


INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

Liquidity up; Yields up on higher risks; UAH tests 8.30/USD

TUESDAY, 14 JANUARY, 2014

RESEARCH INSIGHT

Contents

Bonds: News & Comments	4
Liquidity up significantly.....	4
Yields rise as risks increase	4
Chart page: Local bond market & Eurobond markets.....	5
FX: News & Comments	6
UAH tests 8.30/USD.....	6
Chart page #1: Foreign-exchange market.....	7
Chart page #2: ICU's UAH trade-weighted indices.....	8

UX Index (3 months to 14 Jan 2014)



Key market indicators (as of 13 Jan 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	8.3125	+0.33	+0.88
USD/UAH (1Y NDF)	9.3150	-0.90	-1.11
EUR/USD	1.3671	+0.01	-0.52
USD/RUB	33.2802	+0.68	+1.25
KievPRIME O/N (%)	2.31	-13bp	-549bp
KievPRIME 1M (%)	10.34	-60bp	-591bp
BONDS: yields and spreads			
Ukraine VAT bond (%)	N/A	+74bp	+0bp
Ukraine 17, Eurobond (%)	8.28	+6bp	-127bp
Ukraine 22, Eurobond (%)	9.05	+11bp	-30bp
Ukraine 23, Eurobond (%)	8.73	+10bp	-31bp
Ukraine 5Y CDS	705bp	-10bp	-111bp
EQUITIES			
Stock market indices			
UX (Ukraine)	909.04	+1.49	-0.11
MSCI World	404.01	-0.45	-1.11
MSCI EM	977.42	+0.75	-2.52
RTS (Russia)	1,401.82	+0.42	-2.84
WIG-20 (Poland)	2,363.88	+1.55	-1.55
S&P 500 (USA)	1,819.20	-1.26	-1.58
MOST ACTIVE: Top 3 stocks by value traded (US\$m)			
FXPO LN	2.65	41.6% of total ¹	
KER PW	1.80	28.1%	
AVGR LI	0.80	12.5%	
GAINERS: Top 3 stocks (in listed currency)			
MAYA GF	EUR 5.30	+4.74	-1.85
USCB UK	UAH 0.18	+4.39	-2.45
BAVL UK	UAH 0.11	+4.18	+1.06
LOSERS: Top 3 stocks (in listed currency)			
CLE PW	PLN 1.12	-4.27	+6.67
KSG PW	PLN 10.21	-3.68	-5.90
RPT LN	GBp 13.25	-3.64	+1.92

