



Focus
Ukraine

Scope
Economics, bonds, equity & FX markets

Research team
Taras Kotovych

Daily Insight

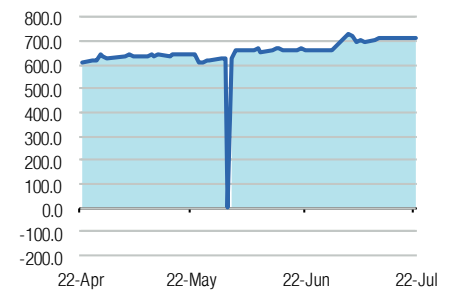
Primary auction announcement

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MONDAY, 25 JULY 2016

UX Index (3 months to 25 Jul 2016)



Source: UX.

Key market indicators (as of 22 Jul 2016)

| | Last | Daily chg (%) | YTD chg (%) |
|--|----------|---------------|-------------|
| FX & MONEY RATES | | | |
| USD/UAH | 24.7650 | -0.16 | +3.07 |
| USD/UAH (1Y NDF) | 28.8150 | -0.14 | +13.02 |
| EUR/USD | 1.0977 | -0.44 | +1.06 |
| USD/RUB | 64.7984 | +0.75 | -10.65 |
| KievPRIME O/N (%) | 15.00 | +0bp | -406bp |
| KievPRIME 1M (%) | 18.50 | +0bp | -375bp |
| 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 | 745bp | +0bp | +0bp |
| EQUITIES | | | |
| Stock market indices | | | |
| UX (Ukraine) | 711.60 | -0.64 | +3.75 |
| MSCI World | 412.67 | +0.06 | +3.33 |
| MSCI EM | 869.30 | -0.21 | +9.46 |
| RTS (Russia) | 935.98 | -1.17 | +23.64 |
| WIG-20 (Poland) | 1,792.97 | -0.59 | -3.56 |
| S&P 500 (USA) | 2,175.03 | +0.46 | +6.41 |

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 declines slightly

Last Friday, banking sector liquidity slid UAH0.17bn to UAH98.14bn after the NBU injected nearly UAH0.35bn via the FX market. Banks' correspondent accounts with the NBU declined UAH0.92bn to UAH39.27bn while total CDs outstanding was up UAH0.75bn to UAH58.87bn.

Investment implications: Liquidity declined most likely due to month-end tax payments as the MoF's injection (via the FX auction) amounted to about UAH0.35bn, which covered only part of the outflows. At the same time, banks increased the amount of CDs, and outflows will probably dominate this week.

Taras Kotovych, Kiev, +38044 2200120 ext.724

Primary auction announcement

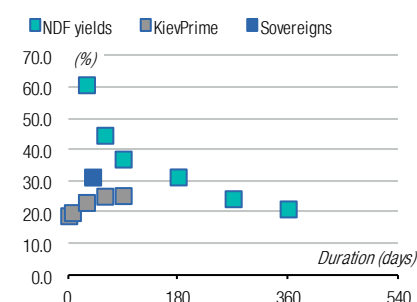
This week, in accordance with its schedule, the MoF announced that it would offer four bonds tomorrow with maturities from six months to two years. All are denominated in local currency. Zero-coupon bonds with maturities up to 12 months will be new primary placements while the 2-year bond will be a re-offering of the same series sold two weeks ago at a 16.62% coupon rate.

Investment implications: Demand for this auction could be less significant than was seen last week (except for demand for FX bonds), but could be seen for all of the offered bonds. Demand for 2-year bonds is expected to be around 16.60%, probably with small bids at 16.50-16.55%, while for 12-month bonds interest rates could slightly rise to 16.20% due an increase in the maturity compared with the last successful auction and lack of demand for this bond last week. The 9-month bond could see demand at 16.30% while bids for the 6-month bond could be seen at the usual unacceptable level of 16.50%.

Taras Kotovych, Kiev, +38044 2200120 ext.724

Yield curve of the local bond market

(as of market close on 22 Jul 2016)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 22 Jul 2016)

