


**INVESTMENT CAPITAL UKRAINE**  
 INVESTMENT BANKING

# Daily Insight

Liquidity falls further; Yields above 9.0%; UAH moves higher

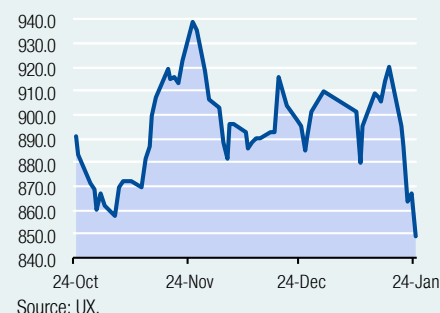
MONDAY, 27 JANUARY, 2014

RESEARCH INSIGHT

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### UX Index (3 months to 27 Jan 2014)



### Key market indicators (as of 24 Jan 2014)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	8.4350	-0.06	+2.37
USD/UAH (1Y NDF)	9.7000	+0.78	+2.97
EUR/USD	1.3678	-0.13	-0.47
USD/RUB	34.5518	+1.36	+5.12
KievPRIME O/N (%)	2.44	+14bp	-536bp
KievPRIME 1M (%)	7.69	+19bp	-856bp
<b>BONDS: yields and spreads</b>			
Ukraine VAT bond (%)	N/A	+74bp	+0bp
Ukraine 17, Eurobond (%)	9.46	+72bp	-10bp
Ukraine 22, Eurobond (%)	9.58	+28bp	+23bp
Ukraine 23, Eurobond (%)	9.12	+29bp	+8bp
Ukraine 5Y CDS	925bp	+66bp	+108bp
<b>EQUITIES</b>			
<b>Stock market indices</b>			
UX (Ukraine)	849.06	-2.05	-6.70
MSCI World	396.88	-1.89	-2.86
MSCI EM	949.90	-1.46	-5.26
RTS (Russia)	1,364.11	-1.27	-5.45
WIG-20 (Poland)	2,347.44	-2.45	-2.23
S&P 500 (USA)	1,790.29	-2.09	-3.14
<b>MOST ACTIVE: Top 3 stocks by value traded (US\$m)</b>			
FXPO LN	3.14	44.1% of total <sup>1</sup>	
MHPC LI	2.45	34.5%	
KER PW	0.96	13.5%	
<b>GAINERS: Top 3 stocks (in listed currency)</b>			
IMC PW	PLN 11.20	+0.90	-7.82
USCB UK	UAH 0.18	+0.56	-3.47
MLK PW	PLN 9.83	+0.31	-21.36
<b>LOSERS: Top 3 stocks (in listed currency)</b>			
AGL PW	PLN 22.01	-15.80	-15.12
ZAEN UK	UAH 80.20	-12.06	-11.28
YASK UK	UAH 0.52	-5.45	-1.89

