


**INVESTMENT CAPITAL UKRAINE**  
 INVESTMENT BANKING

# Daily Insight

Reverse gas agreement with Slovakia; Liquidity down; Yields diverge; UAH above 8.30/USD

THURSDAY, 16 JANUARY, 2014

RESEARCH INSIGHT

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### UX Index (3 months to 16 Jan 2014)



### Key market indicators (as of 15 Jan 2014)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	8.3300	+0.14	+1.09
USD/UAH (1Y NDF)	9.2250	-0.38	-2.07
EUR/USD	1.3605	-0.54	-1.00
USD/RUB	33.3672	+0.16	+1.51
KievPRIME O/N (%)	2.28	+2bp	-552bp
KievPRIME 1M (%)	9.13	-119bp	-712bp
<b>BONDS: yields and spreads</b>			
Ukraine VAT bond (%)	N/A	+74bp	+0bp
Ukraine 17, Eurobond (%)	8.24	-8bp	-132bp
Ukraine 22, Eurobond (%)	8.96	-1bp	-39bp
Ukraine 23, Eurobond (%)	8.63	-13bp	-42bp
Ukraine 5Y CDS	721bp	-7bp	-95bp
<b>EQUITIES</b>			
<b>Stock market indices</b>			
UX (Ukraine)	905.67	-0.20	-0.48
MSCI World	407.24	+0.48	-0.32
MSCI EM	977.87	+0.27	-2.48
RTS (Russia)	1,401.78	+0.94	-2.84
WIG-20 (Poland)	2,396.68	+0.80	-0.18
S&P 500 (USA)	1,848.38	+0.52	+0.00
<b>MOST ACTIVE: Top 3 stocks by value traded (US\$m)</b>			
FXPO LN	6.37	63.5% of total <sup>1</sup>	
KER PW	2.02	20.2%	
CLE PW	0.38	3.8%	
<b>GAINERS: Top 3 stocks (in listed currency)</b>			
CAD LN	GBp 11.00	+7.32	+6.02
SGR PW	PLN 0.71	+4.41	+33.96
KSG PW	PLN 10.35	+3.29	-4.61
<b>LOSERS: Top 3 stocks (in listed currency)</b>			
AGL PW	PLN 26.01	-7.21	+0.31
AGT PW	PLN 2.71	-4.24	+38.97
MLK PW	PLN 11.11	-2.97	-11.12

Notes: Chg – percentage change, if not otherwise indicated;  
 [1] – total traded volume for stocks listed in Table 1, pp. 3;  
 green- or red-shaded box means gain or loss, respectively,  
 of the index or security.

Sources: Bloomberg, UX, Investment Capital Ukraine LLC.

# Economics: News & Comments

## Agreement for reverse gas supplies from Slovakia

As UNIAN reported yesterday, Ukraine signed a project agreement with Slovakia's Eustream to receive reverse gas supplies from Slovakia to Ukraine at a volume of up to 10bcmpa and is currently awaiting the Slovakian party's response, according to Eduard Stavitskiy, the head of the Ministry of Fuel and Energy. Such a volume may be achieved as soon as in September 2014, provided that certain modernization upgrades are completed. In November 2013, Mr. Stavitskiy stated that Ukraine received the project agreement that was already signed by Eustream.

The respective pipeline testing began in May 2013. However, finalization of the agreement was delayed reportedly due to resistance from Gazprom, the current operator of this pipeline sector.

***Investment implications: The launch of the reverse gas supply from Slovakia will effectively allow Ukraine to boost the capacity of gas purchases from Europe by 2.4x to 17.3bcmpa, approximately 58% of Ukraine's annual gas import needs, thus significantly increasing the country's independence from Gazprom. While Ukraine stated on 9 January that it suspended reverse gas purchases from Europe because of the newly agreed upon 40% gas price reduction with Russia, the reverse supply agreement should improve the bargaining power of Naftogaz Ukraine in its negotiations with Gazprom.***

