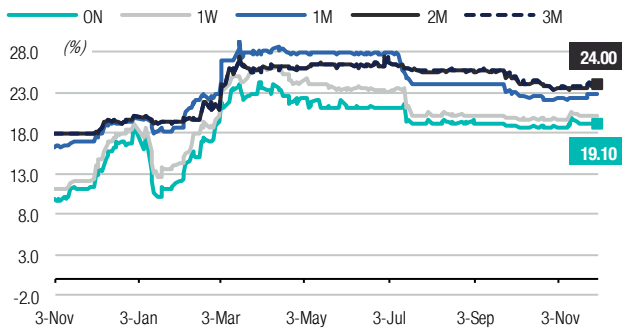
| | Last | Daily | Weekly | MoM | YTD |
|-----------------------------------------------------|---------------|--------------|--------------|---------------|---------------|
| | chg (%) | chg (%) | chg (%) | chg (%) | chg (%) |
| MONEY MARKET KIEV PRIME RATES (%) | | | | | |
| O/n | 19.10 | -40bp | -5bp | +30bp | +20bp |
| 1wk | 20.10 | -3bp | +0bp | +30bp | +110bp |
| 1m | 22.70 | -5bp | +0bp | -40bp | +280bp |
| 2m | 23.80 | -20bp | +0bp | -90bp | +380bp |
| 3m | 24.00 | -13bp | +0bp | -100bp | +400bp |
| LIQUIDITY WIDE MEASUREMENT (UAHm) | | | | | |
| CB acc's ¹ | 26,937 | -1.19 | +2.13 | -12.80 | -18.99 |
| CDs ² | 61,357 | -0.83 | -4.57 | +29.88 | +288.7 |
| Sovgns ³ | 9,844 | +0.00 | -0.21 | +85.80 | +117.2 |
| Total | 98,138 | -0.85 | -2.38 | +17.63 | +83.20 |
| HOLDERS OF UAH SOVEREIGN BONDS (UAHm) | | | | | |
| C.bank | N/A | N/A | N/A | N/A | N/A |
| Banks | N/A | N/A | N/A | N/A | N/A |
| Resid's ⁴ | N/A | N/A | N/A | N/A | N/A |
| Non-res ⁵ | N/A | N/A | N/A | N/A | N/A |
| Total | N/A | N/A | N/A | N/A | N/A |
| 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 | N/A | N/A | N/A | N/A | N/A |
| Jun '16 | 66.53 | +15bp | +15bp | +18bp | +30bp |
| Jul '17 | 28.88 | +2bp | +47bp | +345bp | +113bp |
| Sep '20 | 13.98 | +42bp | +42bp | +90bp | -487bp |
| Sep '21 | 14.22 | +43bp | +43bp | +35bp | -432bp |
| Sep '22 | 0.00 | -13ppt | -13ppt | -13ppt | -16ppt |
| Feb '23 | 0.00 | -12ppt | -12ppt | -12ppt | -16ppt |

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.

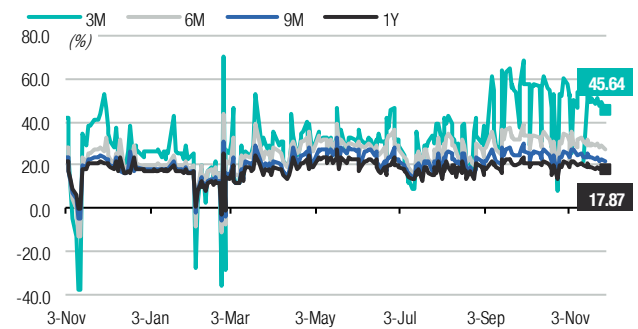
Chart page: Local bond market & Eurobond markets

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



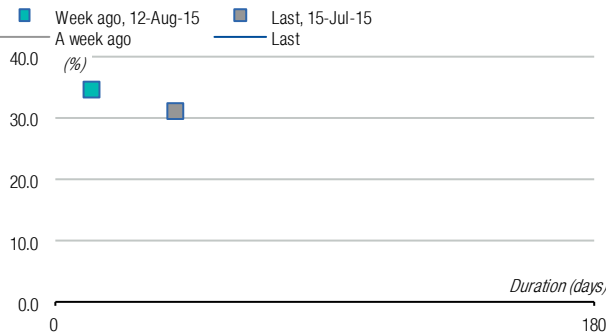
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



