



Focus
Ukraine

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

Research team
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Daily Insight

MoF discusses new policy at local market

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TUESDAY, 16 FEBRUARY 2016

UX Index (3 months to 16 Feb 2016)



Source: UX.

Key market indicators (as of 15 Feb 2016)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	26.9500	+2.96	+12.16
USD/UAH (1Y NDF)	31.0000	+2.56	+21.59
EUR/USD	1.1156	-0.89	+2.71
USD/RUB	76.9715	-2.15	+6.14
KievPRIME O/N (%)	18.95	+2bp	-11bp
KievPRIME 1M (%)	22.20	+0bp	-5bp
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)	622.57	+0.00	-9.23
MSCI World	361.63	+1.28	-9.45
MSCI EM	726.86	+2.20	-8.47
RTS (Russia)	707.24	+2.51	-6.58
WIG-20 (Poland)	1,787.98	+1.27	-3.83
S&P 500 (USA)	1,864.78	+1.95	-8.77

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

MoF discusses new policy at local market

Since the MoF restarted primary auctions since the beginning of the year, two successful placements of USD-denominated bonds and some local currency denominated bonds have occurred. In its roundtable meeting on possible market developments held last Friday, the MoF stated that it will offer FX-denominated bonds once more this year in April through September, increasing the total issuance to about US\$1.6bn, focused on mid-term bonds. The MoF also announced that it plans to discuss with the IMF the cancellation of the primary dealer system. As this method of distribution in Ukraine is essentially defunct, it should be allowed to evolve on its own. Third, the MoF will not raise yields on domestic bonds, essentially underlining their intent to keep borrowing costs down. Issuing short-term FX-denominated bonds, softening FX regulations, using funds from the treasury account for REPO transactions, and other topics were discussed, but none led to further serious consideration.

Investment implications: *We deem this meeting as useful for the market as a whole, and it should be scheduled routinely to discuss current developments and possible short-term changes in MoF policy.*

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Liquidity recovers

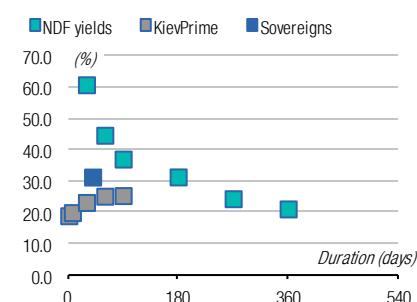
Banking sector liquidity recovered slightly yesterday after having fallen significantly last Friday, up UAH2.37bn to UAH114.62bn. There was a significant reallocation of funds from CDs to banks' accounts as total CDs outstanding fell UAH3.75bn to UAH70.00bn yesterday while banks' correspondent accounts with the NBU rose UAH6.12bn to UAH44.63bn, the largest amount this month.

Investment implications: *Liquidity recovered with a significant reallocation for FX purchases on possibly CDs, increasing pressure on the FX market. In a few days, we could see the actual results of this withdrawal of funds and where they will be placed. Today, the MoF will hold a primary auction offering local currency bonds. Yesterday's funds could be partially spent on the FX market and most likely mainly on new CDs.*

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Yield curve of the local bond market

(as of market close on 15 Feb 2016)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 15 Feb 2016)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
O/n	18.95	+2bp	+14bp	+6bp	-11bp
1wk	20.13	+0bp	+17bp	+3bp	+13bp
1m	22.20	+0bp	+0bp	-10bp	-5bp
2m	23.10	-30bp	-5bp	-20bp	-40bp
3m	23.30	-40bp	-5bp	-20bp	-45bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	44,627	-5.62	+18.88	-0.42	+9.51
CDs ²	69,996	-17.15	-28.55	-24.25	-33.19
Sovgns ³	7,309	+0.00	+1.66	+68.32	+54.42
Total	121,932	-11.90	-13.22	-12.81	-17.37
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	390,001	+0.00	+0.00	+0.02	+2.68
Banks	115,375	+0.10	+1.00	+41.47	+41.44
Resid's ⁴	11,510	+0.21	-0.42	+6.99	-45.18
Non-res ⁵	23,518	+0.22	+0.82	+7.07	+5.43
Total	540,404	+0.04	+0.24	+7.18	+7.08
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	+0bp	+0bp
Feb '23	11.85	+0bp	+0bp	+0bp	+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.

