



Focus  
**Ukraine**

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

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# Daily Insight

## Metinvest's 9M15 EBITDA falls 63% YoY

**TUESDAY, 8 DECEMBER 2015**

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### UX Index (3 months to 8 Dec 2015)



Source: UX.

### Key market indicators (as of 7 Dec 2015)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	23.1500	-2.32	+46.33
USD/UAH (1Y NDF)	25.4962	-8.82	+38.19
EUR/USD	1.0837	-0.40	-10.42
USD/RUB	69.4462	+2.07	+14.34
KievPRIME O/N (%)	18.90	-10bp	+0bp
KievPRIME 1M (%)	22.30	-40bp	+240bp
<b>SOVEREIGN EUROBONDS: yields and spreads</b>			
Ukraine 15, Eurobond (%)	N/A	+0bp	-5,343bp
Ukraine 17, Eurobond (%)	29.14	+26bp	+139bp
Ukraine 22, Eurobond (%)	9.13	+0bp	-712bp
Ukraine 23, Eurobond (%)	8.93	+0bp	-664bp
Ukraine 5Y CDS	0bp	+0bp	-2,199bp
<b>EQUITIES</b>			
<b>Stock market indices</b>			
UX (Ukraine)	700.07	+0.49	-32.25
MSCI World	405.19	-0.49	-2.86
MSCI EM	807.79	-0.55	-15.53
RTS (Russia)	793.36	-2.26	+0.79
WIG-20 (Poland)	1,864.92	-0.18	-19.47
S&P 500 (USA)	2,077.07	-0.70	+0.88

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

### Inflation in November: Food and utilities keep floor to high consumer price inflation

In November, the CPI index showed a 2.0% monthly increase led by utilities (+3.3%) and food (+2.5%) resulting in a year-on-year 46.6% pace of increase in the consumer prices, up from the previous month's annual pace of 46.4%. With one month remaining this year, we project a full-year CPI estimate of 45% YoY, implying that December's CPI of +2% MoM, again bolstered by food. In contrast, the PPI showed a mild increase of 0.1% MoM, translating into on-year inflation of 25.1%, down from the previous month's 30.2% YoY. Over the next year, we expect both CPI and PPI to head downward, albeit gradually, but we expect CPI to remain elevated at around 20% YoY.

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### Metinvest's 9M15 EBITDA falls 63% YoY

In its trading update published yesterday, Metinvest reported its 9M15 EBITDA down 63% YoY to US\$813m. The company's 9M15 revenues dropped 36% YoY to US\$5.4bn, capex declined 53% YoY to US\$191m. As of end-9M15, Metinvest's net debt versus end-9M14 declined 11% to US\$2.8bn, while Net Debt/LTM EBITDA rose to 2.1x versus 1.2x as of end-9M14.

Metinvest also stated that its restructuring discussions with pre-export finance (PXF) lenders and holders of 2015, 2017 and 2018 Eurobonds are ongoing, and that the company submitted a restructuring proposal to a coordinating committee of PXF lenders and the advisers to an ad hoc committee of noteholders at the end of November 2015.

***Investment implications: While restoring logistical routes destroyed in the aftermath of Donbass conflict helps Metinvest to recover operations of its Ukrainian steel mills in 2H15, the market environment is becoming more challenging for the company. We expect that Metinvest's selling prices should further fall an additional 11% HoH for iron ore and 20% HoH for steel products in 2H15. As a result, 2015 EBITDA may decline 63-67% to US\$0.9-1.0bn, with leverage reaching 2.8-3.2x of Net debt/EBITDA.***

**Table 1. Metinvest's Eurobond quotation as of market close, 07 December 2015**

Issuer	Moody's/S&P /Fitch	Ccy	Volume out	Coupon (%)	Maturity	Price (%)	YTW (%)	Spread (bp)
Metinvest	Caa3/--/--	USD	113m	10.25	31-Jan-16	68.25	327.42	32,695
Metinvest	--/--/C	USD	290m	10.50	28-Nov-17	57.375	39.703	3,848
Metinvest	Caa3/--/C	USD	750m	8.75	14-Feb-18	59.125	68.015	6,709

Source: Bloomberg

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# Bonds: News & Comments

## Liquidity slightly reallocates

The NBU sold only UAH11.64bn of new CDs last Friday, causing total CDs outstanding to decline UAH0.70bn to UAH63.59bn yesterday. At the same time, banks' correspondent accounts with the NBU rose only UAH0.50bn to UAH25.94bn. As a result of this reallocation, banking sector liquidity remained steady with a minor decline of UAH0.19bn to UAH89.53bn.