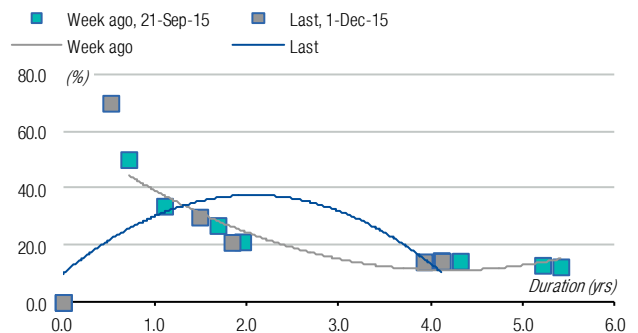
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



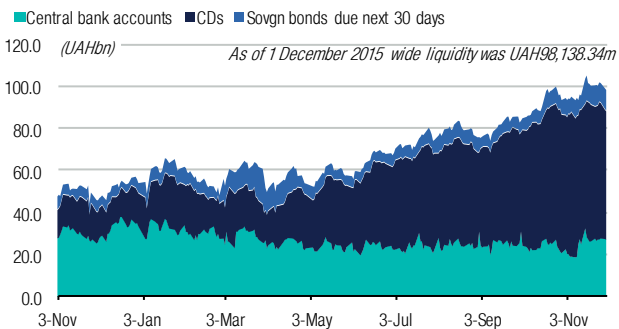
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



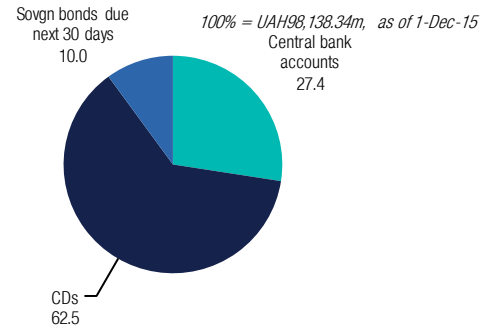
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



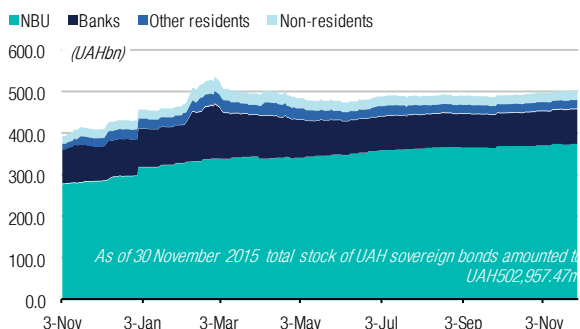
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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



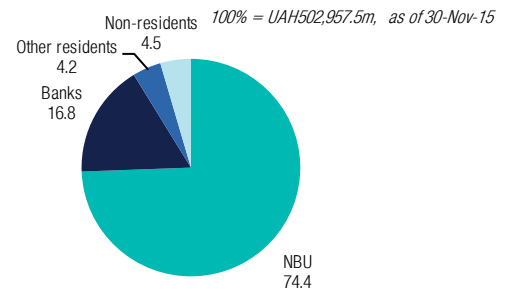
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 Dec 2015



