



INVESTMENT CAPITAL UKRAINE
INVESTMENT BANKING

Daily Insight

Liquidity down; YTM's up; UAH up; Ukraine's political crisis

THURSDAY, 23 JANUARY, 2014

RESEARCH INSIGHT

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UX Index (3 months to 23 Jan 2014)



Key market indicators (as of 22 Jan 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	8.3790	-0.31	+1.69
USD/UAH (1Y NDF)	9.6300	+0.41	+2.23
EUR/USD	1.3547	-0.10	-1.43
USD/RUB	33.9546	+0.04	+3.30
KievPRIME O/N (%)	2.24	+2bp	-556bp
KievPRIME 1M (%)	7.50	+0bp	-875bp
BONDS: yields and spreads			
Ukraine VAT bond (%)	N/A	+74bp	+0bp
Ukraine 17, Eurobond (%)	8.74	+77bp	-82bp
Ukraine 22, Eurobond (%)	9.29	+42bp	-5bp
Ukraine 23, Eurobond (%)	8.83	+29bp	-22bp
Ukraine 5Y CDS	803bp	+58bp	-13bp
EQUITIES			
Stock market indices			
UX (Ukraine)	863.82	-2.60	-5.08
MSCI World	407.56	+0.18	-0.24
MSCI EM	976.47	+0.59	-2.61
RTS (Russia)	1,391.75	-0.30	-3.53
WIG-20 (Poland)	2,432.78	+0.89	+1.32
S&P 500 (USA)	1,844.86	+0.06	-0.19
MOST ACTIVE: Top 3 stocks by value traded (US\$m)			
FXPO LN	3.50	47.1% of total ¹	
KER PW	1.89	25.5%	
MHPC LI	0.79	10.6%	
GAINERS: Top 3 stocks (in listed currency)			
KER PW	PLN 41.90	+1.87	+10.06
ALAGR FP	EUR 1.29	+1.57	+4.03
LOSERS: Top 3 stocks (in listed currency)			
FORM UK	UAH 0.60	-14.14	-20.92
CLE PW	PLN 1.14	-10.94	+8.57
AGT PW	PLN 2.40	-9.77	+23.08

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: First series of fatalities results from dictatorship's heightened aggression

Yesterday was the first time in Ukraine's history that public protesters were killed by police brutality in Kiev's streets. Yanukovich, whose dubious presidency is expected to span from 2010 through 2015, authorized the police violence that caused the deaths of seven political opponents so far. While five protesters were slaughtered in downtown Kiev's Hrushevskogo Street during a tense stand-off between right-wing opposition protesters and police special forces, many more protesters suffered serious head injuries caused by the police firing rubber bullets into the crowds. As the opposition's determination became more intense amidst this unprecedented act of violence against them, authorities issued additional public orders legalizing police use of grenades and toxic gas under the auspices of "maintaining public order". These proclamations were a combination of a scare tactic to disperse protesters and an enhancement of police capability to combat protesters whom they deem a threat. Because of these unfortunate developments, we expect this political crisis to heighten further and continue for weeks if not months.

