

# Daily Insight

January FX report; Liquidity up; YTM's increase;  
Auction announcement; NBU stabilize UAH

TUESDAY, 11 FEBRUARY, 2014

RESEARCH INSIGHT

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**UX Index (3 months to 11 Feb 2014)**



**Key market indicators (as of 10 Feb 2014)**

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	8.4350	-1.29	+2.37
USD/UAH (1Y NDF)	10.1525	+0.00	+7.78
EUR/USD	1.3646	+0.08	-0.71
USD/RUB	34.7578	+0.00	+5.74
KievPRIME O/N (%)	N/A		
KievPRIME 1M (%)	N/A		

**BONDS: yields and spreads**

Ukraine VAT bond (%)	N/A	+74bp	+0bp
Ukraine 17, Eurobond (%)	11.67	+45bp	+211bp
Ukraine 22, Eurobond (%)	10.15	+19bp	+80bp
Ukraine 23, Eurobond (%)	9.67	+8bp	+62bp
Ukraine 5Y CDS	1,054bp	-14bp	+238bp

**EQUITIES**

**Stock market indices**

UX (Ukraine)	895.16	-0.58	-1.64
MSCI World	395.90	+0.26	-3.10
MSCI EM	935.50	-0.19	-6.70
RTS (Russia)	1,336.02	-0.41	-7.40
WIG-20 (Poland)	2,411.36	-0.40	+0.43
S&P 500 (USA)	1,799.84	+0.16	-2.63

**MOST ACTIVE: Top 3 stocks by value traded (US\$m)**

FXPO LN	2.21	64.7% of total <sup>1</sup>
KER PW	0.60	17.7%
AGT PW	0.22	6.5%

**GAINERS: Top 3 stocks (in listed currency)**

AGT PW	PLN 2.67	+11.25	+36.92
AGL PW	PLN 25.40	+2.38	-2.04
MHPC LI	USD 15.05	+2.03	-11.73

**LOSERS: Top 3 stocks (in listed currency)**

RPT LN	GBp 11.25	-5.26	-13.46
CLE PW	PLN 1.11	-3.48	+5.71
AST PW	PLN 62.00	-3.09	-7.32

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

## NBU's monthly FX market report for January

The NBU reported interbank FX market operations of US\$89.7bn (both sides included), an all-time monthly record. It spent USD1.7bn on FX market interventions selling hard currencies including USD, EUR and AUD, of which US\$1.3bn was in USD. FX reserves ended the month at US\$17.8bn, down US\$2.6bn (12.8%) from the previous month; FX cash operations for households amounted to US\$2.5bn, including US\$0.9bn of FX cash banks purchased from households (a US\$1bn decline from the previous month) and the remaining US\$1.6bn of FX was sold to households. Most of the FX market pressure came from the interbank market which ordinary households cannot access. Authorities are scheduled to repay US\$0.3bn of external debt, including interest, this month. If the NBU accumulates sufficient FX through its purchasing interventions to cover the FX selling seen at the very beginning of this month, the change in monthly FX reserves could be minimal. As external debt repayments are scheduled to accelerate in March through June, it will be crucial to appoint a new government that can negotiate effectively with external creditors like the IMF, the EU, the US and the Kremlin.