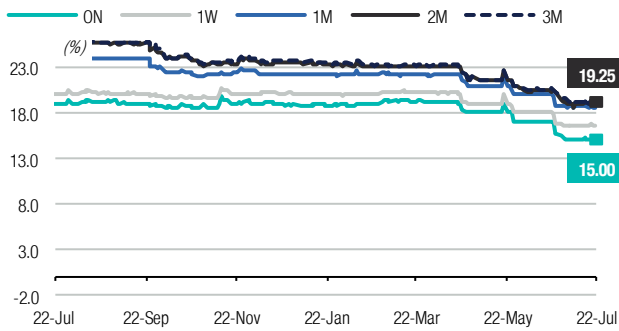
| | Last | Daily | Weekly | MoM | YTD |
|---|----------------|---------------|---------------|---------------|---------------|
| | chg (%) | chg (%) | chg (%) | chg (%) | chg (%) |
| MONEY MARKET KIEV PRIME RATES (%) | | | | | |
| O/n | 15.00 | +0bp | +0bp | -200bp | -406bp |
| 1wk | 16.67 | +17bp | +0bp | -133bp | -333bp |
| 1m | 18.50 | +0bp | -17bp | -150bp | -375bp |
| 2m | 18.92 | +0bp | -33bp | -146bp | -458bp |
| 3m | 19.25 | +0bp | +0bp | -138bp | -450bp |
| LIQUIDITY WIDE MEASUREMENT (UAHm) | | | | | |
| CB acc's ¹ | 39,267 | +0.12 | -2.05 | -3.67 | +2.22 |
| CDs ² | 58,869 | -23.31 | -23.07 | -25.73 | -47.98 |
| Sovgns ³ | 5,953 | +38.46 | +38.01 | -28.73 | +74.75 |
| Total | 104,089 | -10.93 | -11.54 | -18.08 | -28.67 |
| HOLDERS OF UAH SOVEREIGN BONDS (UAHm) | | | | | |
| C.bank | 373,412 | +0.00 | +0.00 | -1.40 | -1.69 |
| Banks | 132,363 | -0.01 | -1.16 | -1.20 | +62.26 |
| Resid's ⁴ | 13,443 | +0.00 | -0.91 | -6.92 | -35.98 |
| Non-res ⁵ | 22,294 | -0.01 | +0.08 | -0.27 | -0.07 |
| Total | 541,512 | +0.00 | -0.30 | -1.45 | +7.29 |
| NDF IMPLIED YIELDS (%) | | | | | |
| 3m | 20.94 | +18bp | +3bp | +24bp | +0bp |
| 6m | 21.45 | +4bp | +9bp | +20bp | -847bp |
| 9m | 19.27 | +4bp | +11bp | +23bp | -397bp |
| 1yr | 17.95 | +4bp | +12bp | +23bp | +11bp |
| 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 | 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.

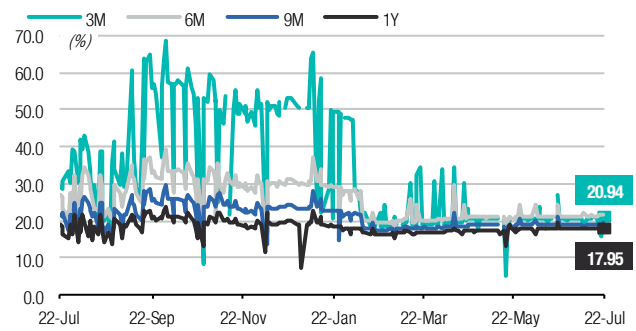
Chart page: Local bond market & Eurobond markets

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



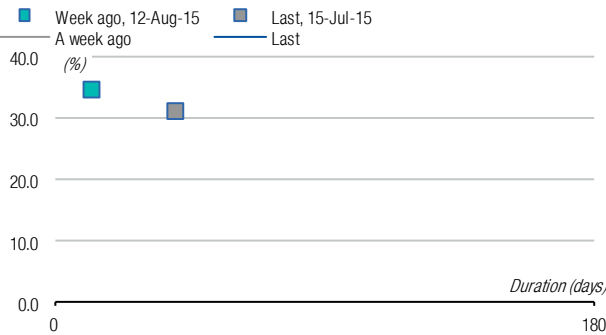
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



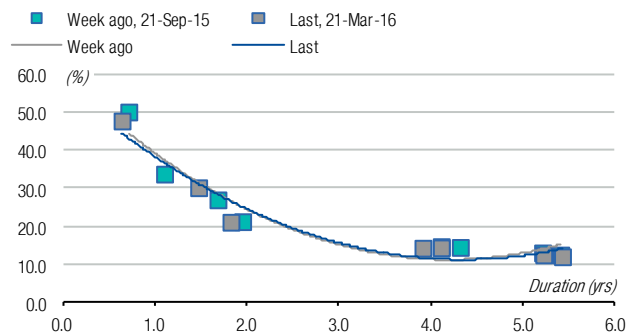
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 22 Jul 2016



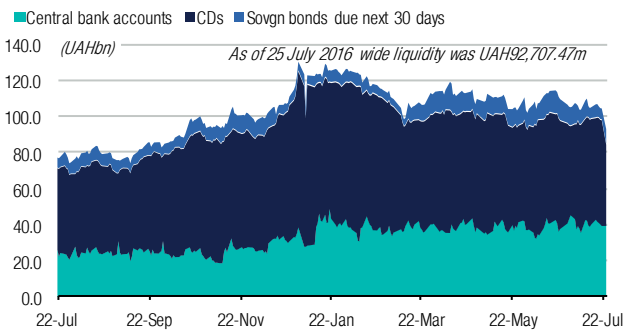
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 22 Jul 2016



