



Focus
Ukraine

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

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Daily Insight

Oschadbank repays UAH1.6bn of NBU loan

Contents

Bonds: News & Comments	2
Oschadbank repays UAH1.6bn of NBU loan	2
Liquidity recovers.....	2
Chart page: Local bond market & Eurobond markets	3
FX: News & Comments	5
Markets continue to be bearish	5
Chart page #1: Foreign-exchange market	6
Chart page #2: ICU's UAH trade-weighted indices	7

THURSDAY, 14 JANUARY 2016

UX Index (3 months to 14 Jan 2016)



Source: UX.

Key market indicators (as of 13 Jan 2016)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	23.3100	+0.37	-2.99
USD/UAH (1Y NDF)	27.9200	+1.62	+9.51
EUR/USD	1.0877	+0.17	+0.14
USD/RUB	76.6603	-0.39	+5.71
KievPRIME O/N (%)	18.86	-3bp	-20bp
KievPRIME 1M (%)	22.31	+1bp	+6bp
SOVEREIGN EUROBONDS: yields and spreads			
Ukraine 15, Eurobond (%)	N/A	+0bp	+0bp
Ukraine 17, Eurobond (%)	29.14	+26bp	+0bp
Ukraine 22, Eurobond (%)	12.32	-1bp	+0bp
Ukraine 23, Eurobond (%)	11.85	+0bp	+0bp
Ukraine 5Y CDS	N/A		
EQUITIES			
Stock market indices			
UX (Ukraine)	681.10	+2.91	-0.69
MSCI World	370.51	-0.93	-7.22
MSCI EM	729.56	+0.88	-8.13
RTS (Russia)	693.65	-0.24	-8.37
WIG-20 (Poland)	1,772.48	+1.26	-4.66
S&P 500 (USA)	1,890.28	-2.50	-7.52

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

Oschadbank repays UAH1.6bn of NBU loan

Oschadbank's CEO has announced that almost UAH1.6bn of NBU refinance loan has been repaid. By our estimates, this will reduce bank's debt to the regulator by 11% to UAH13bn while the maximum amount it owed was close to UAH25bn during 2Q14.

The bank has been experiencing a significant inflow of UAH deposits by acquiring accounts of state related companies and retaining a portion of the funds it distributes to the clients of insolvent banks. During 2015, the bank restructured its loans from the NBU, extending them to June 2020, meaning that this and previous repayment were made ahead of their maturities. This should have a positive impact on Oschad's financials as it is repaying the highest interest rate loans set at 21.5% while its alternative source of funding, namely retail deposits, have rates at 18-19%.

During 2015, the bank prolonged a significant portion of its liabilities - including Eurobonds, interbank borrowings and NBU loans - thus securing a solid liquidity position for the upcoming three years. The bank's next move is most likely to reduce the high cost of funding that is around 9.5% (by our estimates), of which NBU loans seem to be the single most expensive component.

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Liquidity recovers

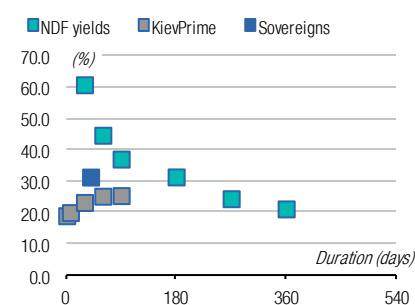
Yesterday's liquidity indicators show a slight recovery in liquidity and fund reallocations. Banks' correspondent accounts with the NBU rose UAH2.36bn to UAH40.97bn while total CDs outstanding fell UAH1.58bn to UAH77.59bn. Banking sector liquidity was up UAH0.78bn to UAH118.56bn.

Investment implications: Liquidity continued to increase yesterday, slightly recovering after declining at the beginning of the month. This increase could be seen over the next few days, possibly through the end of next week. At the same time, today we should see the results of yesterday's CD tender, which could cause funds to be reallocated back to CDs, as the NBU had to sell 1-month and 3-month CDs.

