


INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

MPs pass 2014 budget; Liquidity stable; Bond market conditions improve; UAH weakens

FRIDAY, 17 JANUARY, 2014

RESEARCH INSIGHT

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UX Index (3 months to 17 Jan 2014)



Key market indicators (as of 16 Jan 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	8.3375	+0.09	+1.18
USD/UAH (1Y NDF)	9.3100	+0.92	-1.17
EUR/USD	1.3620	+0.11	-0.90
USD/RUB	33.4171	+0.15	+1.67
KievPRIME O/N (%)	2.21	-7bp	-559bp
KievPRIME 1M (%)	8.11	-102bp	-814bp
BONDS: yields and spreads			
Ukraine VAT bond (%)	N/A	+74bp	+0bp
Ukraine 17, Eurobond (%)	7.70	-54bp	-186bp
Ukraine 22, Eurobond (%)	8.52	-44bp	-82bp
Ukraine 23, Eurobond (%)	8.39	-24bp	-65bp
Ukraine 5Y CDS	694bp	-28bp	-123bp
EQUITIES			
Stock market indices			
UX (Ukraine)	914.42	+0.97	+0.48
MSCI World	406.95	-0.07	-0.39
MSCI EM	974.65	-0.33	-2.80
RTS (Russia)	1,397.23	-0.32	-3.15
WIG-20 (Poland)	2,401.87	+0.22	+0.04
S&P 500 (USA)	1,845.89	-0.13	-0.13
MOST ACTIVE: Top 3 stocks by value traded (US\$m)			
FXPO LN	4.82	44.2% of total ¹	
AVGR LI	2.63	24.1%	
KER PW	1.36	12.5%	
GAINERS: Top 3 stocks (in listed currency)			
CAD LN	GBp 11.75	+6.82	+13.25
USCB UK	UAH 0.18	+4.87	-3.57
DOEN UK	UAH 30.75	+4.20	+11.45
LOSERS: Top 3 stocks (in listed currency)			
MLK PW	PLN 10.58	-4.77	-15.36
ALMK UK	UAH 0.04	-2.16	-6.73
AVGR LI	USD 11.50	-1.63	-2.13

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

Ukraine's political crisis: Ruling MPs pass budget, curtail freedom

In spite of pressure from opposition MPs, the ruling majority of the Party of Regions, the Communist Party and loyal independent MPs passed a number of compromising laws in an unconstitutional way (without proper procedure). One of the laws was the 2014 state budget law, where the unrealistic deficit was increased by another UAH10bn. Hence, fiscal discipline has been completely disregarded by both the parliament and the government that drafted the law. After the budget law was passed, the rest of the laws, mostly amendments, were passed rapidly and with little debate, including laws that reduce public freedom similar to legal changes that occurred in Russia and Belarus. Particular examples include lengthy jail sentences for persons who participate in unsanctioned rallies and non-government organizations (NGOs) being considered "foreign agents" even if they received grants from abroad. This should catalyze public opposition to the rule of incumbent authorities, which, beyond losing legitimacy, are deemed a repressive regime. There is little doubt that democratic freedoms are being tightly squeezed in an environment with an extremely low probability of democratic elections being conducted fairly in early 2015, making the economy increasingly vulnerable to the spark of public disobedience.

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Coal Energy's mining output down 61% YoY in December

Coal Energy (CLE PW; US\$0.42; Under Review) reported its mining output in December 2014 to fall 61.3% YoY to 55,177t of coal, up 2.4% MoM. The company's steam coal production dropped 65.4% YoY and 1.7% MoM to 43,268t, and coking and dual-purpose coal production declined 32.2% YoY but grew 20.5% MoM to 11,909t, while production of coal processed from waste dumps grew 44.8% YoY but declined 13.6% MoM to 10,552t.

Investment implications: Coal Energy's continued weak production indicates that there are still no positive changes in the Ukrainian coal market, as, in addition to the negative consequences of the supply glut in 2012, domestic TPPs disappointed with lower coal consumption in 2013. On a positive note, the company's coal mining output remained unscathed after accidents at the St. Matrona Moskovskaya mine in October and the St. Pokrovskaya mine in December.