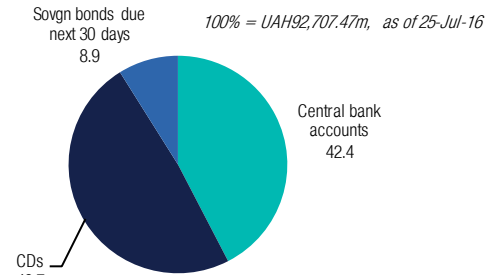
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



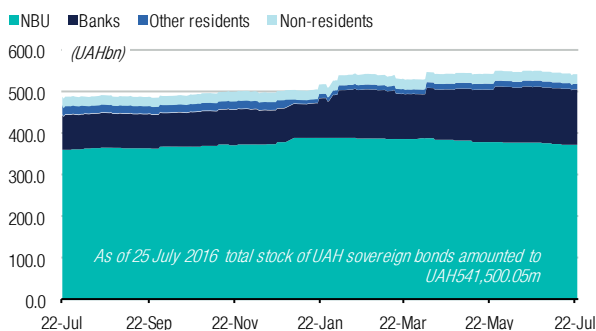
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 22 Jul 2016



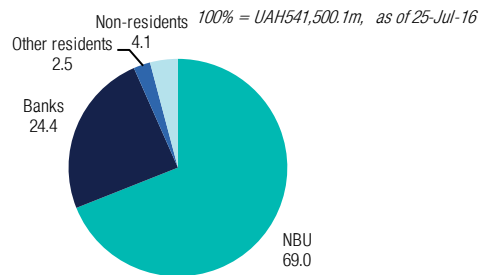
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 22 Jul 2016



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

Table 1. Ukrainian stocks (closing prices as of 22-Jul-2016)

