


INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

Liquidity up further; Yields rise further; Primary auction results; UAH hits new low, follows RUB

WEDNESDAY, 15 JANUARY, 2014

RESEARCH INSIGHT

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UX Index (3 months to 15 Jan 2014)



Key market indicators (as of 14 Jan 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	8.3185	+0.07	+0.95
USD/UAH (1Y NDF)	9.2600	-0.59	-1.70
EUR/USD	1.3679	+0.06	-0.47
USD/RUB	33.3149	+0.10	+1.35
KievPRIME O/N (%)	2.26	-5bp	-554bp
KievPRIME 1M (%)	10.32	-2bp	-593bp
BONDS: yields and spreads			
Ukraine VAT bond (%)	N/A	+74bp	+0bp
Ukraine 17, Eurobond (%)	8.32	+3bp	-124bp
Ukraine 22, Eurobond (%)	8.97	-8bp	-38bp
Ukraine 23, Eurobond (%)	8.76	+2bp	-29bp
Ukraine 5Y CDS	728bp	+23bp	-89bp
EQUITIES			
Stock market indices			
UX (Ukraine)	907.44	-0.18	-0.29
MSCI World	405.31	+0.32	-0.79
MSCI EM	975.28	-0.22	-2.73
RTS (Russia)	1,388.69	-0.94	-3.75
WIG-20 (Poland)	2,377.55	+0.58	-0.98
S&P 500 (USA)	1,838.88	+1.08	-0.51
MOST ACTIVE: Top 3 stocks by value traded (US\$m)			
FXPO LN	2.48	39.1% of total ¹	
AVGR LI	1.45	22.8%	
KER PW	1.16	18.3%	
GAINERS: Top 3 stocks (in listed currency)			
CLE PW	PLN 1.31	+16.96	+24.76
SGR PW	PLN 0.68	+13.33	+28.30
RPT LN	GBP 14.13	+6.60	+8.65
LOSERS: Top 3 stocks (in listed currency)			
FORM UK	UAH 0.71	-19.32	-6.58
USCB UK	UAH 0.17	-5.74	-8.05
KDM PW	PLN 30.00	-4.43	-4.43

