


 INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

Liquidity up; YTM's diverge; Auction results; UAH penetrates 8.80/USD ceiling

FRIDAY, 14 FEBRUARY, 2014

RESEARCH INSIGHT

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UX Index (3 months to 14 Feb 2014)

Key market indicators (as of 13 Feb 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	8.7900	+1.03	+6.67
USD/UAH (1Y NDF)	10.7000	+2.27	+13.59
EUR/USD	1.3681	+0.65	-0.45
USD/RUB	35.1693	+0.98	+7.00
KievPRIME O/N (%)	14.00	-675bp	+620bp
KievPRIME 1M (%)	21.50	-125bp	+525bp
BONDS: yields and spreads			
Ukraine VAT bond (%)	N/A	+74bp	+0bp
Ukraine 17, Eurobond (%)	13.02	+22bp	+347bp
Ukraine 22, Eurobond (%)	10.77	+27bp	+142bp
Ukraine 23, Eurobond (%)	10.25	+17bp	+120bp
Ukraine 5Y CDS	1,205bp	+55bp	+389bp
EQUITIES			
Stock market indices			
UX (Ukraine)	927.76	+0.63	+1.95
MSCI World	402.16	+0.22	-1.56
MSCI EM	945.83	-0.78	-5.67
RTS (Russia)	1,321.61	-2.33	-8.40
WIG-20 (Poland)	2,489.67	+0.29	+3.69
S&P 500 (USA)	1,829.83	+0.58	-1.00
MOST ACTIVE: Top 3 stocks by value traded (US\$m)			
FXPO LN	4.98	66.7% of total ¹	
KER PW	1.88	25.2%	
AGT PW	0.12	1.7%	
GAINERS: Top 3 stocks (in listed currency)			
AGT PW	PLN 2.74	+3.79	+40.51
AVGR LI	USD 10.96	+3.49	-6.72
FXPO LN	GBP 168.50	+1.75	-11.78
LOSERS: Top 3 stocks (in listed currency)			
KSG PW	PLN 7.55	-5.27	-30.41
MLK PW	PLN 9.57	-2.74	-23.44
AST PW	PLN 58.53	-2.45	-12.51