Primary auction announcement

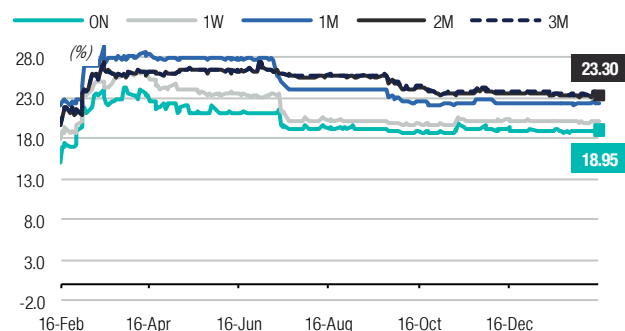
The MoF announced a primary auction for today and tomorrow, increasing the transparency of its policy for this week. The MoF will offer today bonds with maturities from 3-months to 1.5-year and tomorrow will re-open the 2-year bond sold earlier this year.

Investment implications: The MoF followed its schedule this week and will try to re-open the 9-month and 1.5-year bonds as well as sell new bonds with other maturities. This attempt could prove to be pointless as banks prefer CDs from the NBU with higher interest rates at shorter maturities. At the same time, longer bonds provide YTM's closer to the secondary market for similar maturities. Because of this, there should be acceptable demand for maturities not below 9-months today and for 2-year bonds tomorrow.

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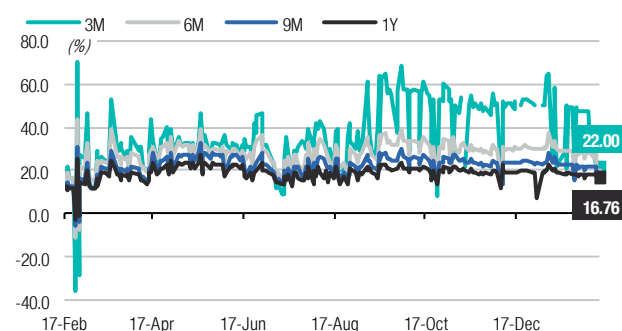
Chart page: Local bond market & Eurobond markets

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



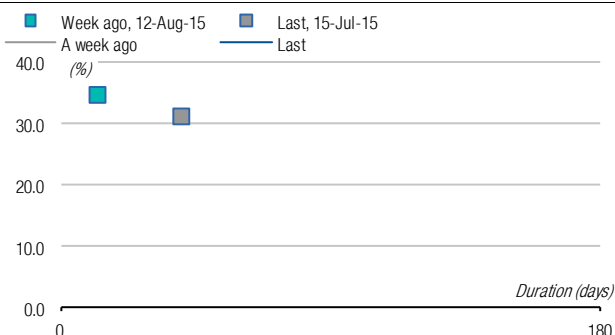
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



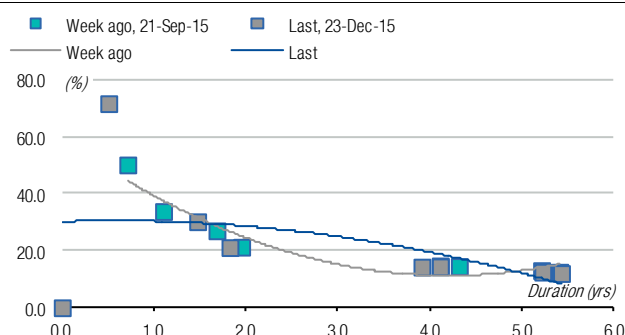
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 15 Feb 2016



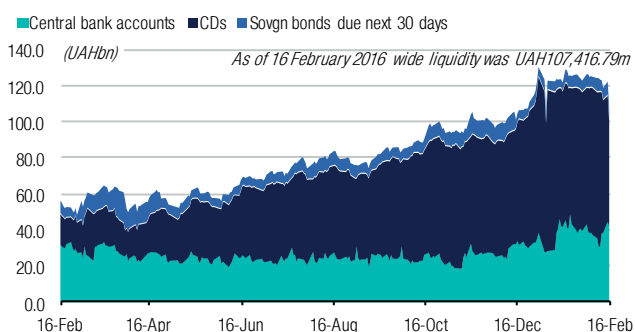
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 15 Feb 2016



