


INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

High liquidity push O/N rates down; Sovereign YTM's and UAH's real rate up on sentiment

THURSDAY, 9 JANUARY, 2014

RESEARCH INSIGHT

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UX Index (3 months to 9 Jan 2014)



Key market indicators (as of 8 Jan 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	8.2345	-0.01	-0.07
USD/UAH (1Y NDF)	9.4200	+0.00	+0.00
EUR/USD	1.3576	-0.29	-1.22
USD/RUB	33.1982	+0.16	+1.00
KievPRIME O/N (%)	N/A		
KievPRIME 1M (%)	N/A		

BONDS: yields and spreads

		Daily chg	YTD chg
Ukraine VAT bond (%)	N/A	+74bp	+0bp
Ukraine 17, Eurobond (%)	8.13	-16bp	-142bp
Ukraine 22, Eurobond (%)	8.97	+9bp	-38bp
Ukraine 23, Eurobond (%)	8.67	+9bp	-38bp
Ukraine 5Y CDS	680bp	-10bp	-137bp

EQUITIES

Stock market indices

		Daily chg	YTD chg
UX (Ukraine)	900.98	-1.00	-1.00
MSCI World	404.87	+0.15	-0.90
MSCI EM	973.17	+0.17	-2.94
RTS (Russia)	1,390.35	+0.15	-3.63
WIG-20 (Poland)	2,363.38	+0.59	-1.57
S&P 500 (USA)	1,837.49	-0.02	-0.59

MOST ACTIVE: Top 3 stocks by value traded (US\$m)

Stock	Value	% of total ¹
FXPO LN	3.01	36.0%
KER PW	2.54	30.4%
MHPC LI	1.20	14.3%

GAINERS: Top 3 stocks (in listed currency)

Stock	Value	Daily chg	YTD chg
SGR PW	PLN 0.64	+16.36	+20.75
CLE PW	PLN 1.05	+7.14	+0.00
AVDK UK	UAH 3.02	+2.03	+2.03

LOSERS: Top 3 stocks (in listed currency)

Stock	Value	Daily chg	YTD chg
USCB UK	UAH 0.18	-3.36	-3.36
AGT PW	PLN 2.57	-3.02	+31.79
CEEN UK	UAH 4.65	-2.47	-2.47

Notes: Chg – percentage change, if not otherwise indicated;
 [1] – total traded volume for stocks listed in Table 1, pp. 2;
 green- or red-shaded box means gain or loss, respectively,
 of the index or security.

Sources: Bloomberg, UX, Investment Capital Ukraine LLC.

Table 1. Ukrainian stocks (closing prices as of 8-Jan-2014)

