

Bond Market Insight

Weekly review: 2014 opens quietly

TUESDAY, 14 JANUARY, 2014

With no state budget approved by Parliament, and as the MoF significantly increased borrowings at the end of 2013 and will hold its first primary auction in 2014 today, this year has opened quietly with no significant changes in the domestic or Eurobond markets.

Domestic bond market. 2014 began with UAH1.74bn in the MoF local currency accounts and UAH33.04bn in banks' correspondent accounts. All borrowings executed prior to 2014 were likely allocated to budget expenditures and FX reserves. During the extended holiday period of reduced business activity, liquidity slightly declined as the NBU increased absorption of excess liquidity.

Eurobond market. Ukrainian Eurobond YTM's were slightly volatile as spreads fluctuated after US Treasury yields declined as the expectation of a faster QE tapering waned last Friday following the official US jobs report that came in significantly below the optimistic forecast.

RESEARCH INSIGHT

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Key market indicators (as of 13 Jan 2014)

	Last close	Weekly chg (%)	YTD chg (%)
Currencies			
USD/UAH (spot)	8.3125	0.94	0.88
USD/UAH (1Y NDF)	9.3150	-1.11	-1.11
Rates, yields & spreads (%)			
Kiev Prime ON	2.31	-549bp	-549bp
Kiev Prime 3M	13.38	-262bp	-262bp
UAH NDF 1Y	12.70	-236bp	-228bp
Ukraine CDS 5Y	705bp	16bp	-111bp
Libor USD 1yr	0.57	-1bp	-1bp
UST 2yr	0.36	-3bp	-2bp
UST 10yr	2.83	-11bp	-20bp
UKRAINE 17	8.28	-1bp	-127bp
UKRAINE 23	8.73	16bp	-31bp
Money market data (UAHbn)			
Accounts at NBU	31.08	-5.94	-4.97
NBU CDs outstanding	7.20	3793.51	921.70
Local currency bond market data (UAHbn)			
Govt bond outstanding	N/A		
Held by			
NBU	N/A		
Banks	N/A		
Other residents	N/A		
Non-residents	N/A		

Notes: chg – percentage change; bp – basis points.

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

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Market update and news

Domestic bond market

Liquidity rose due to an increase in budget expenditures

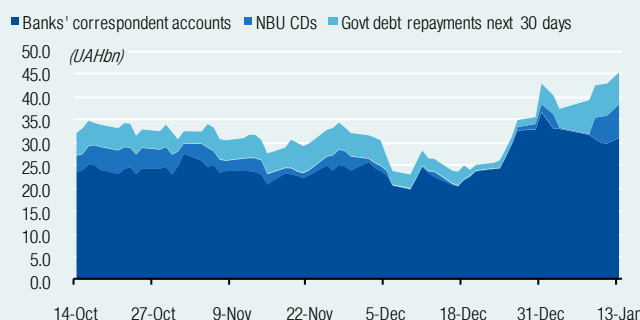
Liquidity significantly rose at the end of last year due to higher budget expenditures...

...and should continue to rise this year

At the end of 2013, the MoF significantly increased both its borrowings and budget expenditures. Banks' correspondent accounts with the NBU rose to UAH36.70bn and broader banking sector liquidity rose to UAH42.85bn, with UAH1.62bn of CDs and UAH4.53bn of local currency debt repayments scheduled for the next 30 days.

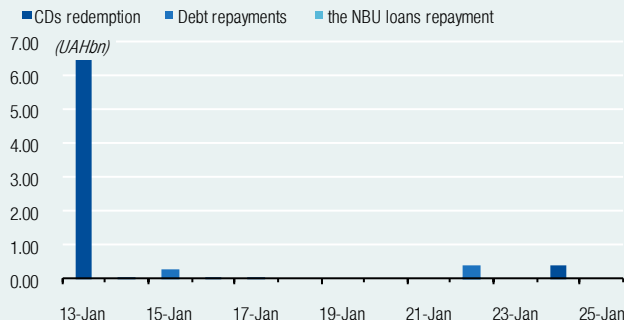
2014 opened with slightly lower liquidity, with UAH33.04bn at banks' correspondent accounts with the NBU, UAH3.13bn in CDs, and UAH4.10bn in local currency debt repayments scheduled for January. The NBU is expected to absorb excess liquidity in a few days when it increases CDs outstanding by UAH4.08bn to UAH7.20bn, in which should cause banks' correspondent accounts with the NBU to decline UAH1.96bn to UAH31.08bn. At the same time, total debt repayments scheduled for the next 30 days rose UAH2.93bn to UAH7.03bn, causing broader banking sector liquidity to rise to UAH45.31bn, the highest level in the last two years (see the left-hand chart below).

Chart 1. Banking sector liquidity (UAHbn) (last 3 months)



Sources: MoF, NBU, Investment Capital Ukraine LLC.

Chart 2. Future redemptions of CDs and UAH state bonds (UAHbn)



Sources: MoF, NBU, Investment Capital Ukraine LLC.

Liquidity could decline slightly this week

The NBU sold mostly short-term CDs last week that matured yesterday (see the right-hand chart above). As the NBU issued more CDs than it redeemed every day last week, total CDs outstanding increased. This could continue this week at the NBU's discretion. As insignificant payments are scheduled until month-end tax payments come due, liquidity could decrease only slightly.

The MoF has only UAH5.98bn to repay in January until the state budget is approved

Primary auctions in January

The MoF has scheduled three primary auctions in January, with one today and the following two on each Tuesday through the end of the month. As Parliament has not yet approved the 2014 state budget, the MoF cannot borrow more than it is scheduled to repay in principal repayments. With only UAH5.98bn in principal repayments scheduled, the MoF will likely not be very active at the primary market.

Only four bonds are scheduled to be offered in January

The MoF is scheduled offer three local currency bonds each week, including one zero-coupon bond with a 9-month maturity, and the routine 5-year and 7-year bonds with semi-annual coupon payments, sold at the standard 14.25% and 14.30% rates, respectively. The MoF is scheduled to offer a 2-year FX-denominated bond next week, which could attract market demand, as it must repay US\$0.22bn, or UAH1.83bn, in USD-denominated bonds next Wednesday.

Today's auction could be supported by the NBU

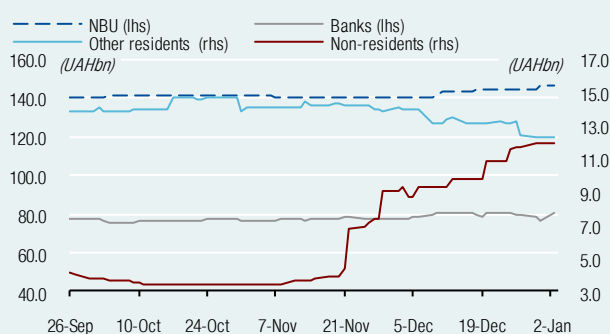
Today's primary auction could see demand supported by domestic QE. We anticipate no market demand tomorrow despite high liquidity. If any bids are submitted, they will likely be supported by the NBU.

Bondholders' structure at the beginning of 2014

Bonds outstanding rose as the banks' portfolio and share increased

2014 opened with UAH252.38bn in domestic government bonds outstanding, up significantly after domestic borrowings increased dramatically at the end of December 2013. On 3 January 2014, total bonds outstanding rose UAH4.68bn, due to the increase in the banks' portfolio, a move which adjusted the shares of various holders. The NBU's share declined 110bp to 58.27%, while the banks' share rose 128bp to 32.11% as the shares of other residents and non-residents slid 9bp to 4.88% and 4.74%, respectively.

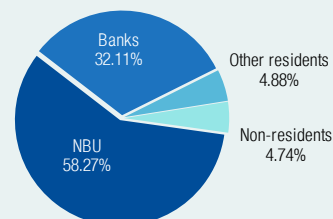
Chart 3. UAH state bondholders' portfolios (last 3 months)



Notes: other residents' and non-residents' data is plotted against the right-side axis, all other groups of bondholders are plotted against the left-side axis.

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

Chart 4. Breakdown of government bondholders (03 January, 2014)



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

Eurobond market

Conditions for Ukraine slightly improve

***YTM's decline while
spreads remain steady***

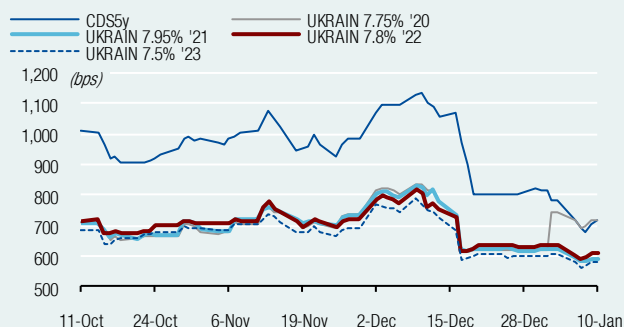
Ukrainian Eurobond YTM's slightly declined at the beginning of 2014 to below 9.0% for bonds with maturities in 2017-2023 and below 8.0% for bonds with maturities up to 2016. At the same time, spreads remained steady at about 600-700bp. The 5-year CDS fell to 725bp last Friday, having begun 2014 at about 830bp.

Chart 5. YTM's of some Ukrainian Eurobonds



Source: Bloomberg, Investment Capital Ukraine LLC.

Chart 6. Ukrainian Eurobond spreads and 5-year CDS



Source: Bloomberg, Investment Capital Ukraine LLC.

***Movements in Ukrainian
YTM's were caused by the
reaction of US Treasuries
to the unexpectedly low
US new jobs report***

US Treasury yields fell significantly in response to the unexpectedly lower increase in new jobs that came in below the market forecast. The 5-year US Treasury YTM declined to 1.62% from 1.74% and the 10-year US Treasury YTM slid to 2.86% from 3.03%.

Considering last year's external borrowings, YTM's of Ukrainian Eurobonds were influenced more by the US Treasury and external news than by domestic issues.

Appendixes

The following pages contain tabular information on the local fixed-income market. There are tables that detail government debt repayments such as a weekly schedule for current year and quarterly schedule for next 5 years.