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 24-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	12.13 GBP	+0.0	+16.9	+16.9	-8.5	0.20	46.3	-16.8	40.2	18.6	5.9	14.1	0.09	1,090	Neg.	Neg.	Neg.	2.6	2.6	5.3	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	4.34 UAH	-2.7	-7.9	-9.0	-26.7	0.51	188.8	263.6	21.7	41.0	27.4	68.9	0.13	751	6.9	6.4	4.5	0.5	3.8	2.6	0.2	0.3	0.3	0.7	12.2
Coal Energy	CLE PW	Warsaw	1.03 PLN	+0.0	+3.0	-1.9	-91.0	0.34	15.1	73.0	25.0	3.8	133.8	83.0	5.59	18	Neg.	Neg.	N/A	1.2	10.0	N/A	0.6	0.8	N/A	0.1	7.7
Donbasenergo	DOEN UK	Kiev, UX	29.40 UAH	-0.9	+8.6	+6.6	+48.7	3.46	81.9	137.9	14.2	11.7	7.7	53.4	0.14	715	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	69.00 GBP	-0.7	-3.5	-3.5	+2.6	1.14	195.6	192.6	47.2	92.3	60.0	97.7	0.06	1,585	Neg.	6.0	5.5	1.4	1.9	2.1	0.9	1.0	0.9	0.4	2.5
Regal Petroleum	RPT LN	London	13.88 GBP	+0.0	+11.0	+6.7	-59.5	0.23	73.4	46.6	80.9	59.4	0.0	7.8	0.01	16,473	6.3	14.7	N/A	2.1	2.7	N/A	1.1	N/A	N/A	0.3	0.0
Sadova Group	SGR PW	Warsaw	0.61 PLN	+0.0	+15.1	+15.1	-69.3	0.20	8.6	48.3	25.0	2.1	24.8	39.9	1.93	52	Neg.	N/A	N/A	24.1	N/A	N/A	1.2	N/A	N/A	0.2	42.7
Zakhidenergo	ZAEN UK	Kiev, PFTS	80.20 UAH	-12.1	-11.8	-11.3	-16.5	9.45	120.8	155.7	5.0	6.0	18.0	7.6	0.10	1,015	534.8	N/A	N/A	1.0	N/A	N/A	0.1	N/A	0.1	2.0	9.7
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.03 UAH	-1.4	-10.1	-10.1	-30.0	0.00	106.0	1,759.7	3.9	4.1	1.7	18.0	0.22	459	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	2.61 UAH	-2.5	-13.4	-11.8	-10.4	0.31	60.0	55.7	4.0	2.4	2.1	13.2	0.50	202	Neg.	Neg.	2.4	Neg.	1.3	0.8	0.1	0.1	0.1	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.59 UAH	-1.3	-13.1	-12.5	-12.0	0.07	290.2	280.4	4.1	11.9	0.6	19.8	0.06	1,719	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	161.80 GBP	-2.5	-14.7	-15.3	-39.2	2.67	1,572.2	2,159.4	22.4	352.2	3,136.0	2,310.4	0.83	120	7.3	6.2	6.8	5.4	4.6	4.8	1.5	1.4	1.3	1.0	37.0
Yasynivsky Cok...	YASK UK	Kiev, UX	0.52 UAH	-5.5	-1.9	-1.9	-23.6	0.06	16.8	18.4	9.0	1.5	2.7	1.7	0.06	1,741	2.1	1.4	1.0	0.1	0.7	0.6	0.0	0.0	0.0	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	30.50 UAH	-3.1	-6.9	-4.7	-12.6	3.59	37.9	31.8	9.4	3.6	2.2	9.4	0.23	438	4.6	Neg.	2.0	Neg.	Neg.	N/A	0.0	0.0	0.0	0.7	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	1.25 EUR	-2.3	+1.6	+0.8	-28.2	1.71	60.0	87.1	34.0	20.4	43.5	40.0	0.13	754	Neg.	N/A	N/A	Neg.	N/A	N/A	1.3	N/A	N/A	1.3	35.9
Agroliga	AGL PW	Warsaw	22.01 PLN	-15.8	-15.1	-15.1	+10.1	7.18	11.0	11.4	16.7	1.8	5.4	9.6	0.73	138	15.5	N/A	N/A	15.5	N/A	N/A	4.4	N/A	N/A	N/A	7.5
Agroton	AGT PW	Warsaw	2.25 PLN	-1.3	+13.6	+15.4	-80.1	0.73	15.9	63.2	26.2	4.2	88.7	119.0	7.25	14	2.4	3.3	2.1	4.4	6.8	4.1	0.7	0.9	0.8	0.1	28.0
Astarta Holdin...	AST PW	Warsaw	65.75 PLN	+0.2	+1.3	-1.7	+6.9	21.44	535.9	864.3	31.0	166.2	31.6	211.5	0.11	881	8.7	7.4	4.9	9.8	7.1	5.4	1.8	1.7	1.4	1.0	38.9
Avangard	AVGR LI	London Intl	11.49 USD	-0.9	-2.2	-2.2	-3.8	11.49	733.9	900.2	21.7	159.3	24.7	274.6	0.24	420	3.3	3.2	3.3	3.2	3.1	3.1	1.4	1.3	1.2	0.6	22.3
IMC	IMC PW	Warsaw	11.20 PLN	+0.9	-6.7	-7.8	-28.4	3.65	114.3	230.6	23.9	27.3	13.3	18.1	0.05	1,856	6.1	4.4	4.7	6.3	5.5	4.6	3.1	1.7	1.2	0.9	33.0
Kernel Holding...	KER PW	Warsaw	40.00 PLN	-2.7	+5.1	+5.1	-39.8	13.04	1,039.1	1,759.5	58.8	610.7	963.5	3,018.0	0.28	356	9.3	10.0	5.7	6.1	6.3	5.0	0.6	0.7	0.6	0.8	30.6
KSG Agro	KSG PW	Warsaw	9.48 PLN	-0.7	-14.7	-12.6	-28.9	3.09	46.4	168.3	34.4	16.0	5.0	19.6	0.10	961	5.7	3.8	3.9	39.9	5.7	4.6	4.5	2.5	1.6	0.5	29.2
MHP	MHPC LI	London Intl	17.38 USD	-0.9	+1.6	+1.9	+0.3	17.38	1,836.5	3,037.5	22.3	409.9	2,450.4	1,453.5	0.14	701	6.2	8.5	6.2	6.5	7.0	5.7	2.2	2.0	1.8	1.6	45.8
Milkiland	MLK PW	Warsaw	9.83 PLN	+0.3	-22.3	-21.4	-37.2	3.20	100.1	234.8	20.0	20.0	2.4	8.4	0.07	1,511	5.7	5.5	5.5	6.6	5.7	4.6	0.6	0.5	0.5	0.4	29.9
Mriya Agrohold...	MAYA GF	Frankfurt	5.17 EUR	+0.0	-6.6	-4.2	+10.0	7.08	751.8	1,483.7	20.0	150.4	0.0	1.7	0.00	54,482	4.3	4.7	5.0	6.4	5.6	6.0	4.3	4.0	3.5	0.8	34.8
Ovostar Union	OVO PW	Warsaw	83.80 PLN	+0.0	-14.5	-16.2	-18.6	27.32	163.9	176.0	25.0	41.0	0.1	45.5	0.27	373	7.0	6.4	4.4	6.3	5.8	3.7	2.5	2.2	1.6	1.6	3.7
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Xetra	0.32 EUR	+0.0	+6.7	+0.0	-6.2	0.43	22.5	181.8	13.1	2.9	0.0	0.1	N/A	N/A	Neg.	N/A	N/A	Neg.	N/A	N/A	8.4	N/A	N/A	0.2	44.1
<b>FINANCIAL SERVICES</b>																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.10 UAH	-2.1	-7.6	-7.6	+15.5	0.01	370.4	N/A	3.8	14.2	59.5	43.9	0.13	759	9.9	5.7	3.0	N/A	N/A	N/A	N/A	N/A	N/A	0.4	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.18 UAH	+0.6	-3.0	-3.5	+60.2	0.02	386.8	N/A	4.5	17.3	0.4	10.8	0.01	8,408	1,084.7	200.2	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 24-Jan-2014)**