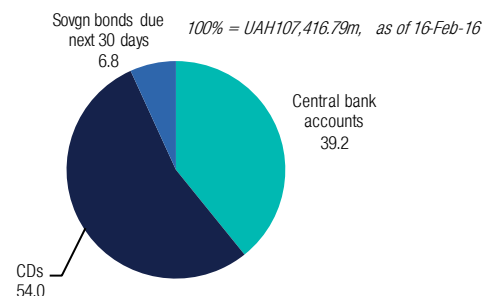
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



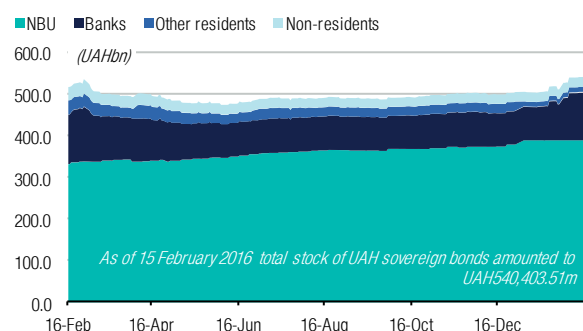
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 15 Feb 2016



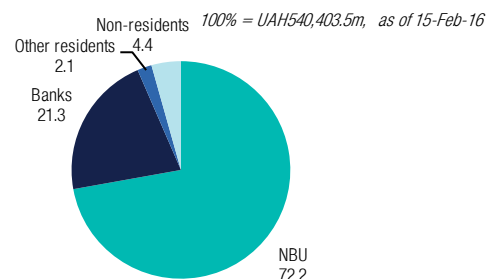
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 15 Feb 2016



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

Table 1. Ukrainian stocks (closing prices as of 15-Feb-2016)