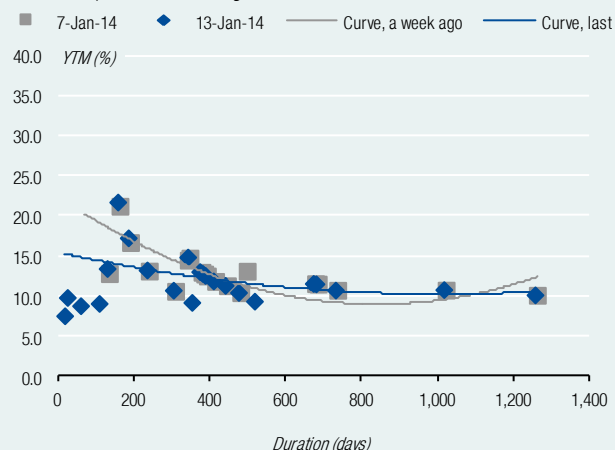
UAH bond market

Table 1. Ukrainian local-currency government bonds as of 13 Jan 2014

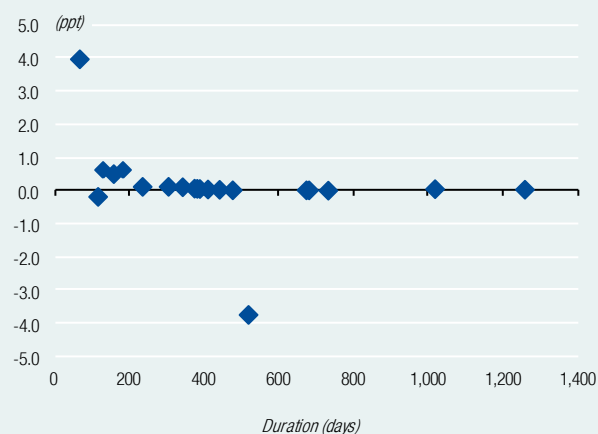
Ticker	Volume (UAHm)	Coupon rate (%)	Maturity	Price (% of par)	YTM (%)	Weekly price chg (bp)	Weekly yield chg (bp)	Duartion (years)	1W daily avg turnover (UAHm)	1W total turnover (UAHm)	Total turnover (UAHm)	Liquidity ratio*
108823	2,705.00	10.97	29-Jan-14	100.144	7.60			0.04	5.53	27.67	19,035.97	7.04
134936	2,745.10	15	5-Feb-14	100.312	9.87			0.06	0.00	0.00	1,645.21	0.60
137277	1,750.00	15	12-Mar-14	100.952	8.85			0.16	0.00	0.00	493.01	0.28
118871	1,437.35	10.13	30-Apr-14	100.321	9.13			0.29	22.08	110.40	10,104.87	7.03
140362	1,419.99	9.2	21-May-14	100.063	13.48	0	64	0.35	23.54	47.07	1,315.50	0.93
157135	2,443.88	7.97	23-Jul-14	99.625	17.30	0	59	0.50	0.00	0.00	168.98	0.07
158794	1,259.34	7.5	10-Sep-14	99.250	13.30	13	14	0.64	0.00	0.00	1,562.08	1.24
149231	1,014.86	8.32	19-Nov-14	99.500	10.78	6	14	0.83	15.48	77.42	1,577.93	1.55
151278	1,222.70	8.5	7-Jan-15	99.625	9.26	38	-526	0.96	4.00	4.00	950.73	0.78
000999	159.97	9.6	14-Jan-15	100.375	14.90	13	13	0.93	0.00	0.00	0.00	0.00
155485	1,816.28	8.09	11-Feb-15	98.875	13.09	13	8	1.02	0.00	0.00	4,987.76	2.75
157143	415.63	8.02	18-Feb-15	98.750	12.87	13	8	1.04	0.00	0.00	0.00	0.00
157127	410.77	8.02	25-Feb-15	98.750	12.62	13	7	1.06	0.00	0.00	2,039.28	4.96
160642	1,678.52	7.75	18-Mar-15	98.375	11.93	13	6	1.12	60.94	243.78	5,146.04	3.07
142699	2,591.59	9.45	22-Apr-15	100.250	11.38	13	5	1.20	33.94	169.69	9,820.05	3.79
142681	454.56	4.8	6-May-15	103.500	-3.36	0	-17	0.31	0.00	0.00	0.00	0.00
141071	1,259.78	9.45	27-May-15	100.250	10.50	13	3	1.30	5.00	25.00	5,831.75	4.63
142673	1,454.69	4.5	17-Jun-15	94.000	21.75	13	52	0.43	0.00	0.00	0.00	0.00
144083	18.54	9.45	8-Jul-15	100.500	9.41	13	-373	1.42	0.00	0.00	0.00	0.00
152441	2,675.79	8.25	27-Jan-16	98.375	11.62	13	3	1.84	0.00	0.00	55.17	0.02
153282	74.06	8.25	3-Feb-16	98.250	11.57	13	3	1.86	0.00	0.00	71.92	0.97
160923	2,493.75	7.5	16-Mar-16	96.625	49.11	13	399	0.18	0.00	0.00	0.00	0.00
160907	238.44	8	23-Mar-16	97.625	10.79	13	2	2.00	0.00	0.00	151.96	0.64
160915	2,493.75	8.25	22-Mar-17	96.375	10.85	0	7	2.78	0.00	0.00	0.00	0.00
151286	4,405.63	7.5	20-Dec-17	92.625	10.20	0	5	3.44	0.00	0.00	0.00	0.00

Notes: 1W - last 7-day period; turnover figures are trade volumes for a bond reported by PFTS; total turnover - total volume of trades with the bond at PFTS since issue date; [*] liquidity ratio - ratio of total turnover to bond's volume in outstanding.

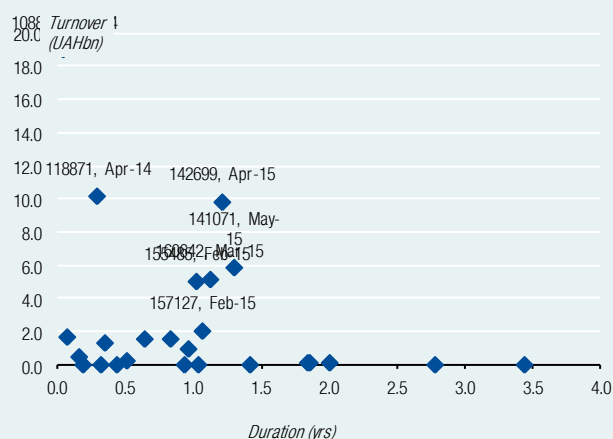
Sources: Bloomberg, PFTS, Investment Capital Ukraine LLC.

Chart 7. Shape of the local-currency sovereign yield curve*Last one compared to 1 week ago*

Sources: Ministry of Finance, Bloomberg, PFTS, Investment Capital Ukraine LLC.

Chart 8. Movement of the local-currency sovereign yield curve*Over last week, in percentage points*

Sources: Ministry of Finance, Bloomberg, PFTS, Investment Capital Ukraine LLC.

Chart 9. Map of Ukraine's local-currency government bonds by total turnover plotted against their duration

Note: Total turnover and duration are taken from Table 1, page 6. The bonds with turnover of UAH2bn and more have labels, which consist of PFTS ticker and after a coma month and year of maturity.

Sources: Ministry of Finance, Bloomberg, PFTS, Investment Capital Ukraine LLC.

Chart 10. Map of Ukraine's local-currency government bonds by liquidity ratio plotted against their duration

Note: Total turnover and duration are taken from Table 1, page 6. The bonds with liquidity ratio of 1.1x and more have labels, which consist of PFTS ticker and after a coma month and year of maturity.

Sources: Ministry of Finance, Bloomberg, PFTS, Investment Capital Ukraine LLC.

Eurobond market

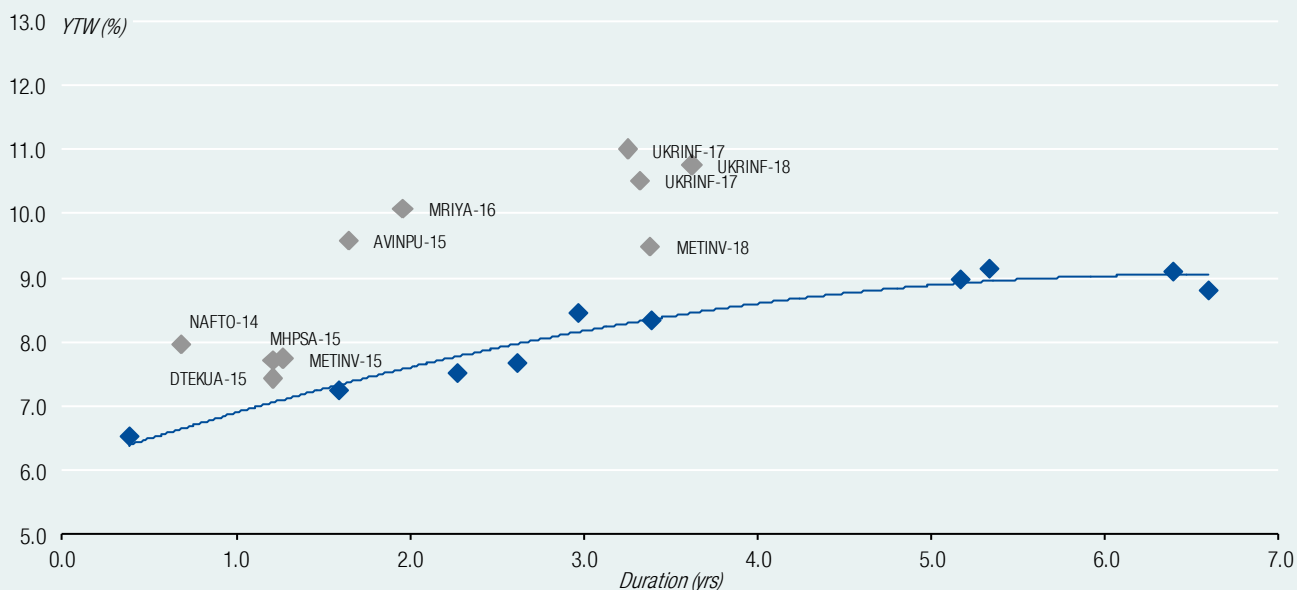
Table 2. Ukrainian Eurobonds as of 13 Jan 2014