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 13-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	10.25 GBP	+1.2	-4.7	-1.2	-24.8	0.17	38.8	24.3	40.2	15.6	0.0	9.0	0.08	1,242	Neg.	Neg.	Neg.	3.7	3.7	7.6	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	4.70 UAH	+0.3	-3.5	-1.5	-22.2	0.56	208.6	285.0	21.7	45.3	4.4	72.4	0.12	841	7.4	7.1	5.0	0.5	4.1	2.8	0.3	0.4	0.3	0.7	12.2
Coal Energy	CLE PW	Warsaw	1.12 PLN	-4.3	-25.3	+6.7	-90.3	0.37	16.6	74.5	25.0	4.1	187.0	66.6	3.44	29	Neg.	Neg.	N/A	1.2	10.2	N/A	0.6	0.8	N/A	0.1	7.7
Donbasenergo	DOEN UK	Kiev, UX	28.39 UAH	+1.5	+4.0	+2.9	+36.2	3.42	80.8	137.9	14.2	11.5	8.7	50.8	0.21	468	21.7	2.9	4.2	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	-0.3	+1.4	+0.7	-7.7	1.18	202.6	199.6	47.2	95.6	66.8	138.7	0.05	2,004	Neg.	6.2	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	-3.6	-7.0	+1.9	-57.3	0.22	69.6	42.8	80.9	56.3	6.5	8.1	0.03	3,319	6.0	13.9	N/A	1.9	2.5	N/A	1.0	N/A	N/A	0.2	0.0
Sadova Group	SGR PW	Warsaw	0.60 PLN	-1.6	+3.4	+13.2	-74.7	0.20	8.5	50.2	25.0	2.1	22.0	35.1	1.78	56	Neg.	N/A	N/A	25.0	N/A	N/A	1.3	N/A	N/A	0.2	42.7
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	+0.5	-6.6	-4.7	-30.7	0.00	114.7	1,803.5	3.9	4.4	2.8	19.8	0.41	246	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	2.77 UAH	-2.6	-7.8	-6.4	-8.9	0.33	65.0	60.7	4.0	2.6	26.9	14.1	0.75	134	Neg.	Neg.	2.5	Neg.	1.4	0.9	0.1	0.1	0.1	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.64 UAH	-0.2	-7.4	-5.2	-15.1	0.08	321.1	311.1	4.1	13.2	16.6	24.0	0.20	495	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	176.60 GBP	+0.8	+1.0	-7.5	-32.3	2.89	1,703.3	2,290.6	22.4	381.5	2,654.8	2,363.4	0.59	169	7.9	6.6	7.7	5.8	4.9	5.2	1.6	1.5	1.4	1.1	37.0
Yasynivsky Cok...	YASK UK	Kiev, UX	0.56 UAH	+3.0	+6.7	+4.7	-20.7	0.07	18.3	20.0	9.0	1.6	5.7	1.8	0.25	398	2.2	1.5	1.1	0.1	0.7	0.6	0.0	0.0	0.0	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	31.95 UAH	-0.3	-2.2	-0.2	-15.0	3.84	40.6	34.3	9.4	3.8	3.5	9.3	0.23	429	4.9	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	1.24 EUR	-0.8	-1.6	+0.0	-27.9	1.69	59.5	86.5	34.0	20.2	18.3	37.4	0.17	575	Neg.	N/A	N/A	Neg.	N/A	N/A	1.3	N/A	N/A	1.3	35.9
Agroliga	AGL PW	Warsaw	28.53 PLN	+0.9	+8.1	+10.0	+80.6	9.39	14.4	14.8	16.7	2.4	0.3	14.0	0.45	222	20.4	N/A	N/A	20.1	N/A	N/A	5.7	N/A	N/A	N/A	7.5
Agroton	AGT PW	Warsaw	2.84 PLN	+1.1	+43.4	+45.6	-73.2	0.93	20.2	67.6	26.2	5.3	331.5	104.2	3.04	33	3.0	4.2	2.7	4.7	7.2	4.3	0.8	1.0	0.8	0.2	28.0
Astarta Holdin...	AST PW	Warsaw	64.00 PLN	-2.3	+0.8	-4.3	+11.5	21.06	526.4	854.4	31.0	163.3	17.3	211.1	0.18	560	8.5	8.0	5.0	9.7	7.1	5.8	1.8	1.7	1.4	0.9	38.9
Avangard	AVGR LI	London Intl	11.30 USD	+0.0	-1.7	-3.8	-1.7	11.30	721.8	888.1	21.7	156.6	797.6	242.9	0.10	956	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	12.70 PLN	+1.8	-0.2	+4.5	-18.6	4.18	130.8	247.1	23.9	31.2	1.5	23.9	0.05	1,989	7.0	5.0	3.1	6.8	5.8	4.1	3.3	1.9	1.3	1.0	33.0
Kernel Holding...	KER PW	Warsaw	41.61 PLN	-0.9	+12.9	+9.3	-34.2	13.69	1,090.8	1,811.3	58.8	641.1	1,796.4	3,275.9	0.34	290	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	10.21 PLN	-3.7	+5.7	-5.9	-21.5	3.36	50.5	172.3	34.4	17.3	2.9	23.3	0.09	1,115	6.2	4.2	4.2	40.9	5.9	4.7	4.6	2.5	1.6	0.6	29.2
MHP	MHPC LI	London Intl	17.60 USD	-2.2	+11.7	+3.2	+10.8	17.60	1,859.7	3,060.7	22.3	415.1	368.3	1,834.9	0.19	536	6.3	8.6	6.3	6.5	7.1	5.8	2.2	2.0	1.8	1.6	45.8
Milkiland	MLK PW	Warsaw	11.55 PLN	+0.4	-3.8	-7.6	-27.8	3.80	118.7	253.2	20.0	23.7	0.5	18.1	0.02	5,481	6.8	6.6	6.5	7.1	6.2	5.0	0.6	0.5	0.5	0.5	29.9
Mriya Agrohold...	MAYA GF	Frankfurt	5.30 EUR	+4.7	-11.7	-1.9	+6.0	7.24	769.5	1,228.1	20.0	153.9	0.0	1.7	0.00	38,457	4.4	4.8	5.1	5.3	4.6	5.0	3.5	3.3	2.9	0.0	34.8
Ovostar Union	OVO PW	Warsaw	92.00 PLN	-3.2	+13.6	-8.0	+4.5	30.27	181.6	193.7	25.0	45.4	2.1	50.2	0.27	364	7.7	7.1	4.9	6.9	6.4	4.0	2.7	2.4	1.8	1.7	3.7
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	31.39 PLN	+0.0	+0.3	+0.0	+17.1	10.33	96.0	80.0	10.9	10.5	0.4	2.1	0.01	11,945	7.7	N/A	N/A	5.3	N/A	N/A	2.8	N/A	N/A	1.7	8.3
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.32 EUR	+0.0	+6.7	+0.0	+34.3	0.43	22.4	181.8	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	+4.2	-1.0	+1.1	+33.7	0.01	413.6	N/A	3.8	15.8	34.9	49.0	0.27	368	10.8	6.2	3.3	N/A	N/A	N/A	N/A	N/A	N/A	0.5	28.3
UkrSotsbank	USCB UK	Kiev, UX	0.18 UAH	+4.4	+7.0	-2.5	+43.8	0.02	399.1	N/A	4.5	17.9	4.6	12.6	0.09	1,063	1,096.1	202.3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.4	30.9

