



Focus
Ukraine

Scope
Economics, bonds, equity & FX markets

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Daily Insight

Ukraine implements debt moratorium

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MONDAY, 21 DECEMBER 2015

UX Index (3 months to 21 Dec 2015)



Source: UX.

Key market indicators (as of 18 Dec 2015)

| | Last | Daily chg (%) | YTD chg (%) |
|--|----------|---------------|-------------|
| FX & MONEY RATES | | | |
| USD/UAH | 23.4645 | +0.10 | +48.32 |
| USD/UAH (1Y NDF) | 27.6920 | +0.00 | +50.09 |
| EUR/USD | 1.0859 | +0.30 | -10.24 |
| USD/RUB | 71.3733 | +0.23 | +17.51 |
| KievPRIME O/N (%) | 18.89 | +0bp | -1bp |
| KievPRIME 1M (%) | 22.30 | +0bp | +240bp |
| SOVEREIGN EUROBONDS: yields and spreads | | | |
| Ukraine 15, Eurobond (%) | N/A | +0bp | -5,343bp |
| Ukraine 17, Eurobond (%) | 29.14 | +26bp | +139bp |
| Ukraine 22, Eurobond (%) | 12.30 | +0bp | -395bp |
| Ukraine 23, Eurobond (%) | 11.83 | +2bp | -373bp |
| Ukraine 5Y CDS | 0bp | +0bp | -2,199bp |
| EQUITIES | | | |
| Stock market indices | | | |
| UX (Ukraine) | 670.67 | -1.91 | -35.09 |
| MSCI World | 392.85 | -1.28 | -5.82 |
| MSCI EM | 789.71 | -1.11 | -17.42 |
| RTS (Russia) | 781.72 | -1.31 | -0.69 |
| WIG-20 (Poland) | 1,858.87 | +0.99 | -19.74 |
| S&P 500 (USA) | 2,005.55 | -1.78 | -2.59 |

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 up significantly

The MoF appears to have significantly increased its budget expenditures, pushing banking sector liquidity beyond a new record high of UAH100bn. Banks' correspondent accounts with the NBU slightly declined UAH2.28bn to UAH31.66bn last Friday, while total CDs outstanding rose UAH3.91bn to a new historical high of UAH69.86bn. As a result, banking sector liquidity rose UAH1.63bn to UAH101.52bn.

Investment implications: Banks increased their purchases of CDs last Thursday, buying UAH9.09bn of ON CDs, UAH2.51bn of CDs maturing on 24 December, and UAH6.56bn of CDs maturing on 31 December. Additional inflows from all budgets are significant, and we could see liquidity increase this week to new record highs. However, at the end of the month, liquidity could decline significantly to meet new tax payments. Also, the budget could collect unused funds for previous expenditures.

Ukraine implements debt moratorium

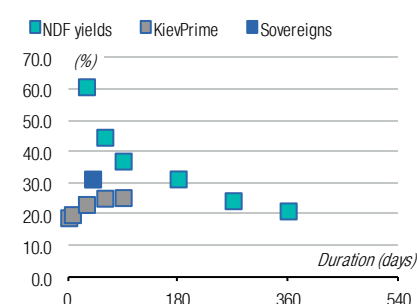
Last Friday, Ukraine's prime minister announced that the government suspended US\$3.58bn in debt payments, specifically on the Russian Eurobond scheduled for repayment this month. In addition to the US\$3.0 Russian Eurobond (with US\$0.8bn in interest due) that was recently classified by IMF as official debt, several loans guaranteed by Ukrainian government amounting to US\$0.5bn were also included in the moratorium, namely one from the Yuzhnoye construction bureau and three loans from Ukravtodor.

Investment implications: This moratorium is mainly geared to the Russian Eurobonds, as this debt was included in debt restructuring offering which Russia rejected. As Ukraine is unable to repay this amount, it will be in violation of the IMF's debt restructuring terms. The MoF currently has only US\$12.0bn of funds in FX and UAH2.4bn of funds in local currency (see last Friday's daily). Other loans were included to send a message to banks that they have limited time to discuss terms and conditions of the restructuring before the moratorium comes to an end and payments will be suspended. Currently, conditions of the restructuring offering are not public.