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Table 1. Ukrainian stocks (closing prices as of 16-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	11.75 GBP	+6.8	+9.3	+13.3	-14.5	0.19	44.4	-18.7	40.2	17.8	37.6	12.0	0.09	1,130	Neg.	Neg.	Neg.	2.8	2.9	5.9	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	4.67 UAH	+0.6	-2.2	-2.1	-19.9	0.56	207.0	283.1	21.7	44.9	25.8	72.5	0.14	735	7.4	7.0	4.9	0.5	4.1	2.8	0.3	0.4	0.3	0.7	12.2
Coal Energy	CLE PW	Warsaw	1.28 PLN	+0.0	+2.4	+21.9	-88.2	0.42	18.8	76.7	25.0	4.7	77.7	86.3	3.78	26	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	30.75 UAH	+4.2	+11.0	+11.5	+60.4	3.69	87.2	144.3	14.2	12.4	35.0	55.6	0.22	457	23.5	3.1	4.5	0.6	2.5	2.4	0.3	0.2	0.3	1.1	17.8
JKX Oil & Gas	JKX LN	London	71.00 GBP	-0.9	+1.4	-0.7	-10.1	1.16	199.2	196.2	47.2	94.0	15.8	133.2	0.06	1,749	Neg.	6.1	5.6	1.4	2.0	2.2	1.0	1.0	0.9	0.4	2.5
Regal Petroleum	RPT LN	London	14.13 GBP	+1.8	-0.9	+8.7	-59.1	0.23	74.0	47.2	80.9	59.9	0.0	8.3	0.03	3,501	6.4	14.8	N/A	2.1	2.8	N/A	1.1	N/A	N/A	0.3	0.0
Sadova Group	SGR PW	Warsaw	0.70 PLN	-1.4	+32.1	+32.1	-65.7	0.23	9.9	49.6	25.0	2.5	27.2	42.2	1.32	76	Neg.	N/A	N/A	24.7	N/A	N/A	1.2	N/A	N/A	0.2	42.7
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	-2.2	-9.1	-6.7	-27.1	0.00	111.9	1,796.2	3.9	4.3	13.9	19.7	0.47	212	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	2.78 UAH	+1.2	-8.7	-6.1	-2.0	0.33	65.0	60.7	4.0	2.6	16.8	14.4	0.80	125	Neg.	Neg.	2.5	Neg.	1.4	0.9	0.1	0.1	0.1	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.62 UAH	-1.1	-10.2	-6.9	-7.4	0.07	314.7	304.7	4.1	12.9	0.6	22.7	0.19	519	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	176.10 GBP	+2.1	-4.3	-7.8	-29.8	2.88	1,693.2	2,280.5	22.4	379.3	4,819.8	2,409.0	0.69	145	7.9	6.6	7.5	5.8	4.8	5.1	1.6	1.5	1.4	1.1	37.0
Yasynivsky Cok...	YASK UK	Kiev, UX	0.56 UAH	+0.0	+10.1	+4.7	-12.2	0.07	18.2	19.9	9.0	1.6	0.2	1.8	0.15	652	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	32.00 UAH	+0.0	-3.4	+0.0	-8.2	3.84	40.5	34.3	9.4	3.8	7.9	9.4	0.24	422	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	1.26 EUR	+0.0	+2.4	+1.6	-27.2	1.72	60.2	87.2	34.0	20.5	7.3	37.1	0.15	666	Neg.	N/A	N/A	Neg.	N/A	N/A	1.4	N/A	N/A	1.3	35.9