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Table 1. Ukrainian stocks (closing prices as of 22-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	12.13 GBP	-3.0	+14.1	+16.9	-1.0	0.20	46.4	-16.7	40.2	18.7	6.6	14.4	0.10	1,002	Neg.	Neg.	Neg.	2.5	2.6	5.2	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	4.44 UAH	-3.4	-5.8	-6.8	-24.5	0.53	195.7	271.4	21.7	42.5	25.2	71.8	0.15	672	7.0	6.6	4.6	0.5	3.9	2.7	0.3	0.3	0.3	0.7	12.2
Coal Energy	CLE PW	Warsaw	1.14 PLN	-10.9	+18.8	+8.6	-89.9	0.37	16.7	74.6	25.0	4.2	289.0	85.3	4.94	20	Neg.	Neg.	N/A	1.2	10.2	N/A	0.6	0.8	N/A	0.1	7.7
Donbasenergo	DOEN UK	Kiev, UX	29.40 UAH	-1.8	+7.0	+6.6	+51.6	3.51	82.9	139.6	14.2	11.8	68.5	54.3	0.14	732	22.4	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	71.00 GBP	+0.0	+0.0	-0.7	-8.1	1.18	202.0	199.0	47.2	95.3	149.6	106.4	0.06	1,667	Neg.	6.2	5.6	1.5	2.0	2.2	1.0	1.0	0.9	0.4	2.5
Regal Petroleum	RPT LN	London	14.00 GBP	-0.9	+12.0	+7.7	-59.4	0.23	74.4	47.5	80.9	60.2	1.4	8.1	0.01	14,193	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	0.61 PLN	-7.6	+19.6	+15.1	-69.0	0.20	8.5	48.3	25.0	2.1	64.9	38.9	1.83	55	Neg.	N/A	N/A	24.1	N/A	N/A	1.2	N/A	N/A	0.2	42.7
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	-0.8	-8.6	-7.8	-27.9	0.00	110.0	1,784.2	3.9	4.3	14.4	19.1	0.37	270	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	2.64 UAH	-4.9	-13.9	-10.8	-10.2	0.31	61.4	57.1	4.0	2.5	6.0	13.7	0.70	143	Neg.	Neg.	2.4	Neg.	1.3	0.8	0.1	0.1	0.1	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.60 UAH	-4.2	-11.0	-10.7	-10.6	0.07	299.8	289.8	4.1	12.3	0.9	20.6	0.10	1,025	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	168.90 GBP	-1.5	-5.6	-11.6	-35.8	2.80	1,646.8	2,234.3	22.4	368.9	3,497.6	2,387.4	0.72	139	7.7	6.4	7.3	5.6	4.7	4.9	1.6	1.4	1.4	1.0	37.0
Yasynivsky Cok...	YASK UK	Kiev, UX	0.55 UAH	-0.7	+3.0	+3.0	-19.1	0.07	17.8	19.5	9.0	1.6	1.5	1.8	0.06	1,727	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	31.49 UAH	-1.2	-3.9	-1.6	-11.1	3.76	39.6	33.4	9.4	3.7	0.5	10.1	0.22	445	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	1.29 EUR	+1.6	+3.2	+4.0	-25.4	1.75	61.3	88.2	34.0	20.9	8.4	40.1	0.14	722	Neg.	N/A	N/A	Neg.	N/A	N/A	1.4	N/A	N/A	1.4	35.9
Agroliga	AGL PW	Warsaw	26.70 PLN	-2.6	+6.0	+3.0	+37.6	8.68	13.4	13.7	16.7	2.2	8.3	12.0	0.59	170	19.0	N/A	N/A	18.6	N/A	N/A	5.3	N/A	N/A	N/A	7.5
Agroton	AGT PW	Warsaw	2.40 PLN	-9.8	+23.1	+23.1	-76.4	0.78	16.9	64.2	26.2	4.4	376.4	118.1	6.22	16	2.5	3.5	2.3	4.5	6.9	4.1	0.7	0.9	0.8	0.1	28.0
Astarta Holdin...	AST PW	Warsaw	65.60 PLN	-2.8	+4.1	-1.9	+9.3	21.33	533.3	858.5	31.0	165.4	136.1	205.5	0.14	713	8.7	8.2	5.1	9.7	7.2	5.9	1.8	1.7	1.4	1.0	38.9
Avangard	AVGR LI	London Intl	11.65 USD	-0.3	+1.3	-0.9	-0.3	11.65	744.1	910.5	21.7	161.5	15.5	289.0	0.27	376	3.3	3.3	3.3	3.2	3.1	1.4	1.3	1.2	0.6	0.6	22.3
IMC	IMC PW	Warsaw	11.83 PLN	-1.1	-1.3	-2.6	-23.2	3.85	120.4	236.7	23.9	28.8	4.9	19.9	0.05	2,059	6.4	4.6	2.9	6.5	5.6	5.3	3.1	1.8	1.2	1.0	33.0
Kernel Holding...	KER PW	Warsaw	41.90 PLN	+1.9	+6.6	+10.1	-35.9	13.62	1,085.7	1,806.1	58.8	638.1	1,889.5	3,170.8	0.29	349	9.8	9.8	5.9	6.2	6.2	5.0	0.6	0.7	0.6	0.8	30.6
KSG Agro	KSG PW	Warsaw	10.02 PLN	-3.7	-6.4	-7.6	-22.9	3.26	48.9	170.8	34.4	16.8	15.5	20.7	0.10	1,019	6.0	4.0	4.1	40.5	5.8	4.7	4.6	2.5	1.6	0.5	29.2
MHP	MHPC LI	London Intl	17.50 USD	-1.1	+2.9	+2.6	+2.3	17.50	1,849.2	3,050.2	22.3	412.7	788.5	1,508.2	0.12	867	6.2	8.5	6.2	6.5	7.0	5.8	2.2	2.0	1.8	1.6	45.8
Milkiland	MLK PW	Warsaw	10.00 PLN	-1.0	-20.9	-20.0	-37.5	3.25	101.6	234.9	20.0	20.3	11.4	8.6	0.06	1,574	5.9	5.7	5.6	6.6	5.8	4.7	0.6	0.5	0.5	0.4	29.9
Mriya Agrohold...	MAYA GF	Frankfurt	5.17 EUR	+0.0	-9.3	-4.2	+14.9	7.01	744.4	1,476.4	20.0	148.9	0.0	1.7	0.00	54,482	4.3	4.7	4.9	6.4	5.5	6.0	4.2	3.9	3.4	0.8	34.8
Ovostar Union	OVO PW	Warsaw	88.70 PLN	-4.5	-4.6	-11.3	-7.8	28.84	173.1	185.1	25.0	43.3	33.3	47.9	0.29	349	7.4	6.8	4.6	6.6	6.1	3.8	2.6	2.3	1.7	1.7	3.7
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.32 EUR	+0.0	+6.7	+0.0	-15.5	0.43	22.2	181.6	13.1	2.9	0.0	0.1	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																											
Forum Bank	FORM UK	Kiev, UX	0.60 UAH	-14.1	-17.2	-20.9	+16.0	0.07	42.5	N/A	5.5	2.3	0.1	2.2	0.28	355	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.2	21.3
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.10 UAH	-1.5	-8.4	-8.7	+19.1	0.01	370.4	N/A	3.8	14.1	9.3	43.9	0.17	581	9.7	5.6	3.0	N/A	N/A	N/A	N/A	N/A	N/A	0.4	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.17 UAH	-3.0	-9.6	-10.8	+50.2	0.02	361.7	N/A	4.5	16.2	0.2	11.1	0.06	1,551	1,002.0	184.9	N/A	N/A	N/A	N/A	N/A	N/A	0.3	30.9	