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Yield curve of the local bond market

(as of market close on 18 Dec 2015)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 18 Dec 2015)

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

MONEY MARKET KIEV PRIME RATES (%)

| | | | | | |
|-----|-------|------|-------|-------|--------|
| O/n | 18.89 | +0bp | -24bp | -11bp | -1bp |
| 1wk | 20.20 | +0bp | +1bp | +20bp | +120bp |
| 1m | 22.30 | +0bp | +5bp | +5bp | +240bp |
| 2m | 23.50 | +0bp | +12bp | +12bp | +350bp |
| 3m | 23.70 | +0bp | +7bp | +7bp | +370bp |

LIQUIDITY WIDE MEASUREMENT (UAHm)

| | | | | | |
|-----------------------|----------------|--------------|--------------|--------------|---------------|
| CB acc's ¹ | 31,659 | -6.71 | +6.65 | +16.68 | -4.79 |
| CDs ² | 69,859 | +5.93 | +9.19 | +6.57 | +342.5 |
| Sovgns ³ | 4,533 | +0.00 | -46.83 | -48.20 | +0.04 |
| Total | 106,051 | +1.56 | +3.78 | +4.55 | +97.97 |

HOLDERS OF UAH SOVEREIGN BONDS (UAHm)

| | | | | | |
|----------------------|----------------|--------------|--------------|--------------|--------------|
| C.bank | 374,849 | +0.00 | +0.17 | +0.15 | +17.83 |
| Banks | 80,515 | -0.16 | -0.50 | -4.77 | -13.83 |
| Resid's ⁴ | 21,459 | +0.32 | +0.87 | +1.32 | -12.59 |
| Non-res ⁵ | 22,044 | -0.12 | -0.50 | -2.62 | +2.32 |
| Total | 498,867 | -0.02 | +0.06 | -0.75 | +9.01 |

NDF IMPLIED YIELDS (%)

| | | | | | |
|-----|-------|--------|--------|--------|--------|
| 3m | N/A | -52ppt | -51ppt | -49ppt | -26ppt |
| 6m | 30.39 | -20bp | +31bp | +147bp | +10bp |
| 9m | 23.61 | -14bp | +26bp | +43bp | +541bp |
| 1yr | 19.33 | -11bp | +22bp | +37bp | +197bp |

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 (%)

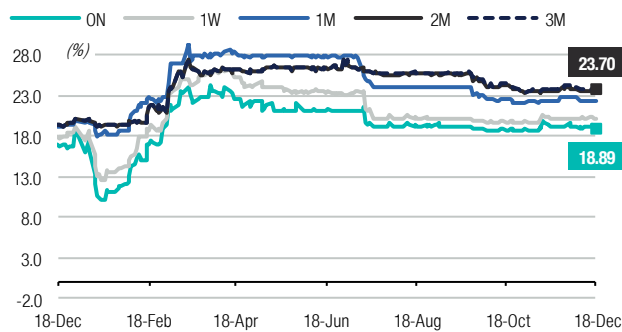
| | | | | | |
|---------|-------|--------|--------|--------|--------|
| CDS 5yr | 0 | +0bp | +0bp | +0bp | -22ppt |
| Jun '16 | 67.67 | +114bp | +0bp | +17bp | +31bp |
| Jul '17 | 29.14 | +26bp | +0bp | +199bp | +139bp |
| Sep '20 | 14.02 | +4bp | +0bp | +46bp | -483bp |
| Sep '21 | 14.22 | +0bp | +0bp | +43bp | -432bp |
| Sep '22 | 12.30 | +0bp | +317bp | -75bp | -395bp |
| Feb '23 | 11.83 | +2bp | +290bp | +18bp | -373bp |

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.

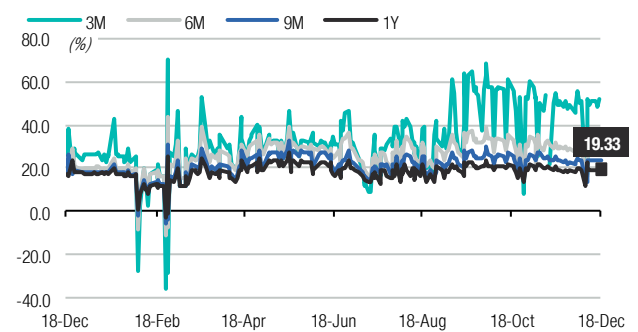
Chart page: Local bond market & Eurobond markets

