


**INVESTMENT CAPITAL UKRAINE**  
 INVESTMENT BANKING

# Daily Insight

## Liquidity decline, UAH down, Eurobonds yields decline

MONDAY, 20 JANUARY, 2014

RESEARCH INSIGHT

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### UX Index (3 months to 20 Jan 2014)



### Key market indicators (as of 17 Jan 2014)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	8.3700	+0.39	+1.58
USD/UAH (1Y NDF)	9.2850	-0.27	-1.43
EUR/USD	1.3541	-0.58	-1.47
USD/RUB	33.5557	+0.41	+2.09
KievPRIME O/N (%)	2.14	-7bp	-566bp
KievPRIME 1M (%)	7.63	-48bp	-862bp
<b>BONDS: yields and spreads</b>			
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	695bp	+1bp	-122bp
<b>EQUITIES</b>			
<b>Stock market indices</b>			
UX (Ukraine)	920.57	+0.67	+1.16
MSCI World	406.41	-0.13	-0.52
MSCI EM	972.27	-0.24	-3.03
RTS (Russia)	1,395.79	-0.10	-3.25
WIG-20 (Poland)	2,376.28	-1.07	-1.03
S&P 500 (USA)	1,838.70	-0.39	-0.52
<b>MOST ACTIVE: Top 3 stocks by value traded (US\$m)</b>			
FXPO LN	3.41	53.3% of total <sup>1</sup>	
AVGR LI	1.79	27.9%	
CLE PW	0.22	3.5%	
<b>GAINERS: Top 3 stocks (in listed currency)</b>			
CLE PW	PLN 1.40	+9.38	+33.33
AGL PW	PLN 27.39	+6.99	+5.63
FXPO LN	GBP 181.60	+3.12	-4.92
<b>LOSERS: Top 3 stocks (in listed currency)</b>			
MHPC LI	USD 17.61	-2.65	+3.28
AGT PW	PLN 2.73	-2.50	+40.00
CAD LN	GBP 11.50	-2.13	+10.84