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)	2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E	P/B (x)	Debt/Assets (%)
ENERGY																											
Cadogan Petrol...	CAD LN	London	10.00 GBP	-2.4	-20.0	-3.6	-27.3	0.16	38.0	-25.0	40.2	15.3	3.9	9.5	0.09	1,099	Neg.	Neg.	Neg.	3.8	3.9	7.8	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	4.65 UAH	-2.5	-5.7	-2.5	-25.4	0.56	208.7	285.8	21.7	45.3	30.6	73.4	0.12	830	7.4	7.0	5.0	0.5	4.1	2.8	0.3	0.4	0.3	0.7	12.2
Coal Energy	CLE PW	Warsaw	1.05 PLN	+7.1	-33.1	+0.0	-90.8	0.34	15.4	73.3	25.0	3.8	461.6	45.5	2.16	46	Neg.	Neg.	N/A	1.2	10.0	N/A	0.6	0.8	N/A	0.1	7.7
Donbasenergo	DOEN UK	Kiev, UX	27.80 UAH	+0.8	+1.9	+0.8	+30.8	3.38	79.8	137.6	14.2	11.4	20.4	51.0	0.21	477	21.2	2.8	4.1	0.5	2.4	2.3	0.2	0.2	0.2	1.0	17.8
JKX Oil & Gas	JKX LN	London	72.00 GBP	+1.4	+1.1	+0.7	-7.4	1.18	203.5	200.5	47.2	96.0	0.5	149.4	0.05	2,129	Neg.	6.3	5.7	1.5	2.0	2.2	1.0	1.0	0.9	0.4	2.5
Regal Petroleum	RPT LN	London	13.25 GBP	-1.9	-11.7	+1.9	-55.3	0.22	69.9	43.1	80.9	56.6	3.3	8.2	0.03	3,415	6.0	14.0	N/A	1.9	2.5	N/A	1.0	N/A	N/A	0.2	0.0
Sadova Group	SGR PW	Warsaw	0.64 PLN	+16.4	+20.8	+20.8	-68.0	0.21	9.0	50.6	25.0	2.2	100.3	35.2	2.25	44	Neg.	N/A	N/A	25.3	N/A	N/A	1.3	N/A	N/A	0.2	42.7
Zakhidenergo	ZAEN UK	Kiev, PFTS	90.40 UAH	+0.0	+7.5	+0.0	+0.1	10.98	140.5	176.4	5.0	7.0	11.0	7.3	0.12	844	602.8	N/A	N/A	1.2	N/A	N/A	0.1	N/A	0.1	2.2	9.7
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	+0.0	-3.7	-0.3	-28.1	0.00	121.2	1,826.5	3.9	4.7	0.0	20.7	0.33	299	Neg.	Neg.	N/A	N/A	Neg.	N/A	1.0	1.1	N/A	N/A	64.5
Avdiyivsky Cok...	AVDK UK	Kiev, UX	3.02 UAH	+2.0	-2.0	+2.0	-5.2	0.37	71.6	67.2	4.0	2.9	2.4	16.7	0.57	177	Neg.	Neg.	2.8	Neg.	1.5	0.9	0.1	0.1	0.1	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.66 UAH	-2.1	-5.1	-2.1	-12.4	0.08	335.0	324.8	4.1	13.7	1.8	25.5	0.22	450	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	180.00 GBP	+0.1	+2.2	-5.8	-33.9	2.96	1,743.7	2,331.0	22.4	390.6	3,011.2	2,528.8	0.56	179	8.1	6.9	8.1	5.9	5.0	5.4	1.6	1.5	1.5	1.1	37.0
Yenakievo Steel	ENMZ UK	Kiev, UX	32.61 UAH	+1.9	-1.4	+1.9	-15.1	3.96	41.8	35.5	9.4	3.9	0.7	10.1	0.19	518	5.0	Neg.	2.1	Neg.	Neg.	N/A	0.0	0.0	0.0	0.8	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	1.29 EUR	+0.8	+2.4	+4.0	-23.2	1.75	61.5	88.5	34.0	20.9	2.6	38.0	0.17	586	Neg.	N/A	N/A	Neg.	N/A	N/A	1.4	N/A	N/A	1.4	35.9
Agroliga	AGL PW	Warsaw	28.50 PLN	-0.7	+9.5	+9.9	+95.0	9.27	14.3	14.6	16.7	2.4	23.8	13.9	0.54	184	20.2	N/A	N/A	19.8	N/A	N/A	5.7	N/A	N/A	N/A	7.5
Agroton	AGT PW	Warsaw	2.57 PLN	-3.0	+31.8	+31.8	-75.2	0.84	18.1	65.5	26.2	4.7	505.4	77.0	2.12	47	2.7	3.8	2.4	4.5	7.0	4.2	0.7	1.0	0.8	0.1	28.0
Astarta Holdin...	AST PW	Warsaw	67.43 PLN	-0.1	+4.5	+0.8	+14.3	21.94	548.6	874.7	31.0	170.2	257.6	212.7	0.16	610	8.9	8.4	4.6	9.9	7.3	5.0	1.8	1.8	1.4	1.0	38.9
Avangard	AVGR LI	London Intl	11.30 USD	-1.7	-4.2	-3.8	-0.4	11.30	721.8	888.1	21.7	156.6	164.2	227.4	0.11	890	3.2	3.2	3.2	3.2	3.1	3.0	1.4	1.3	1.2	0.6	22.3
IMC	IMC PW	Warsaw	12.76 PLN	+0.9	+0.5	+5.0	-19.7	4.15	130.0	246.2	23.9	31.0	0.7	22.8	0.04	2,234	6.9	4.9	3.1	6.7	5.8	4.1	3.3	1.9	1.2	1.0	33.0
Kernel Holding...	KER PW	Warsaw	41.90 PLN	-0.2	+4.9	+10.1	-31.4	13.63	1,086.4	1,806.8	58.8	638.5	2,542.7	3,264.8	0.35	288	9.8	10.0	6.0	6.2	6.3	5.1	0.6	0.8	0.7	0.8	30.6
KSG Agro	KSG PW	Warsaw	10.69 PLN	+0.9	+7.0	-1.5	-15.4	3.48	52.2	174.1	34.4	18.0	11.4	25.2	0.13	761	6.4	4.3	4.4	41.3	5.9	4.8	4.7	2.5	1.6	0.6	29.2
MHP	MHPC LI	London Intl	18.15 USD	+0.7	+14.7	+6.5	+17.5	18.15	1,917.9	3,118.9	22.3	428.1	1,197.4	1,954.6	0.17	583	6.5	8.8	6.4	6.7	7.2	5.9	2.2	2.1	1.8	1.6	45.8
Mriya Agrohold...	MAYA GF	Frankfurt	5.06 EUR	+0.0	-8.0	-6.3	+1.2	6.88	730.6	1,189.2	20.0	146.1	0.0	1.6	0.00	34,757	4.2	4.6	4.8	5.2	4.5	4.8	3.4	3.2	2.8	0.0	34.8
Ovostar Union	OVO PW	Warsaw	94.94 PLN	+0.0	+19.9	-5.1	+10.4	30.89	185.4	197.4	25.0	46.3	1.1	51.7	0.27	375	7.9	7.3	5.0	7.1	6.5	4.1	2.8	2.4	1.8	1.8	3.7
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.32 EUR	+0.0	+6.7	+0.0	+34.3	0.43	22.3	181.6	13.1	2.9	0.0	0.3	N/A	N/A	Neg.	0.7	N/A	Neg.	N/A	N/A	8.3	2.3	N/A	0.2	44.1
FINANCIAL SERVICES																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.11 UAH	-2.3	-4.7	-2.3	+26.6	0.01	403.9	N/A	3.8	15.4	19.3	48.1	0.29	339	10.4	6.0	3.2	N/A	N/A	N/A	N/A	N/A	N/A	0.5	28.3
UkrSotsbank	USCB UK	Kiev, UX	0.18 UAH	-3.4	+7.1	-3.4	+42.5	0.02	399.3	N/A	4.5	17.9	0.2	13.5	0.09	1,082	1,085.9	200.4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.4	30.9