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 14-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	+0.0	-4.7	-1.2	-26.8	0.17	38.9	-24.2	40.2	15.6	4.2	8.9	0.07	1,398	Neg.	Neg.	Neg.	3.7	3.7	7.6	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	4.65 UAH	-0.9	-4.4	-2.4	-21.9	0.56	206.4	282.7	21.7	44.8	23.2	70.8	0.12	834	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	1.31 PLN	+17.0	-12.7	+24.8	-88.1	0.43	19.4	77.3	25.0	4.9	364.6	82.9	3.27	31	Neg.	Neg.	N/A	1.3	10.6	N/A	0.6	0.9	N/A	0.2	7.7
Donbasenergo	DOEN UK	Kiev, UX	28.74 UAH	+1.2	+5.3	+4.2	+43.7	3.45	81.6	138.7	14.2	11.6	12.1	50.7	0.20	494	21.9	2.9	4.3	0.5	2.5	2.3	0.2	0.2	0.2	1.0	17.8
JKX Oil & Gas	JKX LN	London	71.75 GBP	-0.3	+1.1	+0.3	-5.9	1.18	202.3	199.2	47.2	95.5	54.4	137.2	0.05	1,970	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	14.13 GBP	+6.6	-0.9	+8.7	-57.4	0.23	74.3	47.5	80.9	60.1	8.9	8.7	0.03	3,455	6.4	14.9	N/A	2.1	2.8	N/A	1.2	N/A	N/A	0.3	0.0
Sadova Group	SGR PW	Warsaw	0.68 PLN	+13.3	+17.2	+28.3	-63.4	0.22	9.6	49.4	25.0	2.4	109.8	41.0	1.70	59	Neg.	N/A	N/A	24.6	N/A	N/A	1.2	N/A	N/A	0.2	42.7
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	-1.1	-7.6	-5.7	-28.5	0.00	113.3	1,799.6	3.9	4.4	0.3	19.2	0.41	247	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	2.73 UAH	-1.4	-9.1	-7.7	-5.5	0.33	64.0	59.6	4.0	2.6	6.7	13.7	0.77	130	Neg.	Neg.	2.5	Neg.	1.4	0.8	0.1	0.1	0.1	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.64 UAH	+1.1	-6.4	-4.2	-11.4	0.08	324.2	314.2	4.1	13.3	0.3	23.9	0.19	523	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	176.70 GBP	+0.1	+1.0	-7.5	-31.3	2.90	1,707.3	2,294.5	22.4	382.4	2,483.2	2,370.7	0.59	168	8.0	6.6	7.6	5.8	4.9	5.2	1.6	1.5	1.4	1.1	37.0
Yenakievo Steel	ENMZ UK	Kiev, UX	31.62 UAH	-1.0	-3.2	-1.2	-13.8	3.80	40.1	33.8	9.4	3.8	3.7	9.1	0.23	432	4.8	Neg.	2.0	Neg.	Neg.	N/A	0.0	0.0	0.0	0.8	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	1.26 EUR	+1.6	+0.0	+1.6	-26.3	1.72	60.3	87.4	34.0	20.5	25.2	37.8	0.17	591	Neg.	N/A	N/A	Neg.	N/A	N/A	1.4	N/A	N/A	1.3	35.9
Agroliga	AGL PW	Warsaw	28.03 PLN	-1.8	+6.2	+8.1	+80.4	9.23	14.2	14.5	16.7	2.4	18.4	13.9	0.50	202	20.0	N/A	N/A	19.7	N/A	N/A	5.6	N/A	N/A	N/A	7.5
Agroton	AGT PW	Warsaw	2.83 PLN	-0.4	+42.9	+45.1	-73.1	0.93	20.2	67.5	26.2	5.3	350.1	108.1	3.33	30	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	65.50 PLN	+2.3	+3.1	-2.1	+15.2	21.57	539.2	866.6	31.0	167.3	14.9	212.9	0.17	572	8.7	8.2	5.1	9.8	7.2	5.9	1.8	1.7	1.4	1.0	38.9
Avangard	AVGR LI	London Intl	11.69 USD	+3.5	+1.7	-0.5	+1.1	11.69	746.7	913.0	21.7	162.0	1,445.0	269.9	0.14	698	3.3	3.3	3.3	3.3	3.2	3.1	1.5	1.3	1.2	0.6	22.3
IMC	IMC PW	Warsaw	12.60 PLN	-0.8	-0.9	+3.7	-18.7	4.15	129.9	246.1	23.9	31.0	24.8	23.7	0.04	2,630	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	41.40 PLN	-0.5	+12.3	+8.7	-34.3	13.63	1,086.2	1,806.6	58.8	638.4	1,164.8	3,226.7	0.35	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	KSGO PW	Warsaw	10.02 PLN	-1.9	+3.7	-7.6	-21.4	3.30	49.6	171.4	34.4	17.0	10.3	22.6	0.09	1,082	6.1	4.1	4.2	40.7	5.8	4.7	4.6	2.5	1.6	0.5	29.2
MHP	MHPC LI	London Intl	17.60 USD	+0.0	+11.7	+3.2	+9.3	17.60	1,859.7	3,060.7	22.3	415.1	147.5	1,808.5	0.19	540	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	11.45 PLN	-0.9	-4.6	-8.4	-28.4	3.77	117.8	252.0	20.0	23.6	23.9	18.0	0.02	5,435	6.8	6.6	6.4	7.0	6.2	5.0	0.6	0.5	0.5	0.5	29.9
Mriya Agrohold...	MAYA GF	Frankfurt	5.30 EUR	+0.0	-11.7	-1.9	+6.0	7.23	768.2	1,226.7	20.0	153.6	0.0	1.7	0.00	39,920	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	+0.0	+13.6	-8.0	+4.6	30.29	181.8	193.8	25.0	45.4	31.7	50.0	0.27	365	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	30.00 PLN	-4.4	-4.2	-4.4	+11.9	9.88	91.8	75.8	10.9	10.0	2.7	2.1	0.01	13,133	7.4	N/A	N/A	5.0	N/A	N/A	2.6	N/A	N/A	1.6	8.3
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.32 EUR	+0.0	+6.7	+0.0	+19.2	0.43	22.4	181.7	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																											
Forum Bank	FORM UK	Kiev, UX	0.71 UAH	-19.3	+9.2	-6.6	+29.1	0.09	50.6	N/A	5.5	2.8	0.6	2.7	0.24	417	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.3	21.3
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.11 UAH	-1.7	-2.7	-0.6	+33.8	0.01	406.2	N/A	3.8	15.5	14.9	47.6	0.27	364	10.6	6.1	3.3	N/A	N/A	N/A	N/A	N/A	N/A	0.5	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.17 UAH	-5.7	+0.8	-8.1	+39.0	0.02	375.7	N/A	4.5	16.8	1.2	11.7	0.10	1,015	1,033.2	190.7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.3	30.9