Table 1. Ukrainian stocks (closing prices as of 22-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 declines

Broader banking sector liquidity declined a slight UAH0.77bn to UAH46.87bn yesterday as banks' correspondent accounts with the NBU declined UAH0.96bn to UAH30.94bn, total CDs outstanding rose only UAH0.19bn to UAH7.87bn, and total local currency debt repayments scheduled for the next 30 days remained steady at UAH8.06bn.

Money market interest rates slightly diverged: the KyivPrime ON interest rate rose 2bp to 2.24% while the KyivPrime 1M interest rate remained steady at 7.50%.

Investment implications: Liquidity declined after Tuesday's deals due to the impact of the FX market when trading volume skyrocketed to US\$2.56bn. Although yesterday's debt repayments and primary auction bond purchases should have a slight impact today, the largest impact should again be from the FX market, which had high trading volume of US\$3.23bn yesterday, this year's record high.

YTM's increase slightly

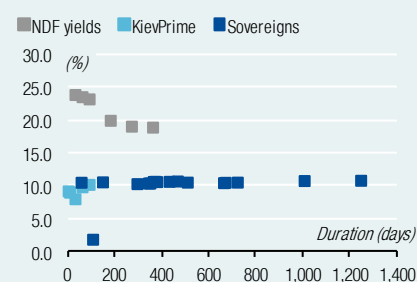
YTM's of Ukrainian Eurobonds continued to rise yesterday, due to the increase in US Treasury YTM's which slightly rose yesterday. At the close, the 5-year bond YTM rose 5bp to 1.70% and the 10-year bond YTM slid 4bp to 2.87%.

Yields rose as the result of increased political instability in Ukraine. At the close, YTM's of Ukrainian Eurobonds rose as UKRAIN 6.875% '15 rose 147bp to 8.17%, UKRAIN 9.25% '17 rose 80bp to 8.75%, while UKRAIN 7.95% '21 rose 47bp to 9.23%, UKRAIN 7.80% '22 rose 46bp to 9.31%, and UKRAIN 7.50% '23 rose 32bp to 8.85%.