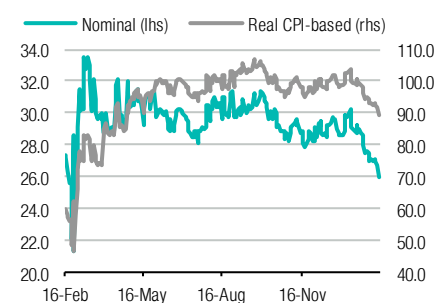
Company	Bloomberg Ticker	Listing	Share price performance (% change)				Valuation (US\$)			Free float (FF) & Liquidity						P/E			EV/EBITDA			EV/Sales			Ratios		
			Last price	Daily	MoM	YTD	YoY	Last price	Market cap (m)	EV (m)	FF (%)	FF mkt cap (US\$m)	Last day turnover (US\$ 000)	3M avg. turnover (US\$ 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	9.75 GBp	+0.0	+9.9	+20.0	-6.0	0.14	32.5	-16.6	40.2	13.1	0.0	19.6	0.05	2,085	Neg.	Neg.	12.0	2.4	Neg.	Neg.	Neg.	Neg.	Neg.	0.4	15.3
Centrenerg	CEEN UK	Kiev, UX	4.43 UAH	+0.0	+0.5	-2.9	-40.5	0.16	60.6	50.3	21.7	13.2	3.4	8.2	0.05	1,833	23.2	Neg.	4.5	0.2	Neg.	1.5	0.2	0.2	0.1	0.7	4.2
Coal Energy	CLE PW	Warsaw	0.57 PLN	+0.0	+11.8	+7.5	-13.6	0.14	6.5	78.0	25.0	1.6	0.7	0.7	0.04	2,351	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	14.49 UAH	+0.0	-5.0	-8.1	-52.5	0.54	12.7	21.8	14.2	1.8	0.1	1.6	0.03	3,075	3.4	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	+0.0	+2.0	-6.4	-21.8	0.37	63.2	73.9	47.2	29.8	0.0	11.2	0.05	2,170	Neg.	Neg.	Neg.	3.8	3.0	0.5	0.7	1.0	0.2	9.9	
Regal Petroleum	RPT LN	London	2.65 GBp	+0.0	-10.3	-29.3	-42.7	0.04	12.3	-21.1	80.9	9.9	0.1	4.1	0.07	1,478	2.1	N/A	N/A	Neg.	N/A	N/A	Neg.	Neg.	N/A	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	75.00 UAH	+0.0	+7.1	-10.7	-54.3	2.78	35.5	64.4	5.0	1.8	0.0	0.6	0.01	15,500	Neg.	N/A	N/A	0.1	N/A	N/A	0.1	N/A	N/A	0.4	11.6
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.01 UAH	+0.0	+13.0	+16.9	-14.4	0.00	12.4	1,533.2	3.9	0.5	0.0	0.2	0.03	2,934	Neg.	Neg.	N/A	0.5	Neg.	N/A	2.8	6.8	N/A	N/A	145.5
Avdiivivsky Cok...	AVDK UK	Kiev, UX	1.14 UAH	+0.0	+11.2	+3.1	-22.5	0.04	8.2	7.4	4.0	0.3	0.0	1.2	0.08	1,222	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	0.30 UAH	+0.0	-18.5	-24.3	-64.6	0.01	47.2	-4.3	4.1	1.9	0.3	1.9	0.06	1,678	1.4	1.1	N/A	Neg.	N/A	N/A	Neg.	Neg.	N/A	0.1	0.0
Ferrexpo PLC	FXPO LN	London	19.50 GBp	+0.0	+0.0	-9.3	-68.9	0.28	165.7	822.4	22.4	37.1	30.4	205.6	0.42	238	0.9	1.4	22.8	2.6	3.0	6.3	0.6	0.8	0.9	0.4	61.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.20 UAH	+0.0	+20.5	-13.0	-34.0	0.01	2.0	2.6	9.0	0.2	0.0	2.3	1.20	83	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	13.26 UAH	+0.0	+3.7	-5.3	-24.4	0.49	5.2	-7.6	9.4	0.5	0.1	0.4	0.04	2,760	Neg.	Neg.	N/A	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.2	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	0.34 EUR	+0.0	-10.5	-15.0	-10.5	0.38	37.4	93.4	34.0	12.7	1.1	13.2	0.05	1,876	Neg.	Neg.	2.3	4.6	4.5	3.0	1.3	1.4	1.1	0.5	83.5
Agroliga	AGL PW	Warsaw	10.75 PLN	+0.0	-4.9	-5.5	+2.1	2.73	4.2	5.4	16.7	0.7	0.7	1.0	0.20	511	1.4	N/A	N/A	1.5	N/A	N/A	0.3	N/A	N/A	0.4	10.7
Agroton	AGT PW	Warsaw	1.03 PLN	+0.0	+15.7	+2.0	-27.5	0.26	5.7	32.4	26.2	1.5	12.2	7.6	0.76	131	Neg.	N/A	N/A	1.4	N/A	N/A	0.5	N/A	N/A	0.2	33.4
Astarta Holdin...	AST PW	Warsaw	29.99 PLN	+0.0	-11.7	-13.1	+20.0	7.61	190.2	417.0	31.0	59.0	2.2	12.1	0.02	6,055	Neg.	16.0	4.0	3.5	3.4	3.6	1.1	1.3	1.1	0.8	49.6
Avangard	AVGR LI	London Intl	0.75 USD	+0.0	-25.0	-40.0	-80.1	0.75	47.9	338.6	21.7	10.4	0.0	1.9	0.03	3,880	Neg.	Neg.	Neg.	2.6	8.9	N/A	0.8	1.2	1.0	0.2	33.1
IMC	IMC PW	Warsaw	6.13 PLN	+0.0	+4.3	+2.7	-14.3	1.55	48.7	154.2	23.9	11.6	0.0	3.6	0.02	5,908	Neg.	3.9	2.6	2.7	3.0	3.3	1.1	1.0	1.0	1.8	69.8
Kernel Holding...	KER PW	Warsaw	44.93 PLN	+0.0	-1.2	-6.6	+42.6	11.40	908.1	1,289.6	58.8	533.7	1,485.8	2,215.0	0.29	346	8.5	4.6	4.1	3.3	3.7	3.7	0.6	0.5	0.5	1.0	32.0
KSG Agro	KSG PW	Warsaw	0.91 PLN	+0.0	+0.0	-2.2	-20.9	0.23	3.5	66.8	34.4	1.2	0.9	2.5	0.19	516	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	7.45 USD	+0.0	-10.1	-19.9	-29.0	7.45	787.2	1,959.9	22.3	175.7	195.4	368.7	0.18	549	Neg.	3.9	3.1	3.5	4.0	4.4	1.4	1.6	1.5	1.2	53.0
Milkiland	MLK PW	Warsaw	1.35 PLN	+0.0	-5.6	-4.9	-47.7	0.34	10.7	128.5	20.0	2.1	14.5	11.3	0.65	154	Neg.	Neg.	Neg.	9.3	26.0	15.1	0.4	0.6	0.6	0.1	42.5
Ovostar Union	OVO PW	Warsaw	92.61 PLN	+0.0	+2.9	+2.3	+30.8	23.49	140.9	150.5	25.0	35.2	4.0	26.6	0.02	6,340	5.6	6.1	7.5	5.1	5.8	6.3	1.9	2.0	1.6	1.7	9.4
CONSTRUCTION																											
TMM	TR61 GF	Frankfurt	0.02 EUR	-33.3	-86.2	-71.4	-72.6	0.02	1.2	94.0	13.1	0.2	0.0	0.6	0.74	135	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	-1.4	-6.5	-31.6	0.00	78.2	N/A	3.8	3.0	3.3	4.6	0.06	1,690	N/A	Neg.	3.4	N/A	N/A	N/A	N/A	N/A	N/A	0.5	N/A
Ukrsotsbank	USCB UK	Kiev, UX	0.08 UAH	+0.0	-22.1	-24.1	-31.8	0.00	68.5	N/A	4.5	3.1	0.0	1.1	0.02	5,646	Neg.	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.3	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