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 13-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	10.88 GBP	+0.0	+6.1	+4.8	-6.5	0.18	41.9	-21.2	40.2	16.8	0.0	12.3	0.06	1,613	Neg.	Neg.	Neg.	3.2	3.3	6.6	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	4.60 UAH	+0.0	-1.1	-3.5	-22.0	0.52	193.4	265.6	21.7	42.0	30.8	61.0	0.09	1,129	7.3	6.7	4.7	0.5	3.9	2.7	0.3	0.3	0.3	0.7	12.2
Coal Energy	CLE PW	Warsaw	1.09 PLN	-0.9	-16.8	+3.8	-91.4	0.36	16.1	74.0	25.0	4.0	98.4	110.7	3.87	26	Neg.	Neg.	N/A	1.2	10.1	N/A	0.6	0.8	N/A	0.1	7.7
Donbasenergo	DOEN UK	Kiev, UX	32.69 UAH	+0.0	+13.7	+18.5	+47.4	3.72	87.9	142.0	14.2	12.5	9.0	46.4	0.16	628	25.0	3.3	4.8	0.5	2.6	2.5	0.3	0.3	0.3	1.2	17.8
JKX Oil & Gas	JKX LN	London	68.00 GBP	-0.7	-5.2	-4.9	+6.3	1.13	194.5	191.5	47.2	91.8	47.2	66.1	0.09	1,166	Neg.	6.0	5.4	1.4	1.9	2.1	0.9	1.0	0.9	0.4	2.5
Regal Petroleum	RPT LN	London	11.88 GBP	+0.0	-15.9	-8.7	-59.7	0.20	63.4	36.6	80.9	51.3	14.2	7.4	0.01	7,189	5.4	12.7	N/A	1.6	2.2	N/A	0.9	N/A	N/A	0.2	0.0
Sadova Group	SGR PW	Warsaw	0.62 PLN	+0.0	-8.8	+17.0	-64.8	0.20	8.8	48.5	25.0	2.2	14.3	37.9	1.07	93	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	117.00 UAH	+0.0	+29.4	+29.4	+23.2	13.31	170.2	203.9	5.0	8.5	2.8	10.1	0.12	807	780.2	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	-1.4	-7.0	-30.6	0.00	105.9	1,702.9	3.9	4.1	17.1	11.9	0.14	740	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	2.82 UAH	+0.0	+3.3	-4.7	-15.8	0.32	62.6	58.5	4.0	2.5	5.8	10.2	0.09	1,090	Neg.	Neg.	2.6	Neg.	1.4	0.9	0.1	0.1	0.1	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.62 UAH	+0.0	-3.9	-7.9	-11.0	0.07	295.1	285.6	4.1	12.1	4.4	15.5	0.03	3,448	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	168.50 GBP	+1.8	-4.6	-11.8	-41.0	2.81	1,652.2	2,239.5	22.4	370.1	4,978.6	2,712.7	0.95	105	7.7	6.5	7.2	5.6	4.7	4.9	1.6	1.4	1.4	1.0	37.0
Yenakievo Steel	ENMZ UK	Kiev, UX	31.35 UAH	+0.0	-0.9	-2.1	-11.7	3.57	37.6	31.7	9.4	3.5	2.7	9.2	0.26	382	4.8	Neg.	2.0	Neg.	Neg.	N/A	0.0	0.0	0.0	0.7	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	1.17 EUR	-0.8	-7.1	-5.6	-30.8	1.60	148.0	175.2	34.0	50.3	24.2	40.5	0.07	1,483	Neg.	N/A	N/A	Neg.	N/A	N/A	2.7	N/A	N/A	1.2	35.9
Agroliga	AGL PW	Warsaw	24.49 PLN	+1.3	-12.6	-5.6	+36.1	8.06	12.4	13.3	16.7	2.1	5.4	11.8	0.53	190	2.9	N/A	N/A	3.9	N/A	N/A	0.6	N/A	N/A	1.0	5.7
Agroton	AGT PW	Warsaw	2.74 PLN	+3.8	-3.2	+40.5	-72.6	0.90	19.5	66.9	26.2	5.1	124.4	161.0	3.55	28	2.9	4.1	2.6	4.7	7.2	4.3	0.8	1.0	0.8	0.2	28.0
Astarta Holdin...	AST PW	Warsaw	58.53 PLN	-2.5	-10.6	-12.5	-12.8	19.26	481.4	810.2	31.0	149.3	43.4	213.1	0.16	627	7.8	7.4	3.9	9.2	7.3	4.5	1.7	1.6	1.3	0.9	38.9
Avangard	AVGR LI	London Intl	10.96 USD	+3.5	-6.2	-6.7	+9.6	10.96	700.0	866.4	21.7	151.9	13.8	228.3	0.07	1,446	3.1	3.1	3.3	3.1	3.0	3.1	1.4	1.3	1.2	0.6	22.3
IMC	IMC PW	Warsaw	7.87 PLN	-1.1	-37.5	-35.2	-50.8	2.59	81.0	197.3	23.9	19.4	41.6	24.4	0.30	328	4.3	4.3	3.3	5.4	4.7	4.0	2.6	1.4	1.0	0.6	33.0
Kernel Holding...	KER PW	Warsaw	36.99 PLN	+1.6	-10.7	-2.8	-44.7	12.17	969.7	1,690.1	58.8	569.9	1,880.3	1,894.8	0.24	410	8.7	8.0	5.3	5.8	5.7	4.7	0.6	0.7	0.6	0.7	30.6
KSG Agro	KSG PW	Warsaw	7.55 PLN	-5.3	-24.7	-30.4	-39.6	2.48	37.3	159.2	34.4	12.8	48.6	15.1	0.11	908	4.6	3.1	3.1	37.8	5.4	4.4	4.3	2.3	1.5	0.4	29.2
MHP	MHPC LI	London Intl	14.92 USD	+0.0	-15.2	-12.5	-19.4	14.92	1,576.5	2,777.5	22.3	351.9	0.0	1,456.4	0.41	244	5.3	7.5	5.5	5.9	6.5	5.3	2.0	1.9	1.7	1.3	45.8
Milkiland	MLK PW	Warsaw	9.57 PLN	-2.7	-16.4	-23.4	-36.2	3.15	98.4	233.1	20.0	19.7	8.6	7.9	0.06	1,566	5.6	5.5	5.4	6.5	5.7	4.6	0.6	0.5	0.5	0.4	29.9
Mriya Agrohold...	MAYA GF	Frankfurt	5.04 EUR	+0.0	-5.0	-6.8	+6.0	6.90	732.9	1,464.7	20.0	146.6	0.0	1.4	0.00	1,223,488	4.2	4.6	4.8	6.4	5.5	5.9	4.2	3.9	3.4	0.8	34.8
Ovostar Union	OVO PW	Warsaw	75.00 PLN	+0.7	-18.5	-25.0	-22.3	24.68	148.1	160.1	25.0	37.0	1.9	40.0	0.03	2,880	6.3	5.7	4.0	5.7	5.7	3.6	2.2	2.0	1.5	1.4	3.7
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.28 EUR	+0.0	-11.4	-11.4	-34.3	0.38	19.9	179.3	13.1	2.6	0.0	0.0	N/A	N/A	Neg.	N/A	N/A	Neg.	N/A	N/A	8.2	N/A	N/A	0.2	44.1
FINANCIAL SERVICES																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.11 UAH	+0.0	+1.5	+0.9	+6.4	0.01	390.5	N/A	3.8	14.9	35.4	42.5	0.18	566	10.8	6.2	3.3	N/A	N/A	N/A	N/A	N/A	N/A	0.5	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.17 UAH	+0.0	-0.9	-8.9	+28.1	0.02	352.7	N/A	4.5	15.8	9.5	9.7	0.02	4,180	1,024.2	189.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.3	30.9