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; *** -- means that P/E ratio is above 10,000x.

Sources: Bloomberg, Investment Capital Ukraine LLC.

Bonds: News & Comments

Domestic liquidity: High liquidity push rates down

Money market conditions were further eased as the NBU begins 2014 with high liquidity, albeit concentrated in a few banks that either are state-run or controlled by people close to the presidential administration. The central bank data on daily liquidity operations with banks has been delivering a steady increase in the volume of funds which commercial banks deposit with the central bank. Most recent data reported 11 banks depositing a total of UAH2.1bn into the NBU's accounts at an overnight cost of 2%.

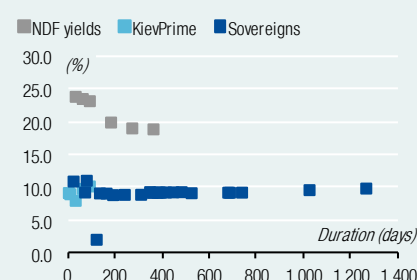
Ukraine sovereign bond prices decline with global sentiment

US Treasuries were under downward price pressure yesterday due to positive job market data indicating that this Friday's payroll report could be quite strong and hence support the Fed's tapering decision last month. This news could lead market sentiment in the direction of the Fed's accelerating its tapering over the course of 1Q14. Hence, the 10yr UST yield increased more than 5bp from 2.94% to 3.00%. In the absence of positive macro news from Ukraine, the nation's US-dollar sovereign yields for the bond due in 2020 increased to 8.73% versus 8.62% a day earlier, and the 2013 bond yield rose 9bp to 8.67%.

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Yield curve of the local bond market

(as of market close on 8 Jan 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 8 Jan 2014)