ICU's UAH trade-weighted indices

(Last 12-month history to 16 Feb 2016)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 15 Feb 2016)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	26.9500	+2.96	+3.77	+10.45	+12.16
NBU avg	26.8181	+2.56	+3.64	+10.88	+12.72
Ttl vlm ¹	206.71	-12.55	-15.94	-26.91	-43.10
\$ volume ²	144.64	-10.99	-12.96	-33.22	-42.39
NDF 3M	28.3500	+2.81	+2.27	+9.91	+0.00
NDF 6M	29.5000	+2.70	+1.03	+5.73	+7.16
NDF 1Y	31.0000	+2.56	+2.58	+8.20	+21.59
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	25.904	-3.11	-3.88	-10.39	-9.42
UAH real CPI	89.098	-3.11	-3.88	-10.39	-9.06
UAH real PPI	117.978	-3.11	-3.88	-10.39	-9.42
USD nom'l	95.940	+0.00	-0.65	-3.05	-2.73
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	76.9715	-2.15	-1.29	-0.94	+6.14
EUR/USD	1.1156	-0.89	-0.33	+2.20	+2.71
USD/CNY	6.4962	-1.19	-1.19	-1.35	+0.04
USD/PLN	3.9406	+0.87	-0.85	-4.11	+0.45
USD/TRY	2.9462	+0.55	-0.03	-3.31	+0.99
USD/BYR	22,065.00	+0.16	+2.01	+11.16	+18.46
USD/KZT	364.0000	-1.45	+1.30	+0.79	+6.87
OTHER MAJOR CURRENCIES					
USD/JPY	114.6000	+1.19	-1.08	-2.03	-4.67
GBP/USD	1.4435	-0.47	+0.01	+1.24	-2.04
USD/CHF	0.9871	+1.02	+0.01	-1.41	-1.50
AUD/USD	0.7139	+0.38	+0.73	+4.01	-2.02
USD/CAD	1.3834	-0.12	-0.67	-4.86	-0.04
USD/BRL	3.9979	-0.13	+2.41	-1.26	+0.94
USD/KRW	1,208.03	-0.29	+0.32	-0.42	+2.81
COMMODITIES					
Gold(\$/oz)	1,209.35	-2.31	+1.69	+11.06	+13.94
WTI crude ³	N/A	-100.0	-100.0	-100.0	-100.0
Brent crd ³	33.61	+4.12	+2.47	+20.34	-5.99
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	N/A	N/A	N/A	N/A	N/A

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>).

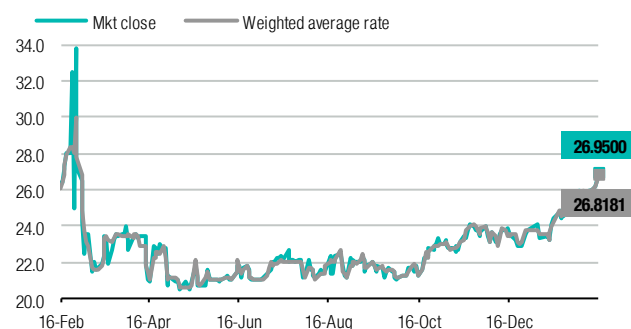
Section on FX market is continued on next page.

