



Focus  
**Ukraine**

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

Research team  
**Taras Kotovych**

# Daily Insight

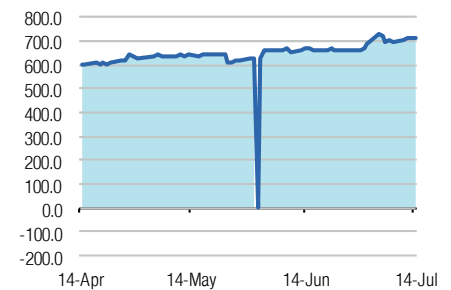
## NBU portfolio decreases

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FRIDAY, 15 JULY 2016

### UX Index (3 months to 15 Jul 2016)



Source: UX.

### Key market indicators (as of 14 Jul 2016)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	24.7750	+0.02	+3.11
USD/UAH (1Y NDF)	28.8250	+0.02	+13.06
EUR/USD	1.1120	+0.27	+2.38
USD/RUB	62.9215	-1.60	-13.24
KievPRIME O/N (%)	15.17	+17bp	-389bp
KievPRIME 1M (%)	18.67	+0bp	-358bp
<b>SOVEREIGN EUROBONDS: yields and spreads</b>			
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	745bp	+0bp	+0bp
<b>EQUITIES</b>			
<b>Stock market indices</b>			
UX (Ukraine)	712.65	-0.13	+3.91
MSCI World	411.70	+0.59	+3.09
MSCI EM	865.93	+1.12	+9.04
RTS (Russia)	972.44	+2.11	+28.45
WIG-20 (Poland)	1,745.34	+0.07	-6.12
S&P 500 (USA)	2,163.75	+0.53	+5.86

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

## Outflows to budget

Banking sector liquidity slid UAH1.10bn to UAH98.34bn yesterday as banks' correspondent accounts with the NBU declined UAH0.78bn to UAH38.84bn and total CDs outstanding slid UAH0.32bn to UAH59.50bn. This decline is similar to the UAH1.16bn new in bond purchases at Tuesday's auction which settled on Wednesday.

**Investment implications:** *Although this decline matches the UAH3.0bn of funds paid from the budget received by the NBU, the NBU received slightly more than half of these funds (see comment below). Additional outflows which increased the decline in liquidity were allocated approximately half to the budget for new bonds and half to the FX market.*

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## NBU portfolio decreases

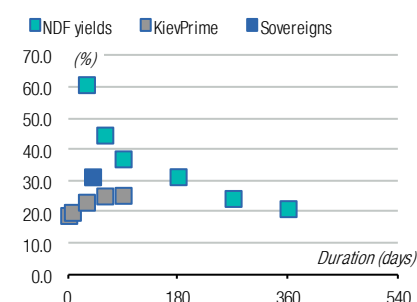
After Wednesday's scheduled debt repayments when the MoF repaid UAH3.0bn in principal repayments and the auction sales were settled, the main portfolios adjusted slightly, with most of the movement occurring in the NBU's portfolio which declined UAH1.87bn to UAH373.41bn, the lowest share of bonds outstanding since April 2015 and the lowest level since November 2015. The banks' portfolio increased UAH0.64bn to UAH134.01bn, with its share up to 24.67%, while the other residents' portfolio decreasing UAH0.63bn to UAH13.52bn, with its share falling to 2.49% of total bonds outstanding. The non-residents' portfolio and share moved insufficiently, most likely due to exchange rate movements.

**Investment implications:** *Recent changes in the portfolios appear to be the result of Tuesday's auction bond purchases, while debt repayments were also received by non-banking bondholders. This week, we could also see a slight reallocation of bonds from banks to non-banks, but this could be delayed to the next auction scheduled next week when the MoF will offer 3-year local-currency and 2-year FX-denominated bonds. The 3-year bonds could offer higher interest rate and a longer maturity for investors.*

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## Yield curve of the local bond market

(as of market close on 14 Jul 2016)



Sources: Bloomberg, Investment Capital Ukraine LLC.