Agroliga	AGL PW	Warsaw	25.60 PLN	-1.6	-3.0	-1.3	+69.8	8.36	12.9	13.2	16.7	2.1	14.7	12.6	0.56	179	18.2	N/A	N/A	17.9	N/A	N/A	5.1	N/A	N/A	N/A	7.5
Agroton	AGT PW	Warsaw	2.80 PLN	+3.3	+27.3	+43.6	-72.9	0.91	19.8	67.2	26.2	5.2	885.7	123.7	4.36	23	2.9	4.1	2.7	4.7	7.2	4.3	0.8	1.0	0.8	0.2	28.0
Astarta Holdin...	AST PW	Warsaw	65.01 PLN	+1.3	+12.1	-2.8	+16.1	21.24	530.9	857.8	31.0	164.7	24.5	206.4	0.17	601	8.6	8.1	5.0	9.7	7.2	5.8	1.8	1.7	1.4	0.9	38.9
Avangard	AVGR LI	London Intl	11.50 USD	-1.6	+0.0	-2.1	+0.0	11.50	734.5	900.9	21.7	159.4	2,627.1	291.8	0.23	438	3.3	3.3	3.3	3.2	3.1	3.1	1.4	1.3	1.2	0.6	22.3
IMC	IMC PW	Warsaw	12.75 PLN	+0.0	+2.0	+4.9	-18.8	4.17	130.4	246.6	23.9	31.1	13.1	21.3	0.04	2,463	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	40.43 PLN	+0.3	+8.2	+6.2	-35.6	13.21	1,052.4	1,772.8	58.8	618.5	1,362.9	3,121.3	0.35	290	9.5	9.7	5.8	6.1	6.2	5.0	0.6	0.7	0.6	0.8	30.6
KSG Agro	KSG PW	Warsaw	10.44 PLN	+0.9	+5.5	-3.8	-20.7	3.41	51.2	173.1	34.4	17.6	3.9	22.6	0.09	1,137	6.3	4.2	4.3	41.1	5.9	4.8	4.6	2.5	1.6	0.6	29.2
MHP	MHPC LI	London Intl	18.09 USD	+0.5	+13.1	+6.1	+13.1	18.09	1,911.5	3,112.5	22.3	426.6	829.9	1,834.3	0.18	564	6.4	8.8	6.4	6.7	7.2	5.9	2.2	2.1	1.8	1.6	45.8
Milkiland	MLK PW	Warsaw	10.58 PLN	-4.8	-15.4	-15.4	-31.7	3.46	108.0	242.0	20.0	21.6	25.0	10.9	0.03	3,705	6.2	6.1	5.9	6.8	5.9	4.8	0.6	0.5	0.5	0.5	29.9
Mriya Agrohold...	MAYA GF	Frankfurt	5.30 EUR	+0.0	+3.8	-1.9	+10.4	7.22	766.9	1,225.5	20.0	153.4	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	+10.8	-8.0	+4.8	30.05	180.3	192.4	25.0	45.1	0.3	50.1	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
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.	N/A	N/A	Neg.	N/A	N/A	8.3	N/A	N/A	0.2	44.1
FINANCIAL SERVICES																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.11 UAH	+2.2	-3.4	-0.9	+36.7	0.01	404.6	N/A	3.8	15.5	28.1	47.6	0.28	361	10.6	6.1	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	+4.9	-4.8	-3.6	+54.7	0.02	393.5	N/A	4.5	17.6	2.8	12.3	0.09	1,069	1,083.5	200.0	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 16-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 stable with fund reallocations