Ticker	Issuer	Ratings	Volume (million)	Curr- ency	Coupon rate (%)	Maturity	Price (% of par)	YTM (%)	Weekly price chg (bp)	Weekly yield chg (bp)	Spread (bp)	Duration (years)
UKRAIN-14	Ministry of Finance	Caa1 /*-/B-/B-	1,000.0	USD	7.95	4-Jun-14	100.875	5.55	50	-136	451	0.38
UKRAIN-15	Ministry of Finance	Caa1 /*-/B-/B-	500.0	USD	6.875	23-Sep-15	99.886	6.94	-61	39	626	1.59
UKRAIN-15	Ministry of Finance	Caa1 /*-/B-/B-	600.0	EUR	4.95	13-Oct-15	99.000	5.55	25	-15	511	1.69
UKRAIN-16	Ministry of Finance	Caa1 /*-/B-/B-	1,250.0	USD	6.25	17-Jun-16	97.713	7.30	-25	12	670	2.27
UKRAIN-16	Ministry of Finance	Caa1 /*-/B-/B-	1,000.0	USD	6.58	21-Nov-16	97.709	7.48	-13	5	692	2.61
UKRAIN-17	Ministry of Finance	Caa1 /*-/B-/B-	2,600.0	USD	9.25	24-Jul-17	102.901	8.28	3	-1	735	2.96
UKRAIN-17	Ministry of Finance	Caa1 /*-/B-/B-	700.0	USD	6.75	14-Nov-17	95.456	8.15	-98	31	720	3.38
UKRAIN-20	Ministry of Finance	Caa1 /*-/B-/B-	1,500.0	USD	7.75	23-Sep-20	94.287	8.90	-132	28	721	5.16
UKRAIN-21	Ministry of Finance	Caa1 /*-/B-/B-	1,500.0	USD	7.95	23-Feb-21	94.219	9.07	-134	27	614	5.33
UKRAIN-22	Ministry of Finance	Caa1 /*-/B-/B-	2,250.0	USD	7.8	28-Nov-22	92.490	9.05	-97	17	614	6.39
UKRAIN-23	Ministry of Finance	Caa1 /*-/B-/B-	1,250.0	USD	7.5	17-Apr-23	92.256	8.73	-94	16	581	6.59
AGTPW-14	Agroton	NR/NR/WD	50.0	USD	12.5	14-Jul-14	52.188	210.70	0	-4,946	19,399	0.49
NAFTO-14	Naftogaz of Ukraine	NR/NR/B-	1,595.0	USD	9.5	30-Sep-14	101.250	7.61	0	-3	713	0.68
DTEKUA-15	DTEK	Caa1 /*-/NR/B-	500.0	USD	9.5	28-Apr-15	102.563	7.35	19	-17	663	1.21
MHPSA-15	MHP	Caa1 /*-/NR/B-	584.8	USD	10.25	29-Apr-15	103.813	7.07	0	-3	636	1.21
METINV-15	Metinvest Holding	Caa1 /*-/NR/B-	500.0	USD	10.25	20-May-15	103.500	7.44	31	-26	679	1.27
AVINPU-15	Avangard	NR/NR/B-	200.0	USD	10	29-Oct-15	101.125	9.28	81	-50	861	1.65
MRIYA-16	Mriya Agroholding	NR/B-/B-	250.0	USD	10.95	30-Mar-16	102.000	9.90	63	-32	935	1.96
INPIP-17	Interpipe	NR/NR/C	200.0	USD	10.25	2-Aug-17	81.563	17.44	63	-26	1,579	2.84
UKRINF-17	Infrastructure Projects	Caa1 /*-/NR/NR	538.0	USD	8.375	3-Nov-17	92.750	10.74	0	1	974	3.25
UKRINF-17	Infrastructure Prj	(P)Caa1 /*-/NR/NR	550.0	USD	9	7-Dec-17	96.354	10.15	-56	18	904	3.32
METINV-18	Metinvest Holding	Caa1 /*-/NR/B-	750.0	USD	8.75	14-Feb-18	98.000	9.35	69	-21	759	3.38
UKRINF-18	Infrastructure Projects	Caa1 /*-/NR/NR	690.0	USD	7.4	20-Apr-18	89.563	10.50	0	1	864	3.63
CITKIE-15	Kyiv	Caa1 /*-/B-/B-	250.0	USD	8	6-Nov-15	95.563	10.76	44	-27	996	1.69
CITKIE-16	Kyiv	Caa1 /*-/B-/B-	300.0	USD	9.375	11-Jul-16	95.375	11.57	13	-5	1,090	2.26
FICBUA-14	Finance and Credit Bank	Ca/NR/NR	95.0	USD	10.5	25-Jan-14	82.495	185.56	0	0	15,603	0.18
VABANK-14	VAB Bank	Caa1 /*-/NR/WD	112.5	USD	10.5	14-Jun-14	90.250	31.12	0	0	3,206	0.51
PUMBUZ-14	FUIB	Caa1 /*-/NR/NR	252.5	USD	11	31-Dec-14	101.000	9.88	19	-22	961	0.91
EXIMUK-15	Ukreximbank	Caa1 /*-/NR/B-	750.0	USD	8.375	27-Apr-15	98.063	10.01	-6	7	938	1.22
PRBANK-15	Pryvatbank	Caa1 /*-/NR/B-	200.0	USD	9.375	23-Sep-15	94.313	13.23	250	-177	1,221	1.55
PRBANK-16	Pryvatbank	Caa2 /*-/NR/NR	150.0	USD	8.75	9-Feb-16	80.018	17.79	359	-249	1,573	1.90
EXIMUK-16	Ukreximbank	Caa2 /*-/NR/CC	125.0	USD	8.4	9-Feb-16	87.625	12.81	25	-12	1,214	1.91
OSCHAD-16	Oshchadbank	Caa1 /*-/NR/B-	500.0	USD	8.25	10-Mar-16	94.375	11.26	-75	43	1,062	1.95
OSCHAD-16	Oshchadbank	NR/NR/B	200.0	USD	8.25	10-Mar-16	0.000	0.00	0	0	0	0.00
FXPOLN-16	Ferrexpo PLC	Caa1 /*-/B-/B-	500.0	USD	7.875	7-Apr-16	99.125	8.30	-6	3	788	2.04
NADRA-17	Nadra Bank	WR/NR/WD	59.7	USD	8	22-Jun-17	0.000	0.00	-8,250	-2,220	0	0.00
EXIMUK-18	Ukreximbank	Caa1 /*-/NR/B-	500.0	USD	8.75	22-Jan-18	92.125	11.24	-6	3	939	3.29
PRBANK-18	Pryvatbank	Caa1 /*-/NR/B-	175.0	USD	10.875	28-Feb-18	89.625	14.29	181	-64	1,238	3.23
OSCHAD-18	Oshchadbank	Caa1 /*-/NR/B-	500.0	USD	8.875	20-Mar-18	90.875	11.69	-38	13	980	3.44

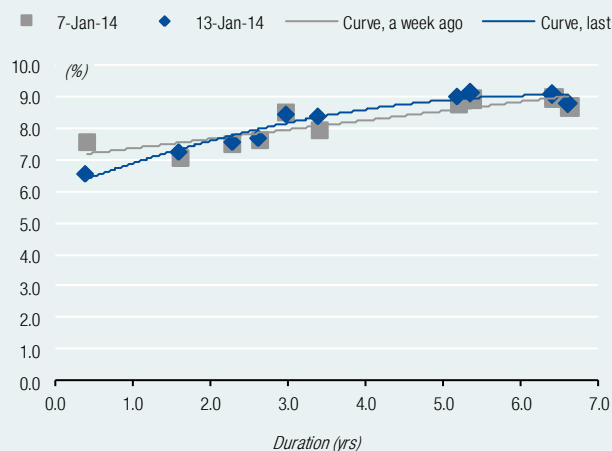
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 11. Term structure of yields of Ukrainian Eurobonds as of 13 Jan 2014

Blue dots are Ukraine sovereign Eurobonds; grey dots are corporate Eurobonds and red ones are municipal Eurobonds

**Chart 12. Shape of the USD sovereign yield curve at Eurobond market**

Last one compared to 1 week ago

**Chart 13. Movement of the USD sovereign yield curve at Eurobond market**

Over last week, in percentage points



Primary market for UAH state bonds

Table 3. Primary market for local-currency government bonds: results of recent auctions

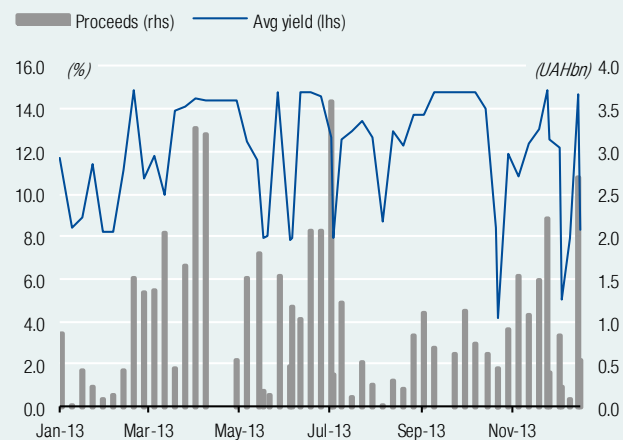
Date	Qty of bonds offered/sold	Proceeds (UAHm)	Volume of bonds sold* (UAHm)	Volume of bids submitted (UAHm)	Qty of bids submitted	Lowest yield asked** (%)	Highest yield asked** (%)	MoF cutt-off yield (%)	Qty of bids accepted	Average yield (%)	WA yield (%)	Average duration (years)	WA duration (years)
31-Dec-13	1	544.86	550.00	550.00	1	8.00	8.00	8.00	1	8.29	8.29	0.12	0.12
30-Dec-13	4	2,695.11	2,374.81	2,645.12	6	5.00	14.30	9.64	6	14.67	14.81	2.09	3.81
24-Dec-13	1	99.96	99.83	99.83	1	7.75	7.75	7.75	1	7.92	7.92	2.71	2.71
19-Dec-13	2	234.96	184.00	234.00	4	4.80	5.00	4.90	4	5.00	5.06	0.02	0.02
17-Dec-13	2	837.39	123.30	823.30	2	7.75	14.25	11.00	2	12.14	14.09	3.07	3.49
10-Dec-13	2	405.47	47.49	397.49	2	7.75	14.30	11.03	2	12.53	14.40	3.59	4.31
9-Dec-13	2	2,211.89	2,200.00	2,200.00	2	14.25	14.30	14.28	2	14.83	14.84	4.14	4.31
3-Dec-13	4	1,480.13	1,405.00	1,454.93	5	7.75	14.30	12.10	5	13.04	14.66	3.60	3.96
26-Nov-13	5	1,083.86	862.07	1,082.98	13	4.00	14.30	9.56	13	12.39	11.66	2.63	1.82
19-Nov-13	5	1,542.65	761.35	1,536.85	9	4.00	14.25	9.10	9	10.87	10.94	3.11	2.68
12-Nov-13	5	906.07	654.81	900.81	15	4.00	14.25	8.65	14	11.93	10.63	1.43	0.58
6-Nov-13	1	458.93	460.00	565.00	11	4.00	10.00	4.25	4	4.12	4.12	0.06	0.06
5-Nov-13	1	49.89	48.65	48.65	1	8.25	8.25	8.25	1	8.41	8.41	1.58	1.58
29-Oct-13	2	614.19	625.55	665.55	7	7.75	14.25	11.13	5	14.03	14.02	2.19	2.18
22-Oct-13	1	739.96	738.00	738.00	3	14.25	14.25	14.25	3	14.79	14.79	3.71	3.71
15-Oct-13	2	1,128.68	1,126.01	1,126.01	3	14.25	14.30	14.28	3	14.82	14.82	4.17	4.12
8-Oct-13	1	613.39	606.94	606.94	3	14.25	14.25	14.25	3	14.79	14.79	3.66	3.66
24-Sep-13	3 / 2	694.79	677.00	678.61	6	8.25	14.30	9.52	4	14.82	14.84	4.07	4.42
17-Sep-13	3	1,093.44	1,021.00	1,081.01	6	4.80	14.30	11.12	5	13.68	14.66	3.20	3.87
10-Sep-13	4 / 3	840.87	794.63	820.02	10	8.25	14.30	9.20	9	13.73	14.70	3.34	3.52
3-Sep-13	5 / 2	207.13	207.00	282.10	11	0.00	16.00	4.86	3	12.29	10.40	5.37	6.44
27-Aug-13	4	302.20	166.64	319.64	14	7.75	14.30	11.26	12	12.91	13.24	3.09	2.79
20-Aug-13	2	20.07	20.00	20.00	3	8.25	8.75	8.50	3	8.74	8.85	2.23	2.46
13-Aug-13	5	250.03	228.63	249.60	8	7.75	14.30	10.66	8	12.70	13.99	2.68	2.06
6-Aug-13	2	513.53	496.03	530.43	9	8.25	14.30	11.28	4	13.44	14.80	3.08	4.50
30-Jul-13	3	120.84	85.84	149.34	12	7.75	14.25	10.08	7	12.92	10.47	1.82	1.50
23-Jul-13	3	1,214.05	1,209.77	1,214.82	16	7.70	14.25	10.08	16	12.57	14.55	1.99	2.39
18-Jul-13	1	388.81	395.00	395.00	5	7.75	7.75	7.75	5	7.89	7.89	0.21	0.21
16-Jul-13	5	3,582.50	3,375.00	3,581.70	20	7.75	14.30	10.66	19	12.63	14.57	2.69	3.52
9-Jul-13	3	2,076.42	2,068.40	2,168.40	11	7.75	14.30	12.10	10	14.63	14.79	2.87	3.81
2-Jul-13	2	2,057.20	2,024.50	2,024.50	6	14.25	14.30	14.28	6	14.82	14.79	4.06	3.66
25-Jun-13	2	1,039.05	1,023.50	1,023.50	3	14.25	14.30	14.28	3	14.82	14.83	4.08	4.24
20-Jun-13	1	1,164.57	1,197.21	1,197.21	5	7.75	7.75	7.75	5	7.94	7.94	0.36	0.36
18-Jun-13	1	476.54	490.00	490.00	7	7.75	7.75	7.75	7	7.88	7.88	0.37	0.37
11-Jun-13	2	1,541.07	1,526.95	1,526.95	5	14.25	14.30	14.28	5	14.82	14.82	4.12	4.09
4-Jun-13	3	137.29	120.00	160.91	10	7.75	8.00	7.83	9	8.04	7.93	1.68	0.66
31-May-13	1	172.94	172.00	172.00	3	7.75	7.75	7.75	3	7.89	7.89	1.82	1.82
28-May-13	5	1,795.19	1,343.20	1,785.55	21	7.45	14.30	10.35	20	11.56	13.35	3.38	3.57
21-May-13	5	1,507.16	1,330.51	1,494.19	18	7.75	14.30	10.41	18	12.45	14.45	2.72	3.80
14-May-13	3	553.10	551.00	576.00	7	7.75	14.25	12.08	6	14.39	14.72	2.68	3.47