Table 1. Ukrainian stocks (closing prices as of 14-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 continues to increase

Money market conditions continued to improve yesterday as liquidity increased slightly and interest rates mildly declined. Banks' correspondent accounts with the NBU rose UAH0.76bn to UAH31.84bn while the NBU issued new ON CDs on Monday slightly below the volume that it redeemed. Total CDs outstanding slid UAH0.11bn to UAH7.09bn and total local currency debt repayments scheduled for the next 30 days rose UAH0.87bn to UAH7.90bn. Broader banking sector liquidity rose UAH1.52bn to UAH46.83bn, a two-year record high.

KyivPrime interest rates slid slightly: the KyivPrime ON interest rate slid 5bp to 2.26% while the KyivPrime 1M interest rate slid only 2bp to 10.32%.

Investment implications: Prior to yesterday's primary auction, 23 banks reinvested slightly less money in ON CDs than was redeemed. Liquidity should decline today when banks settle yesterday's UAH1.15bn in new bond purchases (see comment below).

Yields rise further

Ukrainian Eurobond spreads continued to widen, albeit slightly, for the third consecutive day. Ukrainian Eurobond YTM's rose due to the increase in US Treasury YTM's: at the close, the 5-year bond yield rose 5bp to 8.75% and the 10-year bond yield rose 4p to 2.87%. Overall U.S. retail sales rose 0.2% last month, slightly above the forecast, supporting expectations of an accelerated QE tapering.

Ukrainian Eurobond YTM's diverged as UKRAIN 7.80% '22 slid 6bp to 8.96% while, UKRAIN 6.875% '15 rose 27bp to 7.20%, UKRAIN 9.25% '17 rose 7bp to 9.12%, UKRAIN 7.95% '21 rose 5bp to 8.18% and UKRAIN 7.50% '23 rose 5bp to 8.75%.

Debut primary auction results

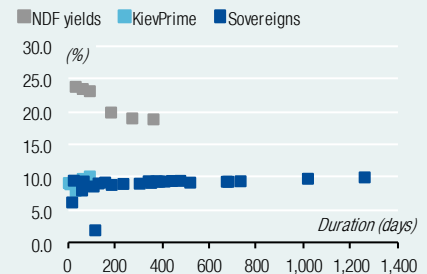
Yesterday's debut primary auction attracted significant demand, part of which was market-based as submitted for the 9-month bond last offered May. 7-year bond received five bids which were all accepted while 7-year bond did not receive any bids. At the same time, the 9-month bond received fourteen bids, but as the MoF likely was unwilling to accept higher interest rates on new short-term debt, it accepted only one bid with an interest rate of 8.75%, the same as a similar bond last sold in April 2013.