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Table 1. Ukrainian stocks (closing prices as of 15-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 (%)
<b>ENERGY</b>																											
Cadogan Petrol...	CAD LN	London	11.00 GBP	+7.3	+2.3	+6.0	-19.3	0.18	41.6	-21.5	40.2	16.7	89.4	10.9	0.08	1,197	Neg.	Neg.	Neg.	3.3	3.3	6.7	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	4.64 UAH	-0.3	-1.7	-2.7	-19.7	0.56	206.9	283.5	21.7	44.9	142.1	72.1	0.13	742	7.3	6.9	4.9	0.5	4.0	2.8	0.3	0.4	0.3	0.7	12.2
Coal Energy	CLE PW	Warsaw	1.28 PLN	-2.3	-7.2	+21.9	-88.4	0.42	18.8	76.7	25.0	4.7	378.3	85.3	3.72	27	Neg.	Neg.	N/A	1.3	10.5	N/A	0.6	0.9	N/A	0.2	7.7
Donbasenergo	DOEN UK	Kiev, UX	29.51 UAH	+2.7	+7.9	+7.0	+55.2	3.56	84.2	141.6	14.2	12.0	53.8	53.1	0.22	459	22.5	3.0	4.3	0.5	2.5	2.3	0.3	0.2	0.2	1.1	17.8
JKX Oil & Gas	JKX LN	London	71.63 GBP	-0.2	+0.9	+0.2	-7.9	1.17	201.1	198.0	47.2	94.9	172.0	135.5	0.06	1,708	Neg.	6.2	5.6	1.4	2.0	2.2	1.0	1.0	0.9	0.4	2.5
Regal Petroleum	RPT LN	London	13.88 GBP	-1.8	-5.9	+6.7	-58.6	0.23	72.7	45.9	80.9	58.8	0.0	8.2	0.03	3,417	6.2	14.5	N/A	2.1	2.7	N/A	1.1	N/A	N/A	0.3	0.0
Sadova Group	SGR PW	Warsaw	0.71 PLN	+4.4	+24.6	+34.0	-62.8	0.23	10.0	49.7	25.0	2.5	73.1	43.1	1.51	66	Neg.	N/A	N/A	24.8	N/A	N/A	1.2	N/A	N/A	0.2	42.7
Zakhidenergo	ZAEN UK	Kiev, PFTS	91.20 UAH	+0.9	+6.0	+0.9	-1.4	11.01	140.8	176.5	5.0	7.0	6.7	7.2	0.07	1,520	608.2	N/A	N/A	1.2	N/A	N/A	0.1	N/A	0.1	2.2	9.7
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	+1.1	-6.6	-4.7	-25.0	0.00	115.1	1,809.5	3.9	4.5	54.3	20.1	0.45	222	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	2.75 UAH	+0.5	-10.1	-7.2	-1.3	0.33	64.7	60.3	4.0	2.6	14.2	14.0	0.79	127	Neg.	Neg.	2.5	Neg.	1.4	0.8	0.1	0.1	0.1	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.63 UAH	-1.7	-11.9	-5.8	-6.8	0.08	320.2	310.1	4.1	13.1	6.4	23.3	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	172.50 GBP	-2.4	-2.3	-9.7	-32.3	2.82	1,659.8	2,246.7	22.4	371.8	6,365.9	2,360.7	0.67	150	7.7	6.4	7.3	5.7	4.8	5.0	1.6	1.4	1.4	1.0	37.0
Yasynivsky Cok...	YASK UK	Kiev, UX	0.56 UAH	+0.0	+4.9	+4.7	-17.2	0.07	18.3	20.0	9.0	1.6	0.5	1.8	0.24	410	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	31.99 UAH	+1.2	-1.5	-0.1	-9.2	3.86	40.7	34.5	9.4	3.8	2.1	9.3	0.23	437	4.9	Neg.	2.1	Neg.	Neg.	N/A	0.0	0.0	0.0	0.8	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	1.26 EUR	+0.0	+0.0	+1.6	-27.2	1.71	60.2	87.1	34.0	20.5	15.6	37.4	0.17	597	Neg.	N/A	N/A	Neg.	N/A	N/A	1.4	N/A	N/A	1.3	35.9