Broader banking sector liquidity slid only UAH0.06bn to UAH46.02bn. The NBU redeemed more ON CDs than it sold on Wednesday, and total CDs outstanding slid UAH0.35bn to UAH7.90bn while banks' correspondent accounts with the NBU rose UAH0.58bn to UAH30.52bn. Total local currency debt repayments scheduled for the next 30 days slid UAH0.30bn to UAH7.60bn.

Stable liquidity supported the money market and caused yields to decline: the KyivPrime ON interest rate slid 7bp to 2.21% while the KyivPrime 1M interest rate dropped a significant 102bp to 8.11%.

Investment implications: Bond purchases had no significant impact on liquidity due to injections from the NBU and the MoF. While banks paid UAH1.15bn to the budget, the MoF repaid UAH0.30 in debt interest repayments and the NBU issued UAH0.20bn of 13-day's loans.

Conditions improve on positive news

Financial markets reacted positively on positive news from Ukraine that Parliament voted for the state budget for 2014 and any limitations on new borrowings will not have an impact after the President signs the new law. Spreads of Ukrainian Eurobonds to benchmark tightened slightly and yields began to decline.

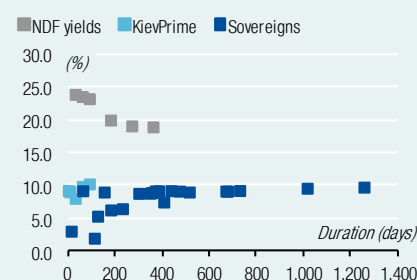
After the US published new statistics on inflation, the consumer price index, and jobless claims, US Treasury YTM's slid further late yesterday. At the close, the 5-year bond YTM slid 3bp to 1.64% and the 10-year bond YTM slid 5bp to 2.84%.

The Ukrainian Eurobond market improved significantly. At the close, YTM's of Ukrainian Eurobonds declined as UKRAIN 6.875% '15 slid 25bp to 6.21%, UKRAIN 6.58% '16 declined 71bp to 6.34%, UKRAIN 9.25% '17 declined 54bp to 7.70%, while UKRAIN 7.95% '21 declined 55bp to 8.47%, UKRAIN 7.80% '22 declined 43bp to 8.52% and UKRAIN 7.50% '23 slid 23bp to 8.39%.

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Yield curve of the local bond market

(as of market close on 16 Jan 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 16 Jan 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
O/n	2.21	-7bp	-42bp	-579bp	-559bp
1wk	2.88	-6bp	-190bp	-862bp	-692bp
1m	8.11	-102bp	-352bp	-11ppt	-814bp
2m	11.25	-50bp	-175bp	-563bp	-515bp
3m	12.25	-50bp	-175bp	-388bp	-375bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	30,517	+1.95	-1.06	+46.97	-6.68
CDs ²	1,009	-87.76	-78.05	+169.1	+43.12
Sovgns ³	7,571	+0.00	+7.95	+155.2	+406.4
Total	39,096	-14.54	-7.91	+62.19	+12.02
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	147,054	+0.00	+0.00	+2.70	+1.52
Banks	81,662	+1.32	+0.80	+1.02	+1.86
Resid's ⁴	12,833	+0.64	+4.05	-2.70	+3.52
Non-res ⁵	11,970	+0.00	+0.00	+22.81	+2.32
Total	253,518	+0.45	+0.46	+2.66	+1.77
NDF IMPLIED YIELDS (%)					
3m	8.02	+83bp	-287bp	-20ppt	-412bp
6m	8.73	+41bp	-403bp	-18ppt	-468bp
9m	10.74	+59bp	-282bp	-16ppt	-327bp
1yr	12.30	+93bp	-234bp	-13ppt	-268bp
LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)					
Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	3.05	-268bp	-555bp	-795bp	-795bp
Aug '15 ⁶	N/A	+74bp	+0bp	+0bp	+0bp
EUROBONDS USD SOVEREIGN BOND YIELDS (%)					
CDS 5yr	694	-28bp	-13bp	-377bp	-123bp
Jun '16	6.43	-61bp	-105bp	-477bp	-245bp
Jul '17	7.70	-54bp	-53bp	-382bp	-186bp
Sep '20	8.34	-58bp	-56bp	-192bp	-85bp
Sep '21	8.47	-55bp	-43bp	-177bp	-75bp
Sep '22	8.52	-44bp	-54bp	-164bp	-82bp
Feb '23	8.39	-24bp	-37bp	-135bp	-65bp