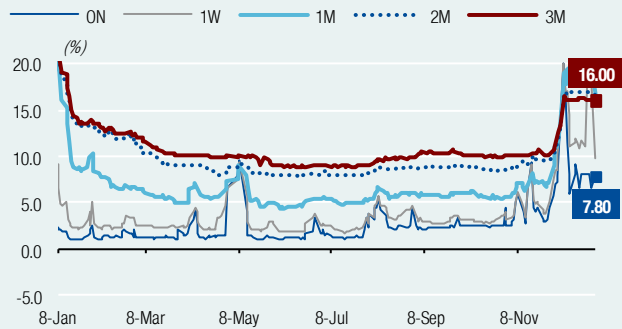
	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
O/n	N/A	N/A	N/A	N/A	N/A
1wk	N/A	N/A	N/A	N/A	N/A
1m	N/A	N/A	N/A	N/A	N/A
2m	N/A	N/A	N/A	N/A	N/A
3m	N/A	N/A	N/A	N/A	N/A
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	31,738	-3.94	-2.95	+53.70	-2.95
CDs ²	165	-10.81	-76.60	-40.00	-76.60
Sovgns ³	6,963	+72.15	+381.9	+135.2	+381.9
Total	38,866	+4.28	+11.52	+62.72	+11.52
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	N/A	N/A	N/A	N/A	N/A
Banks	N/A	N/A	N/A	N/A	N/A
Resid's ⁴	N/A	N/A	N/A	N/A	N/A
Non-res ⁵	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A
NDF IMPLIED YIELDS (%)					
3m	11.20	-119bp	-95bp	-19ppt	-95bp
6m	11.47	-206bp	-194bp	-14ppt	-194bp
9m	14.11	+1bp	+10bp	-11ppt	+10bp
1yr	15.07	+1bp	+8bp	-883bp	+8bp
LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)					
Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	11.00	+0bp	+0bp	+1bp	+0bp
Aug '15 ⁶	N/A	+74bp	+0bp	+0bp	+0bp
EUROBONDS USD SOVEREIGN BOND YIELDS (%)					
CDS 5yr	680	-10bp	-137bp	-418bp	-137bp
Jun '16	6.98	-20bp	-191bp	-519bp	-191bp
Jul '17	8.13	-16bp	-142bp	-431bp	-142bp
Sep '20	8.73	+11bp	-46bp	-216bp	-46bp
Sep '21	8.81	+1bp	-41bp	-197bp	-41bp
Sep '22	8.97	+9bp	-38bp	-164bp	-38bp
Feb '23	8.67	+9bp	-38bp	-161bp	-38bp

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



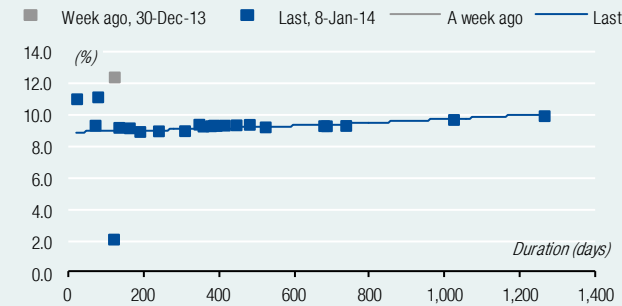
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



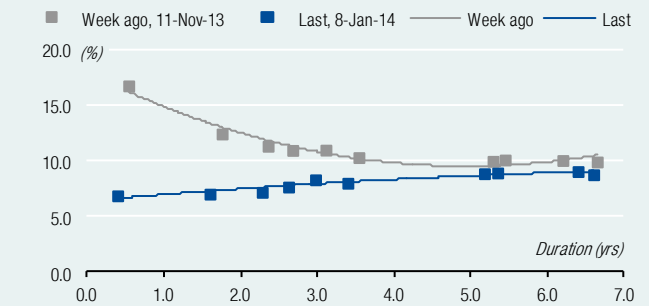
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 8 Jan 2014



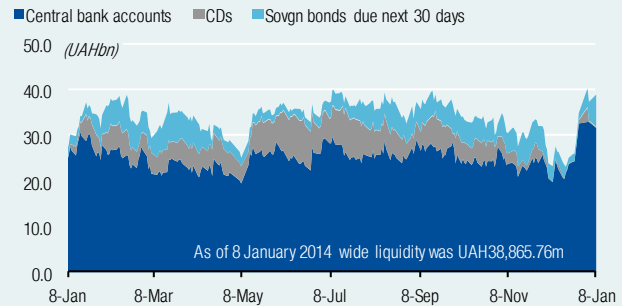
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 8 Jan 2014