Table 1. Ukrainian stocks (closing prices as of 13-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)

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

Liquidity up significantly

Banks' correspondent accounts with the NBU rose UAH1.22bn to UAH31.08bn yesterday while total CDs outstanding rose UAH1.19bn to UAH7.20bn and total local currency debt repayments scheduled for the next 30 days remained steady at UAH7.03bn for the fourth consecutive business day. Broader banking sector liquidity rose UAH2.41bn to UAH45.31bn, the highest level in the last two years.

KyivPrime interest rates continued to decline: the KyivPrime ON interest rate slid 13bp to 2.31% while the KyivPrime 1M interest rate declined 60bp to 10.34%.

Investment implications: Liquidity remains high with significant funds available to banks and high CDs outstanding. At the same time, CDs consist mostly of 1-day maturities: UAH6.59bn was redeemed yesterday. The NBU increased CDs outstanding every day last week and could continue to do so this week, especially prior to today's primary bond auction with the settlement set for tomorrow.

Yields rise as risks increase

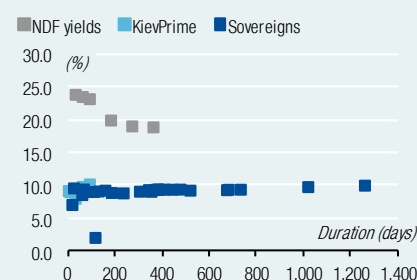
US Treasury YTM's continued to decline yesterday following Friday's disappointing new jobs report which decreased anticipation of an accelerated Fed QE tapering. At the close, the 5-year bond YTM slid 3bp to 1.59% and the 10-year bond YTM slid 3bp to 2.83%.

Ukrainian Eurobond yields increased as perceived risks rose. At the close, spreads of Ukrainian Eurobonds to the US benchmark mostly widened and YTM's diverged as UKRAIN 6.58% '16 slid 18bp to 7.47 and UKRAIN 6.25% '16 slid 13bp to 7.29%, while UKRAIN 6.875% '15 rose 14 to 6.93%, UKRAIN 9.25% '17 rose 3bp to 8.26%, UKRAIN 7.95% '21 rose 27bp to 9.05%, UKRAIN 7.80% '22 rose 7bp to 9.02% and UKRAIN 7.50% '23 rose 6bp to 8.71%.