Notes: the tables depicts the history of last 40 auctions; [*] - volume of bonds sold at the auction at par value; [**] - lowest and highest yields that are indicated in the bid orders submitted to the auction in order to buy all bonds offered by MoF.

Sources: Ministry of Finance, Investment Capital Ukraine LLC.

Chart 14. Effective yield of debt raised by MoF and total volume of proceeds at the government bond auctions

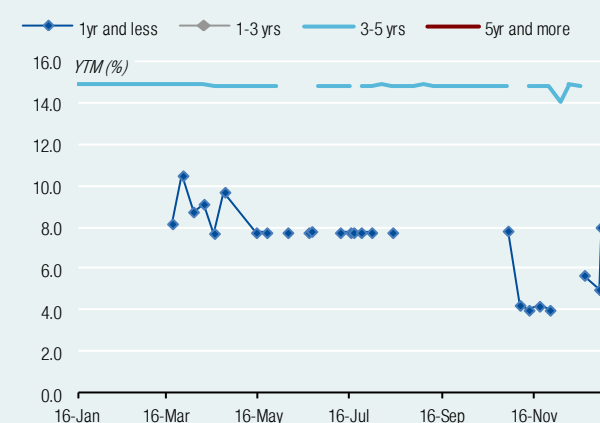
Last 12-month period



Sources: Ministry of Finance, Investment Capital Ukraine LLC.

Chart 15. Yield-to-maturity of government bonds sold at auctions, breakdown by duration of bonds sold

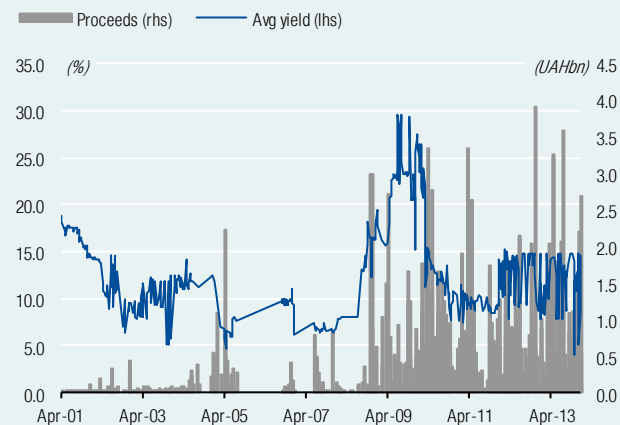
Last 12-month period



Sources: Ministry of Finance, Investment Capital Ukraine LLC.

Chart 16. Effective yield of debt raised by MoF and total volume of proceeds at the government bond auctions

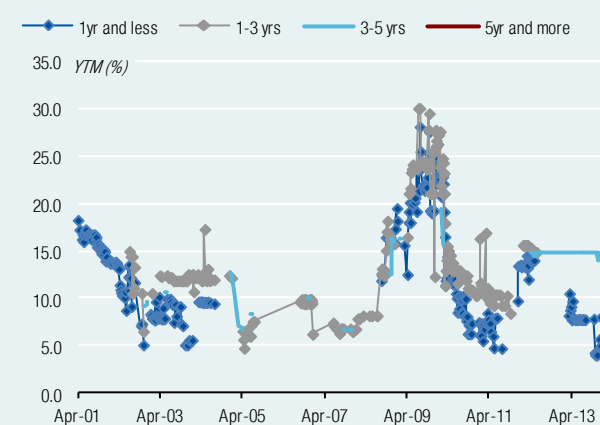
History since April 2001 to present



Sources: Ministry of Finance, Investment Capital Ukraine LLC.

Chart 17. Yield-to-maturity of government bonds sold at auctions, breakdown by duration of bonds sold

History since April 2001 to present



Sources: Ministry of Finance, Investment Capital Ukraine LLC.

UAH state bonds outstanding

Table 4. Outstanding of local-currency government bonds

ISIN	Bond type	Outstanding volume (UAH)	Coupon rate (%)	Payment frequency	Amortisation option	Put option	Next put	Maturity date
Government UAH bonds								
UA4000178404	Zero-coupon bonds	50,000,000.00		Upon maturity	No	No		22-Jan-2014
UA4000108823	Coupon bonds	2,705,000,000.00	10.97	Semi-annually	No	No		29-Jan-2014
UA4000134936	Coupon bonds	2,745,100,000.00	15.00	Semi-annually	No	No		5-Feb-2014
UA4000178479	Zero-coupon bonds	550,000,000.00		Upon maturity	No	No		12-Feb-2014
UA4000137277	Coupon bonds	1,750,000,000.00	15.00	Semi-annually	No	No		12-Mar-2014
UA4000160899	Zero-coupon bonds	497,000,000.00		Upon maturity	No	No		19-Mar-2014
UA4000115117	Coupon bonds	1,525,000,000.00	10.75	Semi-annually	No	No		26-Mar-2014
UA4000176085	Zero-coupon bonds	314,000,000.00		Upon maturity	No	No		23-Apr-2014
UA4000118871	Coupon bonds	1,437,350,000.00	10.13	Semi-annually	No	No		30-Apr-2014
UA4000051403	Coupon bonds	1,000,000,000.00	15.60	Semi-annually	No	No		14-May-2014
UA4000123863	Coupon bonds	752,000,000.00	10.10	Semi-annually	No	No		9-Jul-2014
UA4000064026	Coupon bonds	1,000,000.00	18.50	Semi-annually	No	No		21-Jan-2015
UA4000064166	Coupon bonds	451,875,000.00	15.00	Semi-annually	No	No		28-Jan-2015
UA4000141592	Coupon bonds	250,000,000.00	14.30	Semi-annually	No	No		20-May-2015
UA4000106181	Coupon bonds	80,002,000.00	9.50	Quarterly	Yes	Yes	13-Jul-2016	13-Jul-2016
UA4000107528	Coupon bonds	8,662,500.00	12.50	Quarterly	Yes	No		20-Jul-2016
UA4000138853	Coupon bonds	1,928,720,000.00	14.30	Semi-annually	No	No		5-Apr-2017
UA4000142665	Coupon bonds	1,759,740,000.00	14.30	Semi-annually	No	No		24-May-2017
UA4000145973	Coupon bonds	1,810,000,000.00	14.30	Semi-annually	No	No		2-Aug-2017
UA4000148027	Coupon bonds	1,824,455,000.00	14.30	Semi-annually	No	No		11-Oct-2017
UA4000148571	Coupon bonds	1,890,000,000.00	14.30	Semi-annually	No	No		18-Oct-2017
UA4000177745	Coupon bonds	5,000,000.00	12.10	Semi-annually	No	No		15-Nov-2017
UA4000151203	Coupon bonds	1,493,409,000.00	14.30	Semi-annually	No	No		13-Dec-2017
UA4000157119	Coupon bonds	2,500,330,000.00	14.30	Semi-annually	No	No		7-Feb-2018
UA4000160626	Coupon bonds	1,818,593,000.00	14.30	Semi-annually	No	No		7-Mar-2018
UA4000162127	Coupon bonds	2,751,160,000.00	14.30	Semi-annually	No	No		4-Apr-2018
UA4000165765	Coupon bonds	1,585,600,000.00	14.25	Semi-annually	No	No		11-Apr-2018
UA4000166219	Coupon bonds	400,000,000.00	14.25	Semi-annually	No	No		18-Apr-2018
UA4000166201	Coupon bonds	2,254,507,000.00	14.25	Semi-annually	No	No		2-May-2018
UA4000168082	Coupon bonds	3,050,250,000.00	14.25	Semi-annually	No	No		16-May-2018
UA4000171391	Coupon bonds	1,803,816,000.00	14.25	Semi-annually	No	No		27-Jun-2018
UA4000170732	Coupon bonds	3,853,400,000.00	14.25	Semi-annually	No	No		4-Jul-2018
UA4000174239	Coupon bonds	1,247,936,000.00	14.25	Semi-annually	No	No		5-Sep-2018
UA4000175467	Coupon bonds	1,364,010,000.00	14.25	Semi-annually	No	No		10-Oct-2018
UA4000176093	Coupon bonds	1,644,780,000.00	14.25	Semi-annually	No	No		24-Oct-2018
UA4000177919	Coupon bonds	2,100,000,000.00	14.25	Semi-annually	No	No		14-Nov-2018
UA4000138861	Coupon bonds	2,160,000,000.00	14.00	Semi-annually	No	No		17-Apr-2019
UA4000142137	Coupon bonds	1,900,000,000.00	14.13	Semi-annually	No	No		22-May-2019
UA4000146997	Coupon bonds	1,996,041,000.00	14.30	Semi-annually	No	No		18-Sep-2019
UA4000148589	Coupon bonds	2,000,000,000.00	14.30	Semi-annually	No	No		23-Oct-2019
UA4000148944	Coupon bonds	500,000,000.00	14.30	Semi-annually	No	No		30-Oct-2019
UA4000157671	Coupon bonds	1,760,800,000.00	14.30	Semi-annually	No	No		12-Feb-2020
UA4000165773	Coupon bonds	1,820,000,000.00	14.30	Semi-annually	No	No		8-Apr-2020
UA4000166805	Coupon bonds	1,944,904,000.00	14.30	Semi-annually	No	No		6-May-2020
UA4000171094	Coupon bonds	2,403,338,000.00	14.30	Semi-annually	No	No		8-Jul-2020
UA4000175459	Coupon bonds	1,195,000,000.00	14.30	Semi-annually	No	No		23-Sep-2020
UA4000178024	Coupon bonds	2,024,807,000.00	14.30	Semi-annually	No	No		21-Oct-2020
UA4000177927	Coupon bonds	1,500,000,000.00	14.30	Semi-annually	No	No		18-Nov-2020