Table 1. Ukrainian stocks (closing prices as of 13-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)

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 increases

Banks' correspondent accounts with the NBU rose UAH3.49bn to UAH23.67bn yesterday, while total CDs outstanding rose UAH0.02bn to UAH0.55bn and total local currency debt repayments scheduled for the next 30 days declined UAH0.87bn to UAH4.92bn.

KyivPrime interest rates continued to decline: the KyivPrime ON interest rate fell 675bp to 14.00% while the KyivPrime 1M interest rate declined less significant 125bp to 21.50%.

Investment implications: Liquidity slightly recovered, after receiving large injections from the NBU and debt repayments from the MoF. The start of quarterly tax payments should put pressure on liquidity. After yesterday's bond purchasing, liquidity could decline today.

YTM's diverge

Ukrainian Eurobonds were quite volatile yesterday as the YTM's of most Eurobonds rose. At the close, UKRAIN 6.875% '15 rose 117bp to 16.37%, UKRAIN 9.25% '17 rose 21bp to 13.03%, UKRAIN 7.80% '22 rose 23bp to 10.76% and UKRAIN 7.50% '23 rose 14bp to 10.24%, while UKRAIN 6.75% '17 slid 5bp to 11.73%, UKRAIN 7.75% '20 slid 14bp to 10.91%, UKRAIN 7.95% '21 declined 26bp to 10.77%,

US Treasury bonds YTM's declined yesterday at the close. The 5-year bond YTM declined 6bp to 1.50% and the 10-year bond YTM slid 3bp to 2.73%.

Investment implications: YTM's of Ukrainian Eurobonds finally crossed the 10% threshold to the range of 10.24-16.37% (excluding last year's 2-year Eurobond issued for Russia). The largest increase was at short-term end of the yield curve, signaling anticipation of difficulties in short-term refinancing.

Primary auction results

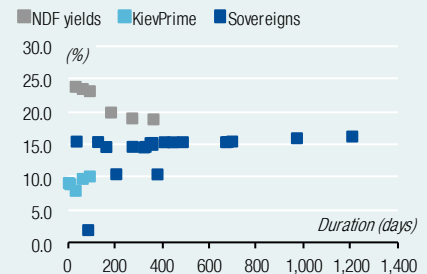
After Tuesday's auction results at which the MoF refinanced less than half of this week's debt repayments, yesterday's auction provided the additional UAH1.66bn needed to complete this week's scheduled repayments.

Investment implications: The MoF offered only the 5-year bond which received a single bid for UAH1.65bn at the standard 14.25% rate, most likely supported by domestic QE.

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Yield curve of the local bond market

(as of market close on 13 Feb 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 13 Feb 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
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MONEY MARKET KIEV PRIME RATES (%)

0/n	14.00	-675bp	+300bp	+12bp	+620bp
1wk	18.75	-225bp	+435bp	+15bp	+895bp
1m	21.50	-125bp	+510bp	+11bp	+525bp
2m	18.05	-95bp	+375bp	+555bp	+165bp
3m	17.52	-48bp	+252bp	+414bp	+152bp

LIQUIDITY WIDE MEASUREMENT (UAHm)

CB acc's ¹	23,672	+17.31	+13.84	-23.83	-27.61
CDs ²	1,088	+18.52	-58.63	-92.45	-28.42
Sovgns ³	4,912	+0.00	+36.51	-37.70	+228.5
Total	29,671	+14.09	+9.80	-44.40	-16.93