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Yield curve of the local bond market

(as of market close on 13 Jan 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 13 Jan 2014)

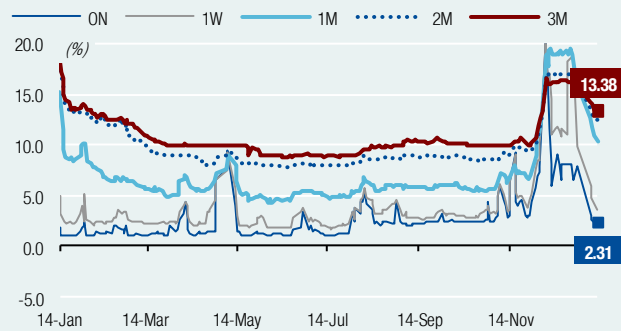
	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
0/n	2.31	-13bp	-549bp	-357bp	-549bp
1wk	3.50	-88bp	-630bp	-750bp	-630bp
1m	10.34	-60bp	-591bp	-866bp	-591bp
2m	12.50	+12bp	-390bp	-438bp	-390bp
3m	13.38	+0bp	-262bp	-275bp	-262bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	31,077	+4.08	-5.94	+37.69	-4.97
CDs ²	7,203	+19.81	+3,793.5	+529.1	+921.7
Sovgns ³	7,883	+12.41	+92.53	+197.0	+427.3
Total	46,164	+7.65	+23.70	+75.07	+32.27
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	7.09	-184bp	-725bp	-22ppt	-506bp
6m	9.12	-118bp	-441bp	-19ppt	-429bp
9m	11.10	-122bp	-300bp	-16ppt	-291bp
1yr	12.70	-142bp	-236bp	-13ppt	-228bp
LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)					
Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	7.12	-95bp	-388bp	-387bp	-388bp
Aug '15 ⁶	N/A	+74bp	+0bp	+0bp	+0bp
EUROBONDS USD SOVEREIGN BOND YIELDS (%)					
CDS 5yr	705	-10bp	-11bp	-351bp	-111bp
Jun '16	7.30	-11bp	-159bp	-491bp	-159bp
Jul '17	8.28	+6bp	-127bp	-421bp	-127bp
Sep '20	8.90	+13bp	-29bp	-213bp	-29bp
Sep '21	9.07	+30bp	-15bp	-198bp	-15bp
Sep '22	9.05	+11bp	-30bp	-158bp	-30bp
Feb '23	8.73	+10bp	-31bp	-157bp	-31bp

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



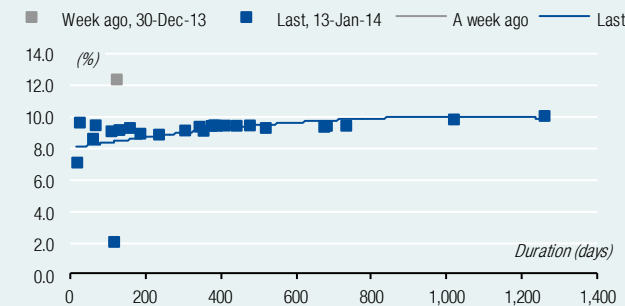
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



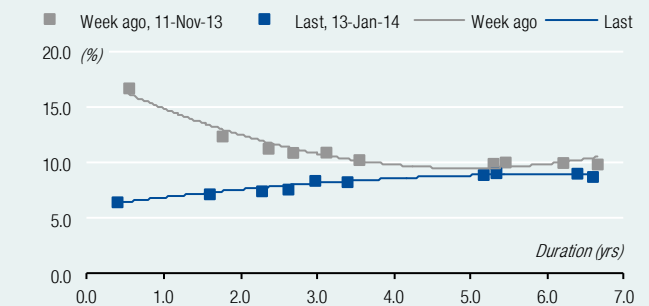
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 13 Jan 2014



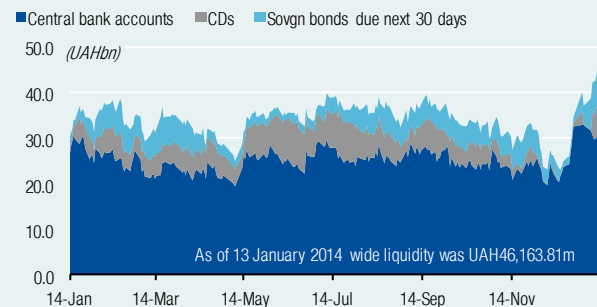
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 13 Jan 2014