**Investment implications:** *Liquidity declined slightly, most likely due to outflows via the FX market which could continue this week as Naftogaz has FX payments scheduled. The company most likely purchased FX at the market and is possibly covering only a small part of FX needs directly from the NBU. Liquidity is not expected to decline as budget expenditures are expected to increase at the end of the year.*

## NBU debut auction today

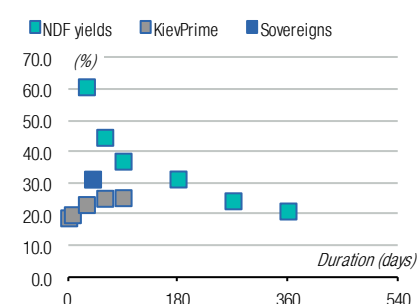
Last Friday, the NBU announced an auction for today at two stock exchanges, selling local currency bonds issued last year for unpaid VAT refund reimbursements. The NBU will offer bonds with ISIN UA4000185557 at PFTS and Perspektiva, with no limits for the quantity of offered bonds or for starting prices/yields. Bids will be accepted, beginning with the highest prices. Bonds had an amortization of face value (currently were paid 20% of face value) with semi-annual repayments.

**Investment implications:** *There should be demand for these bonds as currently there is a lack of available bonds for trading. Moreover, any market offer for bonds from the NBU could meet its own demand. While this bond most likely is already in the NBU portfolio, albeit it in a small amount (compared to the original outstanding amount of UAH2.17bn (with 20% of amortization repaid, it amounts to UAH1.74bn). Recent market quotes on this bond had a YTM of about 20%, equating to UAH715. We do not anticipate YTM's lower than 19% (matching the NPV of this bond at UAH730); most likely, YTM's should come in at 20% or higher. At the same time the NBU could sell a very limited amount today.*

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## Yield curve of the local bond market

(as of market close on 7 Dec 2015)



Sources: Bloomberg, Investment Capital Ukraine LLC.

## Bond market indicators (as of 7 Dec 2015)

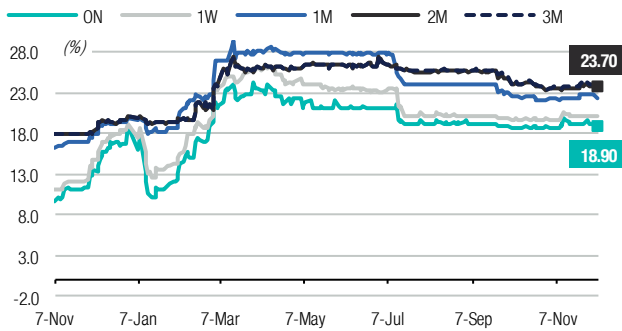
	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
O/n	18.90	-10bp	-60bp	+34bp	+0bp
1wk	20.10	+0bp	-3bp	+47bp	+110bp
1m	22.30	-40bp	-45bp	+11bp	+240bp
2m	23.50	-30bp	-50bp	+0bp	+350bp
3m	23.70	-30bp	-43bp	+7bp	+370bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	25,942	+1.98	-4.84	+37.72	-21.98
CDs <sup>2</sup>	51,951	-19.19	-16.03	-24.74	+229.1
Sovgns <sup>3</sup>	9,836	+16.75	-0.09	+39.08	+117.1
<b>Total</b>	<b>87,728</b>	<b>-10.62</b>	<b>-11.36</b>	<b>-7.59</b>	<b>+63.77</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	374,288	+0.00	+0.00	+0.93	+17.65
Banks	84,070	+1.22	-0.72	+1.33	-10.02
Resid's <sup>4</sup>	21,459	+0.15	+0.99	+1.68	-12.59
Non-res <sup>5</sup>	22,540	+2.08	-0.85	-0.23	+4.63
<b>Total</b>	<b>502,357</b>	<b>+0.30</b>	<b>-0.12</b>	<b>+0.98</b>	<b>+9.77</b>
<b>NDF IMPLIED YIELDS (%)</b>					
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
<b>LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)</b>					
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
<b>EUROBONDS USD SOVEREIGN BOND YIELDS (%)</b>					
CDS 5yr	0	+0bp	+0bp	+0bp	-22ppt
Jun '16	67.67	+114bp	+16bp	+979bp	+31bp
Jul '17	29.14	+26bp	+28bp	+206bp	+139bp
Sep '20	14.02	+4bp	+46bp	+62bp	-483bp
Sep '21	14.22	+0bp	+43bp	+3bp	-432bp
Sep '22	9.13	+0bp	+0bp	-392bp	-712bp
Feb '23	8.93	+0bp	+0bp	-265bp	-664bp