## Bond market indicators (as of 14 Jul 2016)

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

### MONEY MARKET KIEV PRIME RATES (%)

O/n	15.17	+17bp	+17bp	-183bp	-389bp
1wk	16.67	+0bp	+17bp	-133bp	-333bp
1m	18.67	+0bp	+17bp	-133bp	-358bp
2m	19.25	+33bp	+75bp	-117bp	-425bp
3m	19.58	+33bp	+58bp	-100bp	-417bp

### LIQUIDITY WIDE MEASUREMENT (UAHm)

CB acc's <sup>1</sup>	38,838	-1.97	+2.73	-4.09	+0.98
CDs <sup>2</sup>	0	+0.00	+0.00	-100.0	-100.0
Sovgns <sup>3</sup>	5,973	+0.00	-23.70	-52.63	+26.62
<b>Total</b>	<b>44,811</b>	<b>-1.71</b>	<b>-1.80</b>	<b>-59.92</b>	<b>-65.52</b>

### HOLDERS OF UAH SOVEREIGN BONDS (UAHm)

C.bank	373,412	-0.50	-0.50	-1.40	-1.69
Banks	134,013	+0.48	+0.42	+2.19	+64.29
Resid's <sup>4</sup>	13,516	-4.46	-3.93	-5.07	-35.63
Non-res <sup>5</sup>	22,292	-0.07	-0.07	-0.54	-0.06
<b>Total</b>	<b>543,234</b>	<b>-0.35</b>	<b>-0.35</b>	<b>-0.60</b>	<b>+7.64</b>

### 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 <sup>6</sup>	N/A	N/A	N/A	N/A	N/A

### EUROBONDS USD SOVEREIGN BOND YIELDS (%)

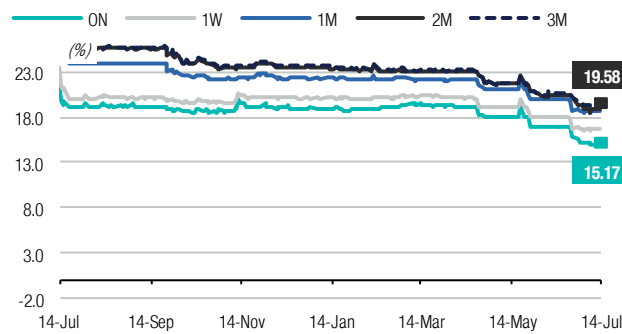
CDS 5yr	745	+0bp	+0bp	+1bp	+0bp
Jun '16	N/A	+114bp	+0bp	+0bp	+0bp
Jul '17	29.14	+26bp	+0bp	+0bp	+0bp
Sep '20	14.02	+4bp	+0bp	+0bp	+0bp
Sep '21	14.22	+0bp	+0bp	+0bp	+0bp
Sep '22	12.32	-1bp	+0bp	+0bp	+0bp
Feb '23	11.85	+0bp	+0bp	+0bp	+0bp

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.

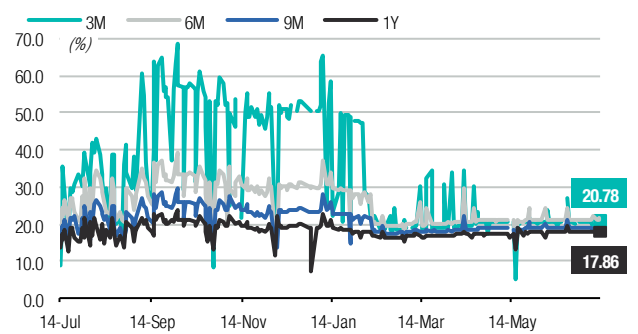
Chart page: Local bond market & Eurobond markets

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



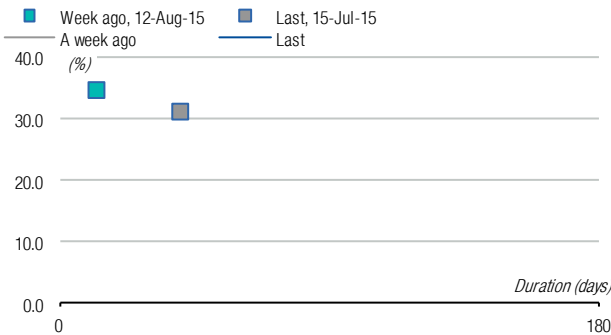
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