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



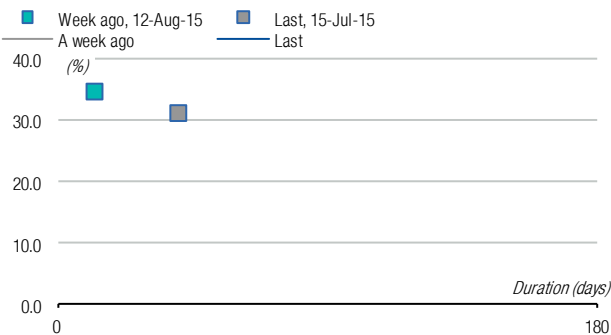
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



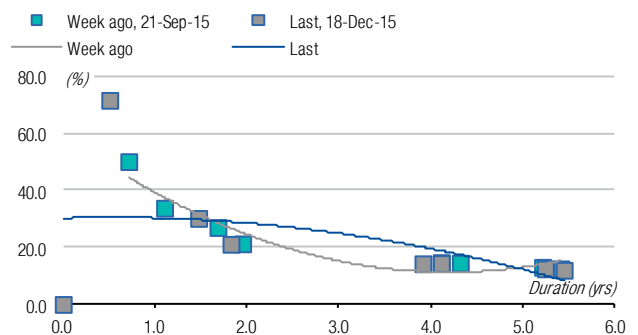
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 18 Dec 2015



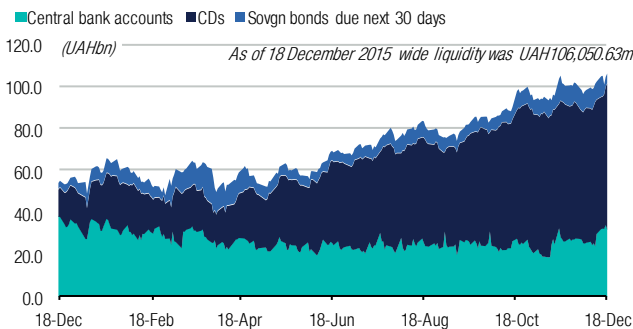
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 18 Dec 2015



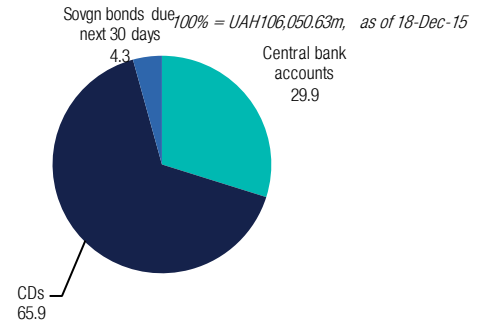
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



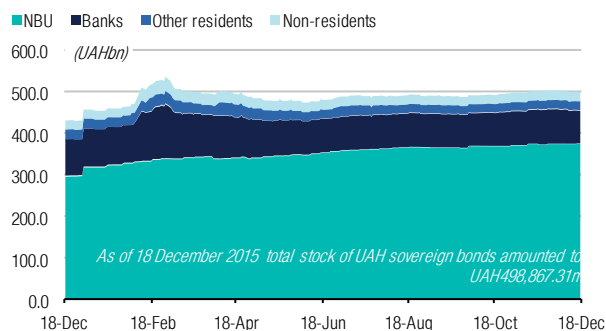
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 18 Dec 2015



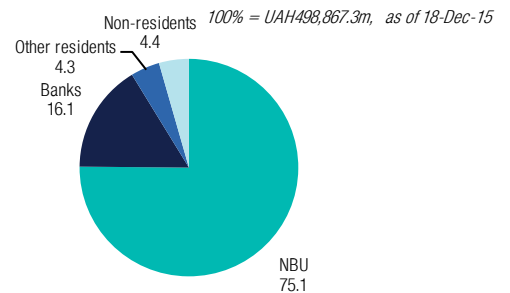
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 18 Dec 2015