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 17-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	11.50 GBP	-2.1	+1.1	+10.8	-14.8	0.19	43.7	-19.4	40.2	17.5	34.4	12.3	0.10	999	Neg.	Neg.	Neg.	2.9	3.0	6.1	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	4.75 UAH	+1.7	+0.0	-0.4	-18.6	0.57	209.9	285.9	21.7	45.6	19.5	73.8	0.13	791	7.5	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	1.40 PLN	+9.4	+47.4	+33.3	-87.3	0.46	20.5	78.4	25.0	5.1	224.8	96.6	3.65	27	Neg.	Neg.	N/A	1.3	10.7	N/A	0.6	0.9	N/A	0.2	7.7
Donbasenergo	DOEN UK	Kiev, UX	31.25 UAH	+1.6	+13.4	+13.3	+63.2	3.74	88.4	145.3	14.2	12.6	46.6	57.0	0.22	462	23.9	3.1	4.6	0.6	2.6	2.4	0.3	0.2	0.3	1.1	17.8
JKX Oil & Gas	JKX LN	London	70.75 GBP	-0.4	-2.4	-1.0	-9.3	1.16	199.6	196.6	47.2	94.2	64.0	132.7	0.05	1,826	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	+0.0	+10.8	+8.7	-59.9	0.23	74.4	47.6	80.9	60.2	0.0	8.2	0.03	3,501	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	0.71 PLN	+1.4	+39.2	+34.0	-65.0	0.23	9.9	49.7	25.0	2.5	63.1	43.4	1.39	72	Neg.	N/A	N/A	24.8	N/A	N/A	1.2	N/A	N/A	0.2	42.7
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	+0.0	-9.1	-6.7	-27.9	0.00	111.7	1,791.9	3.9	4.3	3.5	19.6	0.44	227	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	-0.3	-9.5	-6.4	-5.6	0.33	64.7	60.3	4.0	2.6	4.9	14.3	0.72	138	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	-0.2	-9.1	-7.0	-7.6	0.07	313.5	303.5	4.1	12.9	11.4	22.6	0.17	604	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	181.60 GBP	+3.1	+1.0	-4.9	-29.0	2.98	1,755.8	2,343.4	22.4	393.3	3,409.1	2,513.5	0.67	150	8.2	6.8	7.7	5.9	4.9	5.1	1.6	1.5	1.5	1.1	37.0
Yasynivsky Cok...	YASK UK	Kiev, UX	0.55 UAH	-0.9	+3.8	+3.8	-16.9	0.07	18.0	19.7	9.0	1.6	1.8	1.8	0.16	625	2.2	1.5	1.1	0.1	0.7	0.6	0.0	0.0	0.0	0.1	0.1
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	1.26 EUR	+0.0	+0.8	+1.6	-27.6	1.71	59.9	86.7	34.0	20.3	66.2	37.8	0.16	617	Neg.	N/A	N/A	Neg.	N/A	N/A	1.4	N/A	N/A	1.3	35.9
Agroliga	AGL PW	Warsaw	27.39 PLN	+7.0	+9.7	+5.6	+52.3	8.90	13.7	14.0	16.7	2.3	19.1	13.1	0.55	181	19.5	N/A	N/A	19.0	N/A	N/A	5.5	N/A	N/A	N/A	7.5
Agroton	AGT PW	Warsaw	2.73 PLN	-2.5	+39.3	+40.0	-72.9	0.89	19.2	66.6	26.2	5.0	200.7	121.6	4.64	22	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	65.01 PLN	+0.0	+10.2	-2.8	+15.3	21.13	528.2	853.1	31.0	163.9	7.7	204.9	0.16	640	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	11.70 USD	+1.7	+2.1	-0.4	+0.9	11.70	747.3	913.7	21.7	162.2	1,785.2	317.7	0.28	359	3.3	3.3	3.3	3.3	3.2	3.1	1.5	1.3	1.2	0.7	22.3
IMC	IMC PW	Warsaw	12.77 PLN	+0.2	+9.5	+5.1	-18.7	4.15	129.9	246.2	23.9	31.0	29.0	21.6	0.04	2,272	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	40.51 PLN	+0.2	+6.5	+6.4	-35.6	13.17	1,049.1	1,769.4	58.8	616.6	139.3	3,088.0	0.32	309	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	10.48 PLN	+0.4	+1.3	-3.4	-20.3	3.41	51.2	173.0	34.4	17.6	3.7	22.2	0.09	1,135	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	17.61 USD	-2.7	+3.6	+3.3	+10.1	17.61	1,860.8	3,061.8	22.3	415.3	121.3	1,706.9	0.18	563	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	10.43 PLN	-1.4	-15.9	-16.6	-33.8	3.39	105.9	239.1	20.0	21.2	128.8	12.7	0.06	1,746	6.1	6.0	5.8	6.7	5.9	4.8	0.6	0.5	0.5	0.5	29.9
Mriya Agrohold...	MAYA GF	Frankfurt	5.30 EUR	+0.0	-7.0	-1.9	+11.6	7.17	762.3	1,220.9	20.0	152.5	0.0	1.7	0.00	50,002	4.4	4.8	5.0	5.3	4.6	4.9	3.5	3.3	2.9	0.0	34.8
Ovostar Union	OVO PW	Warsaw	92.01 PLN	+0.0	+3.4	-8.0	+2.2	29.90	179.4	191.5	25.0	44.9	0.0	49.7	0.28	362	7.6	7.0	4.8	6.9	6.3	4.0	2.7	2.4	1.7	1.7	3.7
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Xetra	0.32 EUR	+0.0	+6.7	+0.0	+19.2	0.43	22.2	181.5	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
<b>FINANCIAL SERVICES</b>																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.11 UAH	+0.3	-0.9	-0.6	+35.9	0.01	404.7	N/A	3.8	15.5	10.1	47.7	0.24	420	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	-1.0	-3.8	-4.5	+55.8	0.02	388.6	N/A	4.5	17.4	0.2	12.1	0.07	1,500	1,072.7	198.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.4	30.9

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

Sources: Bloomberg, Investment Capital Ukraine LLC.

# Bonds: News & Comments

## Liquidity declines on the FX market

Broader banking sector liquidity declined UAH1.43bn to UAH44.58bn last Friday as total CDs outstanding slid UAH0.56bn to UAH7.34bn while banks' correspondent accounts with the NBU declined UAH0.88bn to UAH39.64bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH7.60bn.

Money market interest rates continued to decline last Friday despite liquidity falling lower: the KyivPrime ON interest rate slid 7bp to 2.14% while the KyivPrime 1M interest rate declined 48bp to 7.63%.