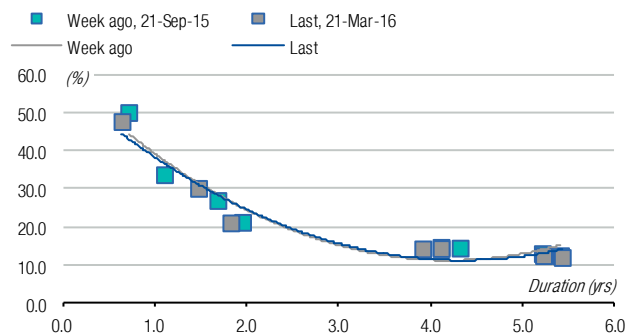
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 14 Jul 2016



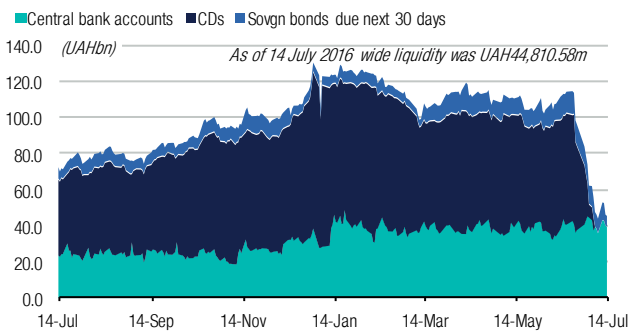
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 14 Jul 2016



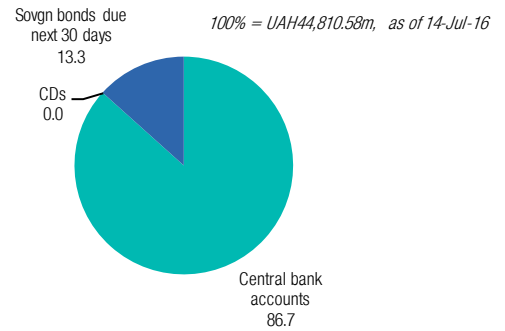
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



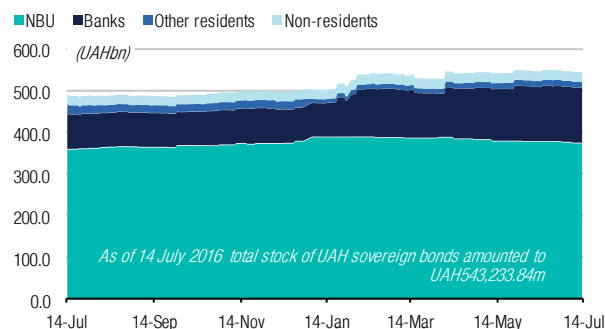
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 14 Jul 2016



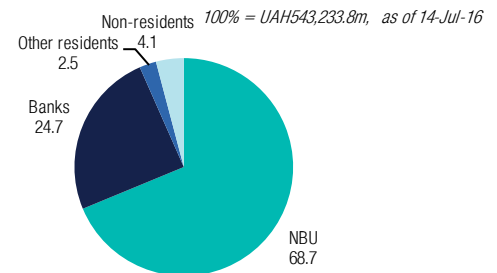
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 14 Jul 2016



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

Table 1. Ukrainian stocks (closing prices as of 14-Jul-2016)