Investment implications: The MoF will receive today UAH1.15bn of financing while since the year beginning did not pay anything in debt redemption. The MoF has scheduled for January UAH5.99bn in debt redemption, UAH4.59bn of which are domestic debt repayments, while debut redemption is scheduled for the next week. So, we will see next week significantly increased activity at the primary auction.

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Yield curve of the local bond market

(as of market close on 14 Jan 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 14 Jan 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
O/n	2.26	-5bp	-554bp	-362bp	-554bp
1wk	3.45	-5bp	-635bp	-755bp	-635bp
1m	10.32	-2bp	-593bp	-868bp	-593bp
2m	12.20	-30bp	-420bp	-468bp	-420bp
3m	12.95	-43bp	-305bp	-318bp	-305bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	31,839	+2.45	-3.64	+41.07	-2.64
CDs ²	7,090	-1.57	+3,732.4	+519.2	+905.7
Sovgns ³	7,883	+0.00	+92.53	+197.0	+427.3
Total	46,812	+1.40	+25.43	+77.53	+34.12
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	7.46	+37bp	-493bp	-22ppt	-468bp
6m	8.55	-57bp	-498bp	-20ppt	-486bp
9m	10.57	-53bp	-353bp	-16ppt	-344bp
1yr	11.95	-75bp	-311bp	-14ppt	-304bp
LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)					
Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	6.29	-83bp	-471bp	-470bp	-471bp
Aug '15 ⁶	N/A	+74bp	+0bp	+0bp	+0bp
EUROBONDS USD SOVEREIGN BOND YIELDS (%)					
CDS 5yr	728	+23bp	+39bp	-329bp	-89bp
Jun '16	7.33	+3bp	+15bp	-437bp	-156bp
Jul '17	8.32	+3bp	+2bp	-366bp	-124bp
Sep '20	8.95	+6bp	+33bp	-165bp	-24bp
Sep '21	9.13	+6bp	+33bp	-150bp	-9bp
Sep '22	8.97	-8bp	+9bp	-143bp	-38bp
Feb '23	8.76	+2bp	+18bp	-131bp	-29bp