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Yield curve of the local bond market

(as of market close on 22 Jan 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 22 Jan 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
0/n	2.24	+2bp	-4bp	-576bp	-556bp
1wk	2.81	+0bp	-13bp	-882bp	-699bp
1m	7.50	+0bp	-163bp	-12ppt	-875bp
2m	10.75	+0bp	-100bp	-625bp	-565bp
3m	12.00	+25bp	-75bp	-438bp	-400bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	30,940	-3.02	+3.37	+30.13	-5.39
CDs ²	7,865	+2.49	-4.61	+6,192.0	+1,015.6
Sovgns ³	7,822	-2.55	+3.32	+557.5	+423.2
Total	46,626	-2.05	+1.92	+85.83	+33.59
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	149,554	+0.00	+1.70	+3.25	+3.25
Banks	79,055	+0.04	-1.91	-2.09	-1.39
Resid's ⁴	13,122	+1.83	+2.91	-0.66	+5.85
Non-res ⁵	12,122	+0.60	+1.27	+12.02	+3.62
Total	253,852	+0.13	+0.59	+1.69	+1.90
NDF IMPLIED YIELDS (%)					
3m	16.78	+141bp	+959bp	+144bp	+463bp
6m	14.70	+100bp	+639bp	-68bp	+130bp
9m	14.51	+22bp	+436bp	-43bp	+49bp
1yr	15.59	+82bp	+421bp	-52bp	+60bp
LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)					
Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	N/A	-67bp	-335bp	-861bp	-862bp
Aug '15 ⁶	N/A	+74bp	+0bp	+0bp	+0bp
EUROBONDS USD SOVEREIGN BOND YIELDS (%)					
CDS 5yr	803	+58bp	+82bp	+3bp	-13bp
Jun '16	7.89	+75bp	+85bp	-100bp	-100bp
Jul '17	8.74	+77bp	+50bp	-79bp	-82bp
Sep '20	9.24	+53bp	+32bp	+10bp	+5bp
Sep '21	9.21	+43bp	+19bp	+5bp	-1bp
Sep '22	9.29	+42bp	+33bp	+3bp	-5bp
Feb '23	8.83	+29bp	+20bp	-13bp	-22bp