HOLDERS OF UAH SOVEREIGN BONDS (UAHm)

C.bank	148,448	+0.51	+1.03	+0.95	+2.48
Banks	80,116	-0.34	+1.83	-0.99	-0.06
Resid's ⁴	11,314	-11.74	-10.56	-8.96	-8.73
Non-res ⁵	12,877	-0.65	+4.70	+7.58	+10.07
Total	252,756	-0.44	+0.88	+0.15	+1.46

NDF IMPLIED YIELDS (%)

3m	40.37	-232bp	+10bp	+33bp	+28bp
6m	30.16	-469bp	+509bp	+21bp	+17bp
9m	23.36	-434bp	+266bp	+12bp	+934bp
1yr	22.40	+148bp	+430bp	+970bp	+741bp

LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)

Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	N/A	+320bp	+0bp	-288bp	-676bp
Aug '15 ⁶	N/A	+74bp	+0bp	+0bp	+0bp

EUROBONDS USD SOVEREIGN BOND YIELDS (%)

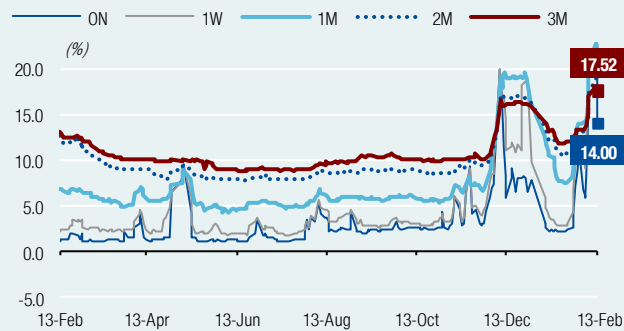
CDS 5yr	1,205	+55bp	+123bp	+500bp	+389bp
Jun '16	13.41	-34bp	+113bp	+611bp	+452bp
Jul '17	13.02	+22bp	+131bp	+474bp	+347bp
Sep '20	10.90	-12bp	+30bp	+200bp	+171bp
Sep '21	10.76	-24bp	+7bp	+169bp	+154bp
Sep '22	10.77	+27bp	+38bp	+172bp	+142bp
Feb '23	10.25	+17bp	+23bp	+151bp	+120bp

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.

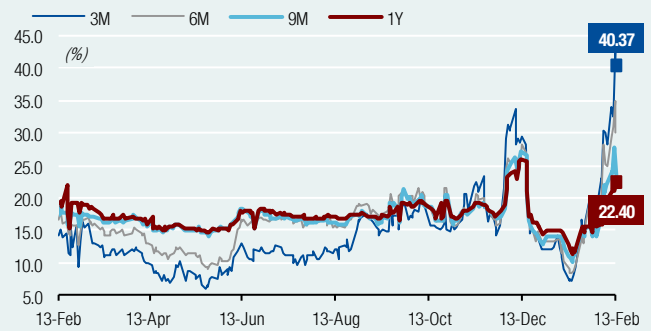
Chart page: Local bond market & Eurobond markets

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



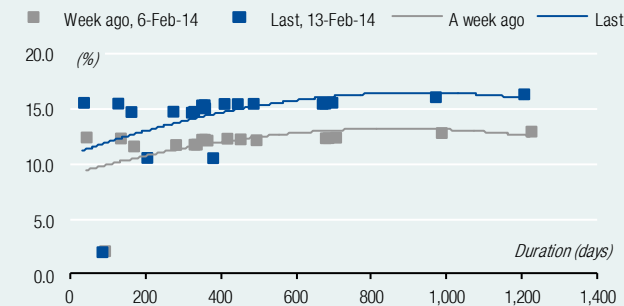
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



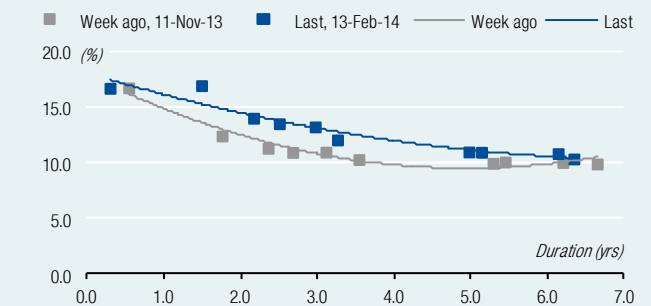
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 13 Feb 2014