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

Table 1. Ukrainian stocks (closing prices as of 1-Dec-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 | 8.75 GBp | +0.0 | -14.6 | -12.5 | -22.2 | 0.13 | 30.5 | -18.7 | 40.2 | 12.2 | 0.3 | 7.4 | 0.07 | 1,452 | Neg. | N/A | N/A | 2.7 | N/A | N/A | Neg. | N/A | N/A | 0.4 | 15.3 |
| Centrenerg | CEEN UK | Kiev, UX | 4.43 UAH | -1.1 | -17.8 | -41.3 | -41.2 | 0.19 | 68.4 | 56.8 | 21.7 | 14.9 | 3.0 | 9.7 | 0.07 | 1,417 | 23.2 | 5.2 | 4.3 | 0.2 | 1.7 | 1.7 | 0.2 | 0.1 | 0.1 | 0.7 | 4.2 |
| Coal Energy | CLE PW | Warsaw | 0.60 PLN | -7.7 | -13.0 | -3.2 | -14.3 | 0.15 | 6.7 | 79.2 | 25.0 | 1.7 | 0.4 | 1.2 | 0.03 | 3,600 | Neg. | N/A | N/A | 10.9 | N/A | N/A | 0.7 | N/A | N/A | 0.2 | 56.9 |
| Donbasenergo | DOEN UK | Kiev, UX | 16.19 UAH | -1.2 | -7.5 | -50.9 | -49.3 | 0.68 | 16.0 | 26.3 | 14.2 | 2.3 | 0.1 | 1.5 | 0.06 | 1,711 | 3.8 | Neg. | N/A | 0.0 | N/A | N/A | 0.1 | 0.2 | N/A | 0.3 | 13.6 |
| JXK Oil & Gas | JXK LN | London | 28.00 GBp | +0.0 | +1.8 | +133.3 | +64.7 | 0.42 | 72.5 | 83.1 | 47.2 | 34.2 | 1.8 | 82.2 | 0.06 | 1,736 | Neg. | Neg. | Neg. | Neg. | 2.6 | 3.3 | 0.6 | 0.8 | 1.1 | 0.3 | 9.9 |
| Regal Petroleum | RPT LN | London | 3.86 GBp | +0.8 | +0.1 | +23.4 | -24.8 | 0.06 | 18.6 | -14.8 | 80.9 | 15.1 | 0.1 | 1.0 | 0.00 | 39,567 | 3.2 | N/A | N/A | Neg. | N/A | N/A | Neg. | Neg. | N/A | 0.3 | 0.0 |
| Zakhidenergo | ZAEN UK | Kiev, PFTS | 85.00 UAH | -14.6 | -10.5 | -42.6 | -44.8 | 3.55 | 45.5 | 78.0 | 5.0 | 2.3 | 4.7 | 0.7 | 0.06 | 1,662 | Neg. | N/A | N/A | 0.1 | N/A | N/A | 0.2 | N/A | N/A | 0.5 | 11.6 |
| METALLURGY | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Alchevsky Meta... | ALMK UK | Kiev, UX | 0.01 UAH | -10.9 | -2.5 | -26.9 | -42.1 | 0.00 | 11.4 | 1,728.4 | 3.9 | 0.4 | 0.0 | 0.2 | 0.02 | 5,412 | Neg. | Neg. | N/A | 0.6 | Neg. | N/A | 2.8 | 6.8 | N/A | N/A | 145.5 |
| Avdiyivsky Cok... | AVDK UK | Kiev, UX | 1.06 UAH | -5.1 | -1.7 | -38.6 | -44.3 | 0.04 | 8.7 | 7.7 | 4.0 | 0.3 | 0.4 | 0.7 | 0.17 | 593 | Neg. | N/A | N/A | Neg. | N/A | N/A | 0.0 | N/A | N/A | 0.0 | 0.0 |
| Azovstal | AZST UK | Kiev, UX | 0.42 UAH | +3.0 | -27.7 | -44.2 | -41.6 | 0.02 | 73.1 | 15.0 | 4.1 | 3.0 | 0.1 | 4.0 | 0.38 | 265 | 1.9 | 1.5 | N/A | 0.0 | N/A | N/A | 0.0 | 0.0 | N/A | 0.1 | 0.0 |
| Ferrexpo PLC | FXPO LN | London | 25.25 GBp | -1.9 | -21.7 | -48.4 | -59.8 | 0.38 | 224.0 | 880.6 | 22.4 | 50.2 | 171.3 | 324.2 | 0.68 | 146 | 1.3 | 1.8 | 5.1 | 2.8 | 3.4 | 4.4 | 0.6 | 0.9 | 0.9 | 0.5 | 61.1 |
| Yasynivsky Cok... | YASK UK | Kiev, UX | 0.33 UAH | +0.0 | +32.0 | +17.9 | +0.3 | 0.01 | 3.8 | 4.4 | 9.0 | 0.3 | 0.0 | 2.0 | 0.15 | 659 | Neg. | Neg. | N/A | Neg. | N/A | N/A | 0.1 | 0.0 | N/A | 0.1 | 0.0 |