Company	Bloomberg Ticker	Listing	Share price performance (% change)					Valuation (US\$)			Free float (FF) & Liquidity					P/E			EV/EBITDA			EV/Sales			Ratios	
			Last price	Daily	MoM	YTD	YoY	Last price	Market cap (m)	EV (m)	FF (%)	FF mkt cap (US\$m)	Last day turnover (US\$ 000)	3M avg. turnover (US\$ 000)	FF share traded (%)	FF turnover (days)	2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E	P/B (x)

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

# Bonds: News & Comments

## Liquidity continues to decline

Broader banking sector liquidity significantly fell UAH2.88bn to UAH4.45bn last Friday as total CDs outstanding slid UAH1.29bn to UAH6.57bn while banks' correspondent accounts with the NBU declined UAH1.59bn to UAH28.02bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH7.86bn.

Money market interest rates continued to increase: the KyivPrime ON interest rate rose 14bp to 2.44% while the KyivPrime 1M interest rate rose 19bp to 7.69%.

**Investment implications: Liquidity declined because the MoF sold UAH1.91bn last Thursday against receiving UAH1.88bn of proceeds. Moreover, month-end tax payments began last week. We do not anticipate liquidity to increase this week due to the same reasons.**

## YTM's above 9.0%

YTM's of Ukrainian Eurobonds rose above 9.0% last Thursday and continued increase last Friday to 9.24-9.93% due to higher political instability in Ukraine which threatened future external financing and making timely debt repayments.