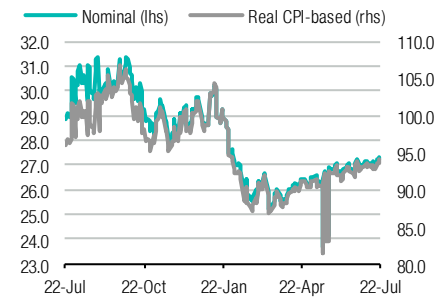
| Company | Bloomberg Ticker | Listing | Share price performance (% change) | | | | Valuation (US\$) | | | Free float (FF) & Liquidity | | | | | P/E | | | EV/EBITDA | | | EV/Sales | | | Ratios | | | |
|------------------------------|------------------|-------------|------------------------------------|-------|-------|-------|------------------|------------|----------------|-----------------------------|--------|--------------------|------------------------------|-----------------------------|---------------------|--------------------|-------|-----------|-------|------|----------|-------|------|--------|-------|---------|-----------------|
| | | | 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 (%) |
| ENERGY | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cadogan Petrol... | CAD LN | London | 7.88 GBp | +0.0 | +10.5 | -3.1 | -27.6 | 0.10 | 23.9 | -12.3 | 40.2 | 9.6 | 0.0 | 2.4 | 0.02 | 4,853 | Neg. | 8.8 | 9.6 | 1.4 | Neg. | Neg. | Neg. | Neg. | Neg. | 0.4 | 17.5 |
| Centrenergo | CEEN UK | Kiev, UX | 7.74 UAH | -0.4 | +5.3 | +69.7 | +3.2 | 0.31 | 114.8 | 103.0 | 21.7 | 24.9 | 4.4 | 12.2 | 0.03 | 3,016 | 130.8 | 4.3 | 5.3 | 0.3 | 2.3 | 2.6 | 0.4 | 0.3 | 0.2 | 1.1 | 3.4 |
| Coal Energy | CLE PW | Warsaw | 0.53 PLN | -1.9 | -1.9 | +0.0 | -20.9 | 0.13 | 6.0 | 78.0 | 25.0 | 1.5 | 0.1 | 0.4 | 0.01 | 7,492 | 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 | 13.70 UAH | -0.2 | +5.4 | -13.1 | -32.2 | 0.55 | 13.0 | 18.9 | 14.2 | 1.9 | 0.8 | 1.8 | 0.08 | 1,198 | Neg. | N/A | N/A | 0.1 | N/A | N/A | 0.1 | N/A | N/A | 0.2 | 4.2 |
| JXK Oil & Gas | JXK LN | London | 19.00 GBp | +0.0 | +11.8 | -30.3 | -3.8 | 0.25 | 42.8 | 51.2 | 47.2 | 20.2 | 0.4 | 4.4 | 0.04 | 2,838 | Neg. | Neg. | Neg. | Neg. | 2.0 | N/A | 0.6 | 0.7 | 0.8 | 0.2 | 13.0 |
| Regal Petroleum | RPT LN | London | 3.78 GBp | -2.5 | +7.2 | +0.7 | -24.8 | 0.05 | 15.9 | -17.1 | 80.9 | 12.9 | 0.3 | 3.3 | 0.01 | 11,565 | Neg. | N/A | N/A | Neg. | N/A | N/A | Neg. | N/A | N/A | 0.2 | 0.0 |
| Sadova Group | SGR PW | Warsaw | 0.17 PLN | +0.0 | -19.0 | -43.3 | -43.3 | 0.04 | 1.8 | 43.2 | 25.0 | 0.5 | 0.4 | 0.2 | 0.13 | 776 | Neg. | N/A | N/A | Neg. | N/A | N/A | 41.7 | N/A | N/A | N/A | 137.6 |
| Zakhidenergo | ZAEN UK | Kiev, PFTS | 62.50 UAH | +16.8 | +25.0 | -25.6 | -53.7 | 2.51 | 32.1 | 63.4 | 5.0 | 1.6 | 2.1 | 0.3 | 0.03 | 2,976 | 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 | +8.3 | +8.3 | -41.6 | -48.5 | 0.00 | 6.7 | 2,483.1 | 3.9 | 0.3 | 0.1 | 0.1 | 0.03 | 2,909 | Neg. | N/A | N/A | 15.1 | N/A | N/A | 7.9 | N/A | N/A | N/A | 192.1 |
| Ferrexpo PLC | FXPO LN | London | 39.00 GBp | -1.3 | +32.2 | +81.4 | -30.0 | 0.51 | 301.4 | 1,168.9 | 22.4 | 67.5 | 106.2 | 339.6 | 0.39 | 257 | 9.1 | 2.5 | 3.5 | 8.4 | 4.5 | 6.1 | 1.2 | 1.3 | 1.4 | 1.2 | 73.7 |
| Yasynivsky Cok... | YASK UK | Kiev, UX | 0.14 UAH | +0.0 | +6.9 | -39.1 | -43.8 | 0.01 | 1.5 | 2.1 | 9.0 | 0.1 | 0.0 | 0.0 | 0.04 | 2,363 | Neg. | N/A | N/A | Neg. | N/A | N/A | 0.0 | N/A | N/A | 0.0 | 0.0 |
| FOOD AND AGRIBUSINESS | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| AgroGeneration | ALAGR FP | EN Paris | 0.32 EUR | -3.0 | -3.0 | -20.0 | -43.9 | 0.35 | 34.9 | 72.7 | 34.0 | 11.9 | 27.0 | 40.1 | 0.13 | 750 | Neg. | 8.8 | 2.2 | 3.9 | 3.7 | 2.6 | 1.1 | 1.1 | 0.9 | 0.5 | 40.7 |
| Agroliga | AGL PW | Warsaw | 15.60 PLN | +0.0 | +6.2 | +37.1 | +35.7 | 3.92 | 6.0 | 7.2 | 16.7 | 1.0 | 0.4 | 1.0 | 0.07 | 1,495 | 2.0 | N/A | N/A | 2.0 | N/A | N/A | 0.4 | N/A | N/A | 0.6 | 10.7 |
| Agrotron | AGT PW | Warsaw | 1.42 PLN | -2.1 | +26.8 | +40.6 | +1.4 | 0.36 | 7.7 | 21.7 | 26.2 | 2.0 | 22.5 | 8.4 | 0.66 | 152 | 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 | 47.50 PLN | +1.5 | +6.8 | +37.7 | +35.7 | 11.95 | 298.8 | 446.9 | 31.0 | 92.7 | 1.9 | 52.4 | 0.02 | 4,477 | 17.1 | 4.0 | 3.2 | 3.4 | 3.5 | 3.2 | 1.3 | 1.2 | 1.0 | 1.2 | 41.5 |
| Avangard | AVGR LI | London Intl | 0.80 USD | +0.0 | -11.1 | -36.0 | -25.9 | 0.80 | 51.1 | 379.2 | 21.7 | 11.1 | 0.0 | 6.8 | 0.04 | 2,771 | Neg. | 4.6 | N/A | Neg. | 7.7 | N/A | 1.6 | 1.4 | N/A | 0.3 | 53.9 |
| IMC | IMC PW | Warsaw | 6.79 PLN | +0.6 | -3.0 | +13.7 | +16.5 | 1.71 | 53.5 | 139.6 | 23.9 | 12.8 | 1.6 | 17.3 | 0.09 | 1,095 | 3.6 | 2.6 | 2.3 | 2.1 | 2.8 | 3.0 | 1.0 | 0.9 | 0.8 | 0.9 | 56.8 |
| Kernel Holding... | KER PW | Warsaw | 61.48 PLN | +0.8 | +19.4 | +27.8 | +38.5 | 15.47 | 1,232.6 | 1,671.5 | 58.8 | 724.4 | 1,076.2 | 1,828.7 | 0.28 | 362 | 11.5 | 5.5 | 5.1 | 4.2 | 4.8 | 4.5 | 0.7 | 0.7 | 1.3 | 32.0 | |
| KSG Agro | KSG PW | Warsaw | 1.70 PLN | +0.0 | +14.1 | +82.8 | +66.7 | 0.43 | 6.4 | 69.7 | 34.4 | 2.2 | 2.8 | 11.2 | 0.21 | 467 | 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 | 8.65 USD | -3.9 | -10.6 | -7.0 | -16.0 | 8.65 | 914.0 | 2,167.0 | 22.3 | 204.0 | 3.1 | 236.3 | 0.07 | 1,436 | Neg. | 5.4 | 3.7 | 4.7 | 5.3 | 4.9 | 1.8 | 1.7 | 1.5 | 1.6 | 61.6 |
| Milkiland | MLK PW | Warsaw | 1.80 PLN | +0.6 | +12.5 | +26.8 | +9.1 | 0.45 | 14.2 | 127.9 | 20.0 | 2.8 | 4.7 | 8.7 | 0.23 | 430 | Neg. | Neg. | Neg. | Neg. | 14.3 | 8.4 | 0.6 | 0.6 | 0.6 | 0.4 | 57.6 |
| Ovostar Union | OVO PW | Warsaw | 94.00 PLN | +1.1 | -3.0 | +3.9 | +13.3 | 23.65 | 141.9 | 150.4 | 25.0 | 35.5 | 7.4 | 3.8 | 0.01 | 7,040 | 4.6 | 6.0 | 6.3 | 4.3 | 5.4 | 5.5 | 1.9 | 1.9 | 1.6 | 1.9 | 16.9 |
| TRANSPORTATION | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| KDM Shipping | KDM PW | Warsaw | 2.00 PLN | +0.0 | -10.7 | -56.3 | -20.0 | 0.50 | 4.7 | -11.0 | 10.9 | 0.5 | 5.0 | 0.7 | 0.34 | 292 | Neg. | N/A | N/A | 3.8 | N/A | N/A | Neg. | N/A | N/A | 0.1 | 8.9 |
| CONSTRUCTION | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TMM | TR61 GF | Frankfurt | 0.01 EUR | +0.0 | +0.0 | -85.7 | -85.7 | 0.01 | 0.6 | 93.4 | 13.1 | 0.1 | 0.0 | 0.1 | 0.03 | 3,015 | 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 | 0.10 UAH | -0.4 | +18.9 | +37.6 | +18.4 | 0.00 | 255.8 | N/A | 3.8 | 9.8 | 0.7 | 5.4 | 0.05 | 2,164 | 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 | +1.6 | N/A | N/A | N/A | 0.00 | 286.4 | N/A | 4.5 | 12.8 | 0.0 | N/A | N/A | N/A | 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 25 Jul 2016)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 22 Jul 2016)