| Yenakievo Steel | ENMZ UK | Kiev, UX | 15.75 UAH | -8.4 | -4.0 | -24.8 | -27.4 | 0.66 | 6.9 | -7.5 | 9.4 | 0.7 | 0.3 | 1.2 | 0.06 | 1,795 | Neg. | Neg. | N/A | Neg. | Neg. | N/A | Neg. | Neg. | N/A | 0.2 | 0.0 |
| FOOD AND AGRIBUSINESS | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| AgroGeneration | ALAGR FP | EN Paris | 0.43 EUR | +0.0 | +2.4 | +0.0 | -8.5 | 0.46 | 45.0 | 98.2 | 34.0 | 15.3 | 5.6 | 58.2 | 0.16 | 621 | Neg. | Neg. | 2.9 | 4.8 | 5.0 | 3.4 | 1.4 | 1.5 | 1.3 | 0.7 | 83.5 |
| Agroliga | AGL PW | Warsaw | 13.57 PLN | +0.2 | -12.3 | +50.8 | +10.1 | 3.36 | 5.2 | 5.9 | 16.7 | 0.9 | 0.7 | 1.5 | 0.16 | 608 | 1.5 | N/A | N/A | 1.7 | N/A | N/A | 0.3 | N/A | N/A | 0.5 | 5.7 |
| Agroton | AGT PW | Warsaw | 1.09 PLN | +2.8 | -9.9 | -11.4 | -21.6 | 0.27 | 5.9 | 32.6 | 26.2 | 1.5 | 4.2 | 11.9 | 0.43 | 235 | 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 | 35.91 PLN | -0.2 | -4.1 | +79.6 | +74.3 | 8.90 | 222.6 | 438.3 | 31.0 | 69.1 | 1.7 | 53.1 | 0.04 | 2,568 | Neg. | 15.0 | 4.3 | 3.7 | 3.9 | 4.1 | 1.2 | 1.2 | 1.1 | 1.0 | 49.6 |
| Avangard | AVGR LI | London Intl | 1.46 USD | +5.4 | +32.7 | -28.8 | -69.6 | 1.46 | 93.3 | 393.5 | 21.7 | 20.2 | 0.7 | 58.9 | 0.03 | 3,124 | Neg. | Neg. | Neg. | 3.0 | 8.3 | 3.8 | 0.9 | 1.4 | 1.1 | 0.3 | 33.1 |
| IMC | IMC PW | Warsaw | 6.48 PLN | +2.0 | -4.0 | +14.3 | -0.3 | 1.61 | 50.3 | 155.8 | 23.9 | 12.0 | 0.4 | 3.4 | 0.03 | 3,460 | Neg. | 2.7 | 1.6 | 2.7 | 2.8 | 2.9 | 1.1 | 1.2 | 1.1 | 1.9 | 69.8 |
| Kernel Holding... | KER PW | Warsaw | 49.79 PLN | +2.9 | -5.7 | +74.9 | +63.2 | 12.35 | 983.8 | 1,365.6 | 58.8 | 578.2 | 1,831.3 | 2,076.0 | 0.40 | 253 | 9.2 | 4.9 | 4.9 | 3.4 | 3.9 | 4.0 | 0.6 | 0.6 | 0.5 | 1.1 | 31.6 |
| KSG Agro | KSG PW | Warsaw | 0.98 PLN | -4.9 | -5.8 | -12.5 | -21.6 | 0.24 | 3.7 | 66.9 | 34.4 | 1.3 | 0.7 | 8.7 | 0.42 | 236 | Neg. | N/A | N/A | 6.7 | N/A | N/A | 2.1 | N/A | N/A | N/A | 67.4 |
| MHP | MHPC LI | London Intl | 9.54 USD | +0.0 | +1.4 | +3.7 | -12.9 | 9.54 | 1,008.1 | 2,180.7 | 22.3 | 225.0 | 0.0 | 313.9 | 0.17 | 599 | Neg. | 4.5 | 3.7 | 3.9 | 4.4 | 4.4 | 1.6 | 1.7 | 1.6 | 1.5 | 53.0 |
| Milkiland | MLK PW | Warsaw | 1.58 PLN | -3.1 | -20.2 | +6.8 | -32.8 | 0.39 | 12.2 | 115.3 | 20.0 | 2.4 | 5.9 | 43.6 | 1.28 | 78 | Neg. | Neg. | Neg. | 8.4 | 6.5 | 6.7 | 0.4 | 0.5 | 0.5 | 0.1 | 42.5 |
| CONSTRUCTION | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TMM | TR61 GF | Frankfurt | 0.02 EUR | +0.0 | +50.0 | -77.5 | -88.0 | 0.02 | 1.0 | 93.9 | 13.1 | 0.1 | 0.0 | 0.2 | 0.27 | 371 | 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 | 0.08 UAH | -1.5 | +6.5 | -13.4 | -20.1 | 0.00 | 104.2 | N/A | 3.8 | 4.0 | 7.2 | 7.1 | 0.22 | 456 | N/A | 5.8 | 5.8 | N/A | N/A | N/A | N/A | N/A | N/A | 0.6 | N/A |
| Ukrsofsbank | USCB UK | Kiev, UX | 0.09 UAH | +0.0 | +17.5 | -27.8 | -37.3 | 0.00 | 97.0 | N/A | 4.5 | 4.3 | 3.9 | 0.5 | 0.01 | 11,593 | 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