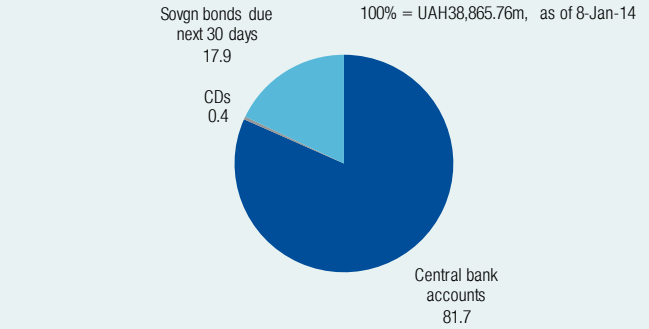
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



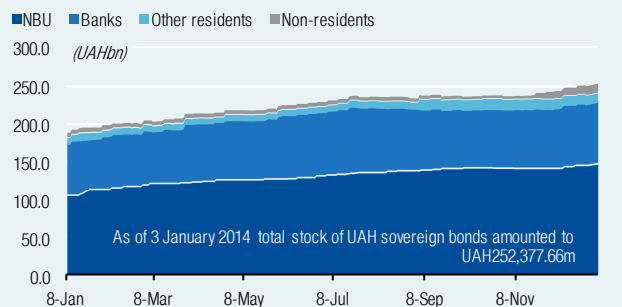
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 8 Jan 2014



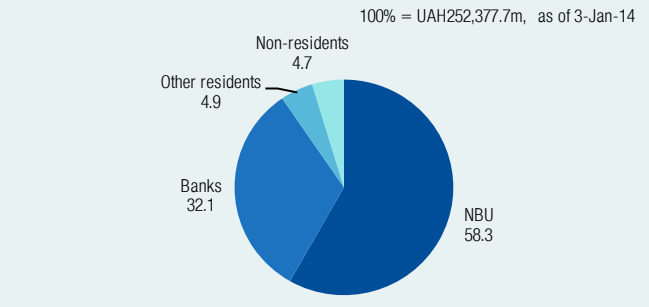
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 8 Jan 2014



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

FX: News & Comments

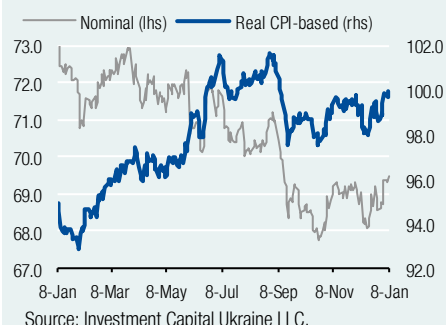
UAH's real rate steps up on global sentiment

As described above, the positive macro news in the US jobs market sent US government bond prices down and the US dollar up versus major foreign currencies. The US dollar index rose 0.23% yesterday. The Euro declined 0.29% to 1.3576, the Russian ruble slid 0.16% to 33.1982/USD, the Polish zloty dropped 0.29% to 3.0766/USD, and the Turkish lira, a recent victim of the domestic political crisis, fell 0.84% to 2.1855/USD. This forced the UAH's real TWI to increase 0.19% due to the UAH's stable nominal rate.

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ICU's UAH trade-weighted indices

(Last 12-month history to 9 Jan 2014)



FX market indicators (as of 8 Jan 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	8.2345	-0.01	-0.07	+0.24	-0.07
NBU avg	N/A	N/A	N/A	N/A	N/A
Ttl vlm ¹	N/A	N/A	N/A	N/A	N/A
\$ volume ²	N/A	N/A	N/A	N/A	N/A
NDF 3M	8.4600	-0.29	-0.82	-4.24	-0.29
NDF 6M	8.6950	-0.97	-0.97	-5.95	-0.97
NDF 1Y	9.4200	+0.00	-0.32	-6.92	+0.00
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	69.448	+0.19	+1.02	+1.06	+0.98
UAH real CPI	99.903	+0.19	+1.02	+1.06	+0.98
UAH real PPI	132.641	+0.19	+1.02	+1.06	+0.98
USD nom'l	81.022	+0.23	+1.14	+0.88	+1.23
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	33.1982	+0.16	+1.04	+1.45	+1.00
EUR/USD	1.3576	-0.29	-1.36	-0.95	-1.22
USD/CNY	6.0511	+0.00	-0.07	-0.52	-0.05
USD/PLN	3.0766	+0.29	+1.92	+0.72	+1.77
USD/TRY	2.1855	+0.84	+1.73	+7.88	+1.74
USD/BYR	9,570.00	+0.00	+0.31	+1.54	+0.31
USD/KZT	154.4300	-0.06	+0.05	+0.12	+0.10
OTHER MAJOR CURRENCIES					
USD/JPY	104.8600	+0.25	-0.37	+1.89	-0.43
GBP/USD	1.6448	+0.28	-0.71	+0.61	-0.66
USD/CHF	0.9112	+0.23	+2.20	+2.16	+2.05
AUD/USD	0.8901	-0.29	+0.17	-2.21	-0.18
USD/CAD	1.0820	+0.50	+1.65	+1.69	+1.85
USD/BRL	2.3968	+1.03	+1.47	+2.78	+1.47
USD/KRW	1,064.54	-0.36	+0.82	+0.63	+1.40
COMMODITIES					
Gold(\$/oz)	1,225.94	-0.50	+2.09	-0.25	+1.68
WTI crude ³	N/A	N/A	N/A	N/A	N/A
Brent crd ³	N/A	N/A	N/A	N/A	N/A
Urals crd ³	N/A	N/A	N/A	N/A	N/A
TR/J CRB ⁴	274.86	-0.71	-1.90	-1.36	-1.90