Table 4. Outstanding of local-currency government bonds

ISIN	Bond type	Outstanding volume (UAH)	Coupon rate (%)	Payment frequency	Amortisation option	Put option	Next put	Maturity date
UA4000173371	Coupon bonds	330,000,000.00	10.00	Semi-annually	No	No		23-Aug-2023
Total		72,737,585,500.00						
Government recap'n bonds								
UA4000063200	Coupon bonds	1,598,269,000.00	9.75	Semi-annually	No	No		11-Jun-2014
UA4000136436	Coupon bonds	1,500,000,000.00	9.65	Semi-annually	No	No		30-Jul-2014
UA4000136451	Coupon bonds	1,500,000,000.00	9.75	Semi-annually	No	No		8-Oct-2014
UA4000063218	Coupon bonds	1,598,270,000.00	9.75	Semi-annually	No	No		12-Nov-2014
UA4000063226	Coupon bonds	1,598,270,000.00	9.75	Semi-annually	No	No		17-Dec-2014
UA4000136469	Coupon bonds	1,500,000,000.00	9.95	Semi-annually	No	No		4-Feb-2015
UA4000092100	Coupon bonds	500,000,000.00	9.50	Semi-annually	No	No		18-Mar-2015
UA4000146393	Coupon bonds	1,000,000,000.00	9.95	Semi-annually	No	No		2-Sep-2015
UA4000048789	Coupon bonds	2,000,000,000.00	9.50	Semi-annually	No	No		18-Nov-2015
UA4000050090	Coupon bonds	4,000,000,000.00	9.50	Semi-annually	No	No		16-Dec-2015
UA4000092118	Coupon bonds	1,500,000,000.00	9.50	Semi-annually	No	No		17-Feb-2016
UA4000115190	Coupon bonds	1,250,000,000.00	9.50	Semi-annually	No	No		9-Mar-2016
UA4000050199	Coupon bonds	3,885,000,000.00	9.50	Semi-annually	No	No		13-Apr-2016
UA4000050017	Coupon bonds	3,700,000,000.00	9.50	Semi-annually	No	No		10-May-2016
UA4000092126	Coupon bonds	1,500,000,000.00	9.50	Semi-annually	No	No		29-Jun-2016
UA4000092134	Coupon bonds	1,500,000,000.00	9.50	Semi-annually	No	No		13-Jul-2016
UA4000119945	Coupon bonds	1,750,000,000.00	9.50	Semi-annually	No	No		24-Aug-2016
UA4000050207	Coupon bonds	3,885,000,000.00	9.50	Semi-annually	No	No		14-Sep-2016
UA4000115208	Coupon bonds	1,250,000,000.00	9.50	Semi-annually	No	No		15-Feb-2017
UA4000092142	Coupon bonds	1,200,000,000.00	9.50	Semi-annually	No	No		12-Apr-2017
UA4000057111	Coupon bonds	1,033,333,000.00	9.50	Semi-annually	No	No		31-May-2017
UA4000057277	Coupon bonds	1,188,431,000.00	9.50	Semi-annually	No	No		7-Jun-2017
UA4000057301	Coupon bonds	936,171,000.00	9.50	Semi-annually	No	No		14-Jun-2017
UA4000156863	Coupon bonds	2,000,000,000.00	14.30	Semi-annually	No	No		28-Jun-2017
UA4000058606	Coupon bonds	3,100,000,000.00	9.50	Semi-annually	No	No		19-Jul-2017
UA4000158315	Coupon bonds	1,000,000,000.00	14.30	Semi-annually	No	No		16-Aug-2017
UA4000092167	Coupon bonds	1,200,000,000.00	9.50	Semi-annually	No	No		23-Aug-2017
UA4000115216	Coupon bonds	1,250,000,000.00	9.50	Semi-annually	No	No		13-Sep-2017
UA4000058614	Coupon bonds	1,658,263,000.00	9.50	Semi-annually	No	No		4-Oct-2017
UA4000153340	Coupon bonds	1,500,000,000.00	14.30	Semi-annually	No	No		8-Nov-2017
UA4000151476	Coupon bonds	2,000,000,000.00	14.30	Semi-annually	No	No		29-Nov-2017
UA4000153126	Coupon bonds	500,000,000.00	14.30	Semi-annually	No	No		13-Dec-2017
UA4000130082	Coupon bonds	2,000,000,000.00	9.50	Semi-annually	No	No		27-Dec-2017
UA4000130090	Coupon bonds	2,000,000,000.00	9.50	Semi-annually	No	No		17-Jan-2018
UA4000115638	Coupon bonds	1,975,000,000.00	9.50	Semi-annually	No	No		21-Feb-2018
UA4000160758	Coupon bonds	1,000,000,000.00	14.30	Semi-annually	No	No		14-Mar-2018
UA4000061790	Coupon bonds	1,400,000,000.00	9.50	Semi-annually	No	No		28-Mar-2018
UA4000119952	Coupon bonds	1,750,000,000.00	9.50	Semi-annually	No	No		25-Apr-2018
UA4000055586	Coupon bonds	1,000,000,000.00	9.50	Semi-annually	No	No		9-May-2018
UA4000057319	Coupon bonds	936,172,000.00	9.50	Semi-annually	No	No		30-May-2018
UA4000057129	Coupon bonds	1,033,333,000.00	9.50	Semi-annually	No	No		6-Jun-2018
UA4000057285	Coupon bonds	1,188,431,000.00	9.50	Semi-annually	No	No		13-Jun-2018
UA4000173314	Coupon bonds	1,250,000,000.00	14.25	Semi-annually	No	No		20-Jun-2018
UA4000058622	Coupon bonds	1,916,119,000.00	9.50	Semi-annually	No	No		18-Jul-2018
UA4000173306	Coupon bonds	1,250,000,000.00	14.25	Semi-annually	No	No		25-Jul-2018
UA4000173298	Coupon bonds	1,250,000,000.00	14.25	Semi-annually	No	No		1-Aug-2018
UA4000120877	Coupon bonds	604,000,000.00	9.50	Semi-annually	No	No		8-Aug-2018
UA4000173280	Coupon bonds	1,250,000,000.00	14.25	Semi-annually	No	No		15-Aug-2018

Table 4. Outstanding of local-currency government bonds

ISIN	Bond type	Outstanding volume (UAH)	Coupon rate (%)	Payment frequency	Amortisation option	Put option	Next put	Maturity date
UA4000115224	Coupon bonds	1,250,000,000.00	9.50	Semi-annually	No	No		22-Aug-2018
UA4000062525	Coupon bonds	650,000,000.00	9.50	Semi-annually	No	No		12-Sep-2018
UA4000115646	Coupon bonds	1,975,001,000.00	9.50	Semi-annually	No	No		19-Sep-2018
UA4000058630	Coupon bonds	1,355,345,000.00	9.50	Semi-annually	No	No		3-Oct-2018
UA4000059323	Coupon bonds	1,000,000,000.00	9.50	Semi-annually	No	No		31-Oct-2018
UA4000121495	Coupon bonds	1,000,000,000.00	9.50	Semi-annually	No	No		7-Nov-2018
UA4000064307	Coupon bonds	1,000,000,000.00	9.50	Semi-annually	No	No		21-Nov-2018
UA4000177943	Coupon bonds	300,000,000.00	9.50	Semi-annually	No	No		28-Nov-2018
UA4000061808	Coupon bonds	1,400,000,000.00	9.50	Semi-annually	No	No		6-Feb-2019
UA4000064315	Coupon bonds	1,294,999,000.00	9.50	Semi-annually	No	No		13-Mar-2019
UA4000058648	Coupon bonds	1,933,060,000.00	9.50	Semi-annually	No	No		3-Apr-2019
UA4000121503	Coupon bonds	1,100,000,000.00	9.50	Semi-annually	No	No		15-May-2019
UA4000057293	Coupon bonds	1,188,432,000.00	9.50	Semi-annually	No	No		29-May-2019
UA4000057327	Coupon bonds	936,172,000.00	9.50	Semi-annually	No	No		5-Jun-2019
UA4000057137	Coupon bonds	1,033,334,000.00	9.50	Semi-annually	No	No		12-Jun-2019
UA4000064323	Coupon bonds	1,000,000,000.00	9.50	Semi-annually	No	No		17-Jul-2019
UA4000063119	Coupon bonds	1,276,191,000.00	9.50	Semi-annually	No	No		21-Aug-2019
UA4000064349	Coupon bonds	1,295,000,000.00	9.50	Semi-annually	No	No		25-Sep-2019
UA4000064117	Coupon bonds	900,000,000.00	9.50	Semi-annually	No	No		16-Oct-2019
UA4000064125	Coupon bonds	900,000,000.00	9.50	Semi-annually	No	No		20-Nov-2019
UA4000063010	Coupon bonds	950,000,000.00	9.50	Semi-annually	No	No		11-Mar-2020
UA4000061816	Coupon bonds	1,400,000,000.00	9.50	Semi-annually	No	No		15-Apr-2020
UA4000121511	Coupon bonds	1,100,000,000.00	9.50	Semi-annually	No	No		20-May-2020
UA4000063127	Coupon bonds	1,500,000,000.00	9.50	Semi-annually	No	No		17-Jun-2020
UA4000063028	Coupon bonds	949,981,000.00	9.50	Semi-annually	No	No		12-Aug-2020
UA4000061824	Coupon bonds	1,400,000,000.00	9.50	Semi-annually	No	No		4-Nov-2020
UA4000177950	Coupon bonds	1,400,000,000.00	9.50	Semi-annually	No	No		25-Nov-2020
UA4000063135	Coupon bonds	1,500,000,000.00	9.50	Semi-annually	No	No		9-Jun-2021
UA4000121529	Coupon bonds	1,100,000,000.00	9.50	Semi-annually	No	No		22-Sep-2021
UA4000063143	Coupon bonds	1,500,000,000.00	9.50	Semi-annually	No	No		1-Jun-2022
Total		112,971,577,000.00						
Government VAT bonds 2010								
UA4000078141	Coupon bonds	19,376,000.00	5.50	Semi-annually	Yes	No		27-Jul-2015
UA4000082531	Coupon bonds	819,126,000.00	5.50	Semi-annually	Yes	No		21-Aug-2015
UA4000082622	Coupon bonds	3,321,949,200.00	5.50	Semi-annually	Yes	No		24-Aug-2015
UA4000083059	Coupon bonds	2,413,914,000.00	5.50	Semi-annually	Yes	No		25-Aug-2015
Total		6,574,365,200.00						
Government indexed bonds								
UA4000129100	Coupon bonds	1,610,000,000.00	8.22	Semi-annually	No	No		24-Sep-2014
UA4000129902	Coupon bonds	175,000,000.00	8.22	Semi-annually	No	No		22-Oct-2014
UA4000130595	Coupon bonds	200,000,000.00	8.25	Semi-annually	No	No		29-Oct-2014
UA4000130603	Coupon bonds	1,200,100,000.00	8.22	Semi-annually	No	No		5-Nov-2014
UA4000132278	Coupon bonds	250,000,000.00	9.75	Semi-annually	No	No		3-Dec-2014
UA4000137822	Coupon bonds	700,000,000.00	9.30	Semi-annually	No	No		4-Mar-2015
UA4000138242	Coupon bonds	470,000,000.00	9.30	Semi-annually	No	No		8-Apr-2015
UA4000139513	Coupon bonds	900,000,000.00	9.30	Semi-annually	No	No		13-May-2015
UA4000141600	Coupon bonds	100,000,000.00	9.30	Semi-annually	No	No		3-Jun-2015
UA4000144075	Coupon bonds	600,000,000.00	9.30	Semi-annually	No	No		15-Jul-2015
UA4000146070	Coupon bonds	200,000,000.00	9.30	Semi-annually	No	No		12-Aug-2015
UA4000146500	Coupon bonds	525,000,000.00	9.30	Semi-annually	No	No		9-Sep-2015
UA4000148217	Coupon bonds	329,000,000.00	9.30	Semi-annually	No	No		28-Oct-2015