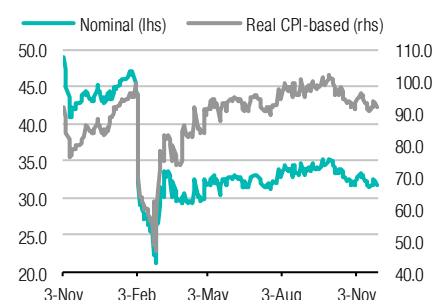
State budget law for 2016

Yesterday, the MoF published a draft of the 2016 state budget law, the delay of which has prevented the resumption of IMF lending. The budget process in Ukraine has been mired in controversy as two competing versions of the tax reform differed in regard to tax rates as well as revenues and expenditures. The draft law version released yesterday yields the lowest deficit out of the two versions, thus fulfilling IMF recommendations. It should be passed later this month, particularly as it promises a small primary surplus (in line with the IMF requirement) while expenditures (adjusted for inflation, excluding interest payments) meet or exceed the previous year's level. Overall, we consider this budget as optimal from a macroeconomic perspective. While politicians will debate the bill over the next two weeks in parliament, we expect it will be signed into law at the end of December so the next IMF tranche will arrive in late January or mid-February.

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ICU's UAH trade-weighted indices

(Last 12-month history to 2 Dec 2015)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 1 Dec 2015)