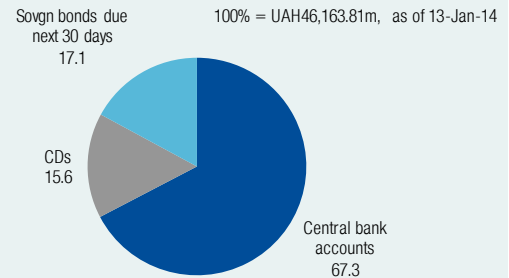
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



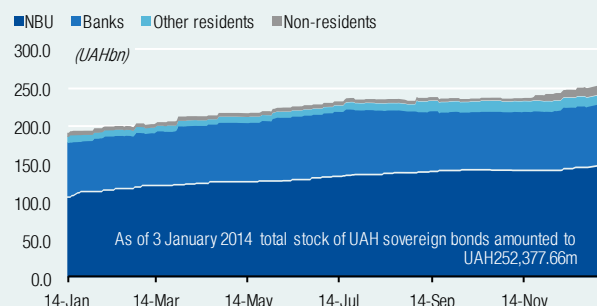
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 13 Jan 2014



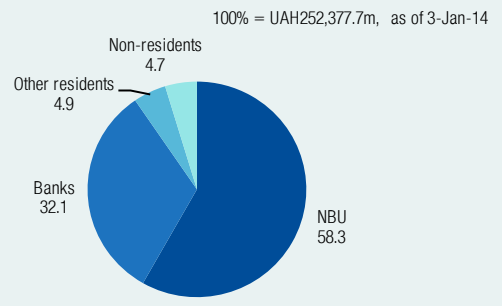
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 13 Jan 2014



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

FX: News & Comments

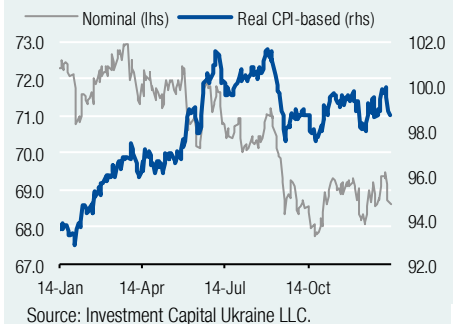
UAH tests 8.30/USD

The USD/UAH rate penetrated the 8.30/USD level as the NBU reportedly avoided intervention. However, state run banks tried to calm the market to 8.20/USD in mid-day trading. On US\$1.0bn in trading, the FX rate closed at 8.3125/USD, down 0.33% from the previous close. This weakness counterweighted developments with the currencies that constitute the basket for the UAH's trade-weighted value. The RUB lost 0.68% to close at 33.2802/USD and the Euro was marginally lower than a day ago but closed the day up by 0.01%. Effectively, the UAH's real TWI lost 0.12%.

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ICU's UAH trade-weighted indices

(Last 12-month history to 14 Jan 2014)



FX market indicators (as of 13 Jan 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	8.3125	+0.33	+0.94	+0.51	+0.88
NBU avg	8.1497	+0.40	+0.00	-0.05	-0.01
Ttt vlm ¹	1271.52	+910.7	-18.53	-35.32	-54.62
\$ volume ²	1047.26	+927.1	-17.25	-29.08	-52.63
NDF 3M	8.4550	-0.12	-0.82	-4.73	-0.35
NDF 6M	8.6800	-0.23	-1.14	-7.84	-1.14
NDF 1Y	9.3150	-0.90	-1.11	-10.00	-1.11
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	68.615	-0.12	-1.07	+0.39	-0.23
UAH real CPI	98.706	-0.12	-1.07	+0.39	-0.23
UAH real PPI	131.051	-0.12	-1.07	+0.39	-0.23
USD nom'l	80.513	-0.18	-0.17	+0.37	+0.60
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	33.2802	+0.68	+0.14	+1.24	+1.25
EUR/USD	1.3671	+0.01	+0.31	-0.52	-0.52
USD/CNY	6.0440	-0.13	-0.14	-0.46	-0.17
USD/PLN	3.0385	+0.11	-0.83	-0.11	+0.51
USD/TRY	2.1794	+0.69	+0.38	+6.88	+1.45
USD/BYR	9,568.00	-0.02	-0.02	+1.36	+0.29
USD/KZT	154.7400	+0.09	+0.14	+0.45	+0.30
OTHER MAJOR CURRENCIES					
USD/JPY	103.0000	-1.13	-1.17	-0.20	-2.19
GBP/USD	1.6383	-0.61	-0.14	+0.51	-1.05
USD/CHF	0.8990	-0.38	-0.56	+1.07	+0.68
AUD/USD	0.9054	+0.66	+0.97	+1.00	+1.54
USD/CAD	1.0863	-0.27	+1.94	+2.63	+2.26
USD/BRL	2.3574	-0.04	-0.94	+1.17	-0.20
USD/KRW	1,056.78	-0.43	-0.81	+0.40	+0.66
COMMODITIES					
Gold(\$/oz)	1,253.22	+0.38	+1.22	+1.16	+3.95
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	276.10	+0.25	-0.36	-1.28	-1.45