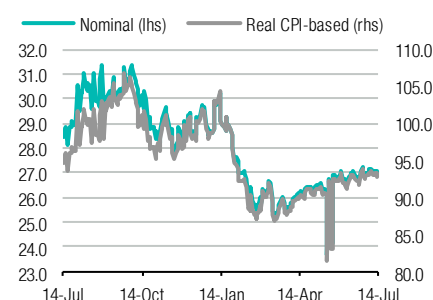
Company	Bloomberg Ticker	Listing	Share price performance (% change)					Valuation (US\$)			Free float (FF) & Liquidity					P/E			EV/EBITDA			EV/Sales			Ratios		
			Last price	Daily	MoM	YTD	YoY	Last price	Market cap (m)	EV (m)	FF (%)	FF mkt cap (US\$m)	Last day turnover (US\$ 000)	3M avg. turnover (US\$ 000)	FF share traded (%)	FF turnover (days)	2014	2015E	2016E	2014	2015E	2016E	2014	2015E	2016E	P/B (x)	Debt/Assets (%)
<b>ENERGY</b>																											
Cadogan Petrol...	CAD LN	London	7.88 GBp	+0.0	+3.3	-3.1	-29.2	0.11	24.4	-11.8	40.2	9.8	0.0	10.4	0.02	4,545	Neg.	9.0	9.8	1.3	Neg.	Neg.	Neg.	Neg.	Neg.	0.4	17.5
Centrenergo	CEEN UK	Kiev, UX	7.84 UAH	+0.0	+5.9	+71.8	+1.0	0.32	116.9	105.0	21.7	25.4	7.7	14.3	0.04	2,651	132.4	8.6	N/A	0.3	3.0	N/A	0.4	0.3	N/A	1.1	3.4
Coal Energy	CLE PW	Warsaw	0.55 PLN	-1.8	-1.8	+3.8	-16.7	0.14	6.2	78.3	25.0	1.6	0.2	0.5	0.01	9,326	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	13.78 UAH	+0.0	-0.3	-12.6	-34.3	0.56	13.2	19.1	14.2	1.9	0.4	2.2	0.08	1,226	Neg.	N/A	N/A	0.1	N/A	N/A	0.1	N/A	N/A	0.2	4.2
JKX Oil & Gas	JKX LN	London	17.50 GBp	-7.9	-9.7	-35.8	-10.3	0.23	40.3	48.7	47.2	19.0	0.0	7.7	0.04	2,399	Neg.	Neg.	Neg.	Neg.	1.9	N/A	0.5	0.7	0.8	0.2	13.0
Regal Petroleum	RPT LN	London	3.88 GBp	+0.0	+3.3	+3.3	-22.3	0.05	16.7	-16.3	80.9	13.5	0.0	3.7	0.02	5,429	Neg.	N/A	N/A	Neg.	N/A	N/A	Neg.	N/A	N/A	0.3	0.0
Sadova Group	SGR PW	Warsaw	0.19 PLN	+5.6	-9.5	-36.7	-36.7	0.05	2.1	43.4	25.0	0.5	0.9	0.2	0.09	1,089	Neg.	N/A	N/A	Neg.	N/A	N/A	41.9	N/A	N/A	N/A	137.6
Zakhidenergo	ZAEN UK	Kiev, PFTS	53.00 UAH	+0.0	+6.0	-36.9	-68.3	2.14	27.4	58.8	5.0	1.4	0.0	0.3	0.03	3,963	Neg.	N/A	N/A	0.1	N/A	N/A	0.1	N/A	N/A	0.3	11.6
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.01 UAH	+0.0	+4.5	-42.5	-51.2	0.00	6.7	2,497.3	3.9	0.3	0.0	0.1	0.03	2,882	Neg.	N/A	N/A	15.2	N/A	N/A	7.9	N/A	N/A	N/A	192.1
Ferrexpo PLC	FXPO LN	London	39.50 GBp	-1.3	+24.4	+83.7	-33.6	0.53	311.7	1,179.2	22.4	69.8	489.5	445.1	0.42	239	9.4	2.6	3.7	8.5	4.5	6.2	1.2	1.3	1.4	1.3	73.7
Yasynivsky Cok...	YASK UK	Kiev, UX	0.14 UAH	+0.0	-8.0	-40.0	-37.3	0.01	1.5	2.1	9.0	0.1	0.0	0.0	0.04	2,594	Neg.	N/A	N/A	Neg.	N/A	N/A	0.0	N/A	N/A	0.0	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	0.33 EUR	+0.0	-2.9	-17.5	-23.3	0.37	36.5	74.8	34.0	12.4	23.4	40.8	0.15	646	Neg.	11.7	3.6	4.1	3.4	2.9	1.1	1.2	1.0	0.5	40.7