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

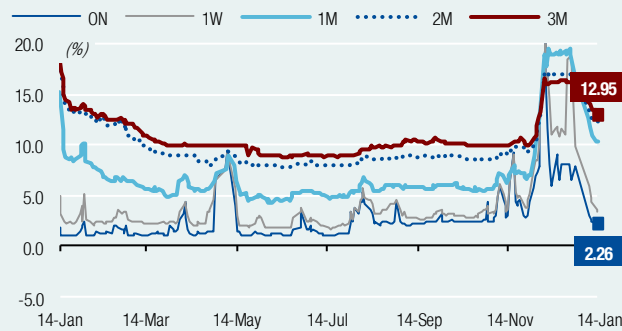


Chart 2. UAH NDF implied yields (%), last 12-month period

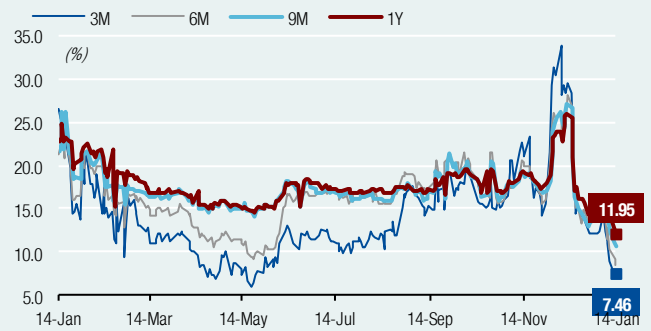


Chart 3. UAH sovereign yield curve (%) as of 14 Jan 2014

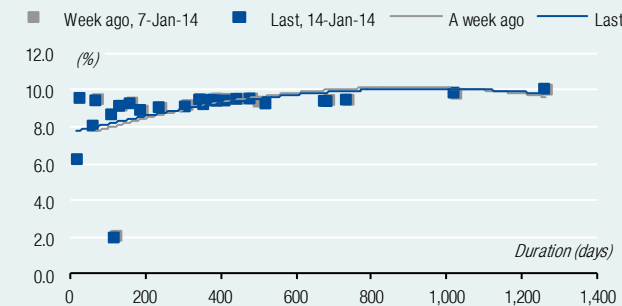


Chart 4. USD sovereign yield curve (%) as of 14 Jan 2014

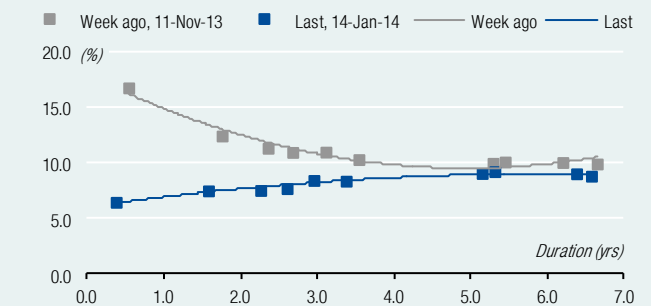


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

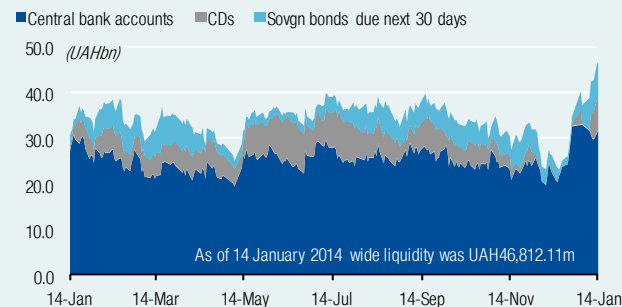


Chart 6. Breakdown of liquidity pool (%) as of 14 Jan 2014

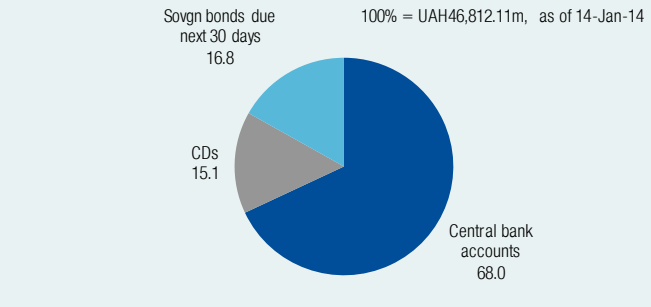


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

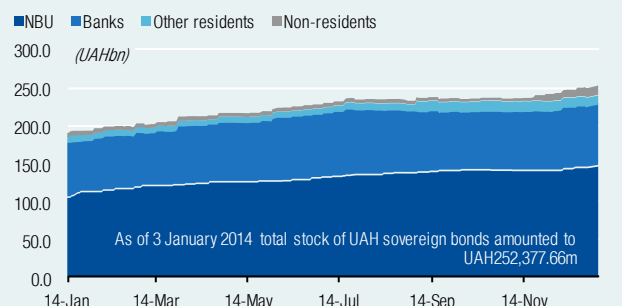
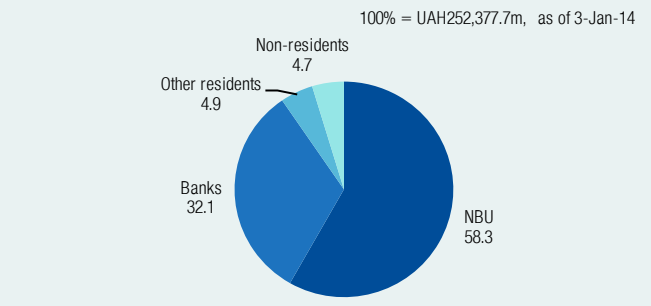