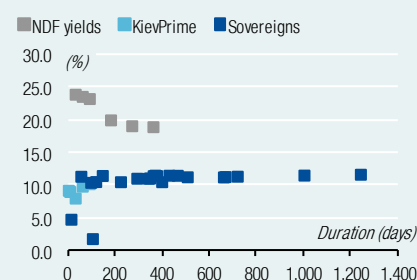
As a result, Ukrainian Eurobond yields diverged at the close as UKRAIN 6.875% '15 rose 61bp to 9.67%, UKRAIN 9.25% '17 rose 26bp to 9.38%, while UKRAIN 7.95% '21 rose 19bp to 9.93%, UKRAIN 7.80% '22 and UKRAIN 7.50% '23 rose 13bp to 9.70% and 9.24%, respectively. The 5-year Ukrainian CDS rose to 925bp.

US Treasury YTM's continued to slide further last Friday. At the close, the 5-year bond yield slid 6bp to 1.54% and the 10-year bond yield fell 6bp to 2.72%.

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## Yield curve of the local bond market

(as of market close on 24 Jan 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

## Bond market indicators (as of 24 Jan 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
0/n	2.44	+14bp	+30bp	-556bp	-536bp
1wk	3.01	+13bp	+26bp	-15ppt	-679bp
1m	7.69	+19bp	+6bp	-11ppt	-856bp
2m	10.75	+0bp	-13bp	-613bp	-565bp
3m	12.00	+0bp	+12bp	-413bp	-400bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	28,021	-5.38	-5.46	+15.12	-14.32
CDs <sup>2</sup>	1,314	-9.32	-82.11	+1,151.4	+86.38
Sovgns <sup>3</sup>	7,822	+0.00	+3.32	+382.4	+423.2
<b>Total</b>	<b>37,156</b>	<b>-4.44</b>	<b>-16.60</b>	<b>+42.55</b>	<b>+6.46</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	148,554	+0.00	+1.02	+2.56	+2.56
Banks	81,748	+4.39	+0.11	+1.24	+1.97
Resid's <sup>4</sup>	13,104	+0.29	+2.07	-0.84	+5.70
Non-res <sup>5</sup>	12,122	+0.00	+1.27	+12.02	+3.62
<b>Total</b>	<b>255,527</b>	<b>+1.38</b>	<b>+0.79</b>	<b>+2.36</b>	<b>+2.57</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	16.62	+286bp	+728bp	+266bp	+447bp
6m	15.99	+302bp	+627bp	+113bp	+258bp
9m	15.35	+144bp	+401bp	+147bp	+134bp
1yr	15.65	+96bp	+409bp	+0bp	+67bp
<b>LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)</b>					
Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	N/A	-266bp	-201bp	-18ppt	-996bp
Aug '15 <sup>6</sup>	N/A	+74bp	+0bp	+0bp	+0bp
<b>EUROBONDS USD SOVEREIGN BOND YIELDS (%)</b>					
CDS 5yr	925	+66bp	+230bp	+125bp	+108bp
Jun '16	9.07	+118bp	+264bp	+20bp	+18bp
Jul '17	9.46	+72bp	+176bp	-6bp	-10bp
Sep '20	9.76	+52bp	+142bp	+60bp	+57bp
Sep '21	9.73	+52bp	+126bp	+42bp	+51bp
Sep '22	9.58	+28bp	+105bp	+29bp	+23bp
Feb '23	9.12	+29bp	+73bp	+18bp	+8bp