Table 4. Outstanding of local-currency government bonds

ISIN	Bond type	Outstanding volume (UAH)	Coupon rate (%)	Payment frequency	Amortisation option	Put option	Next put	Maturity date
UA4000149082	Coupon bonds	580,000,000.00	9.30	Semi-annually	No	No		11-Nov-2015
UA4000151500	Coupon bonds	557,000,000.00	9.19	Semi-annually	No	No		13-Jan-2016
UA4000160634	Coupon bonds	60,000,000.00	9.10	Semi-annually	No	No		16-Mar-2016
UA4000129233	Coupon bonds	850,000,000.00	8.75	Semi-annually	No	No		10-Aug-2016
UA4000129118	Coupon bonds	1,940,000,000.00	8.75	Semi-annually	No	No		28-Sep-2016
UA4000177406	Coupon bonds	477,000,000.00	9.50	Semi-annually	No	No		16-Nov-2016
UA4000129241	Coupon bonds	1,000,000,000.00	9.25	Semi-annually	No	No		15-Sep-2021
Total		12,723,100,000.00						
Government foreign-currency bonds								
UA4000178412	Zero-coupon bonds	1,831,368,437.50		Upon maturity	No	No		22-Jan-2014
UA4000177125	Zero-coupon bonds	249,375,000.00		Upon maturity	No	No		23-Apr-2014
UA4000140362	Coupon bonds	1,419,991,125.00	9.20	Semi-annually	No	No		21-May-2014
UA4000157135	Coupon bonds	2,443,875,000.00	7.97	Semi-annually	No	No		23-Jul-2014
UA4000158794	Coupon bonds	1,259,343,750.00	7.50	Semi-annually	No	No		10-Sep-2014
UA4000174247	Coupon bonds	681,841,125.00	4.80	Semi-annually	No	Yes	29-Oct-2014	29-Oct-2014
UA4000149231	Coupon bonds	1,014,856,500.00	8.32	Semi-annually	No	No		19-Nov-2014
UA4000173058	Coupon bonds	831,250,000.00	7.75	Semi-annually	No	No		26-Nov-2014
UA4000177133	Coupon bonds	1,870,312,500.00	7.88	Semi-annually	No	No		10-Dec-2014
UA4000171649	Coupon bonds	824,890,937.50	8.25	Semi-annually	No	No		24-Dec-2014
UA4000151278	Coupon bonds	1,222,702,250.00	8.50	Semi-annually	No	No		7-Jan-2015
UA4000133771	Coupon bonds	159,974,062.50	9.60	Semi-annually	No	No		14-Jan-2015
UA4000155485	Coupon bonds	1,816,281,250.00	8.09	Semi-annually	No	No		11-Feb-2015
UA4000157143	Coupon bonds	415,625,000.00	8.02	Semi-annually	No	No		18-Feb-2015
UA4000157127	Coupon bonds	410,770,500.00	8.02	Semi-annually	No	No		25-Feb-2015
UA4000160642	Coupon bonds	1,678,518,187.50	7.75	Semi-annually	No	No		18-Mar-2015
UA4000142699	Coupon bonds	2,591,588,125.00	9.45	Semi-annually	No	No		22-Apr-2015
UA4000142681	Coupon bonds	454,560,750.00	4.80	Semi-annually	No	Yes	6-May-2015	6-May-2015
UA4000166821	Coupon bonds	2,216,112,500.00	7.75	Semi-annually	No	No		6-May-2015
UA4000141071	Coupon bonds	1,259,776,000.00	9.45	Semi-annually	No	No		27-May-2015
UA4000167837	Coupon bonds	1,443,964,375.00	7.75	Semi-annually	No	No		3-Jun-2015
UA4000142673	Coupon bonds	1,454,687,500.00	4.50	Semi-annually	No	Yes	17-Jun-2015	17-Jun-2015
UA4000144083	Coupon bonds	18,536,875.00	9.45	Semi-annually	No	No		8-Jul-2015
UA4000171409	Coupon bonds	867,642,125.00	8.25	Semi-annually	No	No		15-Jul-2015
UA4000152441	Coupon bonds	2,675,793,750.00	8.25	Semi-annually	No	No		27-Jan-2016
UA4000153282	Coupon bonds	74,064,375.00	8.25	Semi-annually	No	No		3-Feb-2016
UA4000160923	Coupon bonds	2,493,750,000.00	7.50	Semi-annually	No	Yes	16-Mar-2016	16-Mar-2016
UA4000160907	Coupon bonds	238,444,062.50	8.00	Semi-annually	No	No		23-Mar-2016
UA4000166847	Coupon bonds	618,865,625.00	8.00	Semi-annually	No	No		25-May-2016
UA4000172506	Coupon bonds	1,876,854,437.50	8.75	Semi-annually	No	No		10-Aug-2016
UA4000177414	Coupon bonds	2,481,281,250.00	7.75	Semi-annually	No	Yes	26-Oct-2016	26-Oct-2016
UA4000177752	Coupon bonds	415,009,875.00	7.75	Semi-annually	No	Yes	30-Nov-2016	30-Nov-2016
UA4000178305	Coupon bonds	829,853,500.00	7.75	Semi-annually	No	No		14-Dec-2016
UA4000160915	Coupon bonds	2,493,750,000.00	8.25	Semi-annually	No	No		22-Mar-2017
UA4000166854	Coupon bonds	2,701,562,500.00	7.45	Semi-annually	No	Yes	17-May-2017	17-May-2017
UA4000151286	Coupon bonds	4,405,625,000.00	7.50	Semi-annually	No	No		20-Dec-2017
UA4000177554	Coupon bonds	1,661,810,062.50	7.50	Semi-annually	No	Yes	21-Nov-2018	21-Nov-2018
Total		51,404,508,312.50						
Grand total		256,411,136,012.50						

Table 4. Outstanding of local-currency government bonds

ISIN	Bond type	Outstanding volume (UAH)	Coupon rate (%)	Payment frequency	Amortisation option	Put option	Next put	Maturity date
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Note: the list of local-currency government bonds may not be complete as it reflects ICU knowledge regarding the outstanding stock of the government bonds, which is published by Ministry of Finance of Ukraine as its website (http://minfin.gov.ua/control/publish/article/main?art_id=274776&cat_id=234036).

Sources: Ministry of Finance, Investment Capital Ukraine LLC.

2014 weekly state debt payback

Table 5. Weekly schedule of state bond auctions and volume of state debt* to be repaid within a 7-day period since auction date (UAH)

Month	Auction details	1st Tuesday	2nd Tuesday	3rd Tuesday	4th Tuesday	5th Tuesday
January	Auction date	1-Jan-13	8-Jan-13	15-Jan-13	22-Jan-13	29-Jan-13
	Local debt repayment ¹	0.00	0.00	0.00	0.00	0.00
	External debt repayment ²	0.00	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00	0.00
February	Auction date	5-Feb-13	12-Feb-13	19-Feb-13	26-Feb-13	
	Local debt repayment ¹	0.00	0.00	0.00	0.00	
	External debt repayment ²	0.00	0.00	0.00	0.00	
	Total	0.00	0.00	0.00	0.00	
March	Auction date	5-Mar-13	12-Mar-13	19-Mar-13	26-Mar-13	
	Local debt repayment ¹	0.00	0.00	0.00	0.00	
	External debt repayment ²	0.00	0.00	0.00	0.00	
	Total	0.00	0.00	0.00	0.00	
April	Auction date	2-Apr-13	9-Apr-13	16-Apr-13	23-Apr-13	30-Apr-13
	Local debt repayment ¹	0.00	0.00	0.00	0.00	0.00
	External debt repayment ²	0.00	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00	0.00
May	Auction date	30-Apr-13	7-May-13	14-May-13	21-May-13	28-May-13
	Local debt repayment ¹	0.00	0.00	0.00	0.00	0.00
	External debt repayment ²	0.00	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00	0.00
June	Auction date	4-Jun-13	11-Jun-13	18-Jun-13	25-Jun-13	
	Local debt repayment ¹	0.00	0.00	0.00	0.00	
	External debt repayment ²	0.00	0.00	0.00	0.00	
	Total	0.00	0.00	0.00	0.00	
July	Auction date	2-Jul-13	9-Jul-13	16-Jul-13	23-Jul-13	30-Jul-13
	Local debt repayment ¹	0.00	0.00	0.00	0.00	0.00
	External debt repayment ²	0.00	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00	0.00
August	Auction date	6-Aug-13	13-Aug-13	20-Aug-13	27-Aug-13	
	Local debt repayment ¹	0.00	0.00	0.00	0.00	
	External debt repayment ²	0.00	0.00	0.00	0.00	
	Total	0.00	0.00	0.00	0.00	
September	Auction date	3-Sep-13	10-Sep-13	17-Sep-13	24-Sep-13	
	Local debt repayment ¹	0.00	0.00	0.00	0.00	
	External debt repayment ²	0.00	0.00	0.00	0.00	
	Total	0.00	0.00	0.00	0.00	
October	Auction date	1-Oct-13	8-Oct-13	15-Oct-13	22-Oct-13	29-Oct-13
	Local debt repayment ¹	0.00	0.00	0.00	0.00	0.00
	External debt repayment ²	0.00	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00	0.00
November	Auction date	5-Nov-13	12-Nov-13	19-Nov-13	26-Nov-13	
	Local debt repayment ¹	0.00	0.00	0.00	0.00	
	External debt repayment ²	0.00	0.00	0.00	0.00	
	Total	0.00	0.00	0.00	0.00	
December	Auction date	3-Dec-13	10-Dec-13	17-Dec-13	24-Dec-13	31-Dec-13
	Local debt repayment ¹	0.00	0.00	0.00	0.00	0.00
	External debt repayment ²	0.00	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00	0.00

Notes: highlighted data – above UAH1bn in bold font, above UAH4bn shaded in blue; [*] interest and principal; [1] – government bonds (ordinary bonds, VAT bonds and recapitalisation bonds; [2] – external debt means Eurobonds and loans denominated in local currency by most recent FX rates. Sources: Ministry of Finance of Ukraine, Investment Capital Ukraine LLC.