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

Table 1. Ukrainian stocks (closing prices as of 18-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 | 8.13 GBp | +0.0 | -13.3 | -18.8 | -21.7 | 0.12 | 28.0 | -21.1 | 40.2 | 11.3 | 0.0 | 5.6 | 0.06 | 1,705 | Neg. | N/A | N/A | 3.0 | N/A | N/A | Neg. | N/A | N/A | 0.4 | 15.3 |
| Centrenerg | CEEN UK | Kiev, UX | 4.52 UAH | -2.4 | +0.8 | -40.1 | -39.6 | 0.19 | 70.7 | 58.9 | 21.7 | 15.3 | 7.0 | 10.5 | 0.06 | 1,557 | 23.6 | Neg. | 5.2 | 0.2 | Neg. | 1.7 | 0.2 | 0.2 | 0.1 | 0.7 | 4.2 |
| Coal Energy | CLE PW | Warsaw | 0.55 PLN | +0.0 | -16.7 | -11.3 | -21.4 | 0.14 | 6.3 | 77.8 | 25.0 | 1.6 | 0.3 | 1.0 | 0.05 | 2,202 | 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 | 15.20 UAH | -1.7 | -12.2 | -53.9 | -52.9 | 0.64 | 15.2 | 25.7 | 14.2 | 2.2 | 0.6 | 2.1 | 0.14 | 717 | 3.6 | 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 | 27.25 GBp | +0.0 | -5.2 | +127.1 | +131.9 | 0.41 | 69.8 | 80.5 | 47.2 | 32.9 | 0.0 | 37.2 | 0.03 | 2,858 | Neg. | Neg. | Neg. | Neg. | 3.1 | 3.2 | 0.6 | 0.7 | 1.1 | 0.3 | 9.9 |
| Regal Petroleum | RPT LN | London | 3.48 GBp | -7.3 | -8.7 | +11.2 | -8.3 | 0.05 | 16.6 | -16.8 | 80.9 | 13.4 | 5.1 | 0.9 | 0.01 | 15,439 | 2.9 | N/A | N/A | Neg. | N/A | N/A | Neg. | Neg. | N/A | 0.2 | 0.0 |
| Zakhidenergo | ZAEN UK | Kiev, PFTS | 91.00 UAH | +0.0 | -5.2 | -38.6 | -40.4 | 3.86 | 49.3 | 82.3 | 5.0 | 2.5 | 0.0 | 0.9 | 0.04 | 2,678 | 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 | +3.8 | -3.3 | -24.1 | -25.7 | 0.00 | 12.0 | 1,751.9 | 3.9 | 0.5 | 2.3 | 0.2 | 0.06 | 1,694 | 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 | +1.4 | -0.5 | -39.0 | -41.4 | 0.04 | 8.7 | 7.8 | 4.0 | 0.3 | 0.0 | 0.9 | 0.38 | 263 | 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 | 0.40 UAH | -1.0 | -4.3 | -46.4 | -44.7 | 0.02 | 71.1 | 12.2 | 4.1 | 2.9 | 0.5 | 3.8 | 0.07 | 1,529 | 1.8 | 1.4 | N/A | 0.0 | N/A | N/A | 0.0 | 0.0 | N/A | 0.1 | 0.0 |
| Ferrexpo PLC | FXPO LN | London | 15.75 GBp | +12.5 | -48.4 | -67.8 | -66.2 | 0.23 | 138.3 | 794.9 | 22.4 | 31.0 | 317.2 | 228.4 | 0.90 | 112 | 0.8 | 1.2 | 4.5 | 2.5 | 3.2 | 4.3 | 0.6 | 0.8 | 0.8 | 0.3 | 61.1 |
| Yasynivsky Cok... | YASK UK | Kiev, UX | 0.33 UAH | +0.0 | +18.7 | +17.9 | +13.8 | 0.01 | 3.8 | 4.5 | 9.0 | 0.3 | 36.0 | 3.9 | 1.31 | 77 | 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 | 14.23 UAH | -5.1 | -13.2 | -32.1 | -36.7 | 0.60 | 6.4 | -8.2 | 9.4 | 0.6 | 0.3 | 0.8 | 0.14 | 694 | Neg. | Neg. | N/A | Neg. | Neg. | N/A | Neg. | Neg. | N/A | 0.2 | 0.0 |