Agroliga	AGL PW	Warsaw	26.01 PLN	-7.2	-0.7	+0.3	+71.1	8.50	13.1	13.4	16.7	2.2	18.0	13.0	0.52	191	18.5	N/A	N/A	18.2	N/A	N/A	5.2	N/A	N/A	N/A	7.5
Agroton	AGT PW	Warsaw	2.71 PLN	-4.2	+24.9	+39.0	-73.9	0.89	19.2	66.5	26.2	5.0	219.7	106.1	3.69	27	2.8	4.0	2.6	4.6	7.1	4.3	0.8	1.0	0.8	0.2	28.0
Astarta Holdin...	AST PW	Warsaw	64.15 PLN	-2.1	+3.5	-4.1	+14.6	20.97	524.2	850.7	31.0	162.6	62.9	204.7	0.18	555	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	11.69 USD	+0.0	+1.7	-0.5	+1.6	11.69	746.7	913.0	21.7	162.0	120.0	263.9	0.15	688	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	12.75 PLN	+1.2	+0.2	+4.9	-17.8	4.17	130.4	246.7	23.9	31.1	15.6	23.7	0.04	2,524	7.0	4.9	3.1	6.8	5.8	4.1	3.3	1.9	1.3	1.0	33.0
Kernel Holding...	KER PW	Warsaw	40.30 PLN	-2.7	+9.0	+5.9	-36.0	13.17	1,049.6	1,769.8	58.8	616.9	2,021.0	3,141.8	0.36	280	9.4	9.6	5.8	6.1	6.2	5.0	0.6	0.7	0.6	0.8	30.6
KSG Agro	KSG PW	Warsaw	10.35 PLN	+3.3	+5.2	-4.6	-18.9	3.38	50.8	172.7	34.4	17.5	14.6	22.7	0.09	1,112	6.3	4.2	4.3	41.0	5.9	4.8	4.6	2.5	1.6	0.6	29.2
MHP	MHPC LI	London Intl	18.00 USD	+2.3	+14.3	+5.6	+12.9	18.00	1,902.0	3,103.0	22.3	424.5	100.5	1,850.0	0.17	572	6.4	8.8	6.4	6.6	7.2	5.9	2.2	2.1	1.8	1.6	45.8
Milkiland	MLK PW	Warsaw	11.11 PLN	-3.0	-6.2	-11.1	-28.3	3.63	113.5	247.3	20.0	22.7	12.2	11.1	0.02	4,901	6.5	6.4	6.2	6.9	6.1	4.9	0.6	0.5	0.5	0.5	29.9
Mriya Agrohold...	MAYA GF	Frankfurt	5.30 EUR	+0.0	+0.0	-1.9	+23.0	7.21	766.2	1,224.8	20.0	153.2	0.0	1.7	0.00	39,920	4.4	4.8	5.0	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	+4.7	30.07	180.4	192.5	25.0	45.1	46.7	50.2	0.28	362	7.7	7.1	4.8	6.9	6.3	4.0	2.7	2.4	1.8	1.7	3.7
<b>TRANSPORTATION</b>																											
KDM Shipping	KDM PW	Warsaw	30.89 PLN	+3.0	-1.3	-1.6	+15.3	10.10	93.9	77.9	10.9	10.2	4.6	2.2	0.01	10,462	7.5	N/A	N/A	5.1	N/A	N/A	2.7	N/A	N/A	1.7	8.3
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Xetra	0.32 EUR	+0.0	+6.7	+0.0	+19.2	0.43	22.3	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
<b>FINANCIAL SERVICES</b>																											
Forum Bank	FORM UK	Kiev, UX	0.70 UAH	-1.4	+7.7	-7.9	+40.0	0.08	50.1	N/A	5.5	2.7	0.5	2.6	0.24	413	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.3	21.3