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

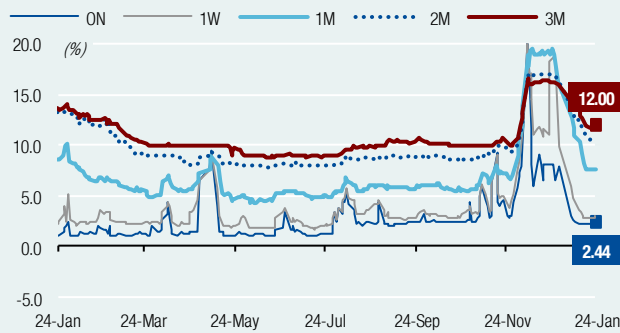


Chart 2. UAH NDF implied yields (%), last 12-month period

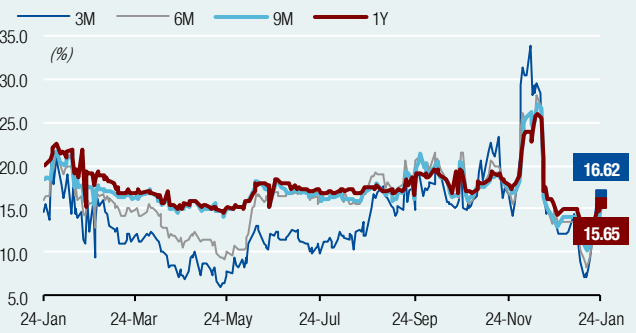


Chart 3. UAH sovereign yield curve (%) as of 24 Jan 2014

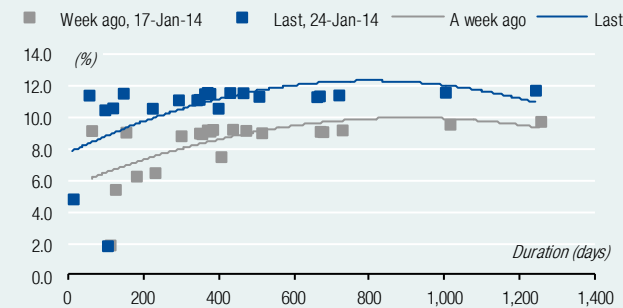


Chart 4. USD sovereign yield curve (%) as of 24 Jan 2014

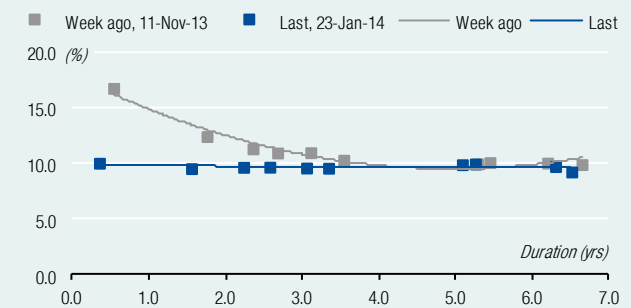


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

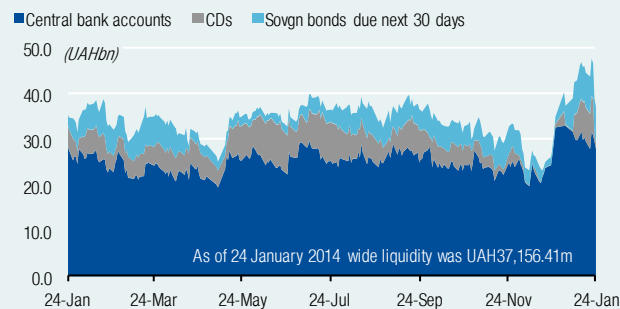


Chart 6. Breakdown of liquidity pool (%) as of 24 Jan 2014

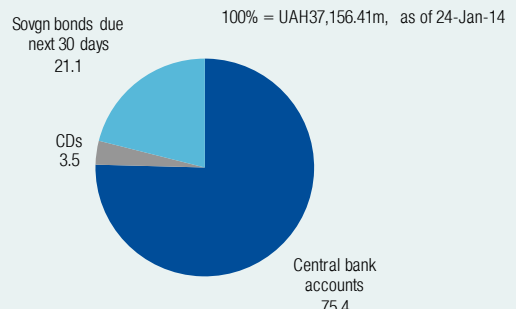


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

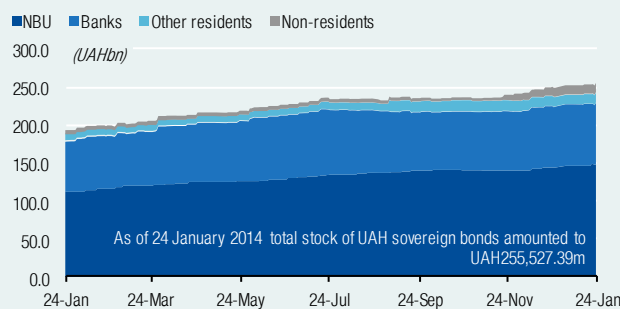
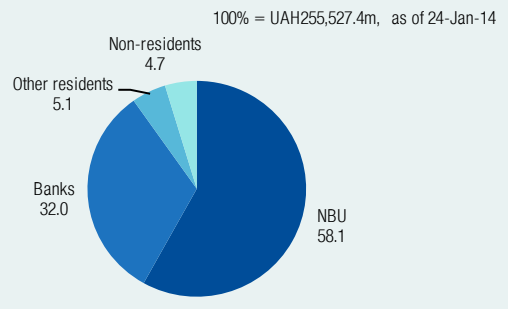