5yr sovereign local debt payback

Table 6. Local-currency bonds repayments for the upcoming 5-year period

Period	Repayments (UAHm)									Repayments, US dollar equivalent (US\$m)								
	Interest			Principal			Total			Interest			Principal			Total		
	Ordin- aries	VATs	Recaps	Ordin- aries	VATs	Recaps	Inter- est	Prin- cipal		Ordin- aries	VATs	Recaps	Ordin- aries	VATs	Recaps	Inter- est	Prin- cipal	
BY QUARTERS																		
1Q14	1,602.0	180.8	2,206.0	9,822.9	1,643.6		5,022.0	13,297.8		192.8	21.8	265.5	1,182.1	197.8		604.3	1,600.2	
2Q14	2,972.5		3,137.4	2,752.1		1,598.3	7,522.5	6,019.8		357.7		377.5	331.2		192.3	905.2	724.4	
3Q14	1,475.5	135.6	2,551.4	752.8	1,643.6	1,500.0	5,248.6	9,209.6		177.6	16.3	307.0	90.6	197.8	180.5	631.6	1,108.3	
4Q14	2,950.1		3,371.4	0.8		4,696.5	7,679.9	11,745.6		355.0		405.7	0.1		565.2	924.2	1,413.4	
1Q15	1,308.9	90.4	2,169.8	453.7	1,643.6	2,000.0	4,444.5	10,501.1		157.5	10.9	261.1	54.6	197.8	240.7	534.8	1,263.7	
2Q15	2,821.6		2,833.2	250.8			6,737.7	11,141.5		339.5		340.9	30.2			810.8	1,340.7	
3Q15	1,488.9	45.2	2,560.9	0.8	1,643.6	1,000.0	4,791.4	4,855.6		179.2	5.4	308.2	0.1	197.8	120.3	576.6	584.3	
4Q15	2,846.7		2,961.1	0.8		6,000.0	6,370.1	6,909.8		342.6		356.3	0.1		722.0	766.6	831.5	
1Q16	1,360.3		2,201.9	0.8		2,750.0	4,160.4	8,849.8		163.7		265.0	0.1		330.9	500.6	1,065.0	
2Q16	2,846.7		2,642.4	0.8		9,085.0	6,009.0	9,704.7		342.6		318.0	0.1		1,093.3	723.1	1,167.8	
3Q16	1,360.3		2,071.3	80.8		7,135.0	3,784.9	11,882.6		163.7		249.3	9.7		858.6	455.5	1,429.9	
4Q16	2,830.5		2,245.7				5,571.3	4,203.1		340.6		270.2				670.4	505.8	
1Q17	1,344.1		1,732.4			1,250.0	3,225.6	3,743.8		161.7		208.5			150.4	388.2	450.5	
2Q17	2,830.5		2,245.7	3,688.5		6,357.9	5,404.3	12,748.0		340.6		270.2	443.9		765.1	650.3	1,534.1	
3Q17	1,344.1		1,673.0	1,810.0		6,550.0	3,063.4	8,360.0		161.7		201.3	217.8		788.2	368.6	1,006.0	
4Q17	2,566.7		1,895.7	5,212.9		7,658.3	4,689.9	17,276.8		308.9		228.1	627.3		921.6	564.4	2,079.0	
1Q18	1,214.7		1,337.9	4,318.9		6,375.0	2,598.8	10,693.9		146.2		161.0	519.7		767.1	312.7	1,286.9	
2Q18	2,194.1		1,435.9	11,845.3		7,157.9	3,692.3	19,003.3		264.0		172.8	1,425.4		861.4	444.3	2,286.8	
3Q18	905.9		1,011.1	5,101.3		10,145.1	1,963.2	15,246.5		109.0		121.7	613.9		1,220.8	236.2	1,834.7	
4Q18	1,349.4		1,066.2	5,108.8		4,655.3	2,477.9	11,425.9		162.4		128.3	614.8		560.2	298.2	1,375.0	
BY YEARS																		
2014	9,000.0	316.4	11,266.2	13,328.6	3,287.2	7,794.8	25,473.0	40,272.8		1,083.0	38.1	1,355.7	1,603.9	395.6	938.0	3,065.3	4,846.3	
2015	8,466.1	135.6	10,525.1	706.0	3,287.2	9,000.0	22,343.6	33,407.9		1,018.8	16.3	1,266.6	85.0	395.6	1,083.0	2,688.8	4,020.2	
2016	8,397.7		9,161.4	82.4		18,970.0	19,525.6	34,640.3		1,010.6		1,102.4	9.9		2,282.8	2,349.7	4,168.5	
2017	8,085.4		7,546.8	10,711.3		21,816.2	16,383.2	42,128.5		973.0		908.2	1,289.0		2,625.3	1,971.5	5,069.6	
2018	5,664.0		4,851.1	26,374.4		28,333.4	10,732.2	56,369.6		681.6		583.8	3,173.8		3,409.6	1,291.5	6,783.3	

Notes: Ordinaries - the government bonds sold via auctions; VATs - VAT bonds; Recaps - recapitalisation bonds.

Sources: Ministry of Finance, Investment Capital Ukraine LLC.

5yr sovereign external debt payback

Table 7. Foreign-currency debt* (Eurobonds and loans) repayments for the upcoming 5-year period

Period	Repayments, hryvnia equivalent (UAHm)						Repayments, US dollar equivalent (US\$m)					
	Interest		Principal		Total		Interest		Principal		Total	
	Eurobond	Loan	Eurobond	Loan	Interest	Principal	Eurobond	Loan	Eurobond	Loan	Interest	Principal
BY QUARTERS												
1Q14	2,039.7	831.2	0.0	8,428.0	2,870.9	8,428.0	255.2	104.0	0.0	1,054.4	359.2	1,054.4
2Q14	2,909.8	1,216.1	7,993.0	8,272.2	4,125.9	16,265.2	364.0	152.1	1,000.0	1,034.9	516.2	2,034.9
3Q14	2,039.7	832.3	0.0	8,788.0	2,872.0	8,788.0	255.2	104.1	0.0	1,099.5	359.3	1,099.5
4Q14	2,592.1	1,119.6	0.0	8,595.3	3,711.6	8,595.3	324.3	140.1	0.0	1,075.3	464.4	1,075.3
1Q15	2,039.7	666.1	0.0	7,498.4	2,705.8	7,498.4	255.2	83.3	0.0	938.1	338.5	938.1
2Q15	2,592.1	845.8	0.0	11,046.0	3,437.9	11,046.0	324.3	105.8	0.0	1,382.0	430.1	1,382.0
3Q15	2,039.7	428.7	3,996.5	1,842.8	2,468.4	5,839.3	255.2	53.6	500.0	230.6	308.8	730.6
4Q15	2,592.1	481.9	30,140.2	990.7	3,074.0	31,130.8	324.3	60.3	3,770.8	123.9	384.6	3,894.8
1Q16	1,902.3	386.0	0.0	5,271.3	2,288.4	5,271.3	238.0	48.3	0.0	659.5	286.3	659.5
2Q16	1,840.1	478.2	9,991.3	595.1	2,318.3	10,586.3	230.2	59.8	1,250.0	74.5	290.0	1,324.5
3Q16	1,902.3	177.9	0.0	1,804.7	2,080.2	1,804.7	238.0	22.3	0.0	225.8	260.3	225.8
4Q16	1,527.9	454.4	7,993.0	3,582.9	1,982.2	11,575.9	191.2	56.8	1,000.0	448.3	248.0	1,448.3
1Q17	1,902.3	98.9	0.0	2,397.9	2,001.2	2,397.9	238.0	12.4	0.0	300.0	250.4	300.0
2Q17	1,264.9	315.5	0.0	2,597.7	1,580.4	2,597.7	158.3	39.5	0.0	325.0	197.7	325.0
3Q17	1,902.3	0.0	20,781.8	0.0	1,902.3	20,781.8	238.0	0.0	2,600.0	0.0	238.0	2,600.0
4Q17	1,264.9	218.8	5,595.1	4,236.3	1,483.7	9,831.4	158.3	27.4	700.0	530.0	185.6	1,230.0
1Q18	941.2	0.0	0.0	0.0	941.2	0.0	117.8	0.0	0.0	0.0	117.8	0.0
2Q18	1,076.1	59.9	0.0	0.0	1,136.0	0.0	134.6	7.5	0.0	0.0	142.1	0.0
3Q18	941.2	0.0	0.0	0.0	941.2	0.0	117.8	0.0	0.0	0.0	117.8	0.0
4Q18	1,076.1	59.9	0.0	1,597.9	1,136.0	1,597.9	134.6	7.5	0.0	199.9	142.1	199.9
BY YEARS												
2014	9,581.3	3,999.1	7,993.0	34,083.4	13,580.3	42,076.4	1,198.7	500.3	1,000.0	4,264.2	1,699.0	5,264.2
2015	9,263.5	2,422.5	34,136.7	21,378.0	11,686.0	55,514.6	1,159.0	303.1	4,270.8	2,674.6	1,462.0	6,945.4
2016	7,172.6	1,496.5	17,984.3	11,254.1	8,669.1	29,238.3	897.4	187.2	2,250.0	1,408.0	1,084.6	3,658.0
2017	6,334.5	633.2	26,376.9	9,231.9	6,967.7	35,608.8	792.5	79.2	3,300.0	1,155.0	871.7	4,455.0
2018	4,034.5	119.8	0.0	1,597.9	4,154.3	1,597.9	504.8	15.0	0.0	199.9	519.7	199.9

Notes: [*] debt redemptions include also interest payments; debt comprises Eurobonds, IMF and VTB loans; IMF loan is meant all tranches received in 2008-10; [1] redemption of US\$2bn loan to VTB is a worst-case scenario within this loan agreement, it may be prolonged 2 times and this in effect may shift the redemption to 4Q11 or 2Q12.

Sources: Ministry of Finance, IMF, Bloomberg, Reuters, Investment Capital Ukraine LLC.