Table 1. Ukrainian stocks (closing prices as of 15-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 (%)	
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.11 UAH	-2.4	-5.2	-3.0	+35.7	0.01	398.4	N/A	3.8	15.2	11.2	46.7	0.28	360	10.4	6.0	3.2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.5	28.3

Notes: mln - millions; FF - free float; n/a - not available; neg. - negative; a company name (the left column of the table) is shortened to fit the column and hence in some cases is not displayed in full; \*\*\* -- means that P/E ratio is above 10,000x.

Sources: Bloomberg, Investment Capital Ukraine LLC.

# Bonds: News & Comments

## Liquidity declines on fund reallocations

Banks continued to invest funds in ON CDs issued by the NBU at very low interest rates. On Tuesday, as three more banks purchased ON CDs, total CDs outstanding rose UAH1.12bn to UAH8.25bn. After this reallocation, banks' correspondent accounts with the NBU declined UAH1.91bn to UAH29.93bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH7.90bn. Broader banking sector liquidity declined UAH0.75bn to UAH46.08bn.

KyivPrime interest rates diverged: the KyivPrime ON interest rate rose 2bp to 2.28% while the KyivPrime 1M interest rate fell 119bp to 9.13%.

**Investment implications: Liquidity remains high as banks invest funds overnight prior to purchasing new government bonds. Today we expect a slight decline in liquidity.**

## Yields decline on negative sentiment

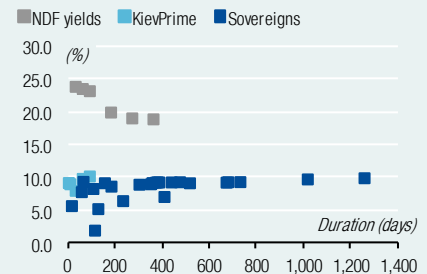
US Treasury YTM's rose yesterday. At the close, the 5-year bond YTM rose 2bp to 1.67% and the 10-year bond YTM rose 2bp to 2.89%. Market consensus of an accelerated QE tapering returned to last week's level as YTM's could cross the 3% threshold for 10-year bonds.

Ukrainian Eurobonds were quite volatile yesterday on low trading volume. At the close, Ukrainian Eurobonds YTM's declined as UKRAIN 6.875% '15 fell 74bp to 6.46%, UKRAIN 9.25% '17 slid 7bp to 8.23%, while UKRAIN 7.95% '21 slid 10bp to 9.02% and UKRAIN 7.50% '23 declined 12bp to 8.63%.

**Taras Kotovych , Kiev, +38044 2200120 ext.244**

### Yield curve of the local bond market

(as of market close on 15 Jan 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

### Bond market indicators (as of 15 Jan 2014)

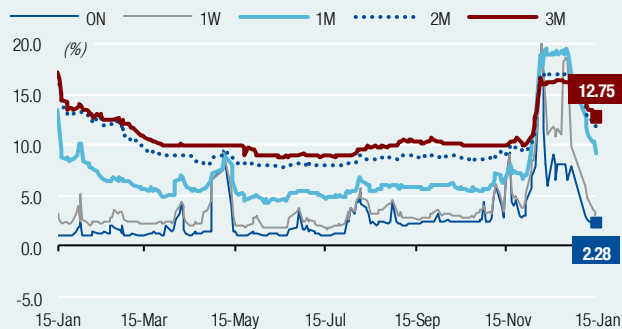
	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
0/n	2.28	+2bp	-72bp	-360bp	-552bp
1wk	2.94	-51bp	-294bp	-806bp	-686bp
1m	9.13	-119bp	-362bp	-987bp	-712bp
2m	11.75	-45bp	-194bp	-513bp	-465bp
3m	12.75	-20bp	-150bp	-338bp	-325bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	29,932	-5.99	-5.69	+32.62	-8.47
CDs <sup>2</sup>	8,245	+16.29	+4,897.0	+620.1	+1,069.5
Sovgns <sup>3</sup>	7,571	-3.97	+7.95	+185.2	+406.4
<b>Total</b>	<b>45,748</b>	<b>-2.27</b>	<b>+17.56</b>	<b>+73.49</b>	<b>+31.07</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	147,054	+0.00	+0.00	+2.70	+1.52
Banks	80,596	-0.53	-0.56	+0.04	+0.53
Resid's <sup>4</sup>	12,751	+3.48	+3.69	-5.35	+2.86
Non-res <sup>5</sup>	11,970	+0.00	+0.00	+22.81	+2.32
<b>Total</b>	<b>252,371</b>	<b>+0.00</b>	<b>+0.00</b>	<b>+2.19</b>	<b>+1.31</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	7.19	-27bp	-401bp	-22ppt	-496bp
6m	8.31	-24bp	-316bp	-20ppt	-509bp
9m	10.15	-42bp	-396bp	-17ppt	-386bp
1yr	11.38	-57bp	-369bp	-15ppt	-361bp
<b>LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)</b>					
Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	5.73	-56bp	-527bp	-526bp	-527bp
Aug '15 <sup>6</sup>	N/A	+74bp	+0bp	+0bp	+0bp
<b>EUROBONDS USD SOVEREIGN BOND YIELDS (%)</b>					
CDS 5yr	721	-7bp	+41bp	-335bp	-95bp
Jun '16	7.04	-28bp	+6bp	-466bp	-185bp
Jul '17	8.24	-8bp	+10bp	-374bp	-132bp
Sep '20	8.92	-3bp	+19bp	-168bp	-27bp
Sep '21	9.02	-11bp	+21bp	-161bp	-20bp
Sep '22	8.96	-1bp	-1bp	-144bp	-39bp
Feb '23	8.63	-13bp	-4bp	-144bp	-42bp

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.