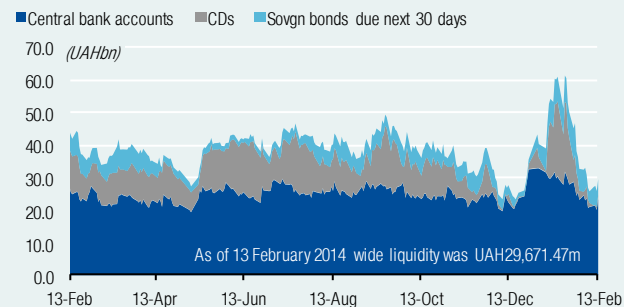
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 13 Feb 2014



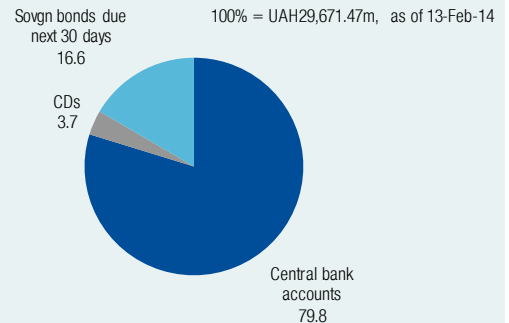
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



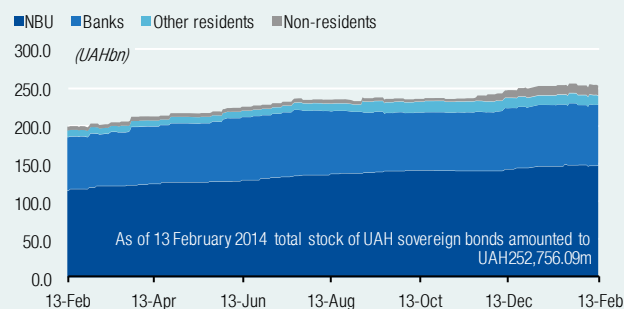
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 13 Feb 2014



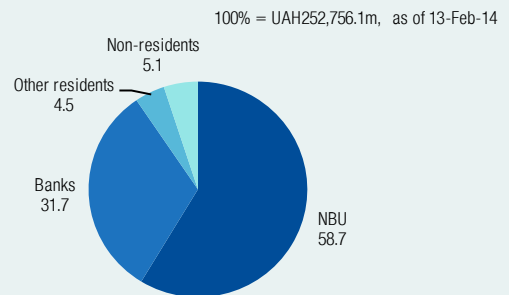
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 13 Feb 2014



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

FX: News & Comments

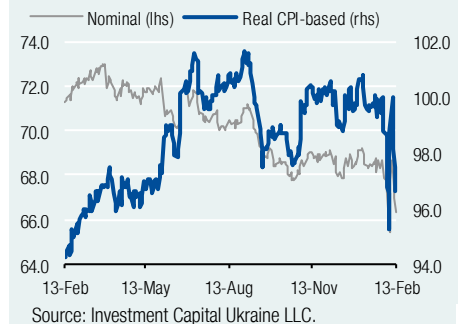
UAH penetrates the 8.8/USD ceiling

The FX market pushed the UAH's exchange rate slightly lower to 8.81/USD according to Interfax-Ukraine, with no NBU intervention. Bloomberg reported that the UAH closed at 8.79/USD, while the NBU's weighted average rate stood at 8.6309/USD yesterday on US\$0.96bn in trading. Yesterday's weakness of the RUB, which fell 0.98% on the news that the Russian central bank lost US\$8.7bn of FX reserves in the week ending on February 7. While the EUR's 0.65% recovery yesterday versus the US dollar on the back of poor US macro news muted the impact of the weak ruble on the UAH's real value, which decreased 0.89%, bringing its year-to-date decline to 3.16%.

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ICU's UAH trade-weighted indices

(Last 12-month history to 14 Feb 2014)