Readers may follow the ICU trade-weighted indices of the local-currency, the hryvnia (UAH), on the ICU website ([download history](#)) and Bloomberg (type: ALLX UTWI <GO>).

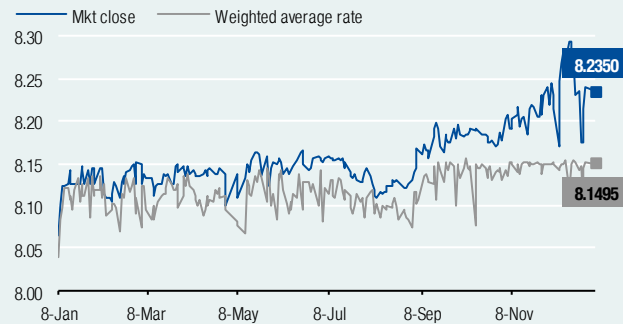
Section on FX market is continued on next page.

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.

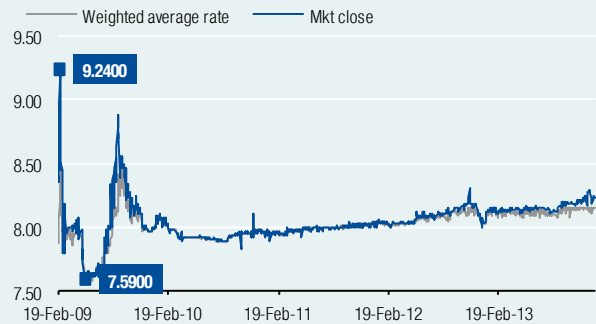
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