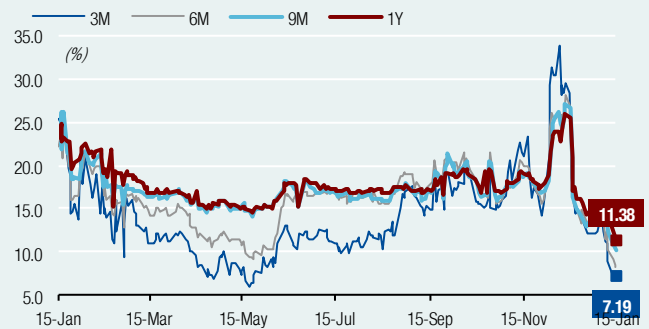
Chart page: Local bond market & Eurobond markets

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



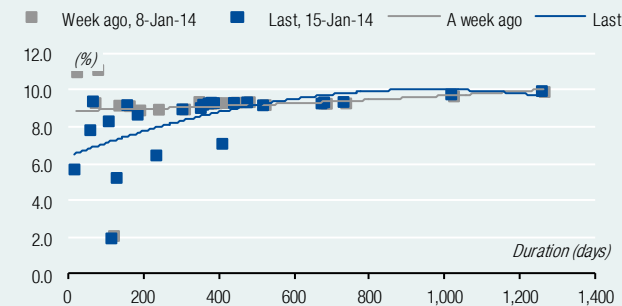
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



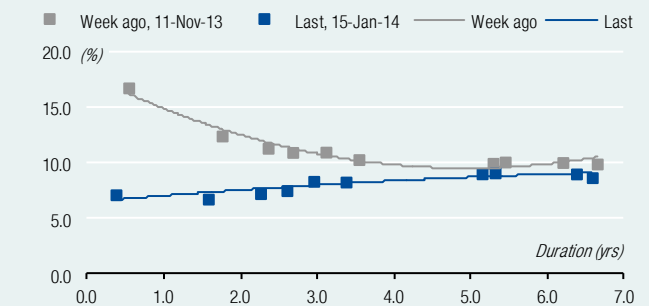
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 15 Jan 2014



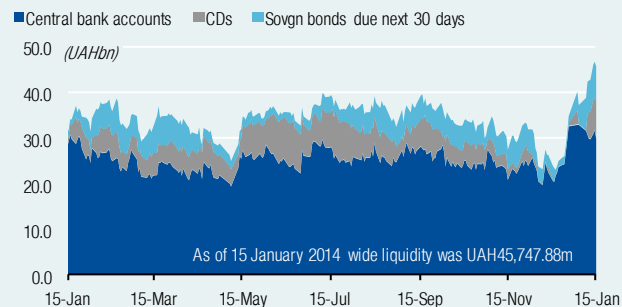
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 15 Jan 2014



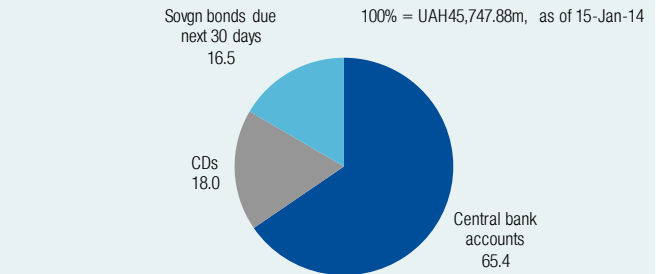
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