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.

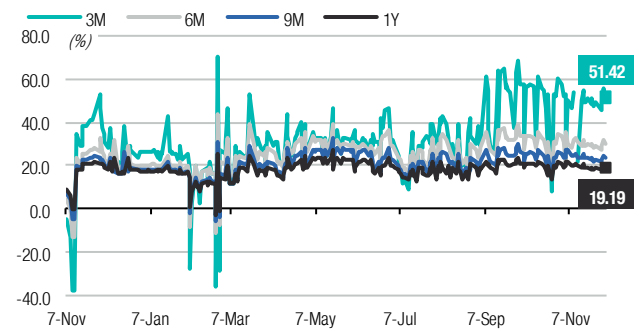
Chart page: Local bond market & Eurobond markets

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



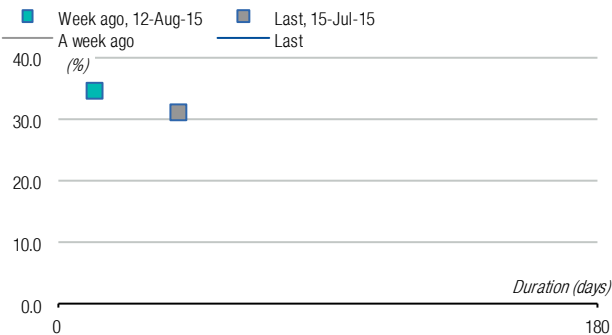
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



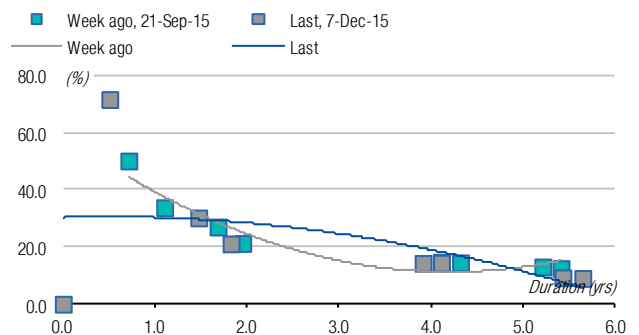
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 7 Dec 2015



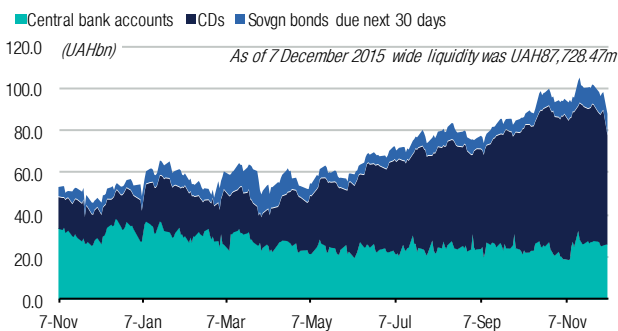
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 7 Dec 2015