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.

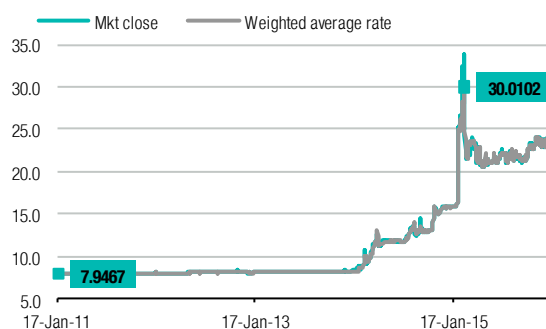
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

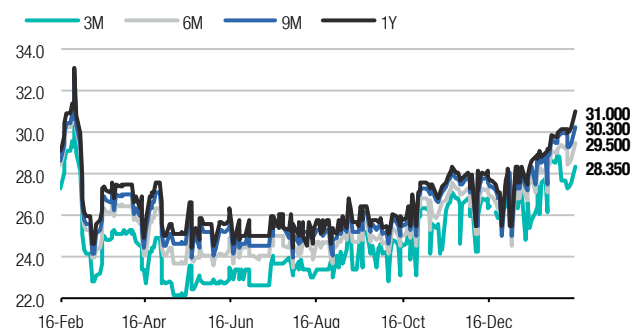


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

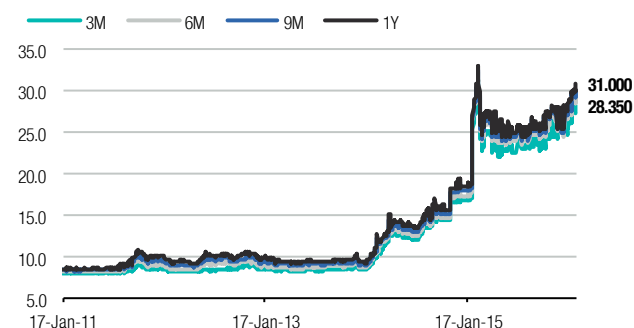


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

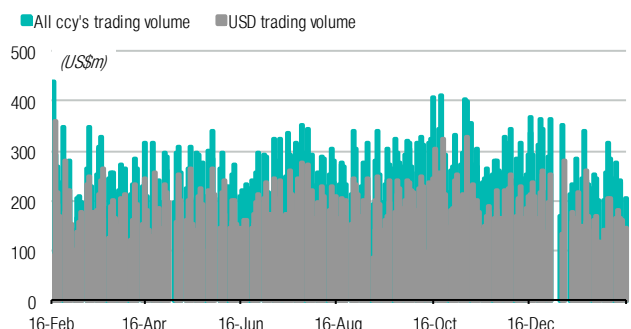


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

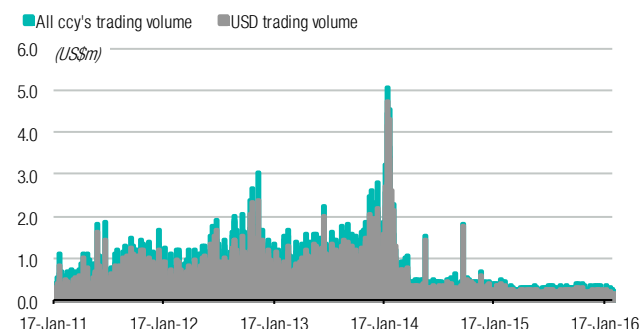


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

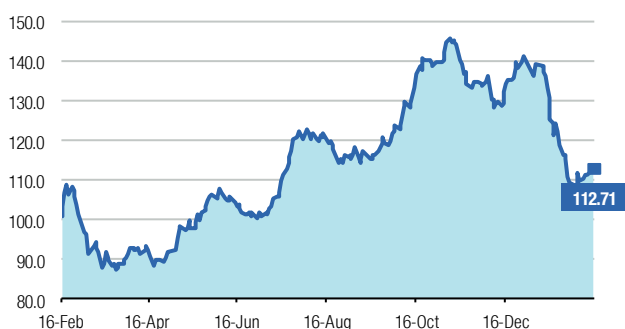


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)