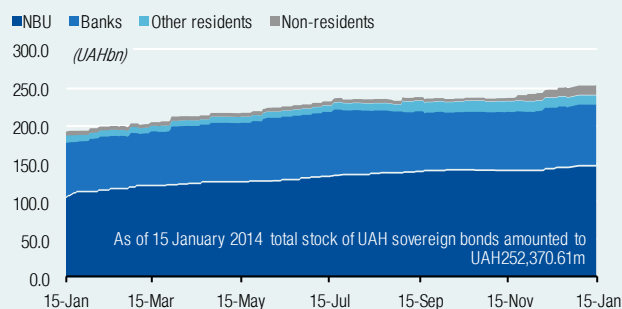
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 15 Jan 2014



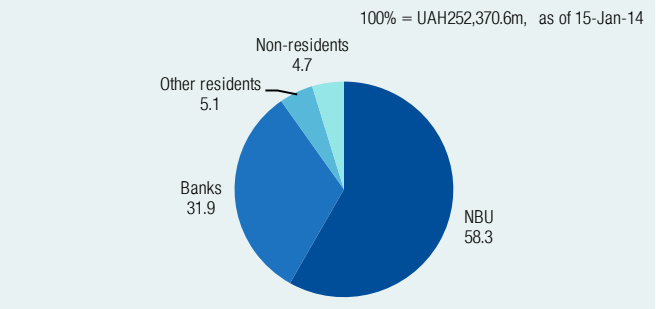
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 15 Jan 2014



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

# FX: News & Comments

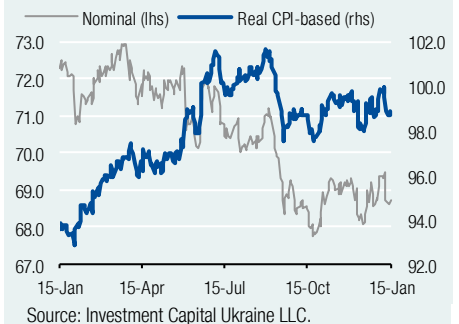
## UAH remains at 8.33/USD, no NBU intervention

The UAH remained above 8.30/USD throughout the session and closed at 8.33/USD, down 0.14% from the previous day's close, on US\$1.58bn in trading, up 21.4% from the previous day, marking the highest daily volume of this year. The NBU did not intervene and a central bank official tried to allay fears of the nominal USD/UAH rate touching a multi-year high by announcing to the media that the weakness resulted from a seasonal factor, namely the long holiday season of New Year's and Orthodox Christmas which withheld demand from New Year's eve to now. In our view, the UAH's nominal rate is reflecting economic fundamentals and moving along its inevitable trajectory given macroeconomic developments. The UAH's real TWI rose 0.16% yesterday.

*Alexander Valchyshen, Kiev, +38044 2200120 ext.242*

### ICU's UAH trade-weighted indices

(Last 12-month history to 16 Jan 2014)



### FX market indicators (as of 15 Jan 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)

#### USD/UAH MARKET (HRYVNIA per US DOLLAR)

Spot mkt	8.3300	+0.14	+1.16	+0.73	+1.09
NBU avg	8.1540	+0.03	+0.03	+0.00	+0.04
Ttl vlm <sup>1</sup>	1865.26	+19.61	+36.69	-5.12	-33.43
\$ volume <sup>2</sup>	1580.73	+21.44	+37.04	+7.04	-28.50
NDF 3M	8.4750	+0.07	+0.18	-4.51	-0.12
NDF 6M	8.6650	+0.02	-0.35	-8.00	-1.31
NDF 1Y	9.2250	-0.38	-2.07	-10.87	-2.07

#### TRADE-WEIGHTED INDICES (TWIs, points)

UAH nom'l	68.704	+0.16	-1.07	+0.52	-0.10
UAH real CPI	98.833	+0.16	-1.07	+0.52	-0.10
UAH real PPI	131.220	+0.16	-1.07	+0.52	-0.10
USD nom'l	81.027	+0.45	+0.01	+1.01	+1.24

#### FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs

USD/RUB	33.3672	+0.16	+0.51	+1.50	+1.51
EUR/USD	1.3605	-0.54	+0.21	-1.00	-1.00
USD/CNY	6.0462	+0.09	-0.08	-0.42	-0.13
USD/PLN	3.0554	+0.90	-0.69	+0.45	+1.07
USD/TRY	2.1911	+0.32	+0.26	+7.45	+2.00
USD/BYR	9,600.00	+0.33	+0.31	+1.69	+0.63
USD/KZT	155.1300	+0.12	+0.45	+0.70	+0.56