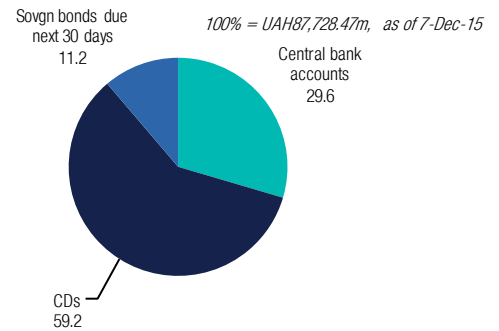
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



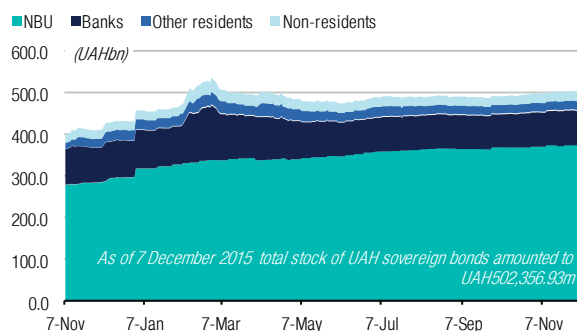
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 7 Dec 2015



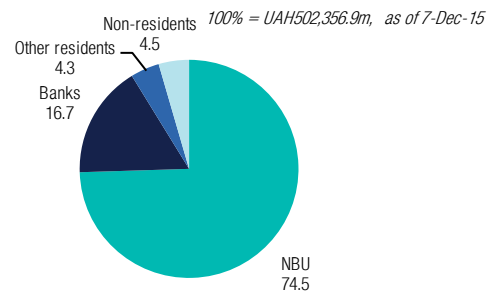
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 7 Dec 2015