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

Table 1. Ukrainian stocks (closing prices as of 10-Feb-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	11.50 GBP	+0.0	+13.6	+10.8	-2.1	0.19	43.6	-19.5	40.2	17.5	2.0	13.0	0.09	1,085	Neg.	Neg.	Neg.	3.0	3.0	6.1	Neg.	Neg.	Neg.	0.2	0.0	
Centrenergo	CEEN UK	Kiev, UX	4.45 UAH	+0.0	-5.0	-6.8	-26.8	0.53	194.7	269.9	21.7	42.3	18.9	68.1	0.11	951	7.0	6.5	4.5	0.5	3.8	2.6	0.3	0.3	0.3	0.7	12.2	
Coal Energy	CLE PW	Warsaw	1.11 PLN	-3.5	-5.1	+5.7	-91.5	0.36	16.3	74.2	25.0	4.1	82.9	109.2	4.31	23	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	31.87 UAH	+0.0	+13.9	+15.5	+41.2	3.78	89.3	145.7	14.2	12.7	2.0	48.7	0.19	530	24.3	3.2	4.7	0.6	2.6	2.5	0.3	0.2	0.3	1.1	17.8	
JKX Oil & Gas	JKX LN	London	69.25 GBP	+0.4	-4.2	-3.1	+10.4	1.14	195.0	192.0	47.2	92.0	11.3	66.5	0.09	1,109	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	11.25 GBP	-5.3	-18.2	-13.5	-62.3	0.18	59.1	32.3	80.9	47.9	4.5	6.5	0.01	8,918	5.1	11.8	N/A	1.5	1.9	N/A	0.8	N/A	N/A	0.2	0.0	
Sadova Group	SGR PW	Warsaw	0.63 PLN	-3.1	+3.3	+18.9	-65.0	0.21	8.9	48.6	25.0	2.2	9.0	38.7	1.41	71	Neg.	N/A	N/A	24.2	N/A	N/A	1.2	N/A	N/A	0.2	42.7	
Zakhidenergo	ZAEN UK	Kiev, PFTS	118.00 UAH	+0.0	+30.5	+30.5	+29.5	13.99	178.9	214.0	5.0	8.9	2.2	10.7	0.12	854	786.9	N/A	N/A	1.4	N/A	N/A	0.2	N/A	0.1	2.9	9.7	
METALLURGY																												
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	+0.0	-1.7	-6.7	-32.5	0.00	110.6	1,774.9	3.9	4.3	8.1	13.3	0.18	544	Neg.	Neg.	N/A	N/A	Neg.	N/A	1.0	1.1	N/A	N/A	64.5	
Avdiivsky Cok...	AVDK UK	Kiev, UX	2.82 UAH	+0.0	-1.0	-4.8	-13.8	0.33	65.1	60.9	4.0	2.6	0.3	11.4	0.15	673	Neg.	Neg.	2.6	Neg.	1.4	0.9	0.1	0.1	0.1	0.1	0.0	
Azovstal	AZST UK	Kiev, UX	0.60 UAH	+0.0	-6.3	-11.0	-16.9	0.07	297.0	287.1	4.1	12.2	0.1	16.5	0.03	3,637	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0	
Ferrexpo PLC	FXPO LN	London	158.50 GBP	-1.3	-9.5	-17.0	-39.9	2.60	1,529.8	2,117.1	22.4	342.7	2,210.5	2,364.8	0.98	102	7.1	6.0	6.6	5.3	4.5	4.6	1.5	1.3	1.3	1.0	37.0	
Yasynivsky Cok...	YASK UK	Kiev, UX	0.57 UAH	+0.0	+5.8	+7.5	-17.4	0.07	18.5	20.2	9.0	1.7	0.2	1.9	0.04	2,544	2.3	1.5	1.1	0.1	0.7	0.6	0.0	0.0	0.1	0.1	0.1	
Yenakievo Steel	ENMZ UK	Kiev, UX	31.49 UAH	+0.0	-1.7	-1.6	-14.3	3.73	39.4	33.2	9.4	3.7	1.5	10.1	0.26	380	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	1.19 EUR	+0.0	-4.8	-4.0	-29.2	1.63	150.1	177.2	34.0	51.0	14.0	41.1	0.07	1,520	Neg.	N/A	N/A	Neg.	N/A	N/A	2.7	N/A	N/A	1.3	35.9	