| | Last | Daily | Weekly | MoM | YTD |
|---|-----------|---------|---------|---------|---------|
| | chg (%) | chg (%) | chg (%) | chg (%) | chg (%) |
| USD/UAH MARKET (HRYVNIA per US DOLLAR) | | | | | |
| Spot mkt | 24.7650 | -0.16 | -0.28 | -0.52 | +3.07 |
| NBU avg | 24.8126 | -0.01 | +0.02 | -0.34 | +4.30 |
| Ttl vlm ¹ | 287.85 | +13.64 | +1.56 | -2.73 | -20.76 |
| \$ volume ² | 162.11 | +12.65 | -12.13 | -24.77 | -35.43 |
| NDF 3M | 26.0200 | -0.12 | -0.28 | -0.48 | +0.00 |
| NDF 6M | 27.3150 | -0.15 | -0.26 | -0.47 | -0.77 |
| NDF 1Y | 28.8150 | -0.14 | -0.24 | -0.45 | +13.02 |
| TRADE-WEIGHTED INDICES (TWIs, points) | | | | | |
| UAH nom'l | 27.331 | +0.50 | +0.81 | +1.97 | -4.43 |
| UAH real CPI | 94.071 | +0.50 | +0.81 | +1.97 | -3.99 |
| UAH real PPI | 126.884 | +0.50 | +0.81 | +1.97 | -2.69 |
| USD nom'l | 97.467 | +0.48 | +0.92 | +4.00 | -1.18 |
| FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs | | | | | |
| USD/RUB | 64.7984 | +0.75 | +1.75 | -0.05 | -10.65 |
| EUR/USD | 1.0977 | -0.44 | -0.53 | -2.82 | +1.06 |
| USD/CNY | 6.6795 | +0.06 | -0.21 | +1.54 | +2.86 |
| USD/PLN | 3.9767 | +0.52 | -0.89 | +2.76 | +1.37 |
| USD/TRY | 3.0660 | -0.11 | +1.67 | +5.97 | +5.10 |
| USD/BYR | 19,828.00 | +0.39 | +0.02 | +0.24 | +6.45 |
| USD/KZT | 343.0000 | +0.29 | +1.12 | +2.46 | +0.70 |
| OTHER MAJOR CURRENCIES | | | | | |
| USD/JPY | 106.1300 | +0.29 | +1.19 | +1.65 | -11.72 |
| GBP/USD | 1.3109 | -0.94 | -0.63 | -10.87 | -11.04 |
| USD/CHF | 0.9871 | +0.14 | +0.45 | +2.98 | -1.50 |
| AUD/USD | 0.7462 | -0.44 | -1.53 | -0.52 | +2.42 |
| USD/CAD | 1.3127 | +0.30 | +1.18 | +2.20 | -5.14 |
| USD/BRL | 3.2565 | -0.47 | -0.72 | -3.59 | -17.78 |
| USD/KRW | 1,134.43 | -0.14 | +0.07 | -1.77 | -3.46 |
| COMMODITIES | | | | | |
| Gold(\$/oz) | 1,322.45 | -0.66 | -1.13 | +4.43 | +24.59 |
| WTI crude ³ | 43.49 | -1.05 | -5.35 | -10.20 | +17.41 |
| Brent crd ³ | 44.42 | -0.74 | -4.92 | -8.15 | +24.25 |
| Urals crd ³ | N/A | +0.00 | +0.00 | +0.00 | +0.00 |
| TR/J CRB ⁴ | 182.90 | -0.42 | -3.15 | -4.64 | +3.84 |