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

Table 2. Ukrainian stocks (closing prices as of 7-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 (%)
<b>ENERGY</b>																											
Cadogan Petrol...	CAD LN	London	8.75 GBp	+0.0	-12.5	-12.5	-21.3	0.13	30.4	-18.7	40.2	12.2	0.1	7.3	0.07	1,499	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	4.48 UAH	+1.0	-14.3	-40.6	-39.5	0.19	71.2	59.2	21.7	15.5	4.4	10.6	0.07	1,448	23.4	5.2	4.3	0.2	1.7	1.7	0.2	0.2	0.1	0.7	4.2
Coal Energy	CLE PW	Warsaw	0.55 PLN	-11.3	-20.3	-11.3	-20.3	0.14	6.2	77.7	25.0	1.6	0.3	1.0	0.03	3,066	Neg.	N/A	N/A	10.7	N/A	N/A	0.7	N/A	N/A	0.2	56.9
Donbasenergo	DOEN UK	Kiev, UX	15.70 UAH	-0.9	-8.7	-52.4	-48.2	0.68	16.0	26.6	14.2	2.3	0.9	1.9	0.10	965	3.7	Neg.	N/A	0.0	N/A	N/A	0.1	0.1	N/A	0.3	13.6
JXK Oil & Gas	JXK LN	London	28.00 GBp	+0.0	-1.8	+133.3	+154.5	0.42	72.4	83.1	47.2	34.2	22.2	83.5	0.06	1,551	Neg.	Neg.	Neg.	Neg.	3.2	3.3	0.6	0.8	1.1	0.3	9.9
Regal Petroleum	RPT LN	London	4.27 GBp	+13.7	+0.4	+36.5	-5.2	0.06	20.6	-12.8	80.9	16.7	0.0	1.2	0.00	65,337	3.6	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	+0.0	-1.2	-42.6	-44.3	3.66	46.8	80.3	5.0	2.3	0.0	0.7	0.04	2,226	Neg.	N/A	N/A	0.1	N/A	N/A	0.2	N/A	N/A	0.5	11.6
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.01 UAH	+8.7	-1.7	-22.1	-33.5	0.00	12.5	1,778.9	3.9	0.5	0.0	0.2	0.02	5,283	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	1.07 UAH	+0.5	-3.1	-38.4	-43.6	0.05	8.9	8.0	4.0	0.4	0.0	0.9	0.28	358	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	0.41 UAH	+2.5	-21.5	-45.1	-41.5	0.02	74.0	14.2	4.1	3.0	0.2	4.0	0.33	300	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	25.50 GBp	+0.0	-20.9	-47.9	-57.1	0.38	225.9	882.5	22.4	50.6	61.0	323.5	0.51	198	1.3	1.8	5.1	2.8	3.4	4.5	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	+10.4	0.01	3.9	4.5	9.0	0.3	0.0	2.1	0.13	753	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	16.65 UAH	+2.1	+4.7	-20.5	-22.4	0.72	7.6	-7.3	9.4	0.7	0.0	1.2	0.06	1,778	Neg.	Neg.	N/A	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.2	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	0.42 EUR	+0.0	-2.3	-2.3	-16.0	0.46	44.9	99.5	34.0	15.3	8.5	59.4	0.13	773	Neg.	Neg.	2.8	4.9	4.9	3.3	1.4	1.5	1.2	0.6	83.5
Agroliga	AGL PW	Warsaw	13.34 PLN	-0.5	-12.8	+48.2	+16.1	3.35	5.2	5.9	16.7	0.9	0.0	1.4	0.13	756	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	1.00 PLN	-3.8	-19.4	-18.7	-23.7	0.25	5.4	32.2	26.2	1.4	6.5	11.3	0.43	235	Neg.	N/A	N/A	1.4	N/A	N/A	0.5	N/A	N/A	0.1	33.4
Astarta Holdin...	AST PW	Warsaw	33.88 PLN	+3.9	-9.5	+69.4	+82.7	8.51	212.8	433.5	31.0	66.0	17.3	49.5	0.04	2,542	Neg.	14.0	4.0	3.6	3.8	4.0	1.1	1.2	1.1	0.9	49.6
Avangard	AVGR LI	London Intl	1.59 USD	+0.0	+32.0	-22.4	-59.1	1.59	101.6	392.3	21.7	22.0	0.0	59.4	0.03	3,563	Neg.	Neg.	Neg.	3.0	8.2	3.8	0.9	1.4	1.1	0.3	33.1
Kernel Holding...	KER PW	Warsaw	43.16 PLN	-9.1	-19.0	+51.7	+43.8	10.85	864.2	1,246.2	58.8	507.9	3,875.9	1,889.2	0.49	203	8.1	4.3	4.3	3.1	3.6	3.6	0.5	0.5	0.5	1.0	31.6
KSG Agro	KSGO PW	Warsaw	0.97 PLN	+0.0	-7.6	-13.4	-18.5	0.24	3.7	66.9	34.4	1.3	1.2	8.5	0.34	298	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	9.55 USD	+0.0	+0.4	+3.8	-9.5	9.55	1,009.1	2,181.8	22.3	225.2	66.6	297.5	0.17	590	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	1.60 PLN	+1.3	-15.8	+8.1	-22.0	0.40	12.6	118.0	20.0	2.5	3.7	44.9	1.20	83	Neg.	Neg.	Neg.	8.6	6.5	6.7	0.4	0.5	0.5	0.1	42.5
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Frankfurt	0.01 EUR	+0.0	-31.3	-86.3	-92.2	0.01	0.6	93.5	13.1	0.1	0.0	0.1	0.44	227	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	-0.3	+3.2	-17.2	-20.2	0.00	102.5	N/A	3.8	3.9	3.0	7.4	0.24	416	N/A	5.6	5.5	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	+4.4	-27.8	-32.9	0.00	99.8	N/A	4.5	4.5	0.0	0.6	0.01	9,786	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

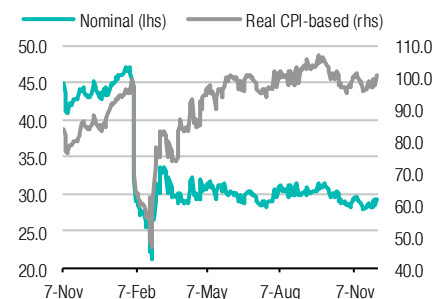
### UAH gets boosted in the NBU FX auction

In an effort to expand its monetary tools, the NBU auctioned local currency state bonds this week in exchange for excess liquidity. Offering a VAT bond from its portfolio, the NBU attracted comments from commercial banks, mainly that bankers view this auction as being directed to the private sector, particularly as a high UAH yield is likely to be provided. Our comment from the Bonds section (on p.3) suggests that the auction will settle the price at a 20% yield. Should this occur, the NBU will be able to carry out its interest rate policy in an effective way.