Agroliga	AGL PW	Warsaw	25.40 PLN	+2.4	-10.2	-2.0	+20.4	8.28	12.7	13.7	16.7	2.1	14.8	12.1	0.56	178	2.9	N/A	N/A	4.0	N/A	N/A	0.6	N/A	N/A	1.0	5.7	
Agroton	AGT PW	Warsaw	2.67 PLN	+11.3	-5.0	+36.9	-74.7	0.87	18.9	66.2	26.2	4.9	220.5	155.0	4.59	22	2.8	3.9	2.5	4.7	7.1	4.2	0.8	1.0	0.8	0.1	28.0	
Astarta Holdin...	AST PW	Warsaw	62.00 PLN	-3.1	-5.4	-7.3	-4.0	20.21	505.4	833.2	31.0	156.8	64.9	216.1	0.13	800	8.2	7.0	4.0	9.5	6.9	4.6	1.7	1.7	1.3	0.9	38.9	
Avangard	AVGR LI	London Intl	11.00 USD	+0.0	-2.7	-6.4	+6.3	11.00	702.6	868.9	21.7	152.5	26.2	232.2	0.20	489	3.1	3.1	3.2	3.1	3.0	3.1	1.4	1.3	1.2	0.6	22.3	
IMC	IMC PW	Warsaw	8.60 PLN	-1.1	-31.1	-29.2	-47.2	2.80	87.8	204.0	23.9	21.0	67.6	21.8	0.22	460	4.7	4.7	3.6	5.6	4.9	4.1	2.7	1.4	1.0	0.7	33.0	
Kernel Holding...	KER PW	Warsaw	37.00 PLN	+0.0	-11.9	-2.8	-43.9	12.06	961.3	1,681.7	58.8	565.0	603.3	1,836.9	0.22	446	8.6	9.1	5.2	5.8	6.0	4.7	0.6	0.7	0.6	0.7	30.6	
KSG Agro	KSG PW	Warsaw	8.70 PLN	-0.6	-17.9	-19.8	-31.2	2.84	42.6	164.5	34.4	14.6	3.2	16.4	0.07	1,374	5.3	3.5	3.6	39.0	5.6	4.5	4.4	2.4	1.5	0.5	29.2	
MHP	MHPC LI	London Intl	15.05 USD	+2.0	-16.4	-11.7	-18.2	15.05	1,590.3	2,791.3	22.3	355.0	0.9	1,480.7	0.39	259	5.4	7.6	5.5	6.0	6.5	5.4	2.0	1.9	1.7	1.3	45.8	
Milkiland	MLK PW	Warsaw	9.84 PLN	-0.5	-14.4	-21.3	-36.5	3.21	100.3	234.6	20.0	20.1	3.5	8.1	0.07	1,401	5.7	5.6	5.5	6.5	5.7	4.7	0.6	0.5	0.5	0.4	29.9	
Mriya Agrohold...	MAYA GF	Frankfurt	5.04 EUR	+0.0	-0.5	-6.8	+6.0	6.88	730.7	1,462.6	20.0	146.1	0.0	1.5	0.00	1,223,488	4.2	4.6	4.8	6.3	5.5	5.9	4.2	3.9	3.4	0.8	34.8	
Ovostar Union	OVO PW	Warsaw	75.96 PLN	+0.7	-20.0	-24.0	-23.2	24.77	148.6	160.7	25.0	37.1	4.5	40.8	0.04	2,525	6.3	5.7	4.0	5.8	5.8	3.6	2.3	2.0	1.5	1.4	3.7	
CONSTRUCTION																												
TMM	TR61 GF	Xetra	0.30 EUR	+0.0	-5.0	-5.0	-30.0	0.41	21.3	180.6	13.1	2.8	0.0	0.0	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	+0.0	+2.2	-0.9	-0.3	0.01	399.8	N/A	3.8	15.3	23.0	44.7	0.17	593	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	+0.0	-0.1	-6.7	+25.6	0.02	376.4	N/A	4.5	16.9	15.1	10.1	0.02	5,792	1,048.7	193.6	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 10-Feb-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 (%)