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>).

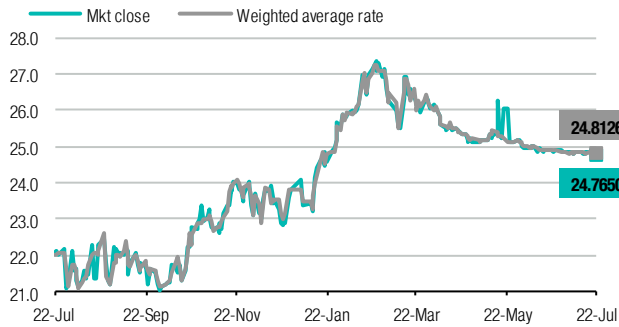
Section on FX market is continued on next page.

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.

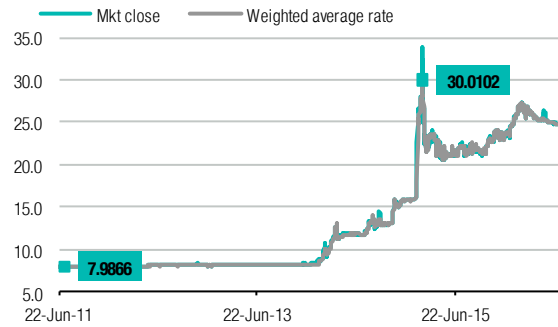
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