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

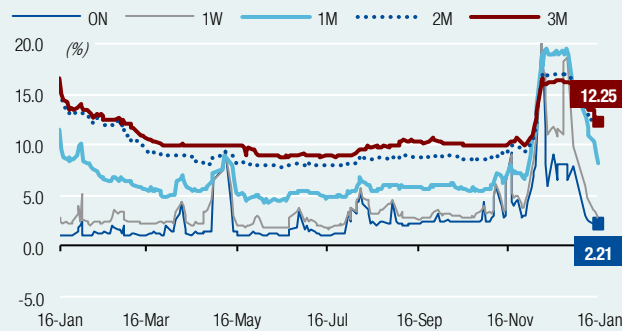


Chart 2. UAH NDF implied yields (%), last 12-month period

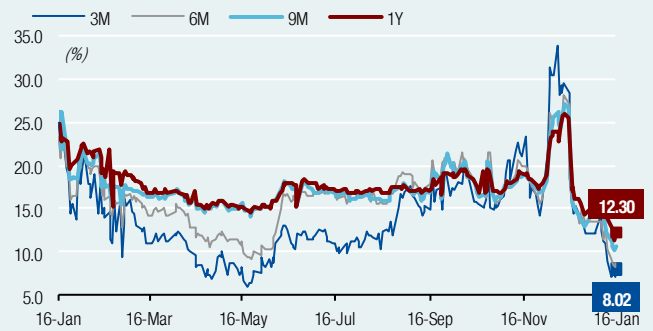


Chart 3. UAH sovereign yield curve (%) as of 16 Jan 2014

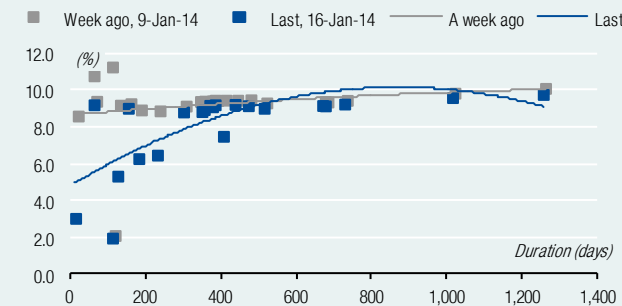


Chart 4. USD sovereign yield curve (%) as of 16 Jan 2014

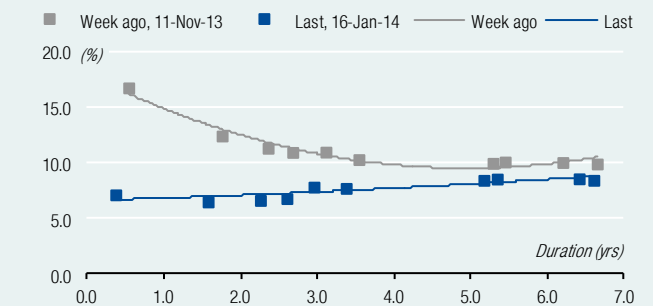


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

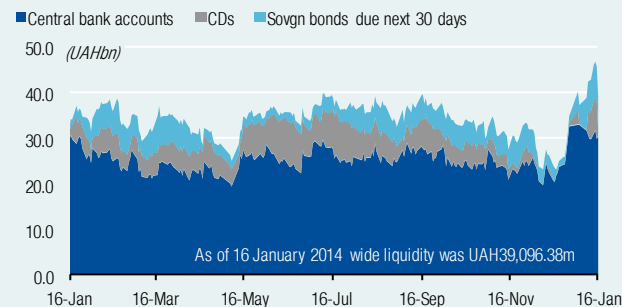


Chart 6. Breakdown of liquidity pool (%) as of 16 Jan 2014

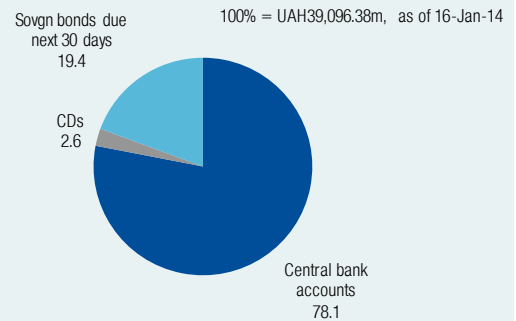


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

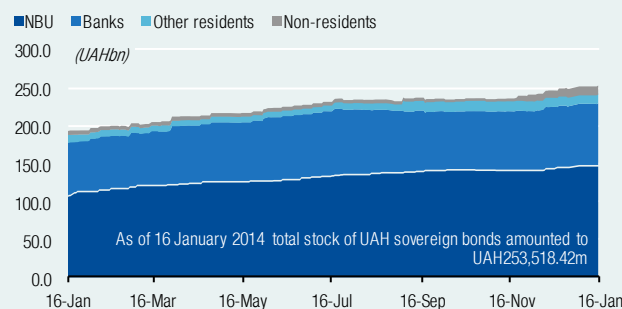
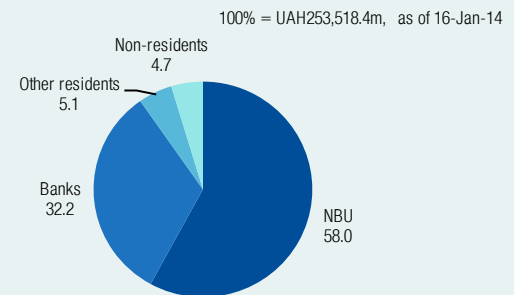


Chart 8. Domestic sovereign debt (%) as of 16 Jan 2014



FX: News & Comments

UAH tilts lower under NBU watch

Although the NBU did not intervene yesterday, it appears to have been controlling developments in the FX market from the sideline as bankers' USD/UAH quotes remained unusually restrained. The FX rate slid only 0.09% to close at 8.3375/USD yesterday. The hryvnia's real trade-weighted value was flat as a decline of some currencies like RUB, CNY and PLN versus the US dollar was counterweighted strength of the other ones like EUR and BYR.

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ICU's UAH trade-weighted indices

(Last 12-month history to 17 Jan 2014)