**Investment implications: Banking sector liquidity declined due to the significant increase in volumes of FX trading that occurred over the last few days. At the same time, there were no significant outflows.**

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## Primary auction announcement

The MoF decided to offer more short-term bonds tomorrow in addition to the original schedule, adding a 6-month bond offering. The MoF will offer two zero-coupon bonds with 6-month and 9-month maturities, the routine 5-year and 7-year bonds, and a 2-year USD-denominated bond. All these bonds are announced to be sold the same day, so the MoF will receive local currency funds the same day and FX funds on Wednesday.

**Investment implications: The MoF is going to use proceeds from this auction for UAH2.37bn in debt repayments scheduled for Wednesday, including UAH1.93bn (US\$0.23bn) in principal repayments. Significant needs in funds for repayments while the state budget law does not take effect until Tuesday forced the MoF to amend the usual procedure. Demand for this auction will be from all kinds of participants, from market players (especially for USD-denominated bonds) to banks which will submit bids supported by domestic QE**

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## YTM's below 9.0%

Last Friday, YTM's of Ukrainian Eurobonds declined below 9.0% across the entire yield curve as the short-term end fell to about 6.0% (excluding the recently issued 2-year Eurobond which is still quoted at 5.0%).

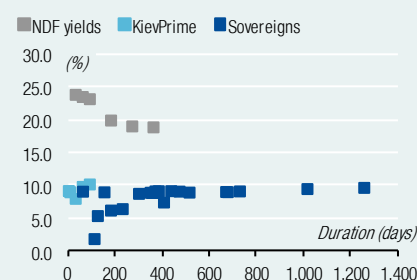
US Treasury YTM's slid more last Friday. At the close, the 5-year bond YTM slid 1bp to 1.63% and the 10-year bond YTM slid 2bp to 2.82%, being the main impetus behind the decline in YTM's of Ukrainian Eurobonds.

As a result, at the close, YTM's of Ukrainian Eurobonds diverged as UKRAIN 6.875% '15 remained steady at 6.21%, UKRAIN 9.25% '17 slid 20bp to 7.49%, UKRAIN 7.50% '23 declined 7bp to 8.32% while UKRAIN 7.95% '21 and UKRAIN 7.80% '22 rose 3bp to 8.50% and 8.55 respectively.

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## Yield curve of the local bond market

(as of market close on 17 Jan 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

## Bond market indicators (as of 17 Jan 2014)

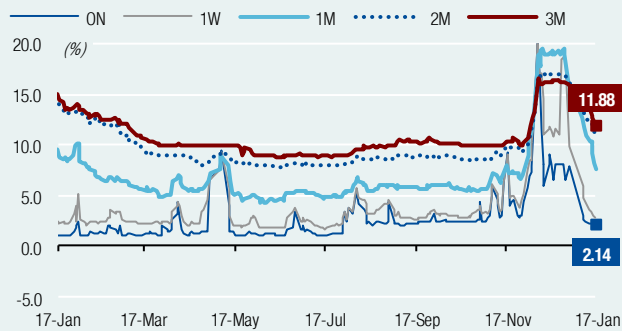
	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
O/n	2.14	-7bp	-30bp	-691bp	-566bp
1wk	2.75	-13bp	-163bp	-913bp	-705bp
1m	7.63	-48bp	-331bp	-12ppt	-862bp
2m	10.88	-37bp	-150bp	-600bp	-552bp
3m	11.88	-37bp	-150bp	-425bp	-412bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	29,639	-2.88	-1.09	+44.80	-9.37
CDs <sup>2</sup>	7,344	-7.03	+29.18	+4,964.8	+941.7
Sovgns <sup>3</sup>	7,571	+0.00	+7.95	+155.2	+406.4
<b>Total</b>	<b>44,553</b>	<b>-3.12</b>	<b>+4.43</b>	<b>+88.94</b>	<b>+27.65</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	147,054	+0.00	+0.00	+2.70	+1.52
Banks	81,656	-0.01	+0.79	+1.05	+1.86
Resid's <sup>4</sup>	12,838	+0.04	+4.17	-2.34	+3.56
Non-res <sup>5</sup>	11,970	+0.00	+0.00	+22.81	+2.32
<b>Total</b>	<b>253,518</b>	<b>+0.00</b>	<b>+0.46</b>	<b>+2.69</b>	<b>+1.77</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	9.34	+131bp	+41bp	-929bp	-281bp
6m	9.72	+99bp	-58bp	-942bp	-369bp
9m	11.34	+60bp	-98bp	-922bp	-267bp
1yr	11.57	-74bp	-255bp	-933bp	-342bp
<b>LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)</b>					
Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	N/A	-268bp	-502bp	-795bp	-795bp
Aug '15 <sup>6</sup>	N/A	+74bp	+0bp	+0bp	+0bp
<b>EUROBONDS USD SOVEREIGN BOND YIELDS (%)</b>					
CDS 5yr	695	+1bp	-21bp	-277bp	-122bp
Jun '16	6.43	-61bp	-105bp	-295bp	-245bp
Jul '17	7.70	-54bp	-53bp	-151bp	-186bp
Sep '20	8.34	-58bp	-56bp	-70bp	-85bp
Sep '21	8.47	-55bp	-43bp	-61bp	-75bp
Sep '22	8.52	-44bp	-54bp	-48bp	-82bp
Feb '23	8.39	-24bp	-37bp	-34bp	-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.