#### OTHER MAJOR CURRENCIES

USD/JPY	104.5600	+0.33	-0.29	+1.31	-0.71
GBP/USD	1.6371	-0.42	-0.47	+0.44	-1.12
USD/CHF	0.9087	+0.69	-0.27	+2.16	+1.77
AUD/USD	0.8916	-0.57	+0.17	-0.54	-0.01
USD/CAD	1.0934	-0.11	+1.05	+3.30	+2.93
USD/BRL	2.3594	+0.40	-1.56	+1.26	-0.11
USD/KRW	1,062.68	+0.33	-0.17	+0.96	+1.23

#### COMMODITIES

Gold(\$/oz)	1,241.86	-0.27	+1.30	+0.25	+3.00
WTI crude <sup>3</sup>	N/A	N/A	N/A	N/A	N/A
Brent crd <sup>3</sup>	N/A	N/A	N/A	N/A	N/A
Urals crd <sup>3</sup>	N/A	N/A	N/A	N/A	N/A
TR/J CRB <sup>4</sup>	277.84	+0.39	+1.08	-0.65	-0.83

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>).

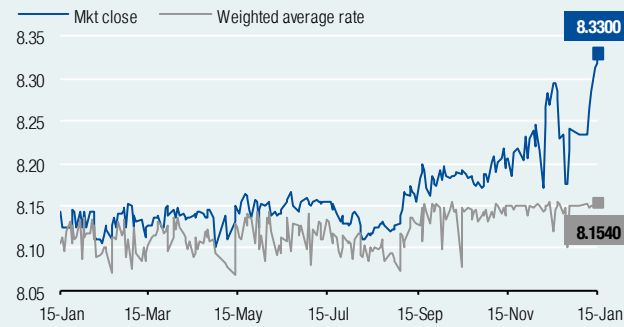
Section on FX market is continued on next page.

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.

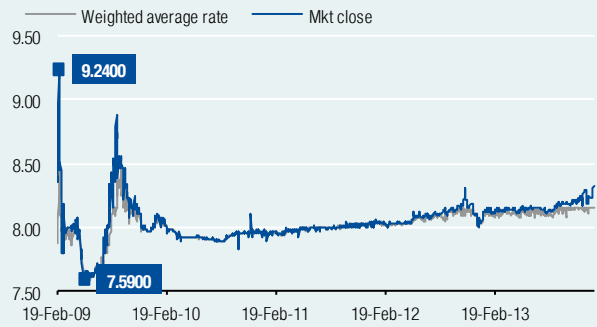
Sources: Bloomberg, Investment Capital Ukraine LLC.