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>).

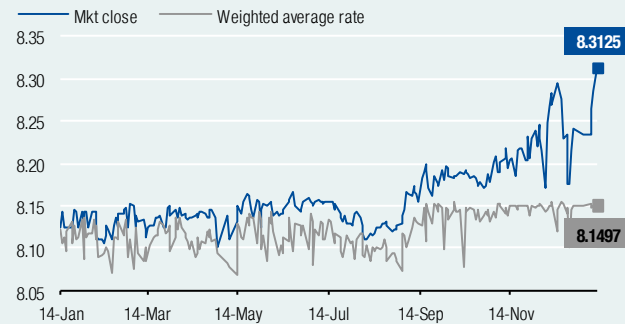
Section on FX market is continued on next page.

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.

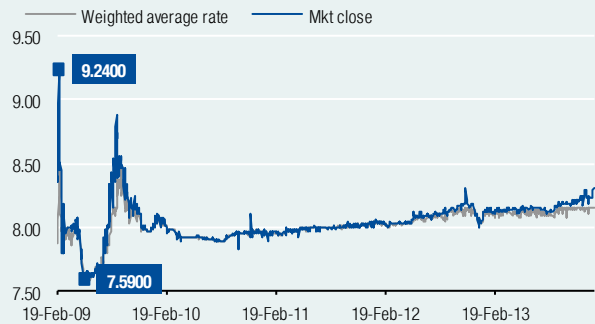
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

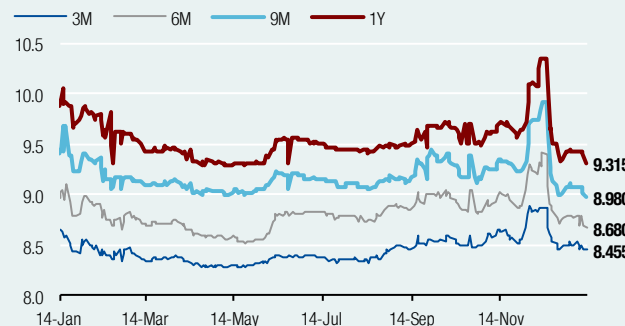


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

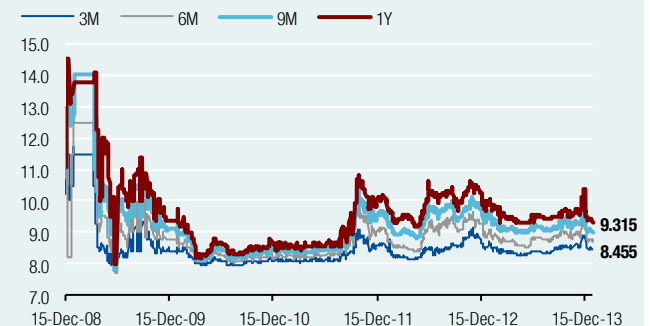


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

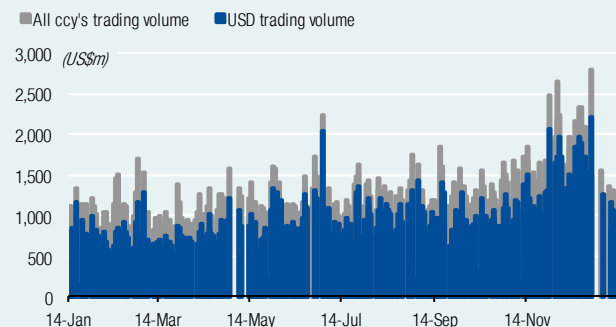


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.