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

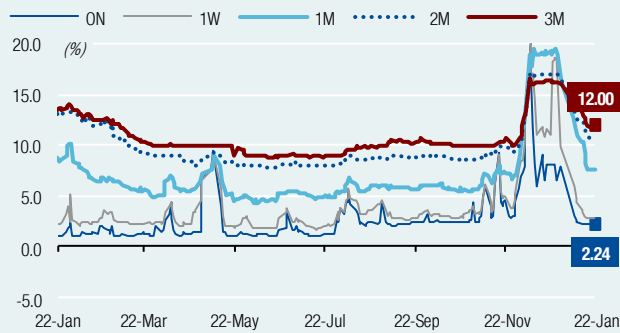


Chart 2. UAH NDF implied yields (%), last 12-month period

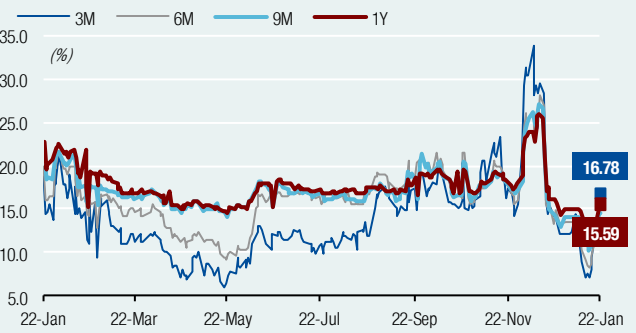


Chart 3. UAH sovereign yield curve (%) as of 22 Jan 2014

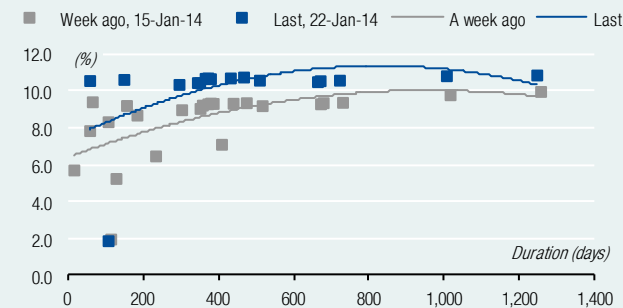


Chart 4. USD sovereign yield curve (%) as of 22 Jan 2014

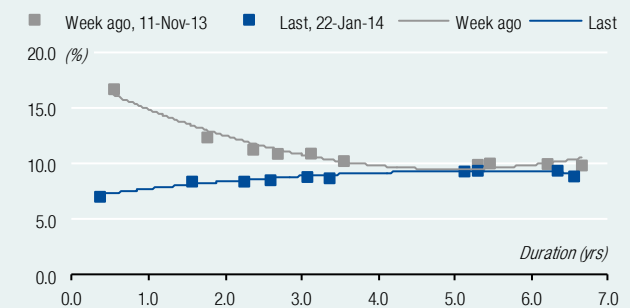


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

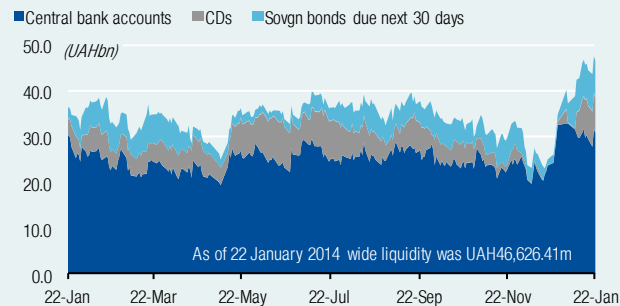


Chart 6. Breakdown of liquidity pool (%) as of 22 Jan 2014

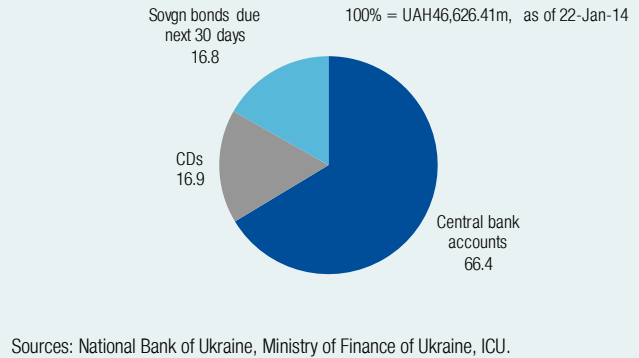


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

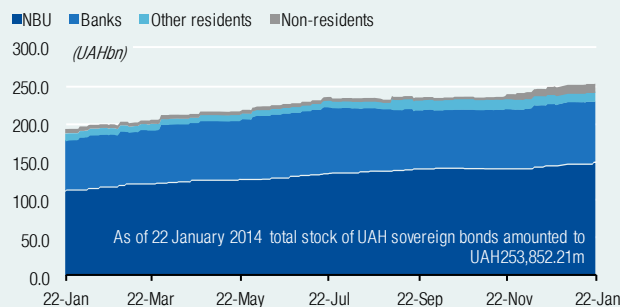
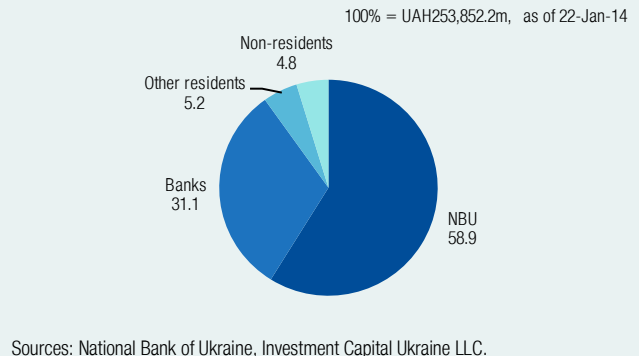


Chart 8. Domestic sovereign debt (%) as of 22 Jan 2014



FX: News & Comments

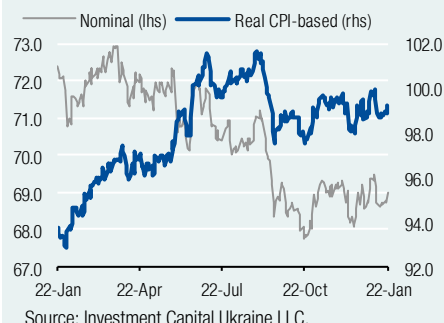
UAH supported by state-run banks

The hryvnia moved lower again yesterday, but it was closed at 8.3790/USD up 0.31% on US\$2.7bn in trading thanks to FX selling by state-run banks. Its real trade-weighted index rose 0.38% on a weaker RUB and EUR. The NBU did not intervene, thus allowing the UAH to weaken to conserve FX reserves.