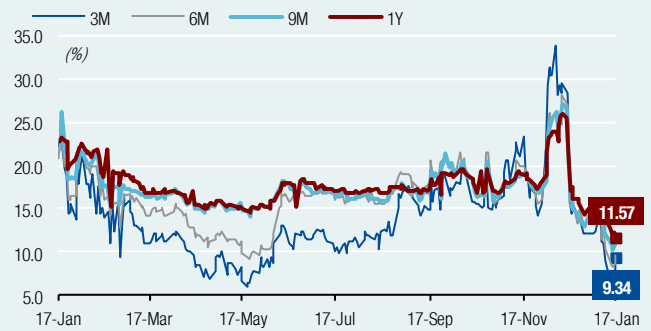
Chart page: Local bond market & Eurobond markets

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



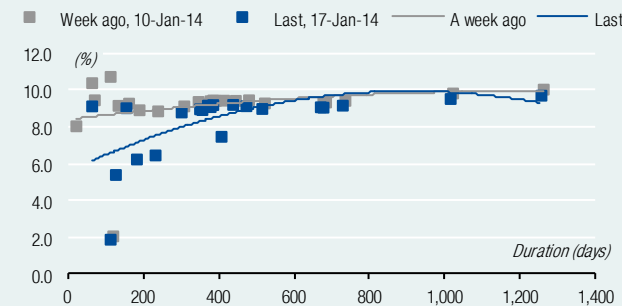
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



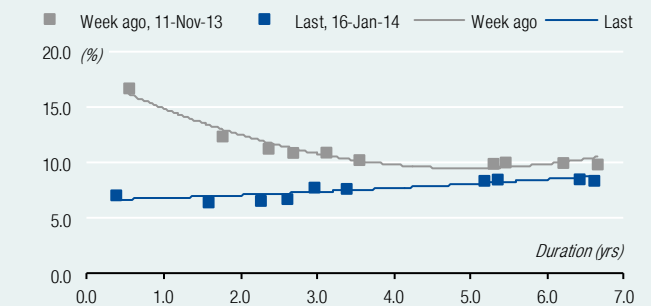
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 17 Jan 2014



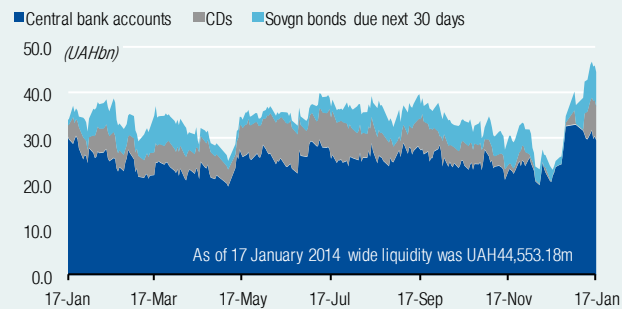
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 17 Jan 2014