Chart 8. Domestic sovereign debt (%) as of 14 Jan 2014



FX: News & Comments

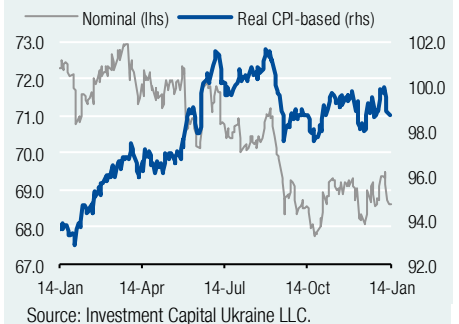
UAH hits new low, follows RUB

The UAH touched 8.34/USD in intraday trading as market pressure on the nominal rate extended from 2013. In a major development, the Russian central bank declared the day before that it will no longer utilize small FX interventions as was routine in supporting the RUB to float since 2013. The RUB fell 0.10% to 33.3149/USD, while on the day of the announcement it lost 0.68%. In our view, the RUB's nominal rate, which closed at 33.5/USD, is non-competitive and a drag on economic growth. The Russian central bank's less conservative approach has caused the ruble to weaken versus the US dollar. We anticipate that the RUB will weaken further, causing the UAH's nominal rate to become less competitive if the NBU continues to intervene as it has. Although the NBU technically did not intervene yesterday, Interfax-Ukraine reported that several banks began to sell US dollars during the final third of the trading session, mostly under the commands of the authorities to intervene. The UAH's real TWI went down 0.04% yesterday.

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ICU's UAH trade-weighted indices

(Last 12-month history to 15 Jan 2014)



FX market indicators (as of 14 Jan 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	8.3185	+0.07	+1.01	+0.59	+0.95
NBU avg	8.1513	+0.02	+0.02	-0.03	+0.01
Tt vlm ¹	1559.46	+22.65	-0.08	-20.67	-44.35
\$ volume ²	1301.65	+24.29	+2.86	-11.86	-41.12
NDF 3M	8.4689	+0.16	-0.19	-4.58	-0.19
NDF 6M	8.6629	-0.20	-1.33	-8.02	-1.33
NDF 1Y	9.2600	-0.59	-1.70	-10.53	-1.70
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	68.591	-0.04	-1.04	+0.36	-0.26
UAH real CPI	98.671	-0.04	-1.04	+0.36	-0.26
UAH real PPI	131.005	-0.04	-1.04	+0.36	-0.26
USD nom'l	80.662	+0.19	-0.21	+0.56	+0.78
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	33.3149	+0.10	+0.51	+1.35	+1.35
EUR/USD	1.3679	+0.06	+0.46	-0.46	-0.47
USD/CNY	6.0406	-0.06	-0.18	-0.51	-0.23
USD/PLN	3.0280	-0.35	-1.29	-0.45	+0.17
USD/TRY	2.1841	+0.22	+0.78	+7.11	+1.67
USD/BYR	9,568.00	+0.00	-0.02	+1.36	+0.29
USD/KZT	154.9400	+0.13	+0.27	+0.58	+0.43
OTHER MAJOR CURRENCIES					
USD/JPY	104.2200	+1.18	-0.36	+0.98	-1.04
GBP/USD	1.6440	+0.35	+0.23	+0.86	-0.71
USD/CHF	0.9025	+0.39	-0.73	+1.46	+1.08
AUD/USD	0.8967	-0.96	+0.45	+0.03	+0.56
USD/CAD	1.0946	+0.76	+1.67	+3.41	+3.04
USD/BRL	2.3500	-0.31	-0.94	+0.85	-0.51
USD/KRW	1,059.15	+0.22	-0.86	+0.63	+0.89
COMMODITIES					
Gold(\$/oz)	1,245.19	-0.64	+1.06	+0.52	+3.28
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	276.77	+0.24	-0.02	-1.04	-1.21

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>).