| | Last | Daily | Weekly | MoM | YTD |
|---------------------------------------------------------|-----------|---------|---------|---------|---------|
| | chg (%) | chg (%) | chg (%) | chg (%) | chg (%) |
| USD/UAH MARKET (HRYVNIA per US DOLLAR) | | | | | |
| Spot mkt | 23.9700 | -0.13 | +0.66 | +13.84 | +51.52 |
| NBU avg | 23.8416 | -0.44 | -0.45 | +12.71 | +51.20 |
| Ttl vlm ¹ | 262.69 | -19.69 | -5.96 | -13.18 | -39.04 |
| \$ volume ² | 166.22 | -24.33 | -8.20 | -24.36 | -53.08 |
| NDF 3M | 26.8530 | +0.54 | +0.15 | +9.04 | +59.36 |
| NDF 6M | 27.3530 | +0.53 | +0.14 | +8.86 | +57.20 |
| NDF 1Y | 28.1030 | +0.32 | +0.14 | +8.60 | +52.32 |
| TRADE-WEIGHTED INDICES (TWIs, points) | | | | | |
| UAH nom'l | 31.707 | -0.05 | -0.08 | -9.94 | -28.69 |
| UAH real CPI | 91.521 | -0.05 | -0.08 | -9.94 | +5.75 |
| UAH real PPI | 110.065 | -0.05 | -0.08 | -9.94 | -6.54 |
| USD nom'l | 99.795 | -0.37 | +0.27 | +3.75 | +10.55 |
| FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs | | | | | |
| USD/RUB | 66.6675 | +0.37 | +1.85 | +1.50 | +9.77 |
| EUR/USD | 1.0633 | +0.64 | -0.09 | -5.02 | -12.11 |
| USD/CNY | 6.3988 | +0.01 | +0.15 | +0.66 | +3.11 |
| USD/PLN | 4.0267 | -0.36 | +0.56 | +6.08 | +13.63 |
| USD/TRY | 2.8907 | -0.79 | +0.47 | -4.50 | +23.80 |
| USD/BYR | 18,078.00 | -0.07 | +0.10 | +2.25 | +64.35 |
| USD/KZT | 307.6500 | +0.00 | +0.05 | +13.41 | +68.71 |
| OTHER MAJOR CURRENCIES | | | | | |
| USD/JPY | 122.8700 | -0.19 | +0.28 | +2.45 | +2.58 |
| GBP/USD | 1.5082 | +0.17 | -0.01 | -0.32 | -3.18 |
| USD/CHF | 1.0259 | -0.30 | +0.90 | +4.98 | +3.18 |
| AUD/USD | 0.7323 | +1.33 | +0.91 | +4.17 | -10.42 |
| USD/CAD | 1.3358 | -0.03 | +0.40 | +0.68 | +14.95 |
| USD/BRL | 3.8530 | -0.37 | +4.16 | -3.90 | +44.98 |
| USD/KRW | 1,158.08 | +0.02 | +0.38 | -1.55 | +6.15 |
| COMMODITIES | | | | | |
| Gold(\$/oz) | 1,069.29 | +0.42 | -0.58 | -3.98 | -9.75 |
| WTI crude ³ | 41.85 | +0.48 | +1.41 | -6.46 | -21.44 |
| Brent crd ³ | 43.48 | +1.54 | -1.92 | -7.86 | -22.02 |
| Urals crd ³ | N/A | +0.00 | +0.00 | +0.00 | +0.00 |
| TR/J CRB ⁴ | 184.39 | +1.02 | -0.47 | -4.22 | -19.81 |

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.

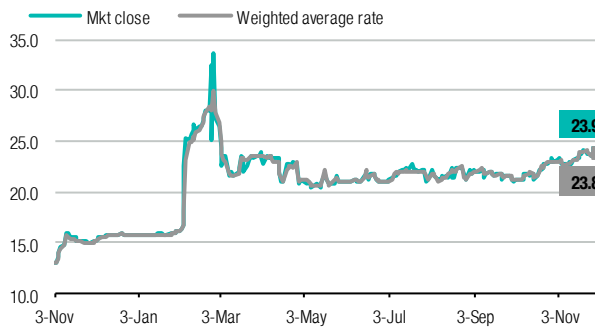
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

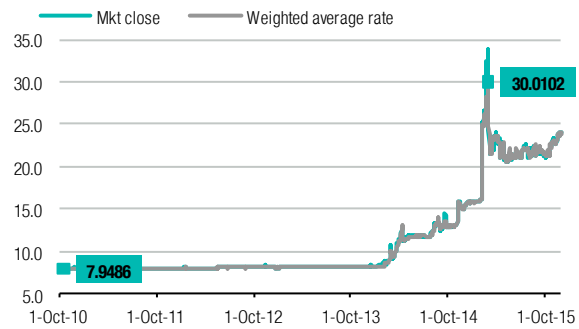
Section on FX market is continued on next page.