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### ICU's UAH trade-weighted indices

(Last 12-month history to 8 Dec 2015)



Source: Investment Capital Ukraine LLC.

### FX market indicators (as of 7 Dec 2015)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	23.1500	-2.32	-3.54	+1.84	+46.33
NBU avg	23.4507	-0.84	-2.08	+3.54	+48.72
Ttl vlm <sup>1</sup>	241.31	-29.46	-26.22	-39.60	-44.00
\$ volume <sup>2</sup>	167.18	-33.43	-23.89	-48.78	-52.81
NDF 3M	24.2060	-9.39	-9.37	-5.26	+43.66
NDF 6M	25.0838	-7.83	-7.81	-3.71	+44.16
NDF 1Y	25.4962	-8.82	-8.99	-7.29	+38.19
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	29.337	+3.09	+3.79	+0.60	-34.02
UAH real CPI	100.367	+3.09	+3.79	+0.60	+15.97
UAH real PPI	131.964	+3.09	+3.79	+0.60	+12.06
USD nom'l	98.655	+0.31	-1.51	+0.59	+9.29
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	69.4462	+2.07	+4.56	+8.96	+14.34
EUR/USD	1.0837	-0.40	+2.57	-0.34	-10.42
USD/CNY	6.4082	+0.09	+0.15	+0.91	+3.27
USD/PLN	3.9888	+0.56	-1.30	+2.10	+12.56
USD/TRY	2.9131	+0.70	-0.02	+1.34	+24.76
USD/BYR	18,170.00	+0.50	+0.44	+3.95	+65.18
USD/KZT	307.0100	-0.26	-0.21	-0.02	+68.36
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	123.3700	+0.21	+0.21	+1.22	+3.00
GBP/USD	1.5055	-0.38	-0.01	-0.92	-3.35
USD/CHF	1.0001	+0.37	-2.81	+0.47	+0.58
AUD/USD	0.7267	-0.98	+0.55	+1.61	-11.11
USD/CAD	1.3499	+1.03	+1.03	+2.51	+16.16
USD/BRL	3.7684	+0.42	-2.56	-0.01	+41.80
USD/KRW	1,168.06	+1.00	+0.88	+2.29	+7.07
<b>COMMODITIES</b>					
Gold(\$/oz)	1,071.54	-1.41	+0.64	-3.34	-9.56
WTI crude <sup>3</sup>	37.65	-5.80	-9.60	+0.00	-29.32
Brent crd <sup>3</sup>	39.91	-5.07	-6.80	-15.10	-28.43
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	178.57	-2.55	-2.18	-6.53	-22.35

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.

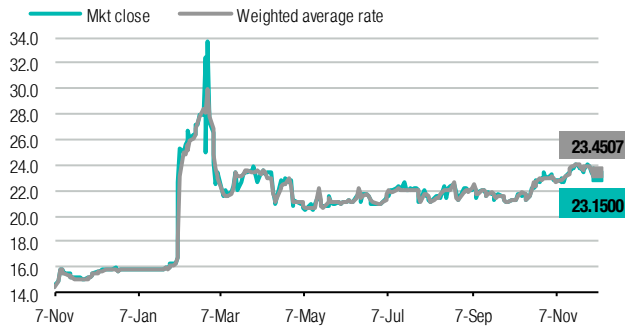
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

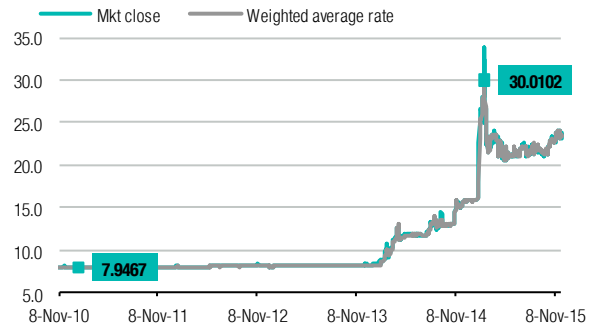
Section on FX market is continued on next page.