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 recovers slightly again

Broader banking sector liquidity slightly rose UAH0.37bn to UAH25.10bn yesterday due to the same increase in banks' correspondent accounts with the NBU to UAH21.47bn. Total CDs outstanding and total local currency debt repayments scheduled for the next 30 days remained steady at UAH0.03bn and UAH3.60bn, respectively, for the second consecutive business day.

**Investment implications:** *The NBU sold no CDs over the past two trading sessions as liquidity remained low. Because of this, yesterday's increase was insignificant. As the new NBU regulations did not take effect last Friday, the increase in liquidity due to FX purchasing will be delayed to this Friday or next week when depositors will be permitted to utilize new funds to purchase FX.*

## YTMs increase

After Fitch's downgrade of Ukraine's sovereign rating, although markets remained calm, increased bond sales caused YTMs of Ukrainian Eurobonds to rise slightly. At the close, UKRAIN 6.875% '15 rose 126bp to 14.20%, UKRAIN 9.25% '17 rose 45bp to 11.67%, while UKRAIN 7.95% '21 rose 18bp to 10.49%, UKRAIN 7.80% '22 rose 17bp to 10.14% and UKRAIN 7.50% '23 rose 7bp to 9.67%.

**Investment implications:** *Until the political crisis moves closer to a resolution and the economic situation improves, we expect YTMs to remain high and possibly increase.*

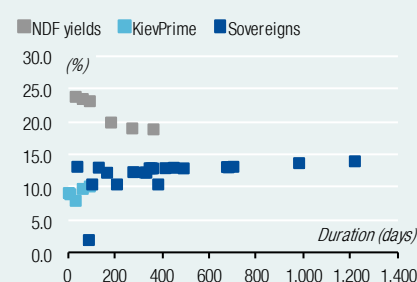
## Primary auction announcement

The MoF is scheduled to offer today six bonds today, one of which will be denominated in US dollars. The USD-denominated bond will have a 3-year maturity, while local currency bond maturities will range from 71 days to seven years. While the purchasing dates will be set for tomorrow for most of the local currency bonds, the USD-denominated bond and 71-day bonds will settle today.

**Investment implications:** *The largest debt repayments tomorrow will be denominated in US dollars, including a 21-day bond issued last month in anticipation of a new tranche of financing from Russia. We expect that some demand will be supported by domestic QE to refinance UAH2.72bn in repayments, including UAH1.85bn at the current market exchange rate.*

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

**Yield curve of the local bond market**  
(as of market close on 10 Feb 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

**Bond market indicators (as of 10 Feb 2014)**

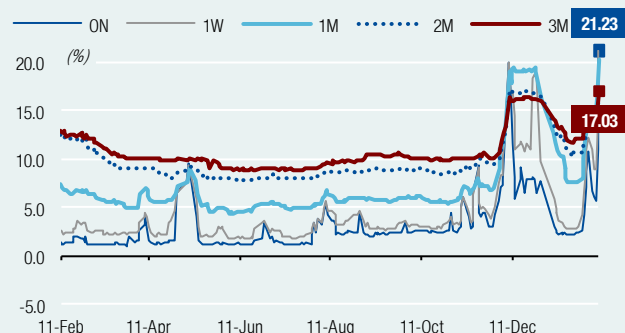
	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
O/n	N/A	N/A	N/A	N/A	N/A
1wk	N/A	N/A	N/A	N/A	N/A
1m	N/A	N/A	N/A	N/A	N/A
2m	N/A	N/A	N/A	N/A	N/A
3m	N/A	N/A	N/A	N/A	N/A
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	21,467	+1.77	-12.96	-28.36	-34.36
CDs <sup>2</sup>	68	-94.48	-93.79	-99.57	-95.53
Sovgns <sup>3</sup>	5,782	+60.70	-15.33	-17.55	+286.8
<b>Total</b>	<b>27,317</b>	<b>+5.37</b>	<b>-16.17</b>	<b>-48.24</b>	<b>-23.52</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	147,698	+0.00	-0.73	+0.44	+1.97
Banks	80,325	-1.07	+1.58	-0.86	+0.20
Resid's <sup>4</sup>	12,772	+0.17	-1.96	+3.63	+3.03
Non-res <sup>5</sup>	12,935	-1.63	+5.94	+8.07	+10.57
<b>Total</b>	<b>253,731</b>	<b>-0.42</b>	<b>+0.25</b>	<b>+0.54</b>	<b>+1.85</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	33.94	+560bp	+11bp	+25bp	+22bp
6m	29.01	+427bp	+917bp	+19bp	+16bp
9m	23.99	+203bp	+738bp	+12bp	+998bp
1yr	21.02	+155bp	+507bp	+691bp	+604bp
<b>LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)</b>					
Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	N/A	+320bp	+0bp	-383bp	-676bp
Aug '15 <sup>6</sup>	N/A	+74bp	+0bp	+0bp	+0bp
<b>EUROBONDS USD SOVEREIGN BOND YIELDS (%)</b>					
CDS 5yr	1,054	-14bp	+23bp	+339bp	+238bp
Jun '16	12.39	+65bp	+171bp	+491bp	+350bp
Jul '17	11.67	+45bp	+97bp	+343bp	+211bp
Sep '20	10.52	+15bp	+9bp	+162bp	+132bp
Sep '21	10.50	+20bp	+9bp	+160bp	+128bp
Sep '22	10.15	+19bp	+14bp	+108bp	+80bp
Feb '23	9.67	+8bp	+10bp	+91bp	+62bp

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.