Agroliga	AGL PW	Warsaw	15.00 PLN	+3.4	-0.3	+31.8	+39.3	3.78	5.8	7.0	16.7	1.0	0.0	1.0	0.08	1,231	1.9	N/A	N/A	1.9	N/A	N/A	0.4	N/A	N/A	0.5	10.7
Agrotron	AGT PW	Warsaw	1.28 PLN	-0.8	+13.3	+26.7	+12.3	0.32	7.0	21.0	26.2	1.8	2.3	5.4	0.20	492	Neg.	N/A	N/A	0.9	N/A	N/A	0.5	N/A	N/A	0.2	32.4
Astarta Holdin...	AST PW	Warsaw	46.09 PLN	+1.3	+2.9	+33.6	+39.3	11.62	290.6	440.8	31.0	90.1	2.8	67.0	0.01	9,393	16.4	3.8	3.1	3.3	3.4	3.1	1.3	1.2	1.0	1.1	41.5
Avangard	AVGR LI	London Intl	0.84 USD	+0.0	-7.7	-32.8	-23.3	0.84	53.7	381.8	21.7	11.6	0.0	7.1	0.04	2,461	Neg.	4.9	N/A	Neg.	7.8	N/A	1.7	1.4	N/A	0.3	53.9
IMC	IMC PW	Warsaw	6.89 PLN	+0.0	-2.3	+15.4	+36.4	1.74	54.4	140.5	23.9	13.0	0.2	18.7	0.12	853	3.7	2.6	2.4	2.1	2.8	3.1	1.0	0.9	0.8	0.9	56.8
Kernel Holding...	KER PW	Warsaw	56.94 PLN	-0.5	+15.0	+18.4	+44.4	14.36	1,144.3	1,583.2	58.8	672.5	1,096.8	1,649.3	0.32	313	10.7	5.1	4.7	4.0	4.5	4.2	0.7	0.7	0.6	1.2	32.0
KSG Agro	KSG PW	Warsaw	1.61 PLN	-3.6	+4.5	+73.1	+151.6	0.41	6.1	69.4	34.4	2.1	1.6	11.0	0.27	368	Neg.	N/A	N/A	6.9	N/A	N/A	2.2	N/A	N/A	N/A	67.4
MHP	MHPC LI	London Intl	9.00 USD	+0.0	-2.2	-3.2	-10.0	9.00	951.0	2,203.9	22.3	212.3	134.0	278.1	0.07	1,422	Neg.	5.6	3.9	4.8	5.3	5.0	1.9	1.7	1.5	1.6	61.6
Milkiland	MLK PW	Warsaw	1.75 PLN	-1.7	+6.7	+23.2	+18.2	0.44	13.8	129.1	20.0	2.8	2.7	8.8	0.11	943	Neg.	Neg.	Neg.	Neg.	14.4	8.4	0.6	0.6	0.6	0.4	57.6
Ovostar Union	OVO PW	Warsaw	94.99 PLN	+2.6	+0.0	+5.0	+14.4	23.96	143.7	152.2	25.0	35.9	1.1	3.6	0.01	8,064	4.6	6.1	6.4	4.4	5.4	5.6	2.0	1.9	1.6	1.9	16.9
<b>TRANSPORTATION</b>																											
KDM Shipping	KDM PW	Warsaw	1.67 PLN	+3.1	-25.4	-63.5	-38.1	0.42	3.9	-11.8	10.9	0.4	0.5	0.4	0.17	606	Neg.	N/A	N/A	4.0	N/A	N/A	Neg.	N/A	N/A	0.1	8.9
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Frankfurt	0.01 EUR	-8.3	-21.4	-84.3	-78.0	0.01	0.6	93.5	13.1	0.1	0.0	0.1	0.15	672	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	0.10 UAH	+0.0	+28.3	+37.7	+16.1	0.00	257.6	N/A	3.8	9.8	1.5	6.0	0.06	1,813	Neg.	3.6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.9	14.4
Ukrsofsbank	USCB UK	Kiev, UX	0.06 UAH	+0.0	-4.4	-37.3	-29.5	0.00	289.0	N/A	4.5	12.9	0.3	0.6	0.00	61,312	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.3	24.3