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Yield curve of the local bond market

(as of market close on 13 Jan 2016)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 13 Jan 2016)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
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MONEY MARKET KIEV PRIME RATES (%)

0/n	18.86	-3bp	+6bp	-27bp	-20bp
1wk	20.12	+2bp	+12bp	-7bp	+12bp
1m	22.31	+1bp	+6bp	+6bp	+6bp
2m	23.25	-25bp	-13bp	-13bp	-25bp
3m	23.50	-20bp	-13bp	-13bp	-25bp

LIQUIDITY WIDE MEASUREMENT (UAHm)

CB acc's ¹	40,967	+6.13	+44.89	+38.01	+6.51
CDs ²	77,593	-2.00	-13.38	+21.28	-10.60
Sovgns ³	4,342	-22.67	-5.03	-49.06	-8.26
Total	122,903	-0.40	+0.39	+20.27	-5.45

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 (%)

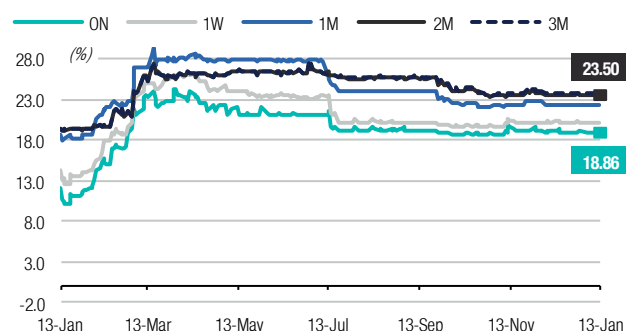
CDS 5yr	N/A	N/A	N/A	N/A	N/A
Jun '16	67.67	+114bp	+0bp	+0bp	+0bp
Jul '17	29.14	+26bp	+0bp	+0bp	+0bp
Sep '20	14.02	+4bp	+0bp	+0bp	+0bp
Sep '21	14.22	+0bp	+0bp	+0bp	+0bp
Sep '22	12.32	-1bp	+0bp	+319bp	+0bp
Feb '23	11.85	+0bp	+0bp	+292bp	+0bp

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.

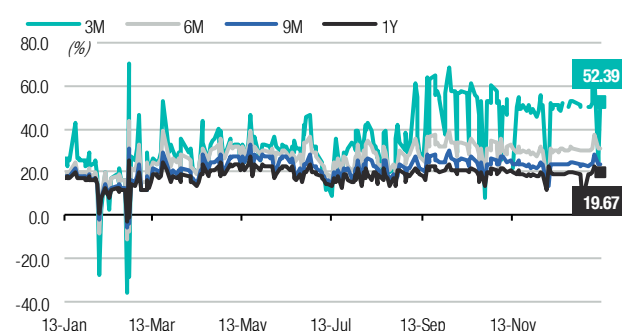
Chart page: Local bond market & Eurobond markets

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



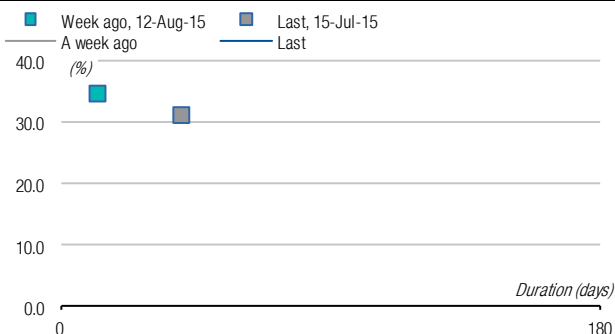
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



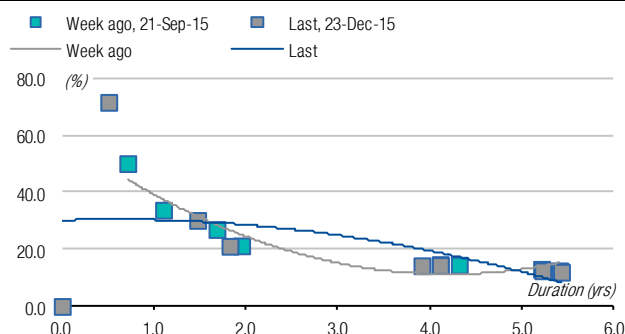
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 13 Jan 2016