| FOOD AND AGRIBUSINESS | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| AgroGeneration | ALAGR FP | EN Paris | 0.41 EUR | -2.4 | -4.7 | -4.7 | -8.9 | 0.45 | 43.9 | 98.5 | 34.0 | 14.9 | 17.4 | 52.5 | 0.14 | 717 | Neg. | Neg. | 2.7 | 4.8 | 4.9 | 3.3 | 1.4 | 1.5 | 1.2 | 0.6 | 83.5 |
| Agroliga | AGL PW | Warsaw | 12.50 PLN | -1.1 | -5.5 | +38.9 | +37.4 | 3.18 | 4.9 | 5.6 | 16.7 | 0.8 | 1.1 | 1.4 | 0.11 | 903 | 1.4 | N/A | N/A | 1.6 | N/A | N/A | 0.3 | N/A | N/A | 0.5 | 5.7 |
| Agroton | AGT PW | Warsaw | 1.05 PLN | -0.9 | -4.5 | -14.6 | -22.2 | 0.27 | 5.8 | 32.5 | 26.2 | 1.5 | 0.7 | 11.9 | 0.27 | 373 | 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 | 33.00 PLN | +2.0 | -4.3 | +65.0 | +88.0 | 8.39 | 209.8 | 430.8 | 31.0 | 65.1 | 4.1 | 40.9 | 0.02 | 5,835 | Neg. | 7.3 | 3.2 | 3.6 | 3.5 | 3.4 | 1.1 | 1.2 | 1.1 | 0.9 | 49.6 |
| Avangard | AVGR LI | London Intl | 1.25 USD | -16.7 | -21.9 | -39.0 | -47.9 | 1.25 | 79.8 | 370.6 | 21.7 | 17.3 | 2.1 | 22.3 | 0.01 | 8,560 | Neg. | Neg. | Neg. | 2.9 | 7.8 | 3.6 | 0.9 | 1.3 | 1.1 | 0.3 | 33.1 |
| Kernel Holding... | KER PW | Warsaw | 46.22 PLN | +0.5 | -2.4 | +62.4 | +57.3 | 11.75 | 936.7 | 1,318.7 | 58.8 | 550.5 | 2,886.7 | 2,409.2 | 0.60 | 168 | 8.8 | 4.8 | 4.7 | 3.3 | 3.9 | 3.9 | 0.6 | 0.6 | 0.5 | 1.0 | 31.6 |
| KSG Agro | KSG PW | Warsaw | 0.98 PLN | +0.0 | -4.9 | -12.5 | -10.1 | 0.25 | 3.7 | 67.0 | 34.4 | 1.3 | 0.1 | 8.1 | 0.16 | 645 | 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 | 8.75 USD | -2.6 | -11.6 | -4.9 | -5.9 | 8.75 | 924.6 | 2,097.2 | 22.3 | 206.4 | 115.5 | 375.7 | 0.25 | 401 | Neg. | 4.3 | 3.6 | 3.8 | 4.3 | 4.4 | 1.5 | 1.6 | 1.6 | 1.4 | 53.0 |
| Milkiland | MLK PW | Warsaw | 1.51 PLN | +0.7 | -19.7 | +2.0 | -15.2 | 0.38 | 12.0 | 126.7 | 20.0 | 2.4 | 22.2 | 42.0 | 0.48 | 208 | Neg. | Neg. | Neg. | 9.2 | 24.0 | 11.0 | 0.4 | 0.6 | 0.5 | 0.1 | 42.5 |
| Ovostar Union | OVO PW | Warsaw | 87.22 PLN | -2.0 | +1.4 | +21.1 | +21.1 | 22.18 | 133.1 | 142.8 | 25.0 | 33.3 | 2.2 | 23.3 | 0.21 | 478 | 5.3 | 5.8 | 6.2 | 4.9 | 5.6 | 5.2 | 1.8 | 1.9 | 1.4 | 1.6 | 9.4 |
| CONSTRUCTION | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TMM | TR61 GF | Frankfurt | 0.10 EUR | -18.8 | +1,055.6 | +30.0 | +30.0 | 0.11 | 5.9 | 98.7 | 13.1 | 0.8 | 0.0 | 1.7 | 0.31 | 322 | Neg. | N/A | N/A | Neg. | N/A | N/A | 3.8 | N/A | N/A | 0.1 | 41.9 |
| FINANCIAL SERVICES | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Raiffeisen Ban... | BAVL UK | Kiev, UX | 0.07 UAH | -3.2 | +0.6 | -24.6 | -24.0 | 0.00 | 92.0 | N/A | 3.8 | 3.5 | 24.5 | 7.2 | 0.29 | 345 | N/A | 5.1 | 5.0 | N/A | N/A | N/A | N/A | N/A | N/A | 0.6 | N/A |
| Ukrsofsbank | USCB UK | Kiev, UX | 0.10 UAH | +0.0 | +5.3 | -24.0 | -31.9 | 0.00 | 103.5 | N/A | 4.5 | 4.6 | 0.0 | 0.6 | 0.03 | 3,493 | 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