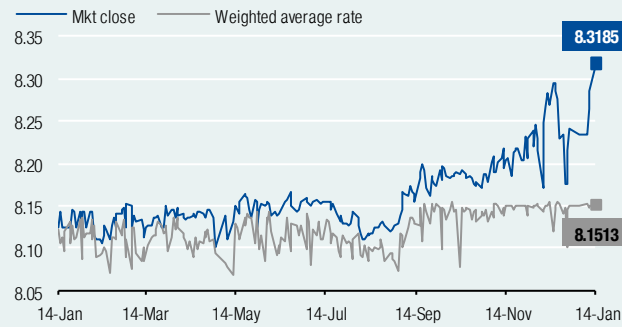
Section on FX market is continued on next page.

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.

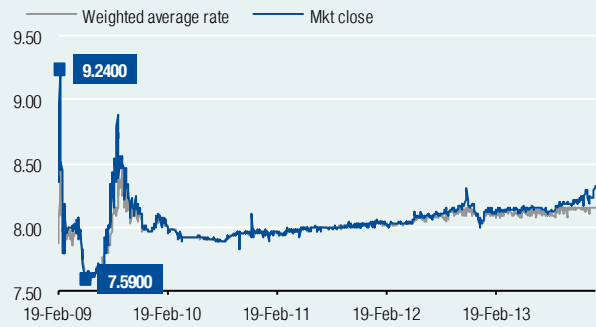
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

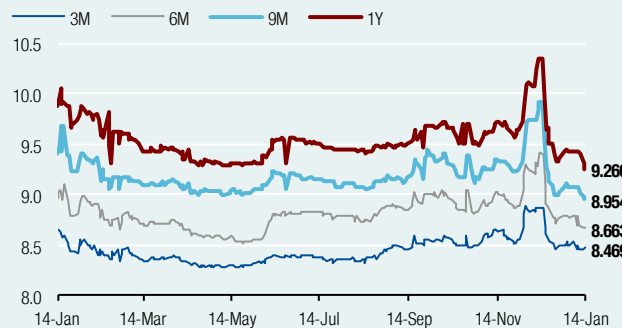


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

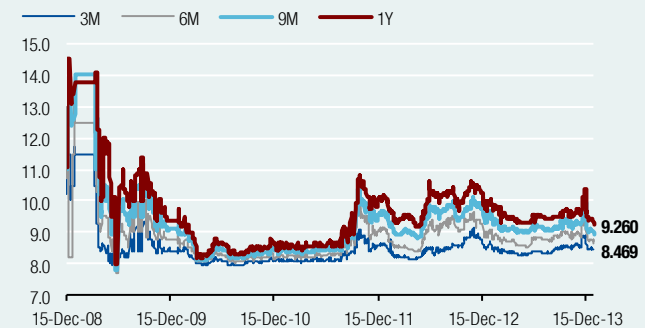


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

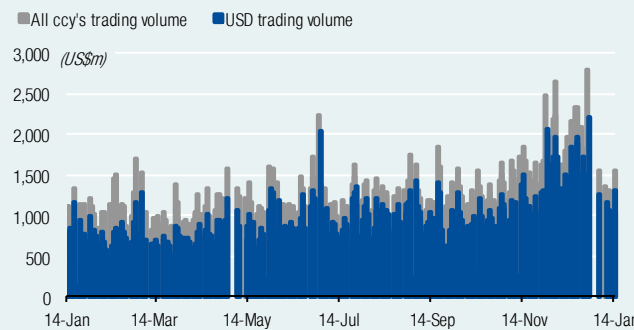


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

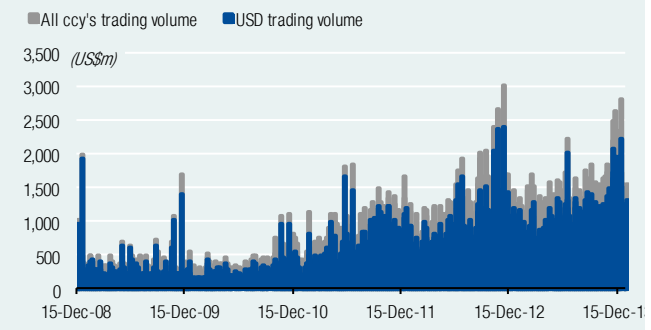


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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)