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ICU's UAH trade-weighted indices

(Last 12-month history to 23 Jan 2014)



FX market indicators (as of 22 Jan 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	8.3790	-0.31	+0.59	+1.81	+1.69
NBU avg	8.1532	+0.04	-0.01	+0.01	+0.03
Tt vlm ¹	3234.43	+26.31	+73.40	+39.17	+15.43
\$ volume ²	2726.48	+21.13	+72.48	+43.33	+23.32
NDF 3M	8.7250	+0.03	+2.95	+2.17	+2.83
NDF 6M	8.9826	+0.16	+3.67	+1.50	+2.31
NDF 1Y	9.6300	+0.41	+4.39	+1.37	+2.23
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	68.961	+0.38	+0.37	-0.02	+0.27
UAH real CPI	99.202	+0.38	+0.37	-0.02	+0.27
UAH real PPI	131.711	+0.38	+0.37	-0.02	+0.27
USD nom'l	81.167	+0.09	+0.17	+0.73	+1.41
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	33.9546	+0.04	+1.76	+2.92	+3.30
EUR/USD	1.3547	-0.10	-0.43	-0.92	-1.43
USD/CNY	6.0515	+0.02	+0.09	-0.31	-0.05
USD/PLN	3.0726	+0.06	+0.56	+1.01	+1.64
USD/TRY	2.2585	+0.32	+3.08	+7.98	+5.13
USD/BYR	9,610.00	+0.02	+0.10	+1.21	+0.73
USD/KZT	155.1400	-0.08	+0.01	+0.93	+0.56
OTHER MAJOR CURRENCIES					
USD/JPY	104.5200	+0.21	-0.04	+0.40	-0.75
GBP/USD	1.6575	+0.59	+1.25	+1.46	+0.11
USD/CHF	0.9116	+0.16	+0.32	+1.72	+2.09
AUD/USD	0.8852	+0.52	-0.72	-0.80	-0.73
USD/CAD	1.1087	+1.09	+1.40	+4.25	+4.37
USD/BRL	2.3733	+0.54	+0.59	-0.59	+0.47
USD/KRW	1,067.37	+0.20	+0.44	+0.58	+1.67
COMMODITIES					
Gold(\$/oz)	1,237.08	-0.35	-0.38	+2.81	+2.61
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	280.53	+0.77	+0.97	-0.91	+0.13

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>).

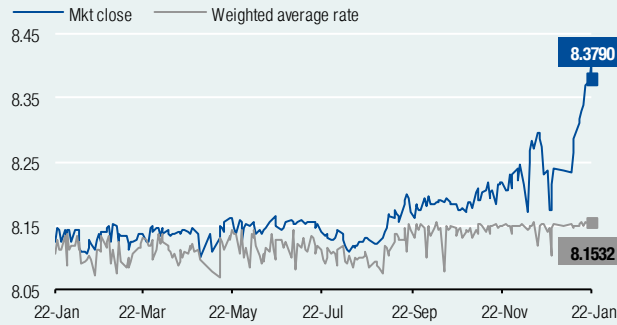
Section on FX market is continued on next page.

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.

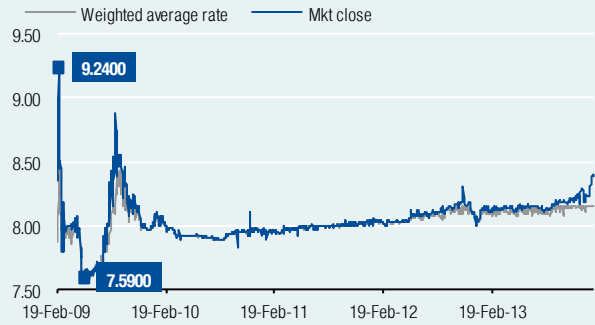
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