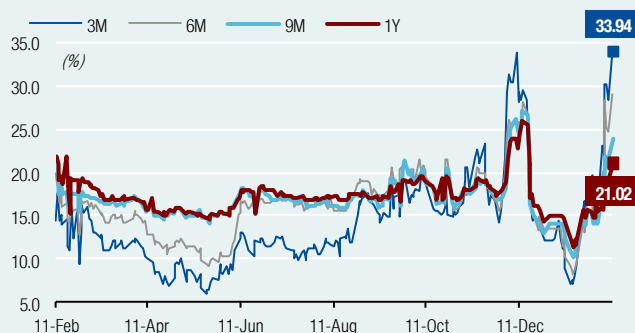
## Chart page: Local bond market & Eurobond markets

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



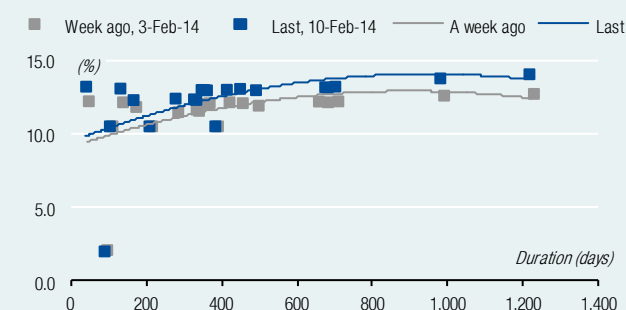
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



Sources: Bloomberg, Investment Capital Ukraine LLC.

**Chart 3. UAH sovereign yield curve (%) as of 10 Feb 2014**



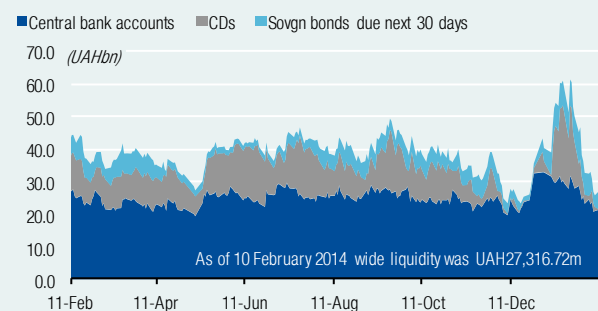
Sources: Bloomberg, Investment Capital Ukraine LLC.

**Chart 4. USD sovereign yield curve (%) as of 10 Feb 2014**



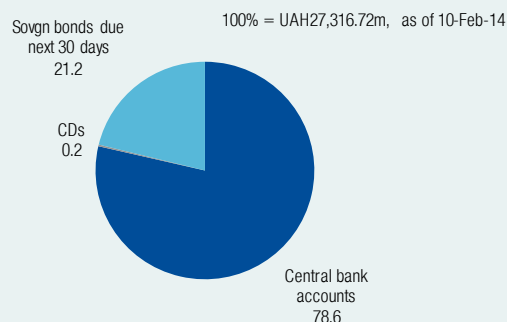
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



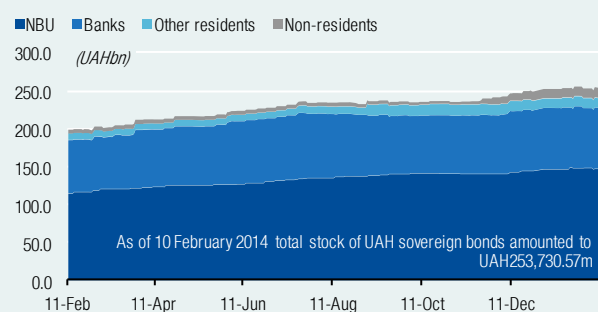
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

**Chart 6. Breakdown of liquidity pool (%) as of 10 Feb 2014**



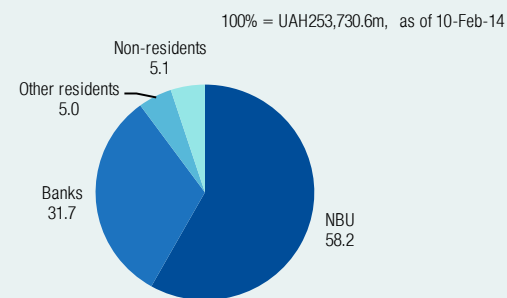
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