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 15 Jul 2016)



Source: Investment Capital Ukraine LLC.

## FX market indicators (as of 14 Jul 2016)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	24.7750	+0.02	-0.14	-0.64	+3.11
NBU avg	24.7980	-0.09	-0.07	-0.47	+4.23
Ttl vlm <sup>1</sup>	258.29	-4.65	-26.53	+1.90	-28.90
\$ volume <sup>2</sup>	165.91	-6.94	-24.80	+3.85	-33.91
NDF 3M	26.0360	+0.07	-0.09	-0.32	+0.00
NDF 6M	27.3250	+0.02	-0.13	-0.58	-0.74
NDF 1Y	28.8250	+0.02	-0.12	-0.55	+13.06
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	26.947	-0.50	-0.79	-0.26	-5.77
UAH real CPI	92.751	-0.50	-0.79	-0.26	-5.33
UAH real PPI	125.104	-0.50	-0.79	-0.26	-4.05
USD nom'l	96.077	-0.14	-0.26	+1.21	-2.59
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	62.9215	-1.60	-2.60	-4.74	-13.24
EUR/USD	1.1120	+0.27	+0.52	-0.78	+2.38
USD/CNY	6.6835	-0.08	+0.02	+1.31	+2.92
USD/PLN	3.9652	-0.20	-1.07	+0.23	+1.08
USD/TRY	2.8782	-0.74	-2.01	-1.94	-1.34
USD/BYR	19,962.00	-0.31	-0.81	-0.12	+7.17
USD/KZT	339.0000	+0.15	+0.30	+0.30	-0.47
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	105.3500	+0.82	+4.55	-0.72	-12.37
GBP/USD	1.3343	+1.49	+3.37	-5.46	-9.45
USD/CHF	0.9809	-0.45	+0.22	+1.83	-2.12
AUD/USD	0.7632	+0.32	+2.05	+3.72	+4.75
USD/CAD	1.2892	-0.66	-0.85	+0.16	-6.84
USD/BRL	3.2526	-0.36	-3.41	-6.59	-17.88
USD/KRW	1,137.80	-0.74	-1.45	-3.02	-3.17
<b>COMMODITIES</b>					
Gold(\$/oz)	1,335.16	-0.56	-1.86	+3.84	+25.79
WTI crude <sup>3</sup>	45.68	+2.08	+1.20	-5.80	+23.33
Brent crd <sup>3</sup>	45.69	+1.24	+1.80	-3.91	+27.80
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	190.10	+0.80	+2.37	-1.10	+7.92

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>).

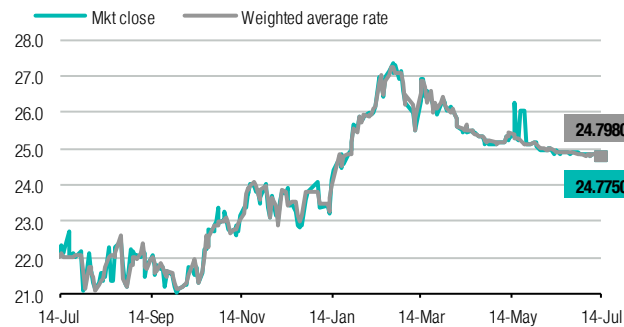
Section on FX market is continued on next page.

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.

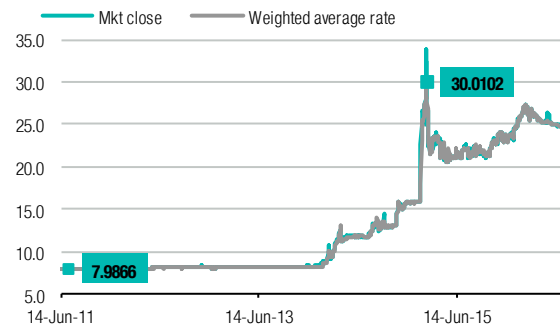
Sources: Bloomberg, Investment Capital Ukraine LLC.