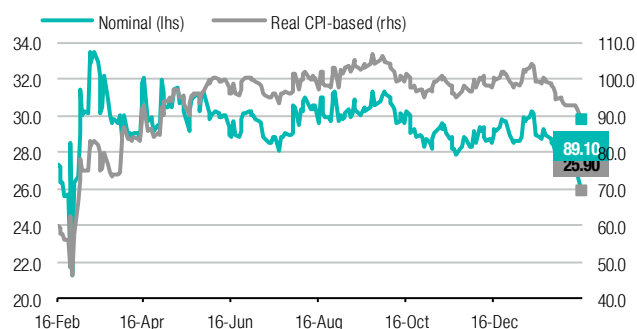


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

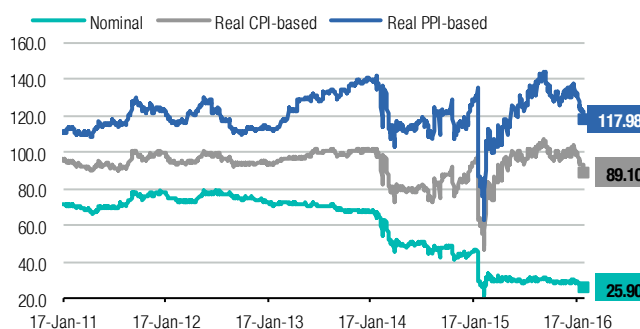
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology (for more details visit <http://www.icu.ua/en/research/currency-indices>).

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



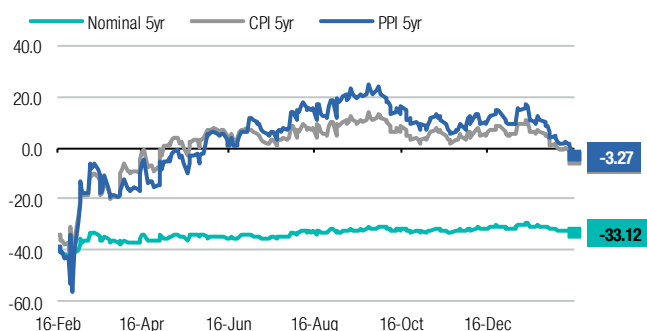
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

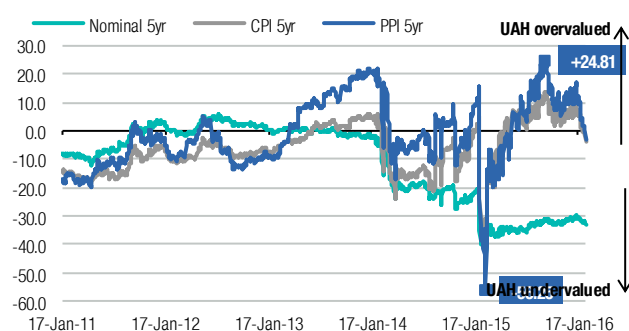


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

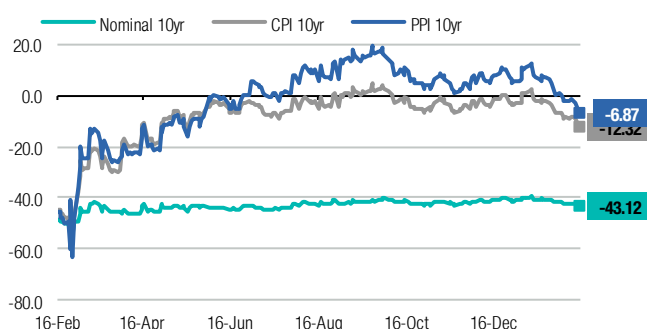


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

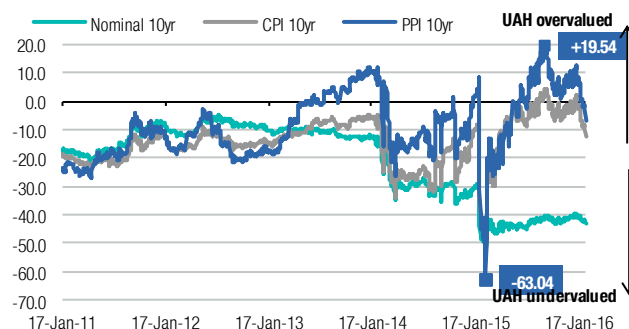


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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.

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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