FX market indicators (as of 16 Jan 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	8.3375	+0.09	+0.88	+0.52	+1.18
NBU avg	8.1477	-0.08	+0.01	+0.35	-0.04
Tt vlm ¹	1805.13	-3.22	+53.66	-16.59	-35.58
\$ volume ²	1401.08	-11.37	+64.85	-24.28	-36.63
NDF 3M	8.5000	+0.29	+0.18	-4.23	+0.18
NDF 6M	8.6900	+0.29	-1.03	-7.58	-1.03
NDF 1Y	9.3100	+0.92	-1.17	-10.05	-1.17
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	68.701	+0.00	-0.66	+0.89	-0.10
UAH real CPI	98.829	+0.00	-0.66	+0.89	-0.10
UAH real PPI	131.215	+0.00	-0.66	+0.89	-0.10
USD nom'l	80.910	-0.14	-0.12	+1.04	+1.09
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	33.4171	+0.15	+0.56	+1.57	+1.67
EUR/USD	1.3620	+0.11	+0.09	-1.02	-0.90
USD/CNY	6.0560	+0.16	+0.01	-0.27	+0.03
USD/PLN	3.0601	+0.15	-0.29	+0.86	+1.23
USD/TRY	2.2069	+0.72	+1.34	+8.89	+2.73
USD/BYR	9,595.00	-0.05	+0.37	+1.50	+0.58
USD/KZT	155.2400	+0.07	+0.47	+0.78	+0.63
OTHER MAJOR CURRENCIES					
USD/JPY	104.3500	-0.20	-0.45	+1.29	-0.91
GBP/USD	1.6354	-0.10	-0.77	+0.35	-1.23
USD/CHF	0.9048	-0.43	-0.24	+1.97	+1.33
AUD/USD	0.8821	-1.07	-0.89	-1.42	-1.08
USD/CAD	1.0930	-0.04	+0.81	+3.15	+2.89
USD/BRL	2.3614	+0.08	-1.22	+1.42	-0.03
USD/KRW	1,063.36	+0.06	+0.06	+1.12	+1.29
COMMODITIES					
Gold(\$/oz)	1,242.39	+0.04	+1.18	+0.09	+3.05
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	278.42	+0.21	+2.25	-0.74	-0.62

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>).