Ukraine issuers' credit metrics

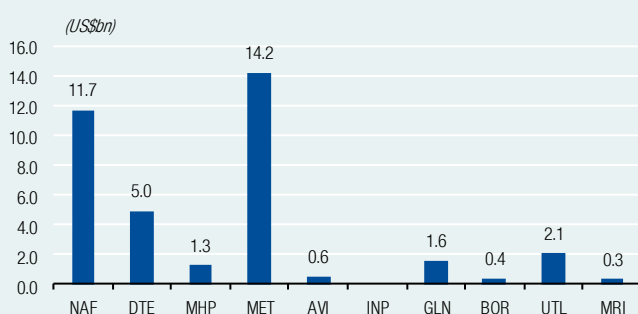
Table 8. Ukrainian corporate bond issuers and their key financial figures and ratios* (US\$m)

Issuer	Ticker	Filing	Revenues	EBITDA	Int exp	Cash	ST debt	LT debt	Debt	Net debt	EBITDA mrg (%)	Debt/EBITDA (x)	Net debt/EBITDA (x)	EBITDA int cov (x)
Naftogaz of Ukraine	NAFTO	4Q10	11,673.6	502.2	-613.5	333.2	685.2	4,824.9	5,510.1	5,176.9	4.3	11.0	10.3	Neg.
DTEK	DTEKUA	4Q11	4,965.0	1,294.6	60.9	1,304.1	429.4	1,878.3	2,307.7	1,003.6	26.1	1.8	0.8	21.2
MHP	MHPSA	1Q12	1,279.9	416.4	77.2	111.0	210.5	755.3	965.8	854.8	32.5	2.3	2.1	5.4
Metinvest Holding	METINV	4Q11	14,189.0	3,533.0	220.0	792.0	1,147.0	2,834.0	3,981.0	3,189.0	24.9	1.1	0.9	16.1
Avangard	AVINPU	4Q11	553.3	222.1	12.3	237.8	122.5	210.0	332.6	94.8	40.1	1.5	0.4	18.1
Interpipe	INPIP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Concern Galnaftogaz	GLNGUZ	1Q12	1,647.2	96.8	26.3	13.9	136.9	203.9	340.8	326.9	5.9	3.5	3.4	3.7
Boryspil Int'l Airport	BORYS	1Q12	431.4	277.8	2.3	33.8	108.0	212.5	320.5	286.8	64.4	1.2	1.0	122.0
Ukrtelecom	UTLMUZ	2Q12	2,091.2	470.0	103.5	22.3	177.7	194.3	372.1	349.8	22.5	0.8	0.7	4.5
Mriya Agro Holding	MRIYA	3Q11	344.8	42.6	40.1	192.0	96.0	282.2	378.3	186.3	12.4	8.9	4.4	1.1
Ferrexpo	FXPOLN	4Q11	1,788.0	798.0	43.3	890.2	18.9	951.4	970.4	80.2	44.6	1.2	0.1	18.4
Agroton	AGTPW	2Q11	102.1	10.4	0.3	4.2	19.3	1.0	20.3	16.1	10.2	2.0	1.6	31.0
Agromat	AGROM	2Q11	149.7	28.3	16.0	3.3	23.5	30.1	53.5	50.2	18.9	1.9	1.8	1.8
KSG Agro	KSGPW	3Q11	3.2	1.7	-0.7	5.5	5.6	10.7	16.4	10.9	52.8	9.5	6.4	Neg.
IMC	IMCPW	3Q11	5.6	-2.3	0.2	13.4	4.0	18.1	22.1	8.7	Neg.	Neg.	Neg.	Neg.

Notes: [*] financial figures and appropriate ratios are calculated using LTM data; LTM - last 12-month period; Int exp - interest expenses; ST debt - short-term debt; LT debt - long-term debt; int cov - interest coverage.

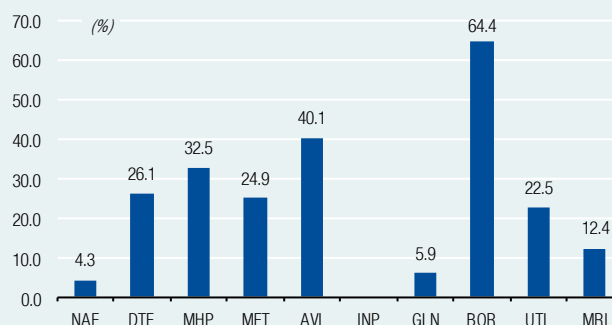
Sources: Company data, Investment Capital Ukraine LLC.

Chart 18. Ukraine's companies by sales (LTM)



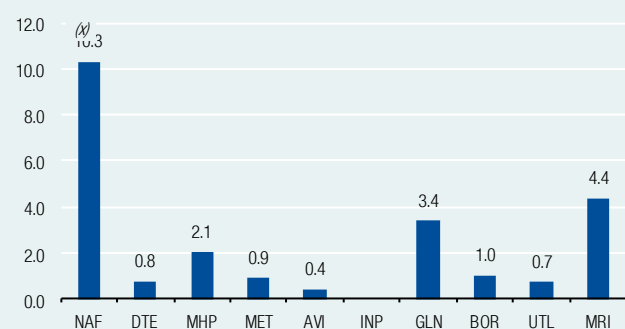
Source: Company data, Investment Capital Ukraine LLC.

Chart 19. Ukraine's companies by EBITDA margin (LTM)



Source: Company data, Investment Capital Ukraine LLC.

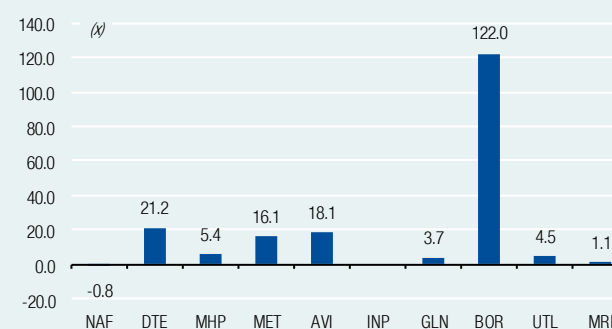
Chart 20. Ukraine's companies by leverage ratio



Note: leverage – net debt to EBITDA (LTM).

Source: Company data, Investment Capital Ukraine LLC.

Chart 21. Ukraine's companies by interest coverage ratio



Note: interest coverage – EBITDA to interest expenses (LTM).

Source: Company data, Investment Capital Ukraine LLC.

Glossary

The following is the list of terms, phrases and abbreviations that are frequently used in this report's weekly publications.

Average duration, or interchangeably, **bond auction average duration**: Duration calculated from all cash flows obtained from the bonds sold at the auction. Yield-to-maturity, price, and each cash flow (coupons and principal) are calculated on a per-bond basis.

Average yield, or interchangeably, **bond auction average yield**: A yield-to-maturity calculated from all cash flows obtained from the bonds sold at the auction and versus the total price paid per bond to acquire them. Price and each cash flow (coupons and principal) are calculated on a per-bond basis.

Basis point, or interchangeably, **bp**: One-hundredth of a percentage point, or 0.01%.

BoP: Balance of payments.

Certificate(s) of Deposit, or interchangeably, **CD(s)**: Short-term money market instruments that allow the NBU, the central bank, to absorb excess liquidity from the local banks. Their durations are 2, 3, or up to 5 days; two weeks; one month; 1.5 months; two months; and up to three months.

CDS: A Credit default swap; a contract that references the performance of a loan or a bond (sovereign, corporate, or municipal). A CDS is normally quoted in basis points, or hundredths of a percent.

CRA: Credit rating agency. These include international industry majors Moody's, Standard & Poor's, and Fitch. It could refer also to other credit rating agencies, including Credit-Rating of Ukraine.

EFSF: European Financial Stability Facility (<http://www.efsf.europa.eu>), created on 9 May, 2010 by the euro area member states, as a Luxembourg-registered company owned by Euro Area Member States (EAMS), which has a mandate to lend to the EAMS in times of difficulty, e.g., in bail-outs. For the purpose of its operations, the EFSF is able to issue bonds EAMS-guaranteed for up to €440bn. Thanks to its structure of credit enhancements, including a cash reserve and a loan-specific cash buffer¹, the EFSF has top credit ratings from major CRAs: 'Aaa' by Moody's, 'AAA' by S&P, and 'AAA' by Fitch.

MoE: Ministry of Economy of Ukraine (<http://www.me.gov.ua>).

MoF: Ministry of Finance of Ukraine (<http://www.minfin.gov.ua>).

NBU: National Bank of Ukraine, the central bank of Ukraine (<http://www.bank.gov.ua>).

Party of Regions, or interchangeably, **PoR**: The *de facto* ruling political party in Ukraine currently. It won the presidency in the February 2010 presidential elections with a slim margin over Yulia Tymoshenko's Bloc, then consolidated power in the parliament, where it has a majority over minor loyal factions, while incapable of forming a majority itself. The next elections for Parliament and the president's office are expected to take place in 2012 and 2015, respectively.

¹ For instance, in order to lend €17.7bn to Ireland, the EFSF has to raise around €26.5bn from the financial market.

Percentage point, or interchangeably, **ppt**: one percent, 1%.

Recaps, or interchangeably, **recapitalisation bonds**: Local-currency bond(s), representing a general financial obligation by the government on par with other government's financial obligations, which was/were issued with the purpose of recapitalising state-owned entities like Naftogaz of Ukraine, commercial banks from Ukreximbank to Oschadbank, and the State Mortgage Institution (SMI).

UAH: Ukrainian national currency, the hryvnia.

UAH TWI, or interchangeably, **hryvnia trade-weighted index**: Index of the local currency calculated by Investment Capital Ukraine (ICU), which is calculated upon nominal exchanges rates to the US dollar and headline consumer price inflation indices of Ukraine and its 26 trading partners, which as a whole, comprise a 76% share of merchandise trade turnover. Please refer to *ICU Quarterly Report "Ukraine's See-saw Puzzle"* published on 14 July, 2009 for more details on the methodology of the index. There are nominal and real UAH TWIs, the former based on exchange rates, and the latter based on both exchange rates and inflation. There are monthly and daily UAH TWIs, which are tracked by ICU. Monthly TWI calculation is based on the monthly data for inflation and trade statistics as well as monthly average exchange rates. Daily TWI calculation is based on the monthly data for inflation and trade statistics; however, its core substance is to reflect daily movements of the exchange rates of Ukraine's currency as well as of its key trading partners.

UAS: Ukrainian accounting standards.

VATs, or interchangeably, **VAT bonds**: Local-currency bond(s), representing a general financial obligation by the government on par with other government's financial obligations, which was/were issued in accordance with the government's initiative to offload the government's accumulated arrears on VAT refunds to domestic exporters.

Weighted-average duration, or interchangeably, **bond auction weighted-average duration**: Duration calculated from all cash flows obtained from the bonds sold at the auction. Yield-to-maturity, price, and each cash flow (coupons and principal) are calculated for the total number of bonds sold at the auction.

Weighted-average yield, or interchangeably, **bond auction weighted-average yield**: A yield-to-maturity calculated from all cash flows obtained from the bonds sold at the auction and against the total price paid to acquire them. Price and each cash flow (coupons and principal) are calculated for the total number of bonds sold at the auction.

YTM, or interchangeably, **yield-to-maturity**: The interest rate that creates the present value of cash flows obtained from holding a bond equal to the price of the bond. The YTM factors in coupon income and any capital gain (loss) the investor will realise by holding the bond to maturity. It also takes into consideration the timing of coupon payments and principal repayment, which can be done at the maturity date (for a bullet bond) or in accordance with an amortisation schedule (amortisation bond). The YTM uses an interest-on-interest principle, assuming that coupon income can be reinvested at an interest rate equal to the YTM, and is calculated in accordance with the Ukraine's domestic bond market standard, which is represented by the following formula:

$$Price + AI = \sum_{i=1}^n \frac{CF_i}{(1+YTM)^{\frac{t_i}{365}}},$$

where *Price* and *AI* are clean price and accrued interest of the bond, respectively, as of the date of purchase; *n* is the number of cash flows to be obtained by a bond holder; *CF_i* is the

cash flow (coupon income, principal repayment) obtained from a bond; t_i is the number of days between a purchase date and i -th cash flow date, and YTM is yield-to-maturity.

YTW, or interchangeably, **yield-to-worst**: The same as yield-to-maturity (YTM); however, it is calculated assuming the worst-case scenario under the terms of a bond issue, e.g., the cash flow is trimmed to the earliest possible bond redemption such as due to a call or a put option, embedded into the bond.

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