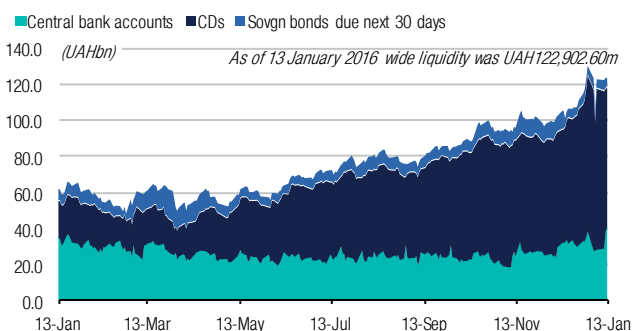
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 13 Jan 2016



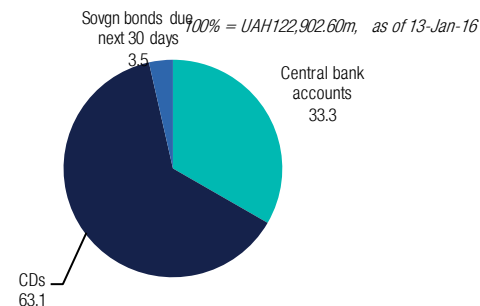
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



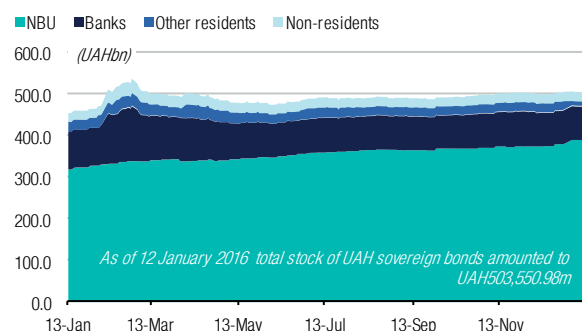
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 13 Jan 2016



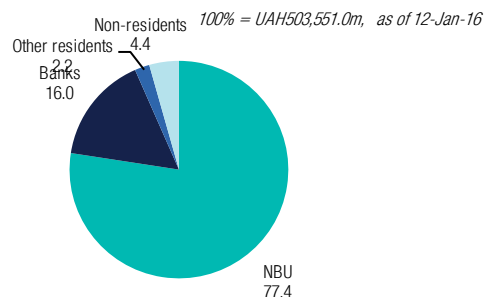
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 13 Jan 2016



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

Table 1. Ukrainian stocks (closing prices as of 13-Jan-2016)