**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 10 Feb 2014**



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

# FX: News & Comments

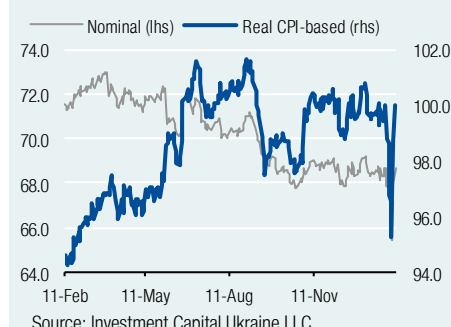
## NBU eyes UAH appreciation

As a result of the NBU's adept reduction of currency in circulation, a move which complicated the demand for FX from economic agents, the USD/UAH exchange rate rose 1.29% to close at 8.4350/USD on US\$0.72bn in turnover. Interfax-Ukraine reported that the NBU intervened by purchasing US dollars at 8.49/USD, down from 8.54/USD last Friday. The NBU did not report how much it purchased. Meanwhile, the UAH's real trade-weighted index increased 1.30%, reversing the past week's steep decline. Maintaining the nominal rate at 8.5/USD to stabilize financial conditions appears to be the NBU's current strategy.

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

### ICU's UAH trade-weighted indices

(Last 12-month history to 11 Feb 2014)



### FX market indicators (as of 10 Feb 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET</b> (HRYVNIA per US DOLLAR)					
Spot mkt	8.4350	-1.29	-2.54	+1.81	+2.37
NBU avg	8.5532	+0.29	+4.98	+4.96	+4.94
Ttl vlm <sup>1</sup>	955.26	+8.08	-79.12	-26.67	-65.91
\$ volume <sup>2</sup>	715.69	+12.79	-83.46	-33.41	-67.63
NDF 3M	9.1442	+0.00	-0.06	+8.02	+7.77
NDF 6M	9.6440	+0.58	+1.52	+10.85	+9.84
NDF 1Y	10.1525	+0.00	+1.73	+8.01	+7.78
<b>TRADE-WEIGHTED INDICES</b> (TWIs, points)					
UAH nom'l	68.675	+1.30	+1.40	+0.32	+0.22
UAH real CPI	99.992	+1.30	+1.40	+0.32	+0.22
UAH real PPI	133.280	+1.30	+1.40	+0.32	+0.22
USD nom'l	80.642	-0.06	-0.45	-0.02	+0.76
<b>FX RATES OF KEY CURRENCIES</b> THAT SHAPE UAH's TWIs					
USD/RUB	34.7578	+0.00	-1.95	+5.15	+5.74
EUR/USD	1.3646	+0.08	+0.89	-0.18	-0.71
USD/CNY	6.0603	-0.06	+0.00	+0.14	+0.10
USD/PLN	3.0630	+0.02	-2.41	+0.92	+1.32
USD/TRY	2.2154	-0.18	-2.98	+2.35	+3.13
USD/BYR	9,685.00	-0.05	+0.31	+1.20	+1.52
USD/KZT	155.6300	-0.03	+0.03	+0.67	+0.88
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	102.2600	-0.04	+1.27	-1.84	-2.90
GBP/USD	1.6403	-0.05	+0.60	-0.49	-0.93
USD/CHF	0.8968	-0.14	-0.46	-0.62	+0.44
AUD/USD	0.8949	-0.11	+2.24	-0.51	+0.36
USD/CAD	1.1055	+0.21	-0.58	+1.50	+4.07
USD/BRL	2.4099	+1.29	-1.25	+2.18	+2.02
USD/KRW	1,071.22	-0.30	-1.24	+0.93	+2.04
<b>COMMODITIES</b>					
Gold(\$/oz)	1,274.78	+0.59	+1.36	+2.11	+5.73
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>	288.89	-0.30	+1.86	+4.89	+3.11

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>).