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)

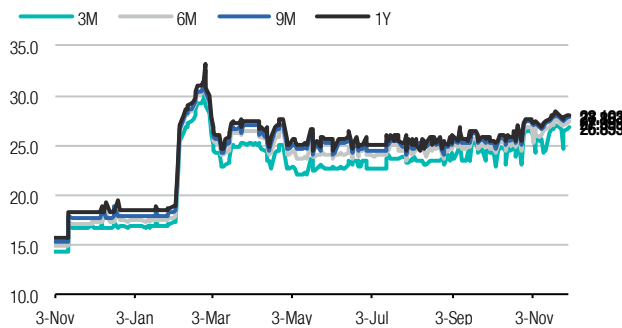


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

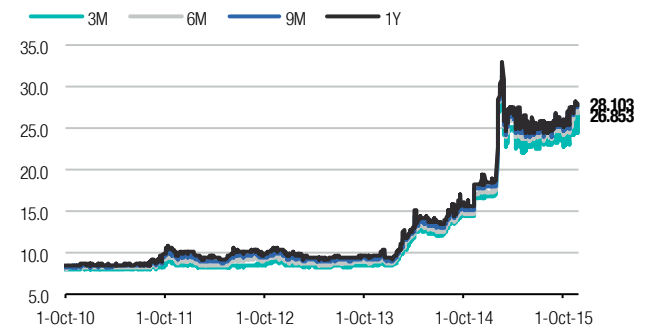


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

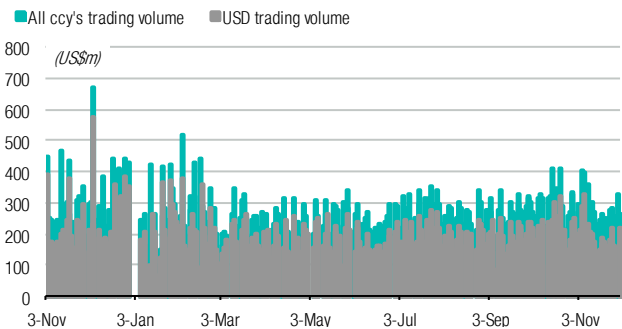


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

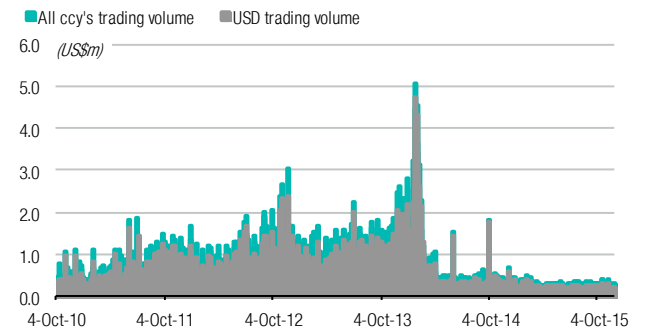


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

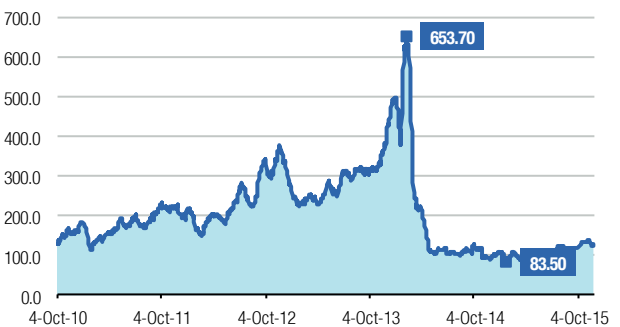


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)