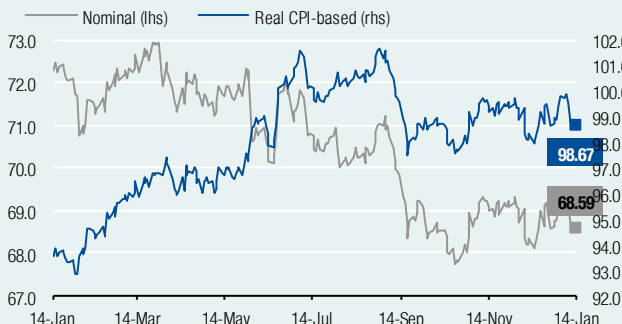


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

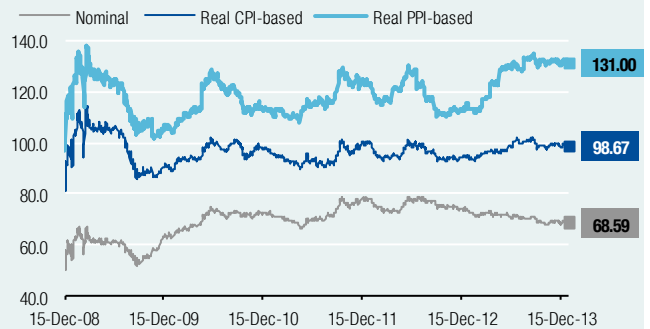
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



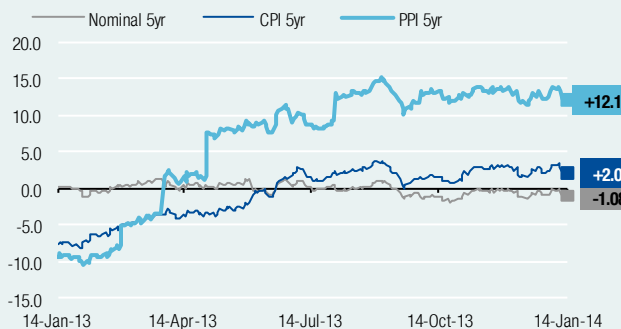
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

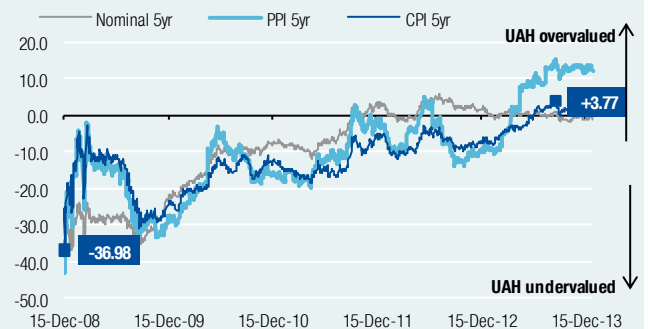


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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.

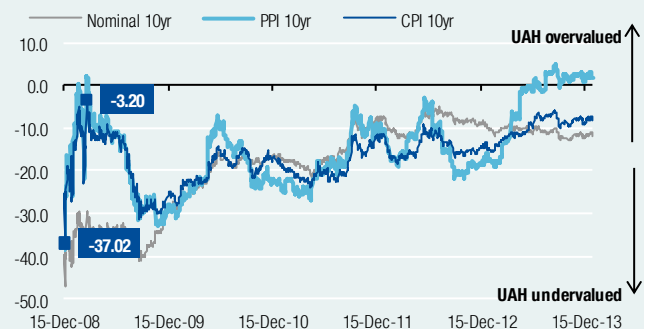


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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

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



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