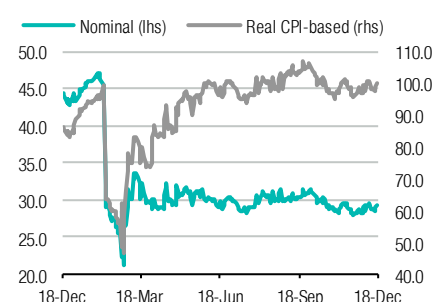
UAH retreats amid debt moratorium to Russia

Last Friday, the Ukrainian government implemented a moratorium on Russian debt as legislators rushed to pass the 2016 state budget law that is due this week. Although the UAH exchange rate weakened 0.10% over the past trade session, with Friday's close at 23.4645/USD, still well below the last three month weakest level of 24.05/USD, a true run on the currency could have easily sent the FX rate much weaker. Because this did not occur, as it is still heavily managed under the current set of capital controls, the FX rate should continue to move by small steps.

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ICU's UAH trade-weighted indices

(Last 12-month history to 21 Dec 2015)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 18 Dec 2015)

| | Last | Daily | Weekly | MoM | YTD |
|---|-----------|---------|---------|---------|---------|
| | chg (%) | chg (%) | chg (%) | chg (%) | chg (%) |
| USD/UAH MARKET (HRYVNIA per US DOLLAR) | | | | | |
| Spot mkt | 23.4645 | +0.10 | -1.41 | -1.41 | +48.32 |
| NBU avg | 23.5464 | +0.25 | -1.31 | -1.54 | +49.33 |
| Ttl vlm ¹ | 291.78 | -12.87 | +19.13 | +20.36 | -32.28 |
| \$ volume ² | 209.54 | -11.16 | +25.86 | +24.81 | -40.86 |
| NDF 3M | N/A | -100.0 | -100.0 | -100.0 | -100.0 |
| NDF 6M | 26.9420 | +0.00 | -1.31 | -0.88 | +54.84 |
| NDF 1Y | 27.6920 | +0.00 | -1.28 | -1.28 | +50.09 |
| TRADE-WEIGHTED INDICES (TWIs, points) | | | | | |
| UAH nom'l | 29.202 | -0.12 | +2.11 | +3.59 | -34.33 |
| UAH real CPI | 99.906 | -0.12 | +2.11 | +3.59 | +15.44 |
| UAH real PPI | 131.358 | -0.12 | +2.11 | +3.59 | +11.54 |
| USD nom'l | 98.817 | -0.46 | +1.28 | -0.84 | +9.47 |
| FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs | | | | | |
| USD/RUB | 71.3733 | +0.23 | +1.41 | +10.21 | +17.51 |
| EUR/USD | 1.0859 | +0.30 | -1.16 | +1.87 | -10.24 |
| USD/CNY | 6.4792 | -0.07 | +0.37 | +1.48 | +4.41 |
| USD/PLN | 3.9593 | -0.34 | -0.38 | -0.61 | +11.73 |
| USD/TRY | 2.9254 | -0.14 | -1.92 | +2.19 | +25.28 |
| USD/BYR | 18,350.00 | +0.11 | +0.60 | +2.49 | +66.82 |
| USD/KZT | 340.7600 | +2.68 | +8.18 | +10.85 | +86.87 |
| OTHER MAJOR CURRENCIES | | | | | |
| USD/JPY | 121.9100 | -0.53 | +0.74 | -1.40 | +1.78 |
| GBP/USD | 1.4932 | +0.21 | -1.85 | -2.00 | -4.14 |
| USD/CHF | 0.9938 | -0.24 | +1.14 | -2.55 | -0.05 |
| AUD/USD | 0.7141 | +0.17 | -0.67 | +0.42 | -12.65 |
| USD/CAD | 1.3928 | -0.06 | +1.25 | +4.70 | +19.85 |
| USD/BRL | 3.9831 | +2.70 | +2.85 | +5.80 | +49.88 |
| USD/KRW | 1,183.10 | +0.25 | +0.30 | +0.93 | +8.44 |
| COMMODITIES | | | | | |
| Gold(\$/oz) | 1,057.58 | +0.61 | -1.60 | -1.23 | -10.74 |
| WTI crude ³ | N/A | -100.0 | -100.0 | -100.0 | -100.0 |
| Brent crd ³ | 35.41 | +0.20 | -5.14 | -15.89 | -36.50 |
| Urals crd ³ | N/A | +0.00 | +0.00 | +0.00 | +0.00 |
| TR/J CRB ⁴ | 172.16 | +0.85 | -1.54 | -6.23 | -25.14 |

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.