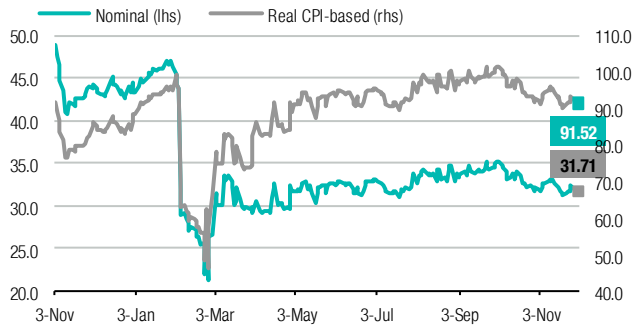


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

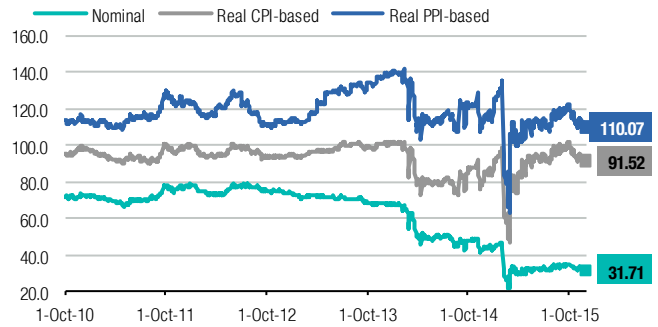
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology (for more details visit <http://www.icu.ua/en/research/currency-indices>).

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



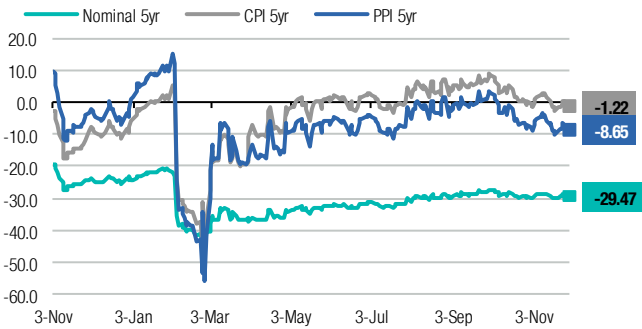
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

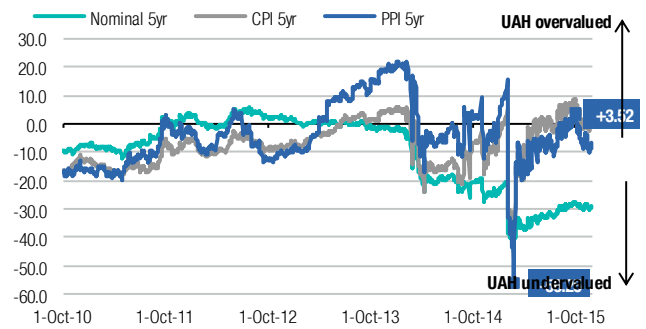


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

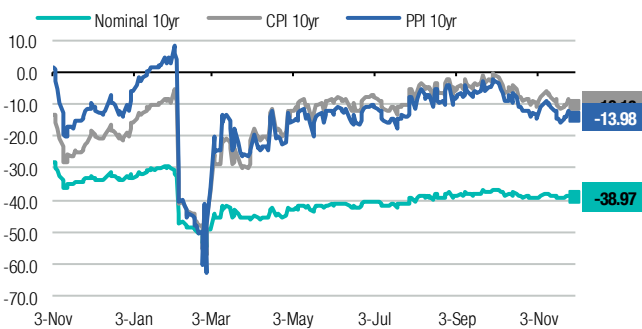


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

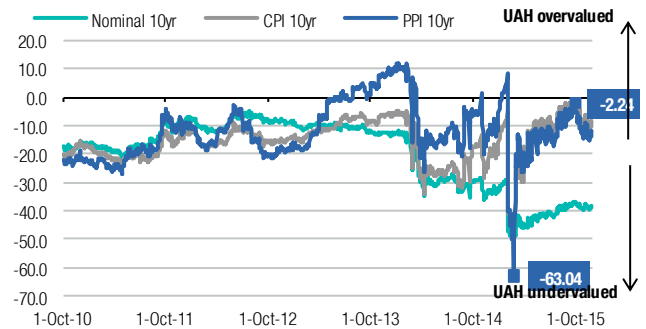


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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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