### 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)**

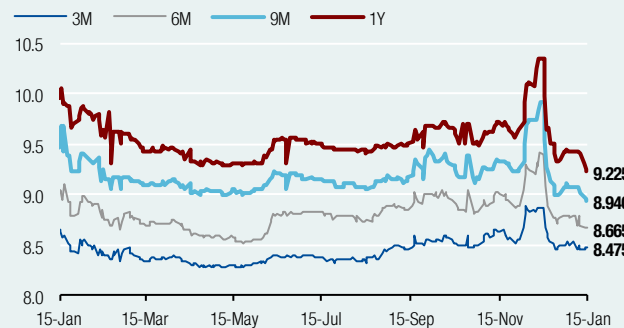


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

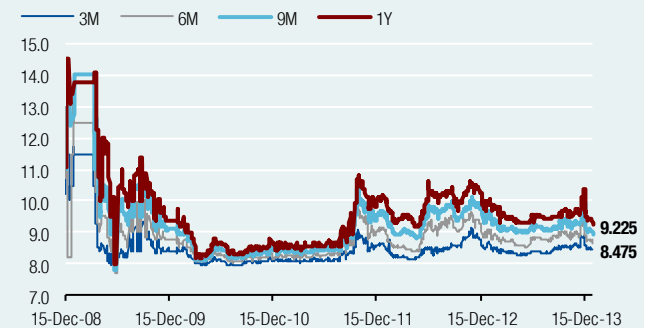


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

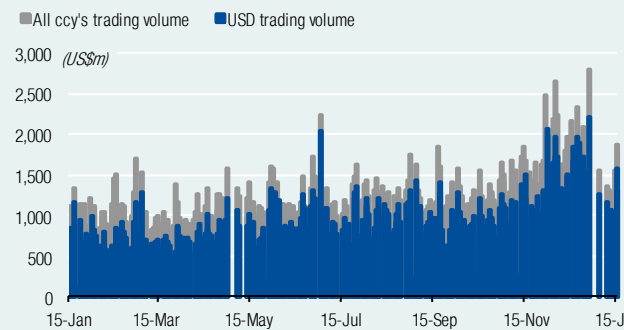


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

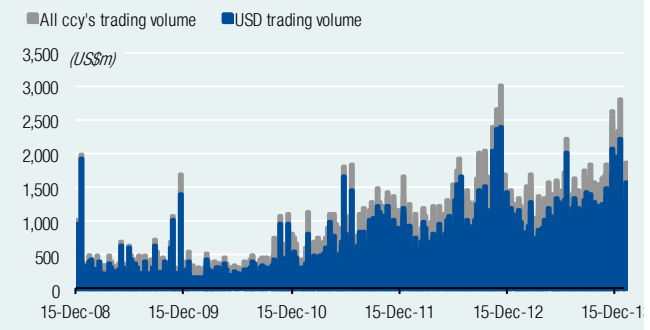


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

**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.

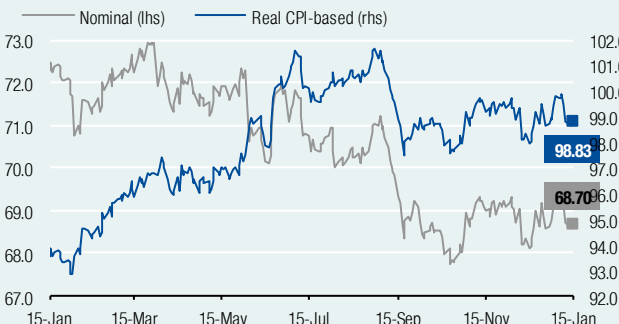




## Chart page #2: ICU's UAH trade-weighted indices

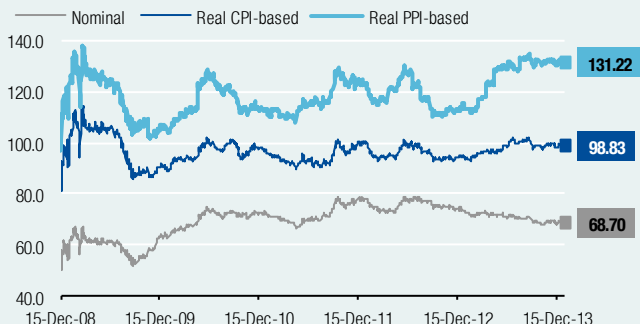
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

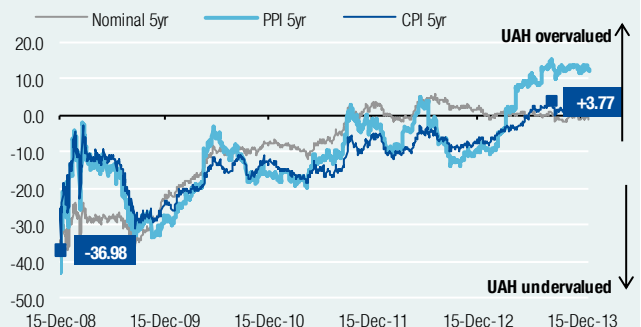


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

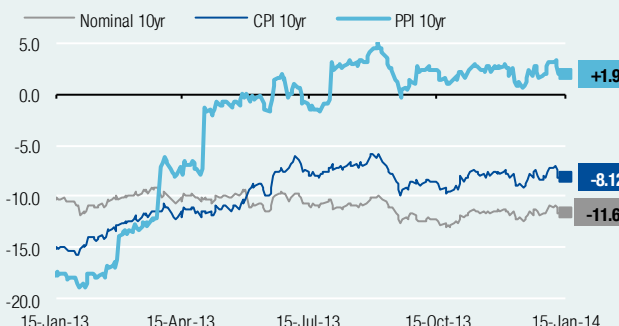


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.



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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**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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