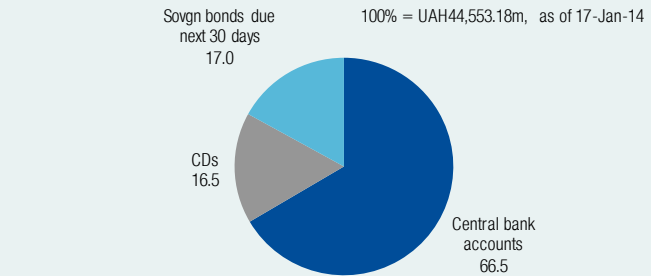
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



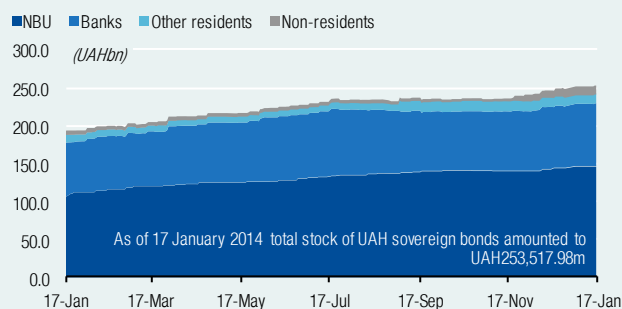
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 17 Jan 2014



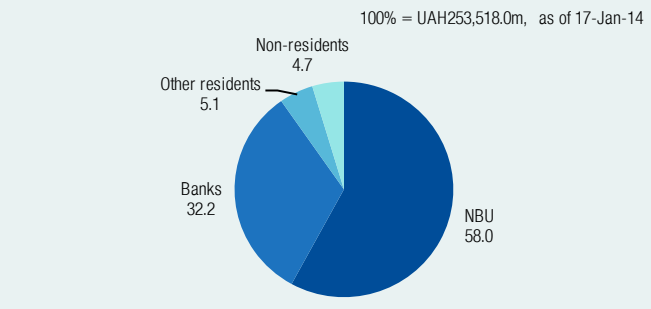
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 17 Jan 2014



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

# FX: News & Comments

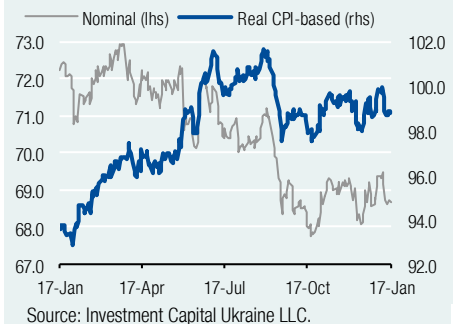
## UAH inches down, pressure persist

Despite state-run banks' irregular FX selling, the UAH was repriced lower last Friday and closed down 0.39% from the previous day on the routine daily trading volume of US\$1.25bn as seen over the last month. The hryvnia's real rate went down 0.03%.

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### ICU's UAH trade-weighted indices

(Last 12-month history to 20 Jan 2014)



### FX market indicators (as of 17 Jan 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	8.3700	+0.39	+1.03	+0.91	+1.58
NBU avg	8.1544	+0.08	+0.06	+0.11	+0.04
Ttl vlm <sup>1</sup>	1481.95	-17.90	+13.76	-24.22	-47.11
\$ volume <sup>2</sup>	1247.69	-10.95	+16.09	-24.94	-43.56
NDF 3M	8.5605	+0.71	+1.13	-1.32	+0.89
NDF 6M	8.7653	+0.87	+0.75	-3.41	-0.17
NDF 1Y	9.2850	-0.27	-1.22	-6.87	-1.43
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	68.680	-0.03	-0.03	+0.79	-0.13
UAH real CPI	98.799	-0.03	-0.03	+0.79	-0.13
UAH real PPI	131.175	-0.03	-0.03	+0.79	-0.13
USD nom'l	81.225	+0.39	+0.70	+1.45	+1.49
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	33.5557	+0.41	+1.51	+1.85	+2.09
EUR/USD	1.3541	-0.58	-0.94	-1.65	-1.47
USD/CNY	6.0498	-0.10	-0.04	-0.35	-0.07
USD/PLN	3.0753	+0.50	+1.32	+1.28	+1.73
USD/TRY	2.2332	+1.19	+3.17	+9.71	+3.96
USD/BYR	9,588.00	-0.07	+0.19	+1.30	+0.50
USD/KZT	155.1700	-0.05	+0.37	+0.73	+0.58
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	104.3200	-0.03	+0.13	+1.61	-0.94
GBP/USD	1.6424	+0.43	-0.36	+0.98	-0.80
USD/CHF	0.9101	+0.59	+0.85	+2.85	+1.93
AUD/USD	0.8781	-0.45	-2.38	-1.33	-1.53
USD/CAD	1.0964	+0.31	+0.66	+3.37	+3.21
USD/BRL	2.3425	-0.80	-0.67	+0.99	-0.83
USD/KRW	1,059.63	-0.35	-0.16	+0.81	+0.94
<b>COMMODITIES</b>					
Gold(\$/oz)	1,254.05	+0.94	+0.45	+1.87	+4.01
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>	278.41	+0.00	+1.09	-0.43	-0.63