Chart 8. Domestic sovereign debt (%) as of 24 Jan 2014



# FX: News & Comments

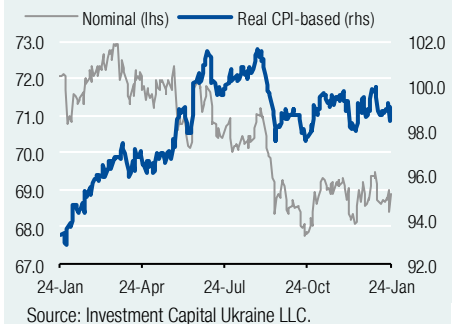
## UAH moves higher, TWI up

After the heightening of the ongoing domestic political crisis and authorities' enacting repressive laws on the opposition, despite negotiations between the opposition and authorities, authorities appear to lack a true commitment to peace as they have been hardening their stance on activists. Members of the opposition continue to be attacked and victimized by thugs hired by the current administration. The FX market saw US\$2.6bn of turnover and the USD/UAH rate rose 0.06% to 8.4350/USD. Meanwhile, the UAH's real rate rose 0.68% on Friday.

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### ICU's UAH trade-weighted indices

(Last 12-month history to 27 Jan 2014)



### FX market indicators (as of 24 Jan 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	8.4350	-0.06	+0.78	+3.18	+2.37
NBU avg	N/A	N/A	N/A	N/A	N/A
Tt vlm <sup>1</sup>	N/A	N/A	N/A	N/A	N/A
\$ volume <sup>2</sup>	N/A	N/A	N/A	N/A	N/A
NDF 3M	8.7800	+0.63	+2.56	+3.84	+3.48
NDF 6M	9.0968	+1.36	+3.78	+3.73	+3.61
NDF 1Y	9.7000	+0.78	+4.47	+3.19	+2.97
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	68.878	+0.68	+0.29	-0.34	+0.15
UAH real CPI	99.083	+0.68	+0.29	-0.34	+0.15
UAH real PPI	131.553	+0.68	+0.29	-0.34	+0.15
USD nom'l	80.458	+0.02	-0.94	-0.10	+0.53
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	34.5518	+1.36	+2.97	+5.87	+5.12
EUR/USD	1.3678	-0.13	+1.01	-0.01	-0.47
USD/CNY	6.0484	-0.06	-0.02	-0.38	-0.10
USD/PLN	3.0671	+0.47	-0.27	+1.33	+1.46
USD/TRY	2.3365	+1.92	+4.63	+12.48	+8.77
USD/BYR	9,620.00	+0.05	+0.33	+1.10	+0.84
USD/KZT	155.2700	+0.13	+0.06	+0.87	+0.65
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	102.3100	-0.92	-1.93	-1.86	-2.85
GBP/USD	1.6482	-0.93	+0.35	+0.70	-0.45
USD/CHF	0.8945	-0.31	-1.71	-0.16	+0.18
AUD/USD	0.8683	-0.97	-1.12	-2.65	-2.62
USD/CAD	1.1088	-0.13	+1.13	+4.30	+4.38
USD/BRL	2.3975	-0.09	+2.35	+1.71	+1.50
USD/KRW	1,080.36	+0.61	+1.96	+1.99	+2.91
<b>COMMODITIES</b>					
Gold(\$/oz)	1,270.07	+0.47	+1.28	+5.47	+5.34
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>	282.54	+0.44	+1.48	-0.11	+0.85

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>).

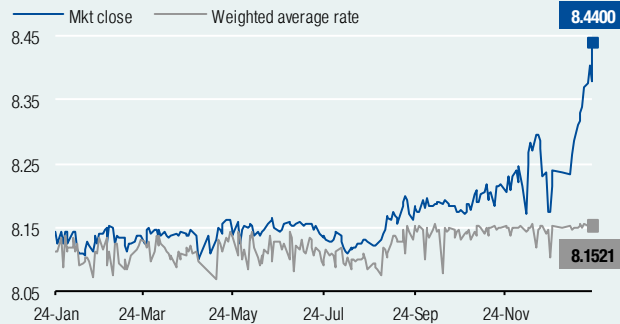
Section on FX market is continued on next page.