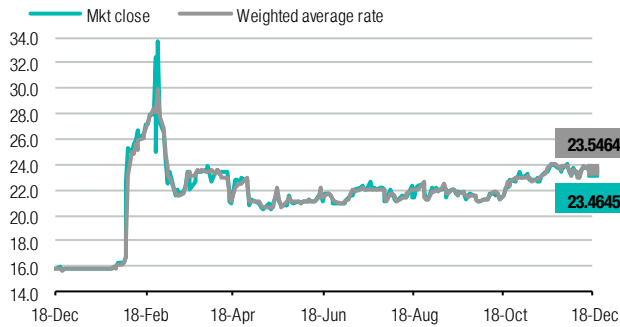
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

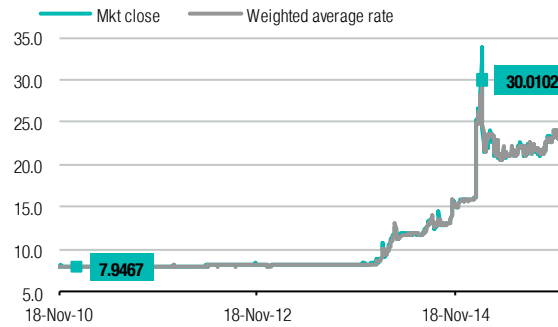
Section on FX market is continued on next page.

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)

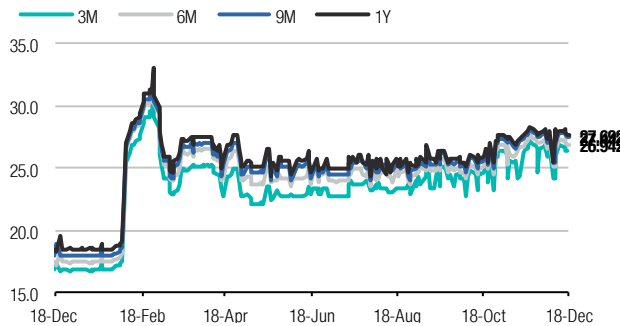


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

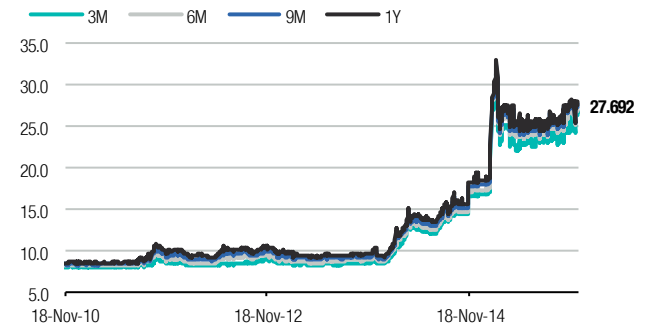


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

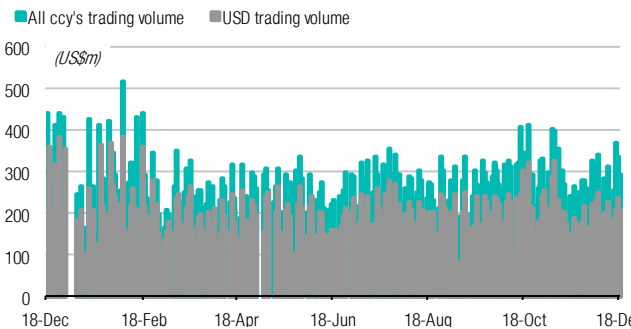


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

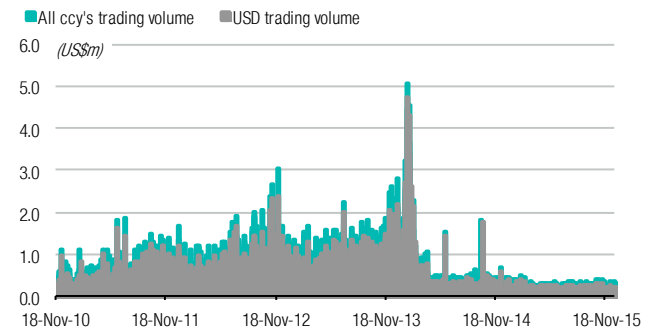


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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)