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>).

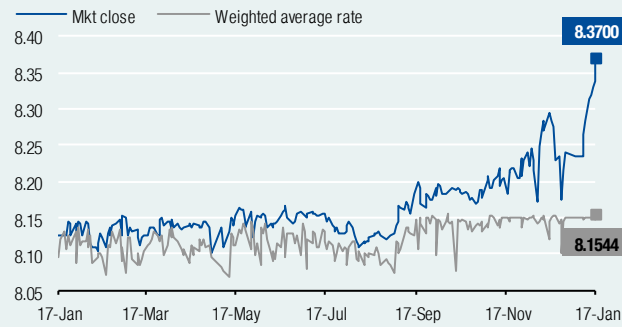
Section on FX market is continued on next page.

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.

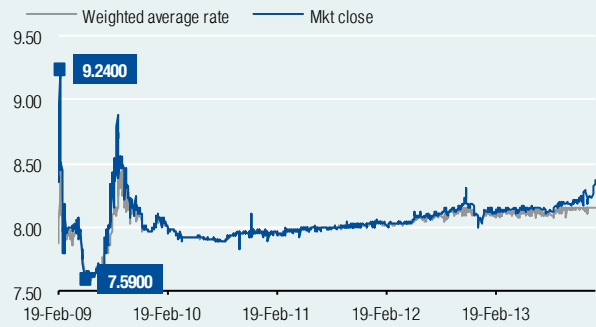
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