### 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)**

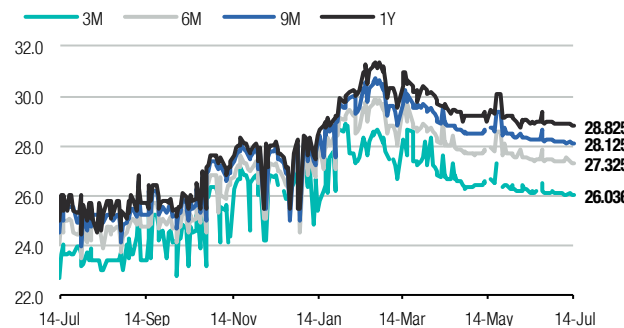


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

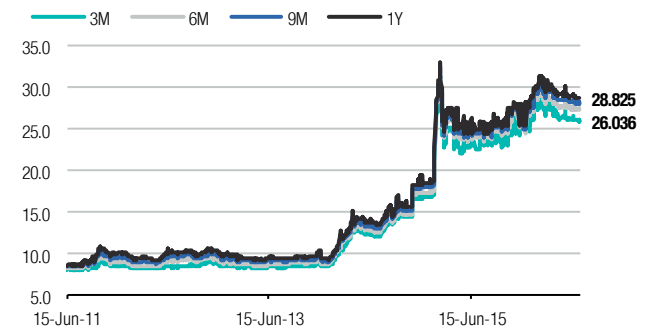


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

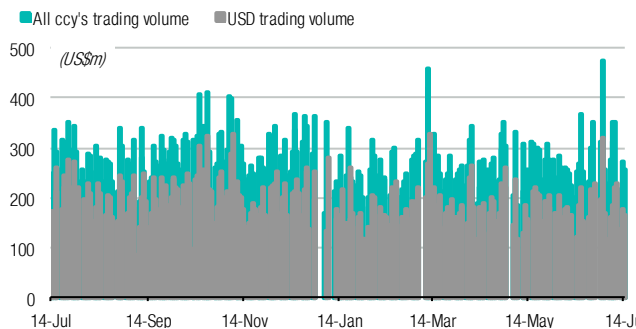


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

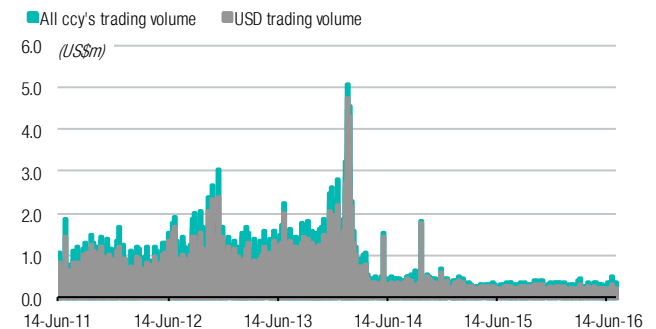


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

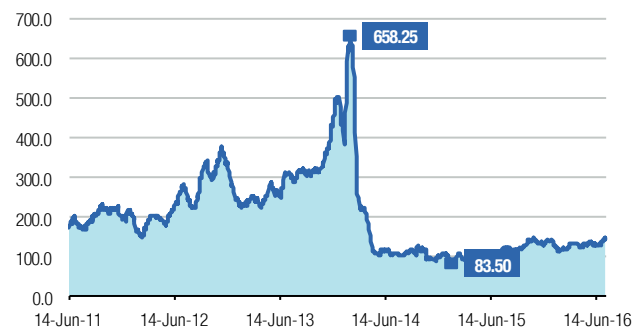


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)**

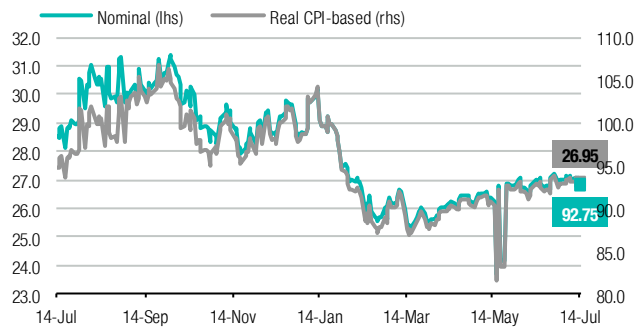


Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

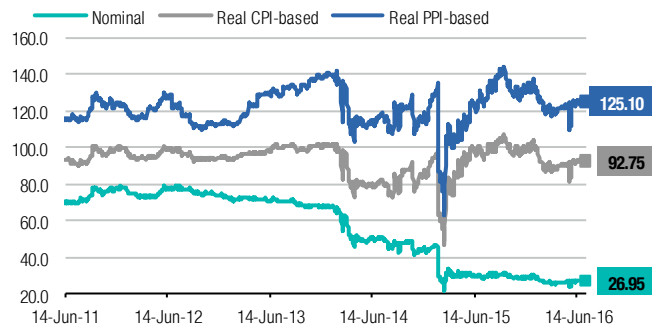