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	8.88 GBp	+0.0	+6.0	+9.2	-1.4	0.13	29.5	-19.6	40.2	11.9	188.4	15.7	0.33	304	Neg.	N/A	N/A	2.8	N/A	N/A	Neg.	N/A	N/A	0.4	15.3
Centrenerg	CEEN UK	Kiev, UX	4.49 UAH	+0.0	+0.1	-1.6	-41.7	0.19	70.6	58.7	21.7	15.3	0.6	9.8	0.06	1,790	23.5	Neg.	5.1	0.2	Neg.	1.7	0.2	0.2	0.1	0.7	4.2
Coal Energy	CLE PW	Warsaw	0.54 PLN	-1.8	+8.0	+1.9	-25.0	0.13	6.1	77.6	25.0	1.5	0.7	0.9	0.07	1,537	Neg.	N/A	N/A	10.6	N/A	N/A	0.7	N/A	N/A	0.2	56.9
Donbasenergo	DOEN UK	Kiev, UX	15.88 UAH	+0.0	+1.1	+0.8	-51.1	0.68	16.0	26.5	14.2	2.3	0.0	2.2	0.10	1,002	3.7	Neg.	N/A	0.0	N/A	N/A	0.1	0.1	N/A	0.3	13.6
JKX Oil & Gas	JKX LN	London	25.50 GBp	-1.0	-7.3	-6.4	+108.2	0.37	63.1	73.8	47.2	29.8	19.3	19.6	0.01	7,391	Neg.	Neg.	Neg.	2.8	3.0	0.5	0.7	1.0	0.2	9.9	
Regal Petroleum	RPT LN	London	3.81 GBp	+15.1	+9.5	+1.5	+3.0	0.05	17.6	-15.8	80.9	14.2	0.0	3.3	0.05	1,850	3.1	N/A	N/A	Neg.	N/A	N/A	Neg.	Neg.	N/A	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	83.00 UAH	+0.0	-4.6	-1.2	-44.0	3.53	45.2	78.3	5.0	2.3	5.6	1.2	0.06	1,639	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	+0.0	+6.4	+8.8	-16.6	0.00	13.3	1,759.8	3.9	0.5	0.2	0.2	0.04	2,224	Neg.	Neg.	N/A	0.6	Neg.	N/A	2.8	6.8	N/A	N/A	145.5
Avdiivskyi Cok...	AVDK UK	Kiev, UX	1.06 UAH	+0.0	+3.9	-3.7	-36.6	0.05	8.8	7.8	4.0	0.4	0.1	1.4	0.52	193	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	+0.0	+4.2	-0.3	-47.6	0.02	71.3	12.2	4.1	2.9	0.0	4.2	0.06	1,545	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	19.75 GBp	-10.2	-4.8	-8.1	-60.7	0.28	167.5	824.1	22.4	37.5	87.6	221.2	0.73	137	0.9	1.5	11.0	2.6	3.0	5.2	0.6	0.8	0.9	0.4	61.1
Yasynivskyi Cok...	YASK UK	Kiev, UX	0.23 UAH	+0.0	-30.3	+0.0	+0.0	0.01	2.7	3.3	9.0	0.2	11.7	2.7	2.59	39	Neg.	Neg.	N/A	Neg.	N/A	N/A	0.0	0.0	N/A	0.0	0.0
Yenakievo Steel	ENMZ UK	Kiev, UX	13.35 UAH	+0.0	-8.0	-4.6	-34.9	0.57	6.0	-8.7	9.4	0.6	0.0	0.4	0.04	2,272	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	+0.0	-2.4	+2.5	+13.9	0.45	43.9	98.3	34.0	14.9	3.6	46.7	0.11	921	Neg.	Neg.	2.7	4.8	4.9	3.3	1.4	1.5	1.2	0.6	83.5
Agroliga	AGL PW	Warsaw	11.57 PLN	-0.3	-7.4	+1.7	+18.1	2.89	4.4	5.6	16.7	0.7	0.1	1.2	0.14	733	1.5	N/A	N/A	1.6	N/A	N/A	0.3	N/A	N/A	0.4	10.7
Agroton	AGT PW	Warsaw	0.92 PLN	-1.1	-5.2	-8.9	-33.8	0.23	5.0	31.7	26.2	1.3	0.8	9.1	0.36	275	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	34.49 PLN	+0.6	+11.3	+0.0	+32.5	8.61	215.2	435.8	31.0	66.8	15.5	24.4	0.03	3,813	Neg.	13.0	3.5	3.7	3.4	3.7	1.1	1.3	1.1	1.0	49.6
Avangard	AVGR LI	London Intl	1.30 USD	+0.0	-18.2	+4.0	-38.1	1.30	83.0	373.7	21.7	18.0	0.0	5.6	0.01	13,012	Neg.	Neg.	Neg.	2.9	7.8	3.6	0.9	1.4	1.1	0.3	33.1
IMC	IMC PW	Warsaw	5.88 PLN	+1.4	-3.4	-1.5	-4.2	1.47	45.9	151.5	23.9	11.0	6.3	3.7	0.04	2,770	Neg.	3.4	2.3	2.6	2.9	3.7	1.1	1.0	1.0	1.7	69.8
Kernel Holding...	KER PW	Warsaw	48.55 PLN	-0.4	+12.4	+0.9	+51.2	12.12	965.6	1,347.6	58.8	567.5	729.0	2,272.5	0.38	263	9.0	5.0	4.8	3.4	3.9	3.9	0.6	0.6	0.5	1.1	31.6
KSG Agro	KSG PW	Warsaw	0.93 PLN	+2.2	-5.1	+0.0	-21.2	0.23	3.5	66.8	34.4	1.2	3.2	6.2	0.18	565	Neg.	N/A	N/A	6.6	N/A	N/A	2.1	N/A	N/A	N/A	67.4
MHP	MHPC LI	London Intl	8.35 USD	+0.0	-9.3	-10.2	-10.1	8.35	882.3	2,055.0	22.3	196.9	0.0	352.0	0.34	296	Neg.	4.1	3.4	3.7	4.2	4.3	1.5	1.6	1.6	1.3	53.0
Milkiland	MLK PW	Warsaw	1.48 PLN	-2.0	+2.8	+4.2	-6.3	0.37	11.5	126.1	20.0	2.3	3.1	33.5	0.35	284	Neg.	Neg.	Neg.	9.2	25.3	10.6	0.4	0.6	0.5	0.1	42.5
CONSTRUCTION																											
TMM	TR61 GF	Frankfurt	0.03 EUR	+0.0	-63.5	-55.7	-56.9	0.03	1.7	94.6	13.1	0.2	0.0	0.7	0.92	109	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	0.07 UAH	+0.0	-4.8	-5.1	-23.5	0.00	91.2	N/A	3.8	3.5	0.5	5.7	0.16	611	N/A	Neg.	3.8	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	+7.0	-2.5	-26.0	0.00	101.1	N/A	4.5	4.5	0.0	1.5	0.05	1,872	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