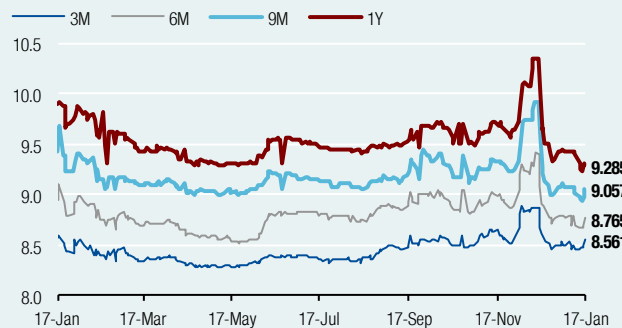


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

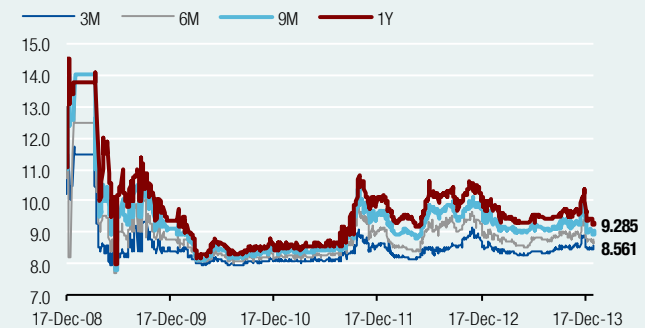


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

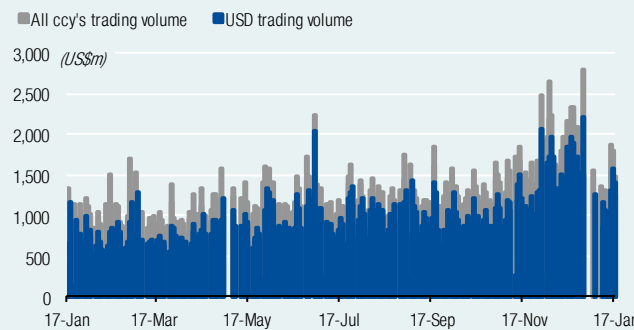


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

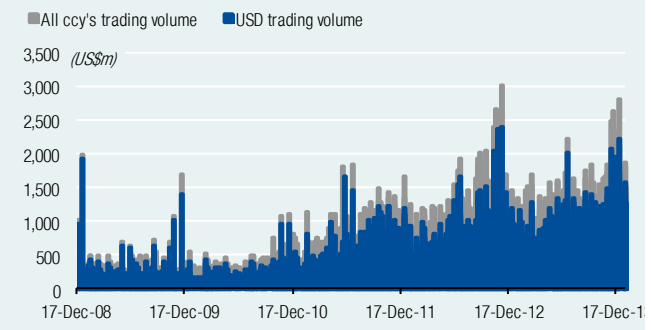


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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)

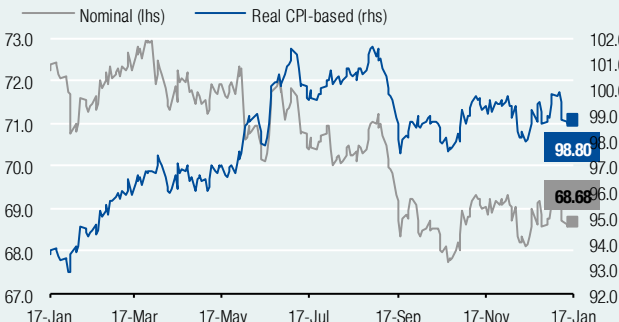


Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

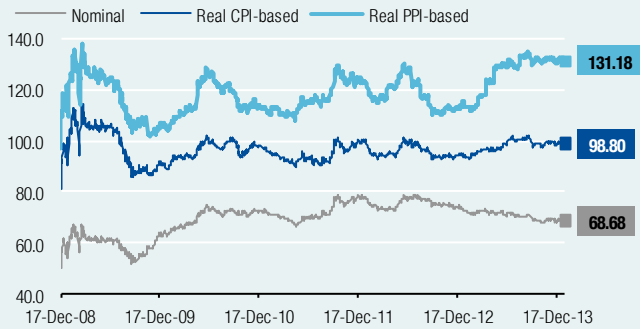
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

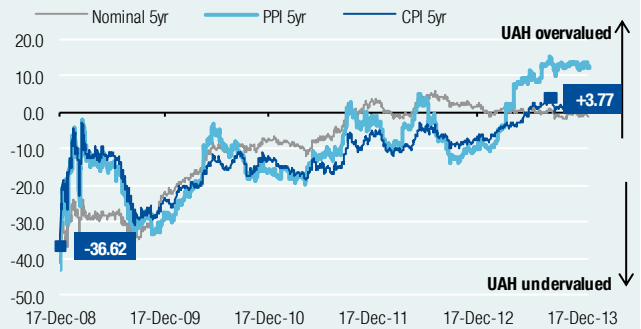


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

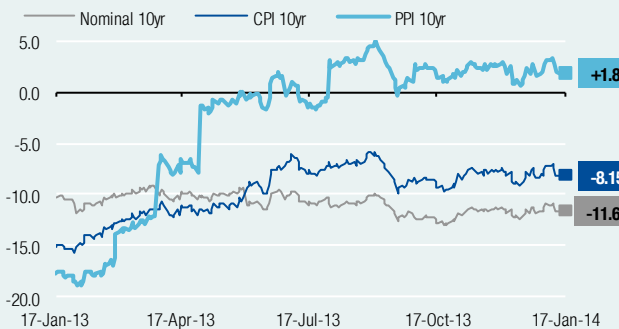


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

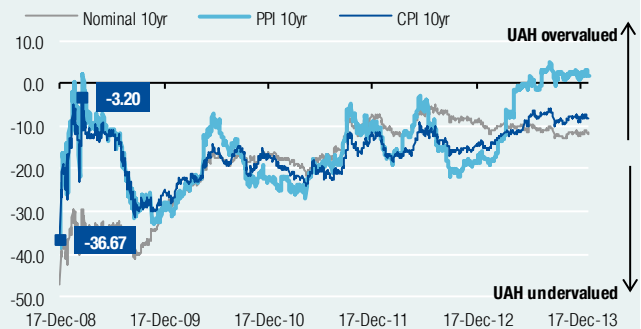


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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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