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology (for more details visit <http://www.icu.ua/en/research/currency-indices>).

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



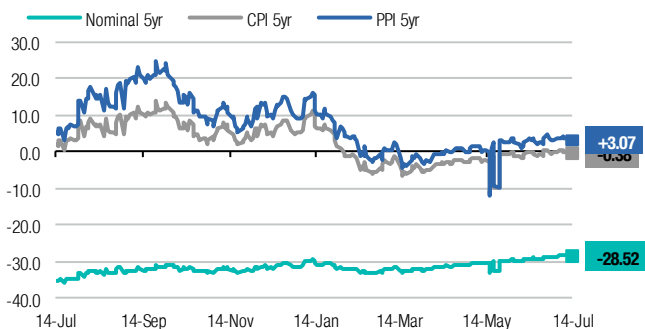
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

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

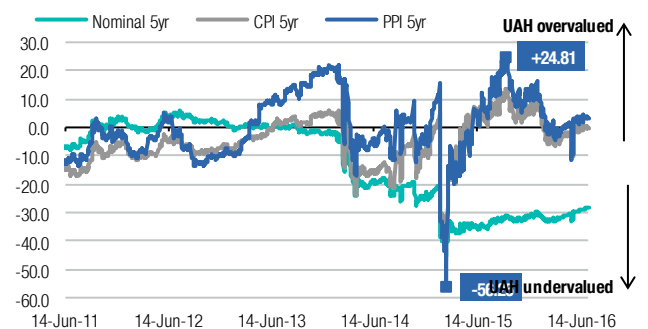


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

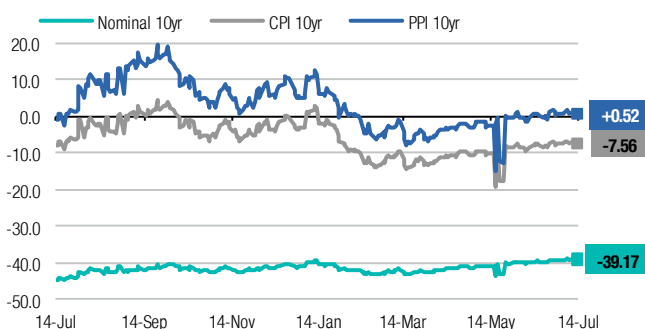


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

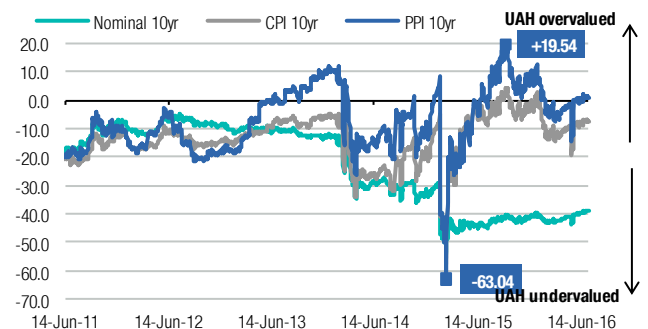


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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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