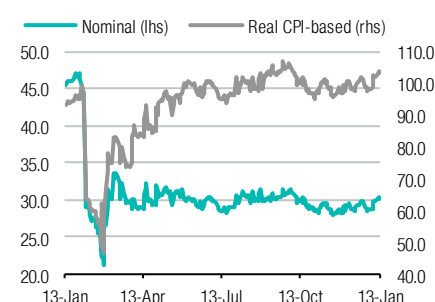
Markets continue to be bearish

The financial markets continued their bearish sentiment yesterday despite positive monthly import data from China, wherein China has been buying commodities from the global markets as prices dropped heavily over the past year. Although crude oil recovered early in the day to close 32/USD, it closed below 30/USD. As the US stock market dropped as much as 3%, this sell-off is likely to extend to European markets today. As oil-dependent currencies including the RUB, the KZT and the AZN are likely to retreat, the hryvnia's trade-weighted index should appreciate again this week (+5.2% YTD).

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ICU's UAH trade-weighted indices

(Last 12-month history to 14 Jan 2016)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 13 Jan 2016)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	23.3100	+0.37	-0.17	-2.06	-2.99
NBU avg	23.6420	+1.61	+0.59	-0.91	-0.63
Ttl vlm ¹	225.24	-3.92	-35.78	-8.04	-38.00
\$ volume ²	163.82	-6.78	-41.53	-1.60	-34.75
NDF 3M	26.6700	+1.70	+1.21	-0.49	+0.00
NDF 6M	27.1700	+1.67	+1.19	-0.48	-1.30
NDF 1Y	27.9200	+1.62	+1.16	-0.46	+9.51
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	30.085	-0.51	+0.73	+5.20	+5.21
UAH real CPI	102.928	-0.51	+0.73	+5.20	+5.21
UAH real PPI	135.331	-0.51	+0.73	+5.20	+5.21
USD nom'l	98.933	-0.04	-0.25	+1.40	+0.31
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	76.6603	-0.39	+2.66	+8.92	+5.71
EUR/USD	1.0877	+0.17	+0.89	-0.99	+0.14
USD/CNY	6.5754	+0.04	+0.30	+1.86	+1.26
USD/PLN	4.0008	-0.31	-0.88	+0.67	+1.99
USD/TRY	3.0265	-0.25	+0.80	+1.47	+3.75
USD/BYR	19,349.00	+0.23	+2.78	+6.08	+3.88
USD/KZT	364.2200	+1.67	+5.27	+15.63	+6.93
OTHER MAJOR CURRENCIES					
USD/JPY	117.6800	+0.03	-0.67	-2.75	-2.11
GBP/USD	1.4407	-0.28	-1.52	-5.30	-2.23
USD/CHF	1.0061	+0.39	-0.14	+2.39	+0.40
AUD/USD	0.6955	-0.44	-1.65	-3.25	-4.54
USD/CAD	1.4340	+0.55	+1.88	+4.25	+3.62
USD/BRL	4.0167	-0.27	-0.32	+3.72	+1.41
USD/KRW	1,203.93	-0.53	+0.56	+2.07	+2.46
COMMODITIES					
Gold(\$/oz)	1,093.65	+0.65	+0.00	+1.76	+3.04
WTI crude ³	30.48	+0.13	-10.27	-14.43	-17.71
Brent crd ³	28.35	-1.15	-13.96	-24.06	-20.70
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	162.39	+0.20	-4.17	-7.13	-7.81

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>).