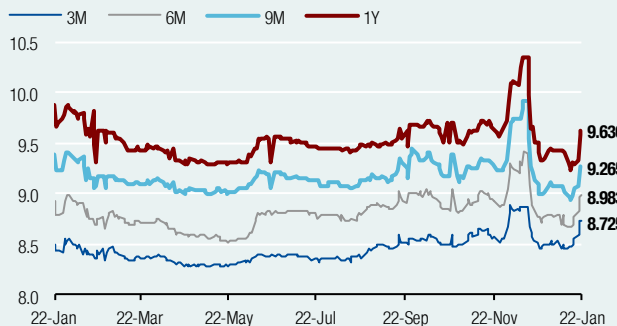


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

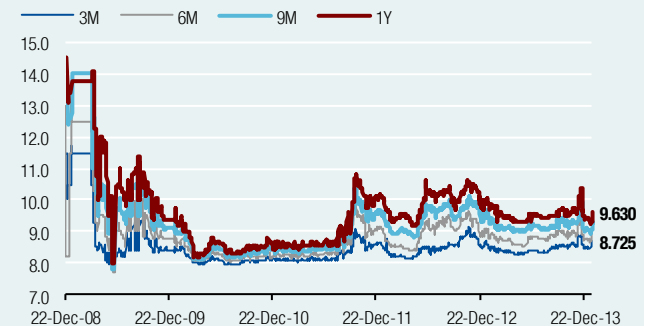


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

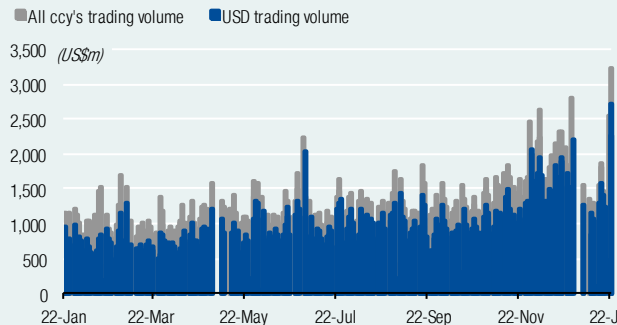


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

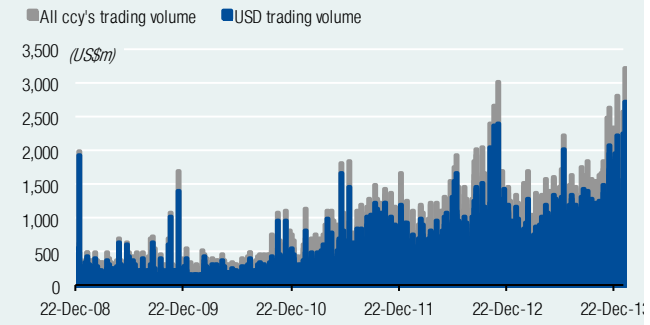


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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)

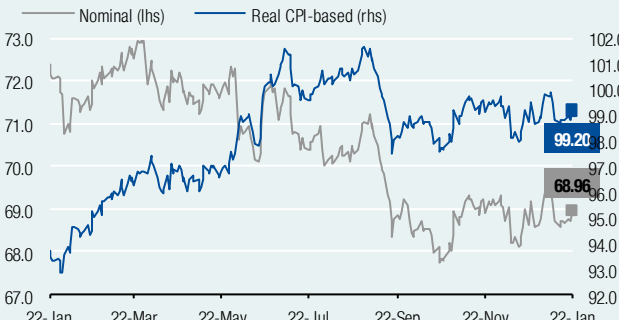


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

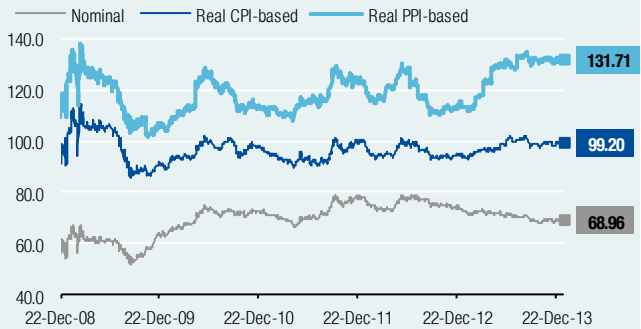
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

EQUITY RATING DEFINITIONS

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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