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.

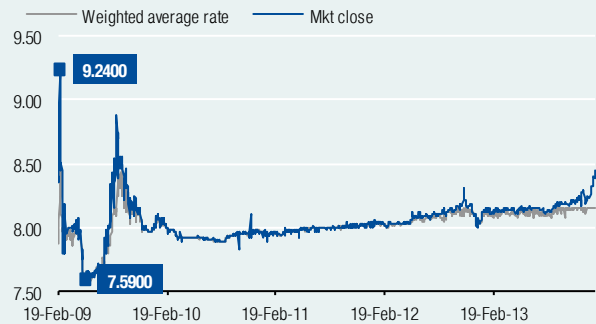
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

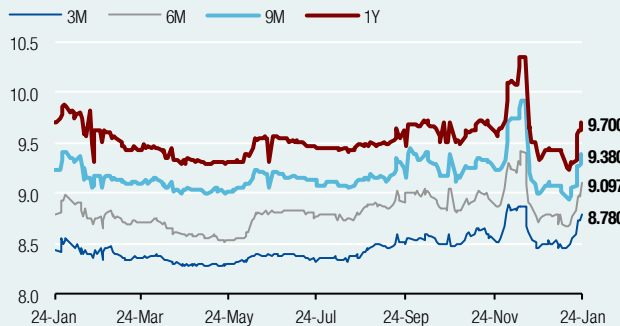


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

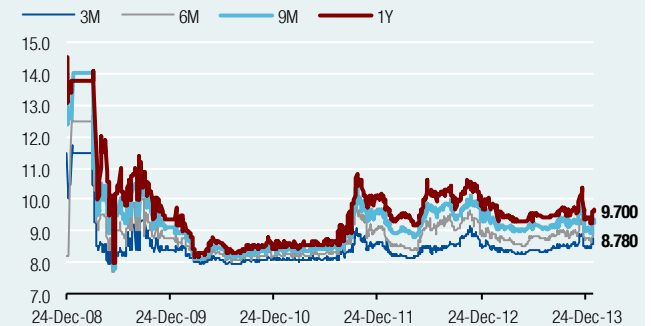


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

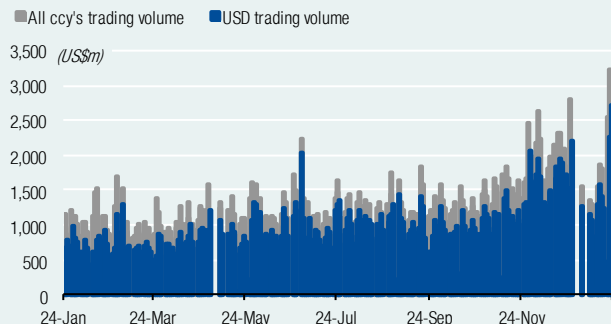


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.



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)

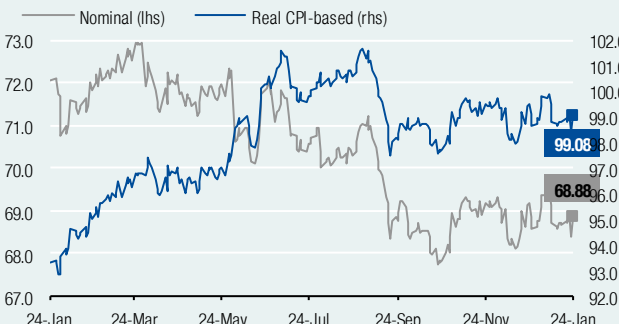


Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

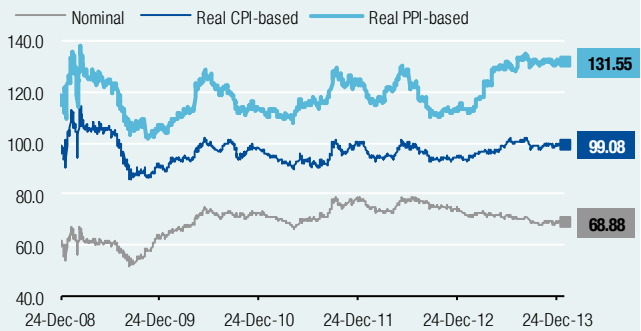
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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