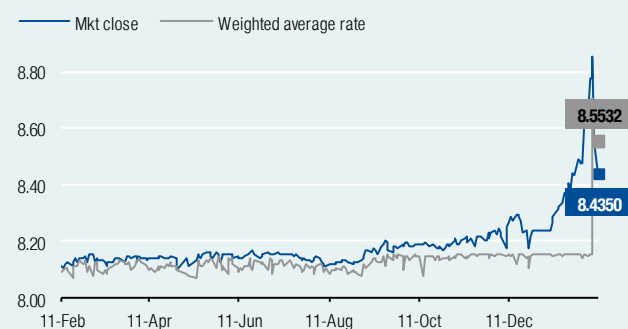
Section on FX market is continued on next page.

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.

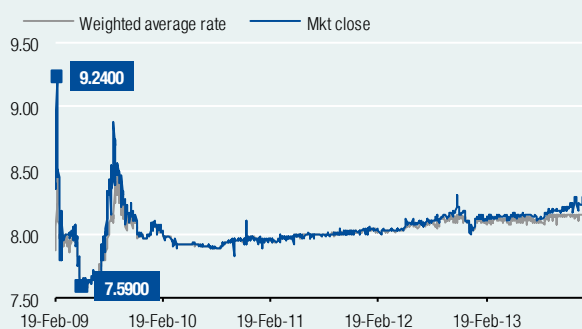
Sources: Bloomberg, Investment Capital Ukraine LLC.

## 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)

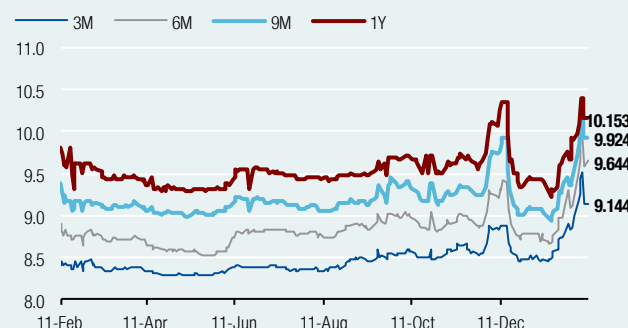


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)

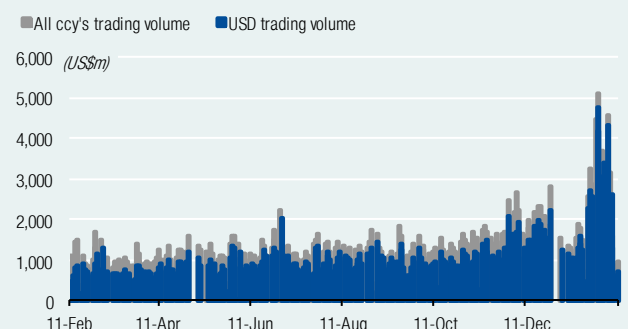


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

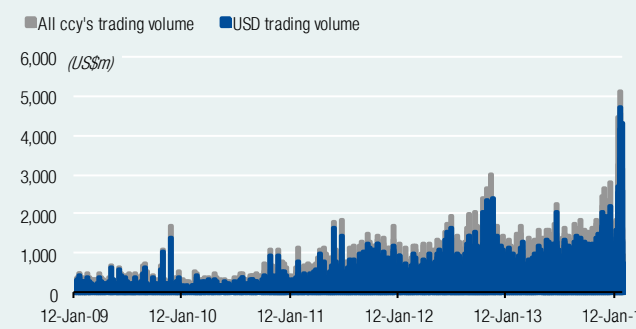


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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.

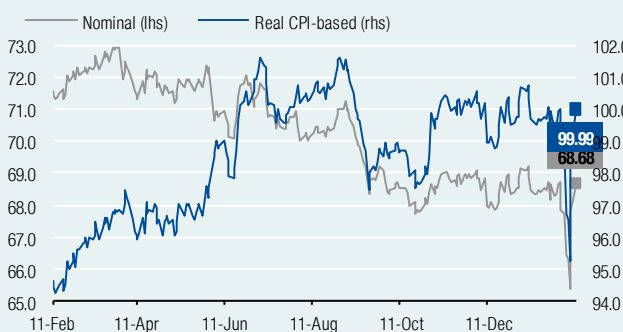




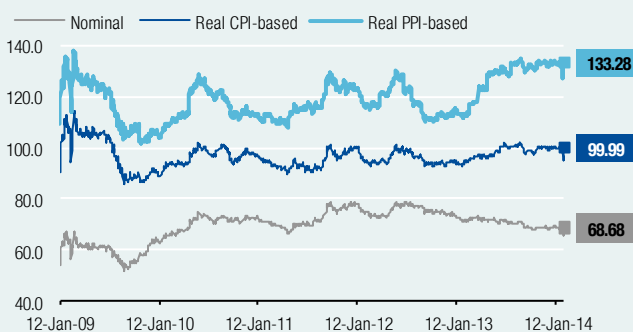
## Chart page #2: ICU's UAH trade-weighted indices

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.