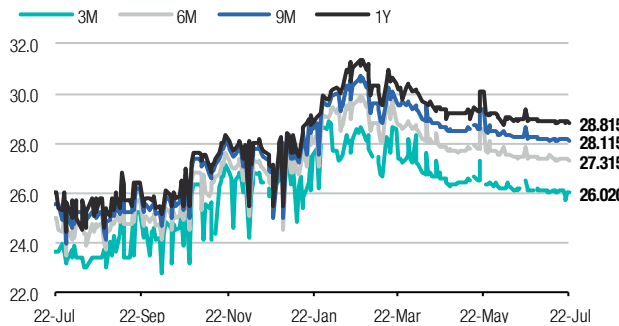


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

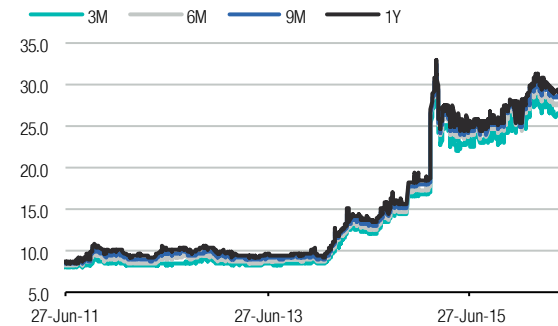


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

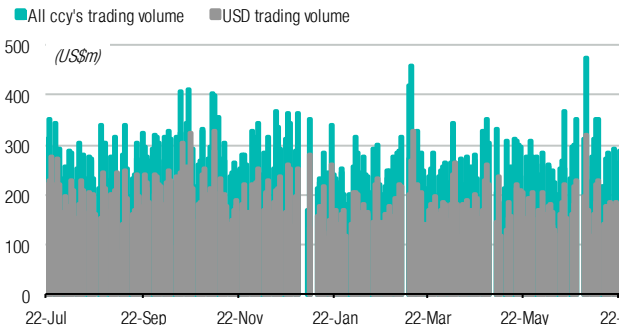


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

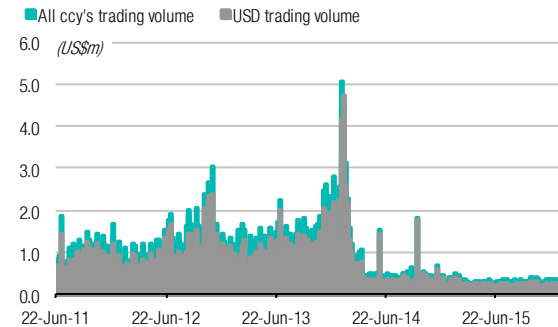


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

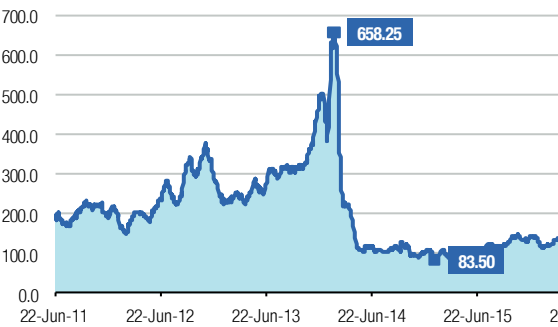
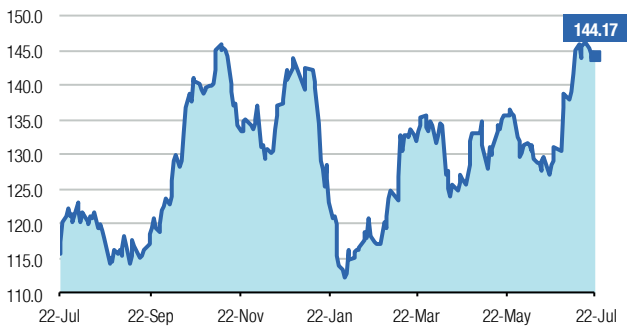


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)

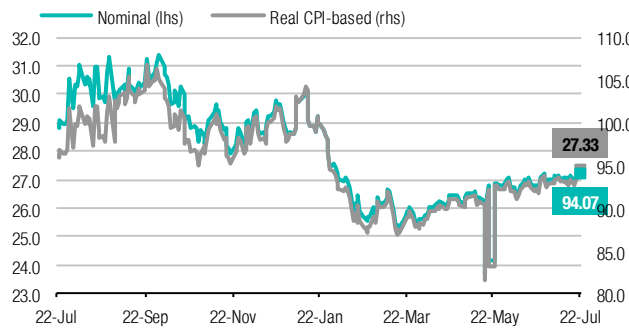


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

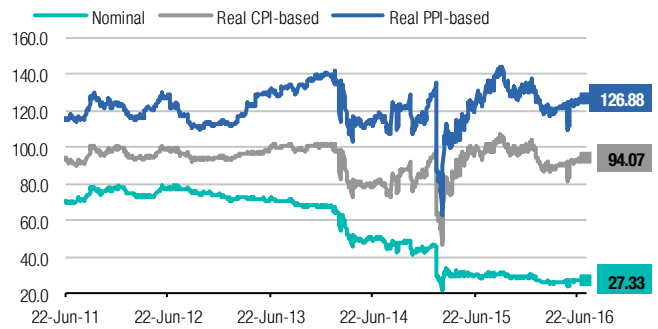
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology (for more details visit <http://www.icu.ua/en/research/currency-indices>).