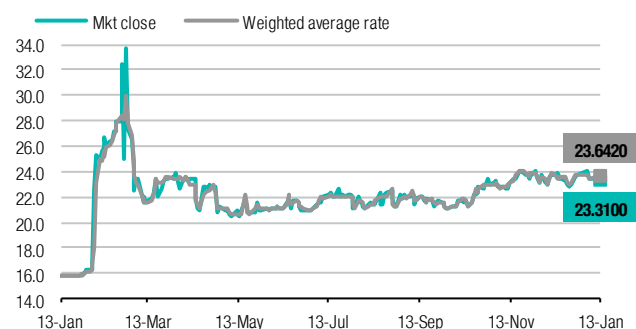
Section on FX market is continued on next page.

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.

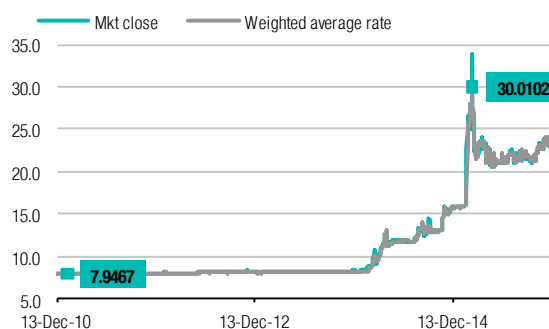
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

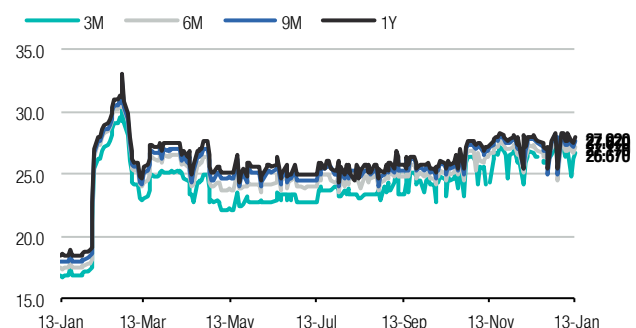


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

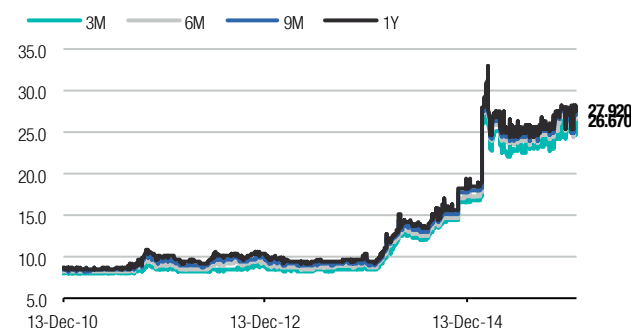


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

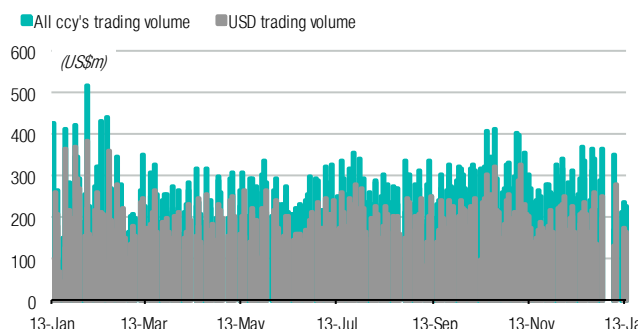


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

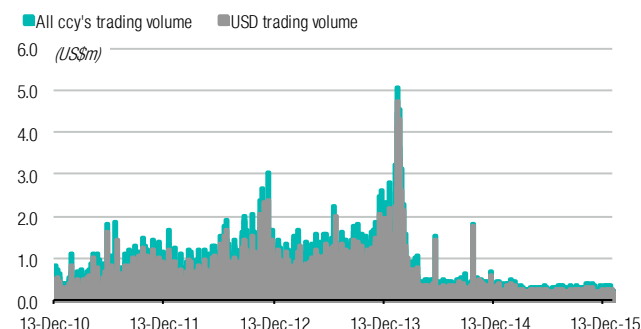


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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)