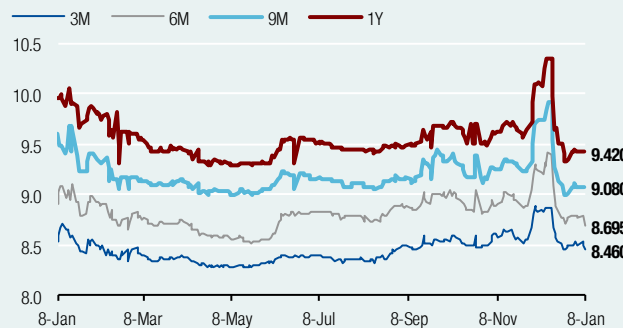


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

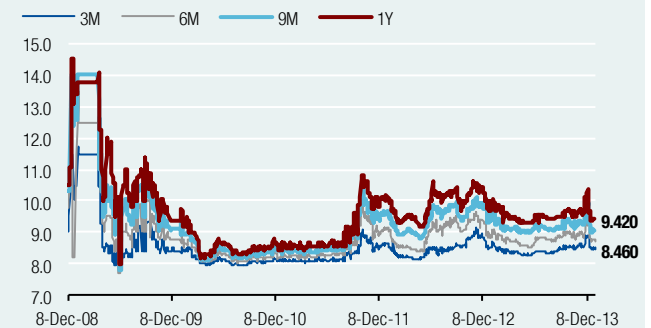


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

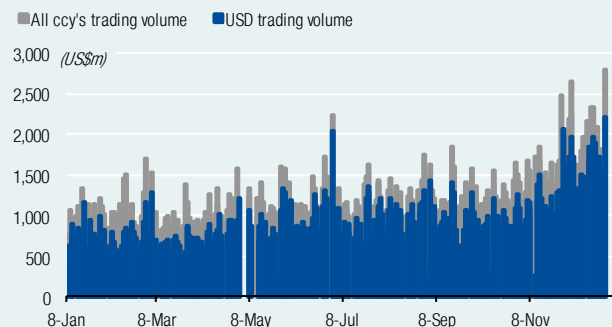


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

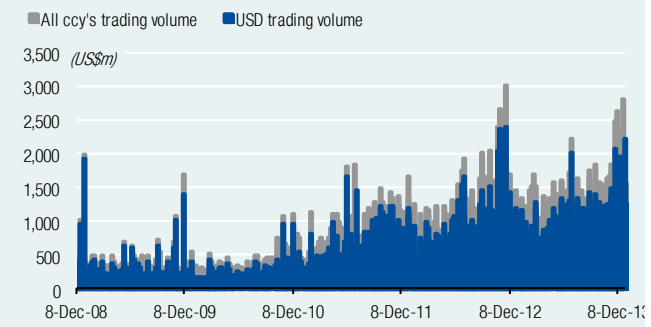


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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)

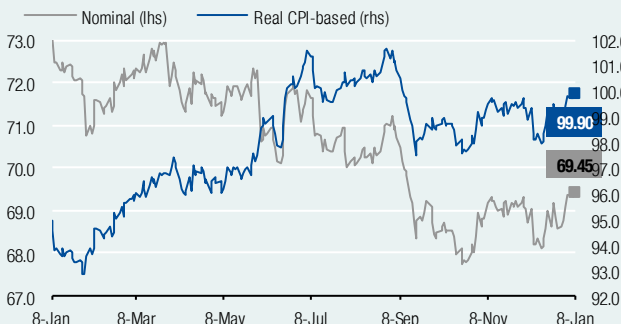


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

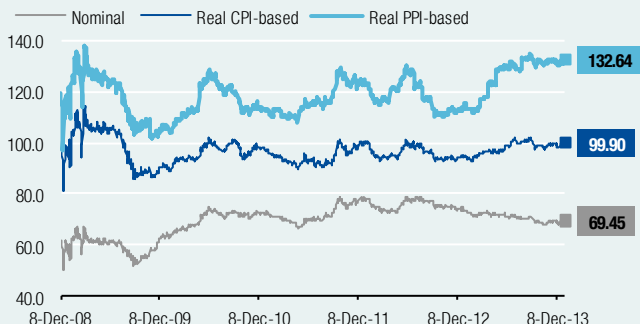
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August 2013.

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



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

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

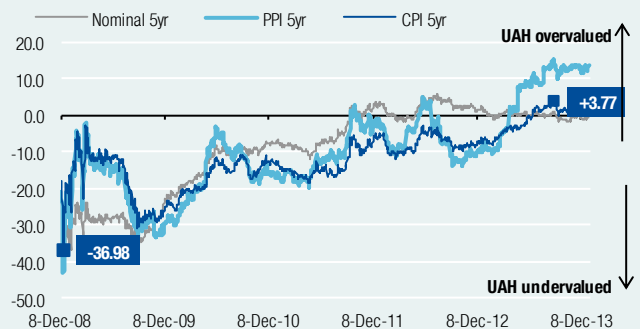


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

Chart 15. Deviation of UAH trade-weighted indices from their 5-year moving averages: last 12-month and 5-year periods (% , left and right respectively)



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



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

Chart 16. Deviation of UAH trade-weighted indices from their 10-year moving averages: last 12-month and 5-year periods (% , left and right respectively)



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



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

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Disclosures

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This research publication has been prepared by the analyst(s), whose name(s) appear on the front page of this publication. The analyst(s) hereby certifies that the views expressed within this publication accurately reflect her/his own views about the subject financial instruments or issuers and no part of her/his compensation was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views within this research publication.

EQUITY RATING DEFINITIONS

Buy: Forecasted 12-month total return greater than 20%

Hold: Forecasted 12-month total return 0% to 20%

Sell: Forecasted 12-month total return less than 0%

Note: total return is share price appreciation to a target price in relative terms plus forecasted dividend yield.

DEBT RATING DEFINITIONS

Buy: Forecasted 12-month total return significantly greater than that of relevant benchmark

Hold: Forecasted 12-month total return is in line with or modestly deviates from relevant benchmark

Sell: Forecasted 12-month total return significantly less than that of relevant benchmark



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