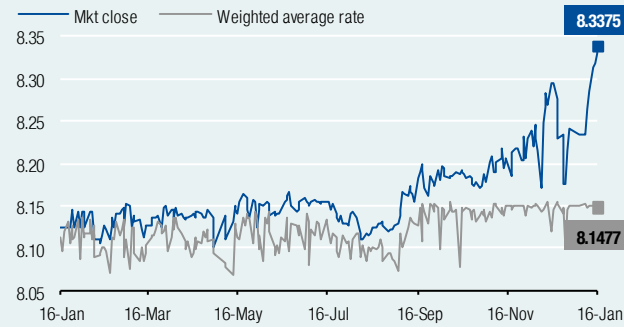
Section on FX market is continued on next page.

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.

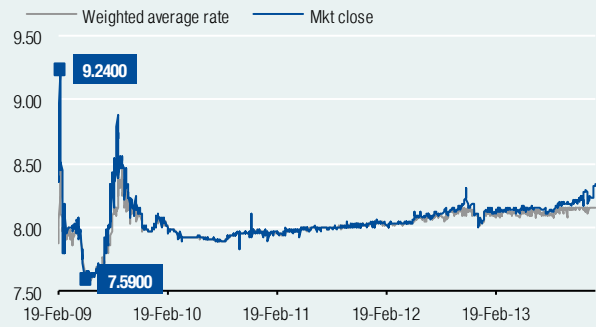
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

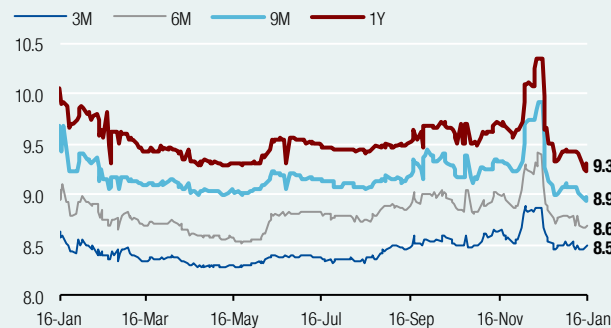


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

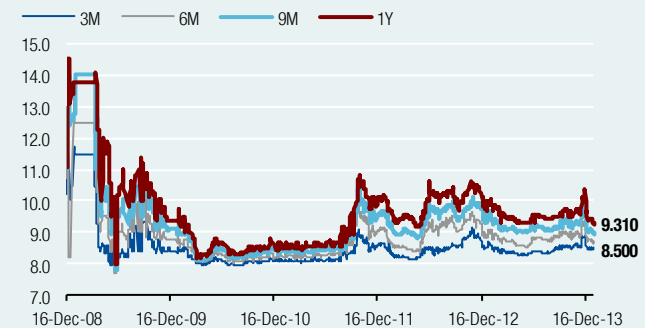


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

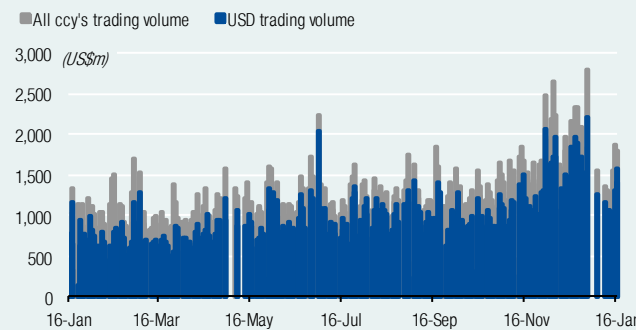


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

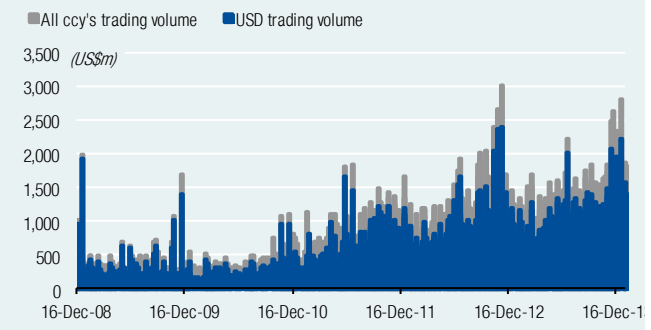


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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)