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)

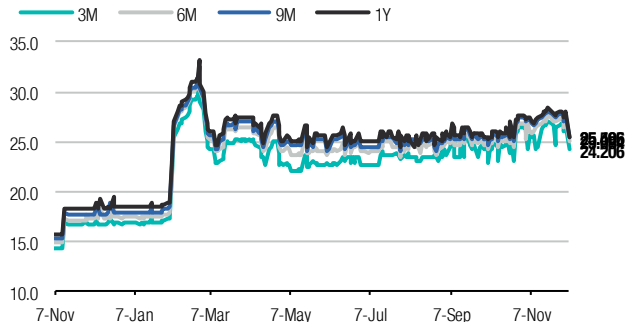


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

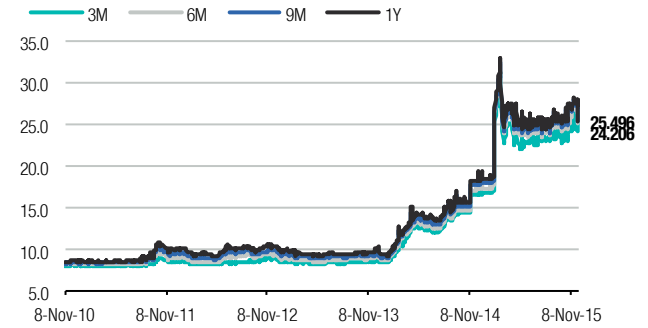


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

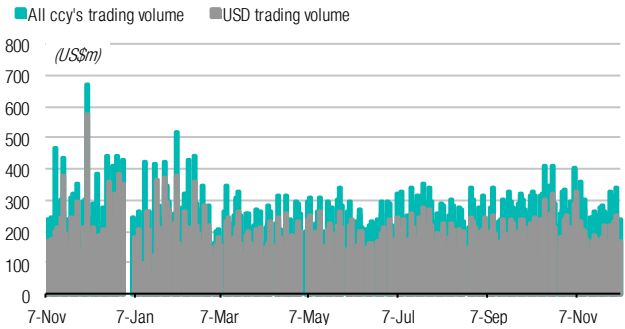


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

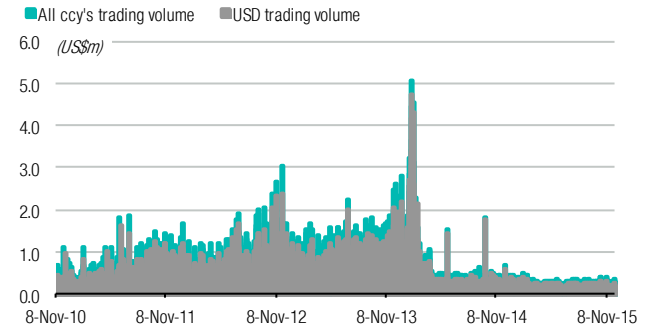


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

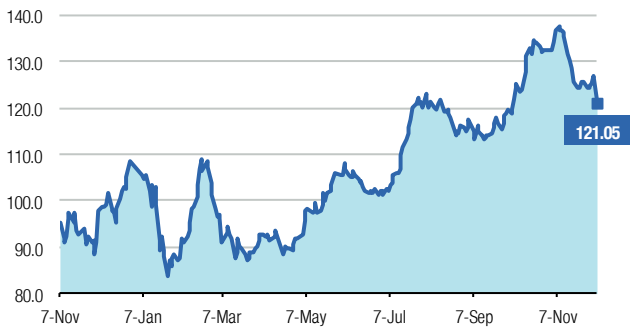


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)