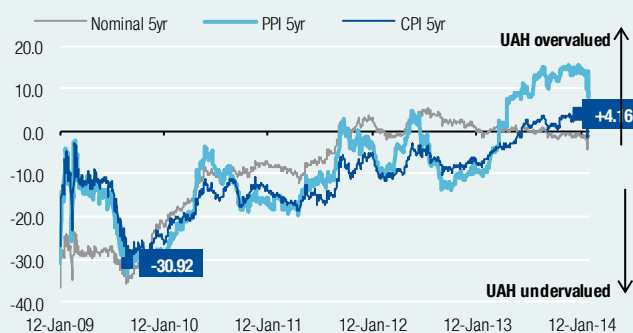
**Chart 13. Nominal and CPI-based real TWIs of UAH, history of last 12-month period**



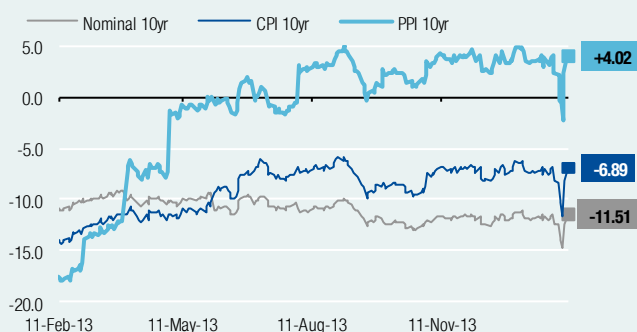
**Chart 14. Nominal, CPI- and PPI-based TWIs of UAH, history of last 5-year period**



**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)**



**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)**



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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



**INVESTMENT CAPITAL UKRAINE**  
INVESTMENT BANKING

Office 44, 11th floor, LEONARDO Business Centre  
19-21 Bogdan Khmelnytsky Street  
Kiev, 01030 Ukraine  
Phone/Fax +38 044 2200120

**CHAIRMAN OF THE BOARD OF DIRECTORS**

**Valeria Gontareva**  
valeria.gontareva@icu.ua

**CORPORATE FINANCE TEL. +38 044 2200120**

**Makar Paseniuk**, Managing Director  
makar.paseniuk@icu.ua

**Volodymyr Demchyshyn**, Director  
volodymyr.demchyshyn@icu.ua

**Ruslan Kilmukhametov**, Director  
ruslan.kilmukhametov@icu.ua

**SALES AND TRADING TEL. +38 044 2201621**

**Konstantin Stetsenko**, Managing Director  
konstantin.stetsenko@icu.ua

**Sergiy Byelyayev**, Fixed-Income Trading  
sergiy.byelyayev@icu.ua

**Vitaliy Sivach**, Fixed-Income & FX Trading  
vitaliy.sivach@icu.ua

**Vlad Sinani**, Director,  
Strategy and Corporate Development  
vlad.sinani@icu.ua

**Julia Pecheritsa**,  
Ukraine and CIS International Sales  
julia.pecheritsa@icu.ua

**Yevgeniya Gryshchenko**,  
Fixed-Income Sales  
yevgeniya.gryshchenko@icu.ua

**RESEARCH DEPARTMENT TEL. +38 044 2200120**

**Alexander Valchyshen**  
Head of Research  
alexander.valchyshen@icu.ua

**Alexander Martynenko**  
Head of corporate research  
alexander.martynenko@icu.ua

**Bogdan Vorotilin**  
Financial analyst (Food & Agribusiness)  
bogdan.vorotilin@icu.ua

**Taras Kotovych**  
Senior financial analyst (Sovereign debt)  
taras.kotovych@icu.ua

**Mykhaylo Demkiv**  
Financial analyst (Banks)  
mykhaylo.demkiv@icu.ua

**Lee Daniels, Rolfe Haas**  
Editors

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