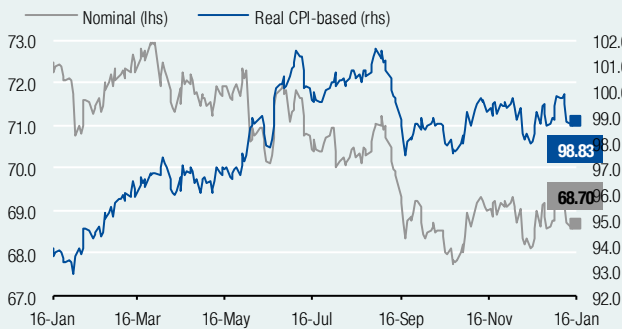


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

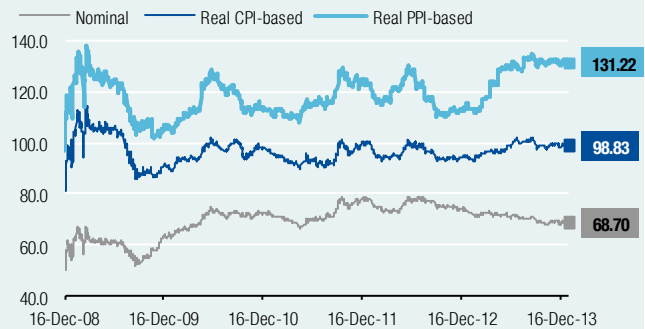
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



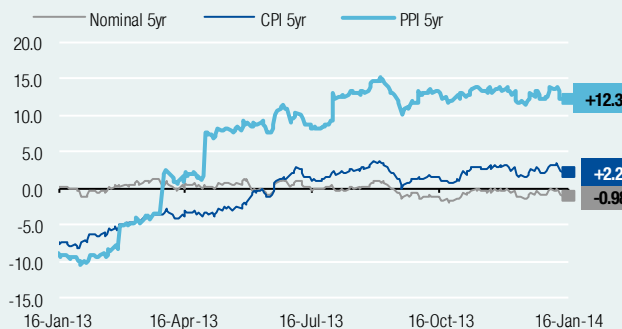
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

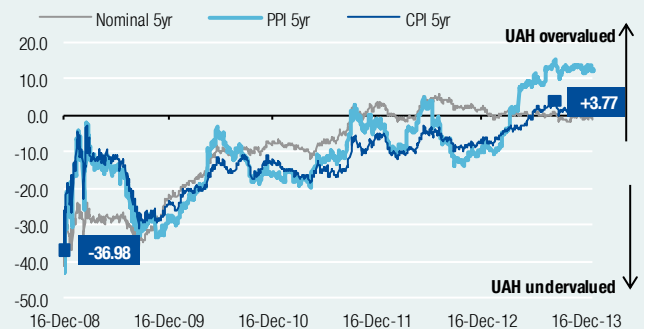


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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.

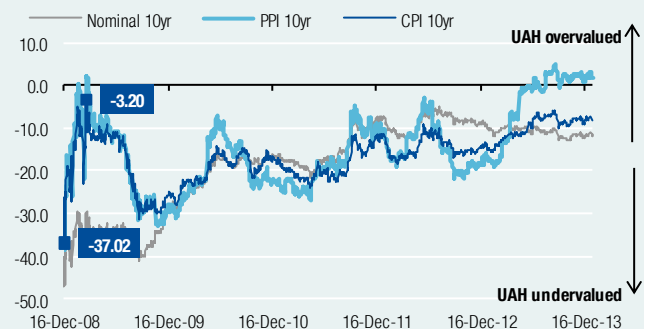


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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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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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