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)



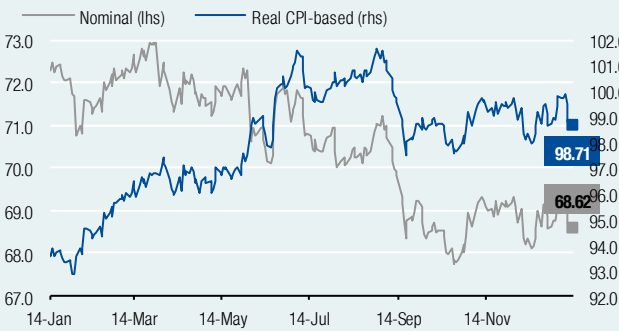
Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

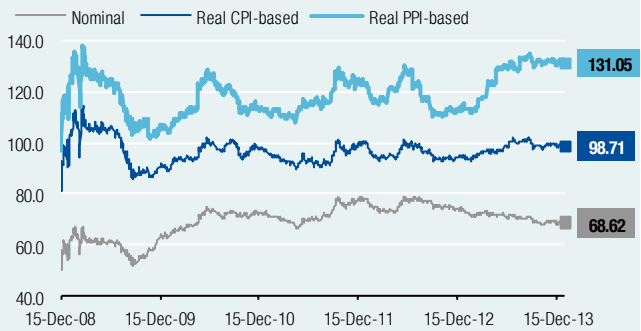
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



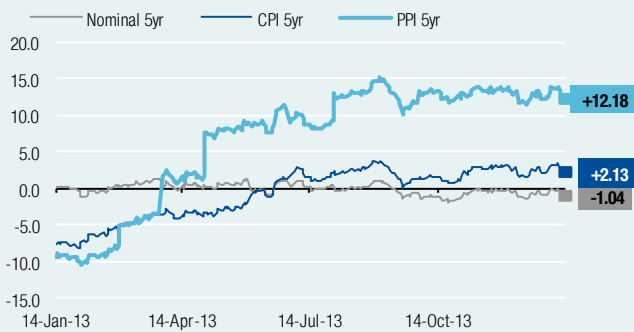
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

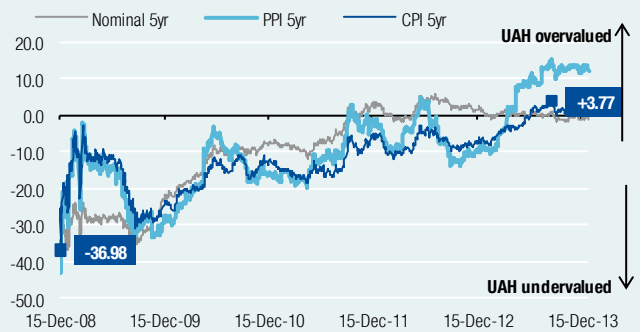


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

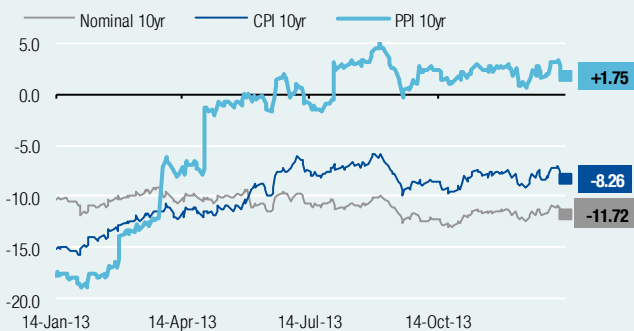


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

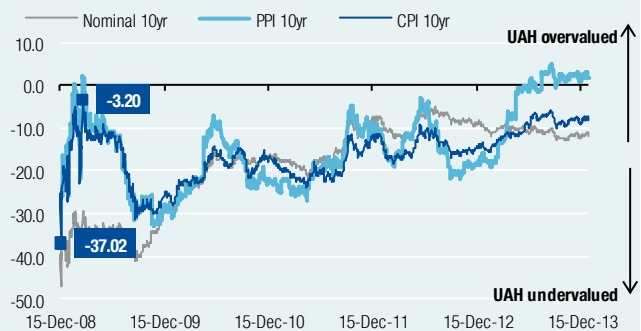


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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.

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

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

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

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

DEBT RATING DEFINITIONS

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

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

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



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