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



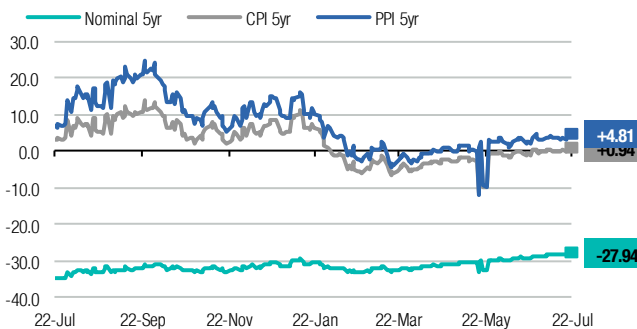
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

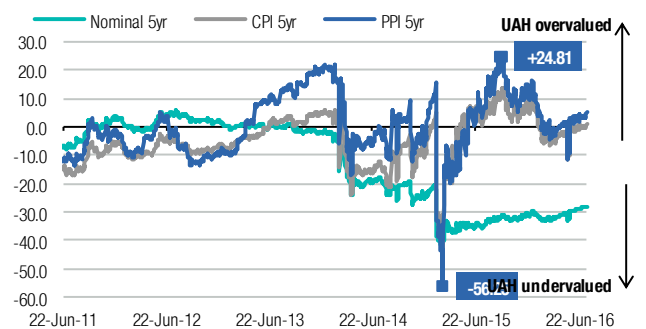


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

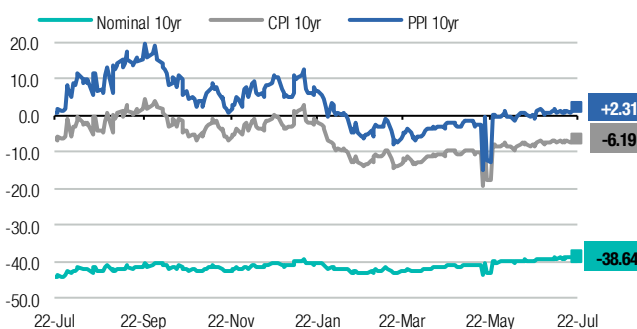


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

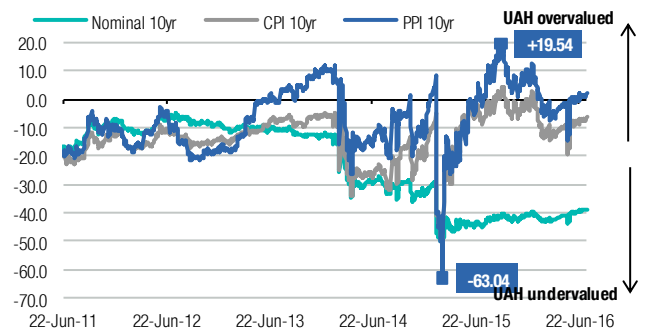


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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



11th floor, LEONARDO Business Centre
19-21 Bogdan Khmelnytsky Street
Kiev, 01030 Ukraine
Phone/Fax +38 044 2200120

WEB www.icu.ua    [@ICU-UA](https://twitter.com/ICU-UA)

CORPORATE FINANCE

Makar Paseniuk, CFA, Managing Director
makar.paseniuk@icu.ua

Ivan Shvydanenko, Director
ivan.shvydanenko@icu.ua

Roman Nikitov, ACCA Director
roman.nikitov@icu.ua

Yuriy Kamarytskyi, Vice President
yuriy.kamarytskyi@icu.ua

Ruslan Kilmukhametov, Director
ruslan.kilmukhametov@icu.ua

Ruslan Patlavsky, Director
ruslan.patlavsky@icu.ua

STRATEGY AND CORPORATE DEVELOPMENT

Vlad Sinani, Director
vlad.sinani@icu.ua

SALES AND TRADING

Konstantin Stetsenko 
Managing Director
konstantin.stetsenko@icu.ua


Liliya Kubytovych 
Asset Management Product Sales
liliya.kubytovych@icu.ua

Sergiy Byelyayev
Fixed-Income Trading
sergiy.byelyayev@icu.ua


Yevgeniya Gryshchenko
Fixed-Income Sales
yevgeniya.gryshchenko@icu.ua


Vitaliy Sivach 
Fixed-Income & FX Trading
vitaliy.sivach@icu.ua

RESEARCH DEPARTMENT

Alexander Valchyshen 
Head of Research
alexander.valchyshen@icu.ua

Taras Kotovych 
Senior financial analyst (Sovereign debt)
taras.kotovych@icu.ua

Alexander Martynenko 
Head of corporate research
alexander.martynenko@icu.ua

Mykhaylo Demkiv 
Financial analyst (Banks)
mykhaylo.demkiv@icu.ua

Bogdan Vorotilin 
Financial analyst (Food & Agribusiness)
bogdan.vorotilin@icu.ua

Lee Daniels, Rolfe Haas
Editors

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