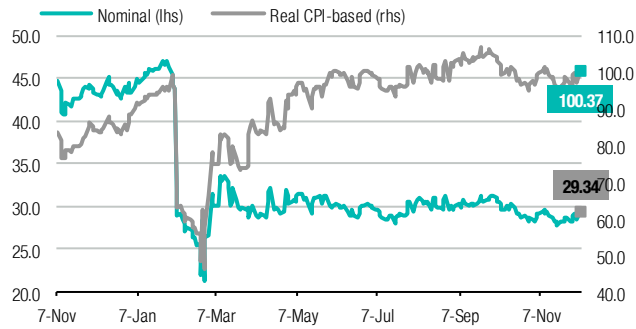
Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

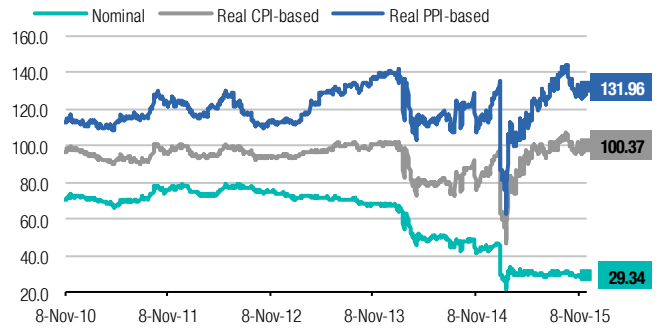
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology (for more details visit <http://www.icu.ua/en/research/currency-indices>).

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



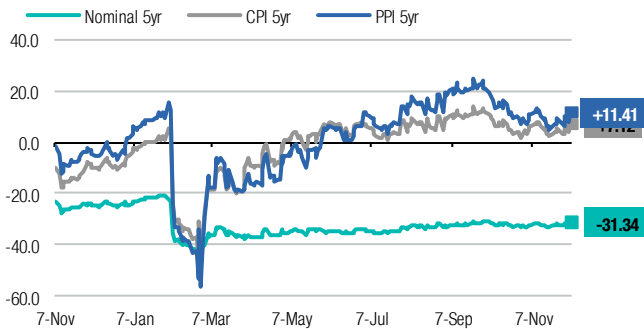
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

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

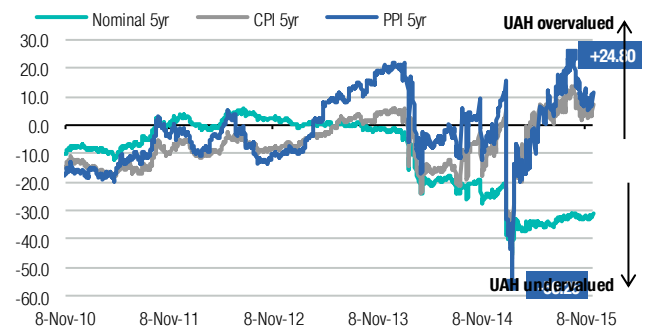


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

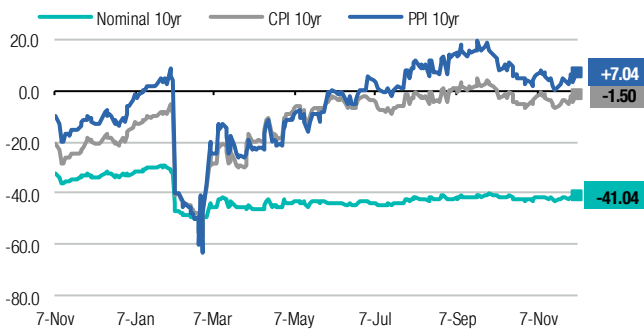


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

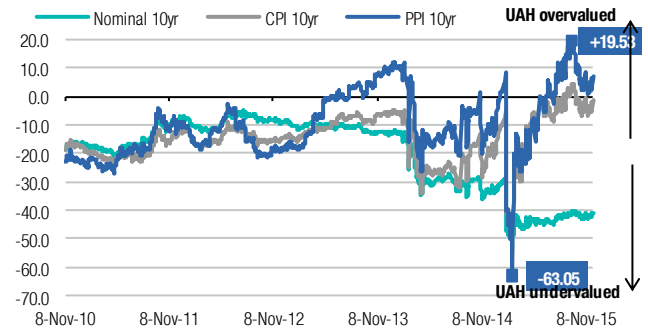


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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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**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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