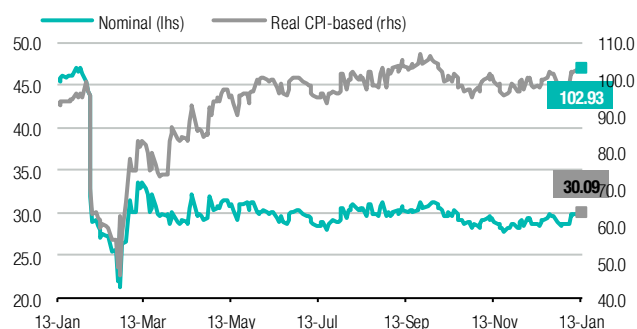


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

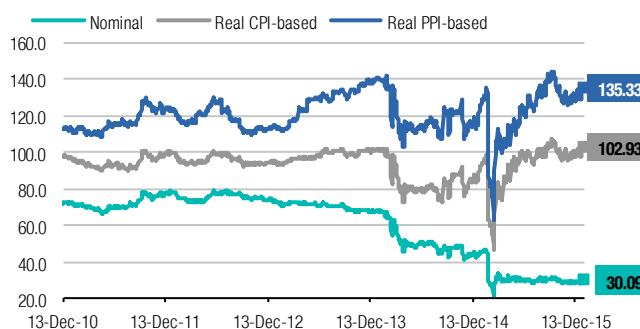
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology (for more details visit <http://www.icu.ua/en/research/currency-indices>).

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



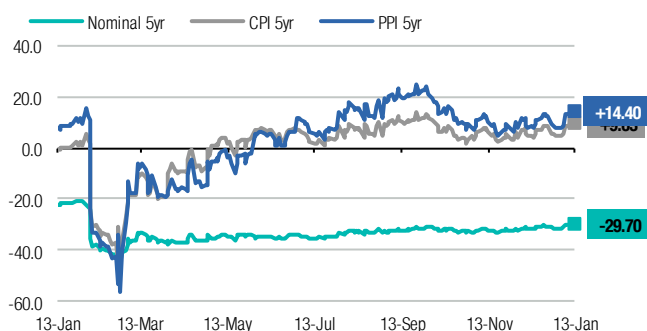
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

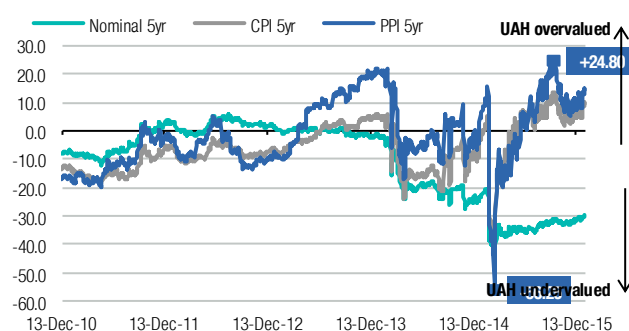


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

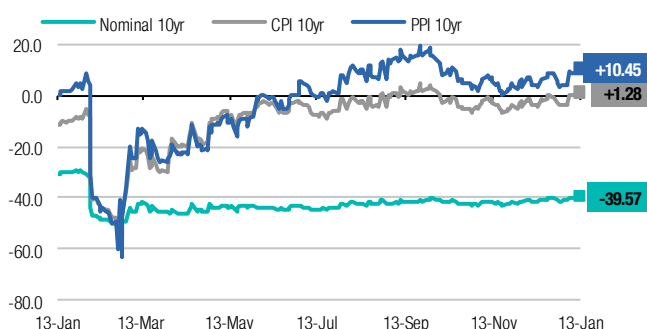


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

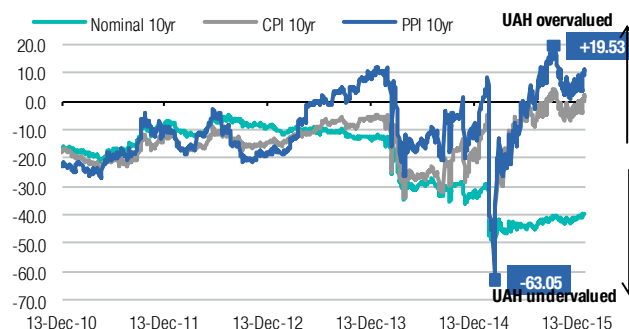


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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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