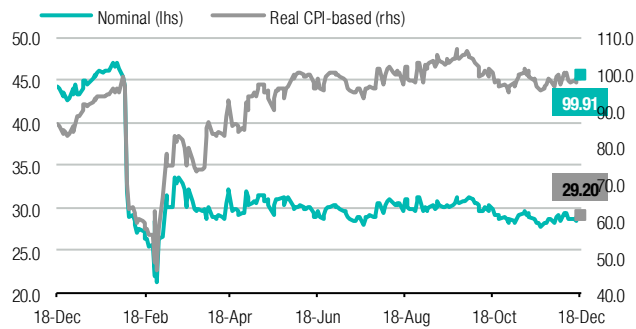


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

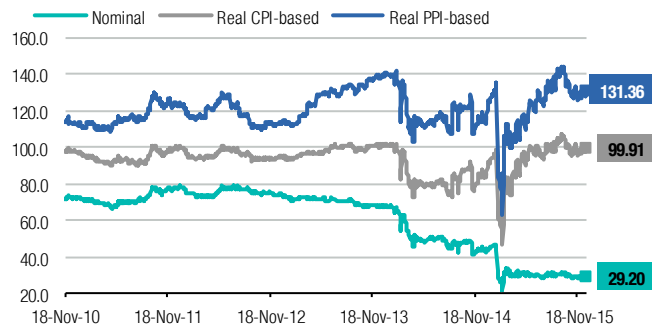
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology (for more details visit <http://www.icu.ua/en/research/currency-indices>).

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



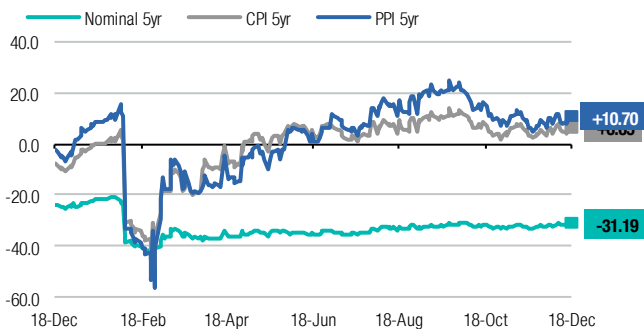
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

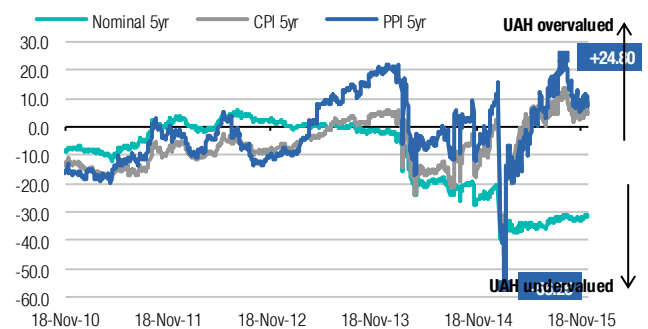


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

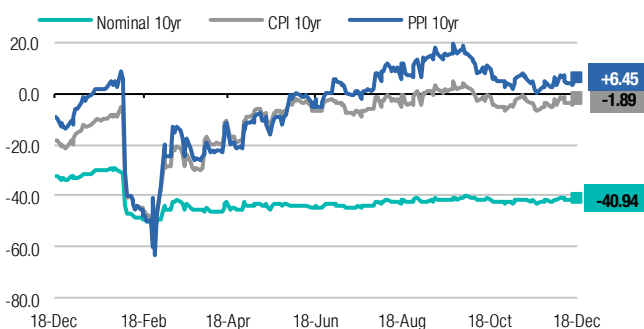


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

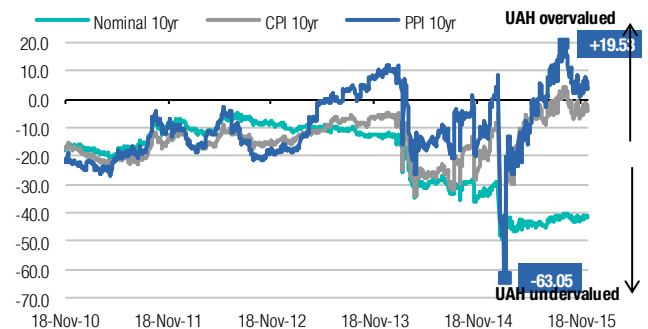


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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.

EQUITY RATING DEFINITIONS

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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