FX market indicators (as of 13 Feb 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	8.7900	+1.03	-0.73	+5.74	+6.67
NBU avg	8.6309	+0.15	-0.89	+5.90	+5.89
Ttt vlm ¹	1202.99	+35.53	-24.80	-5.39	-57.07
\$ volume ²	963.41	+31.29	-24.64	-8.01	-56.42
NDF 3M	9.6700	+0.51	+1.63	+14.37	+13.97
NDF 6M	10.1000	-0.98	+1.51	+16.36	+15.03
NDF 1Y	10.7000	+2.27	+2.88	+14.87	+13.59
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	66.363	-0.89	+1.47	-2.93	-3.16
UAH real CPI	96.625	-0.89	+1.47	-2.93	-3.16
UAH real PPI	128.792	-0.89	+1.47	-2.93	-3.16
USD nom'l	80.323	-0.44	-0.72	-0.24	+0.36
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	35.1693	+0.98	+1.46	+5.68	+7.00
EUR/USD	1.3681	+0.65	+0.67	+0.07	-0.45
USD/CNY	6.0639	+0.02	+0.03	+0.33	+0.16
USD/PLN	3.0412	-0.65	-1.06	+0.09	+0.60
USD/TRY	2.1842	-0.39	-1.15	+0.22	+1.68
USD/BYR	9,705.00	+0.00	+0.21	+1.43	+1.73
USD/KZT	184.5200	-0.01	+18.60	+19.25	+19.61
OTHER MAJOR CURRENCIES					
USD/JPY	102.1700	-0.35	+0.06	-0.81	-2.98
GBP/USD	1.6659	+0.38	+2.06	+1.68	+0.62
USD/CHF	0.8934	-0.80	-0.84	-0.62	+0.06
AUD/USD	0.8979	-0.53	+0.22	-0.83	+0.70
USD/CAD	1.0977	-0.24	-0.84	+1.05	+3.33
USD/BRL	2.3935	-1.34	+0.49	+1.53	+1.33
USD/KRW	1,066.26	+0.34	-1.18	+0.90	+1.57
COMMODITIES					
Gold(\$/oz)	1,302.90	+0.91	+3.55	+3.96	+8.07
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	292.57	+0.28	+1.86	+5.97	+4.43

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>).

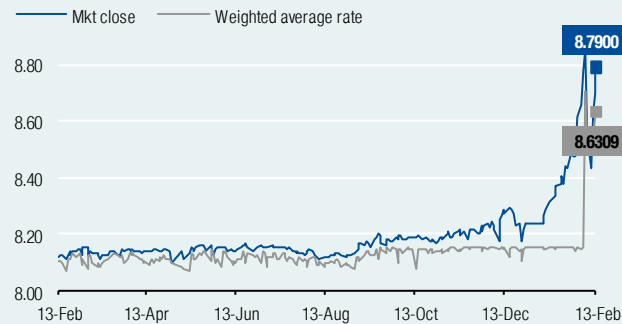
Section on FX market is continued on next page.

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.

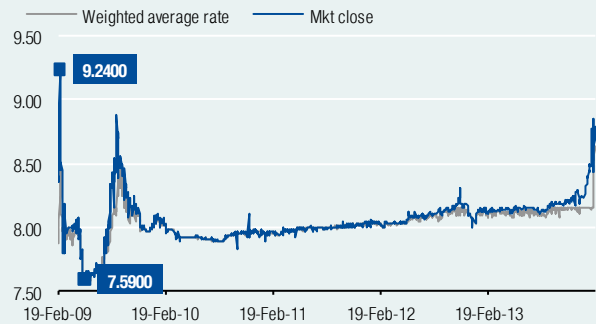
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

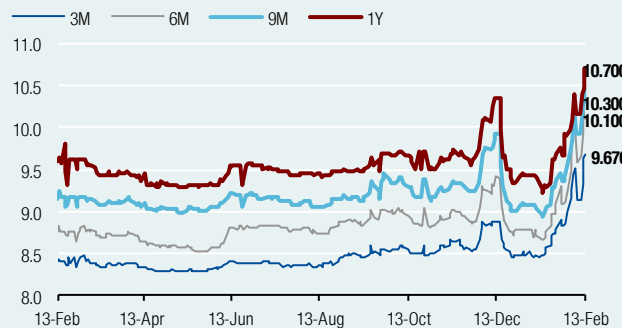


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

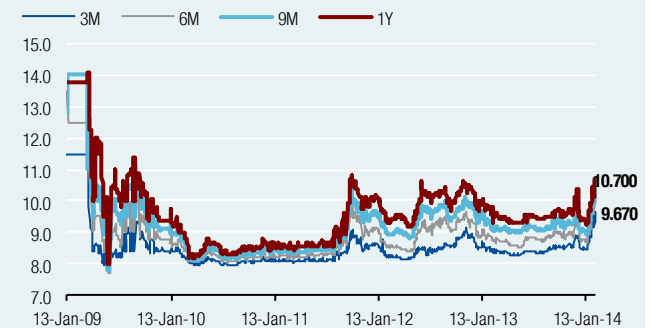


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

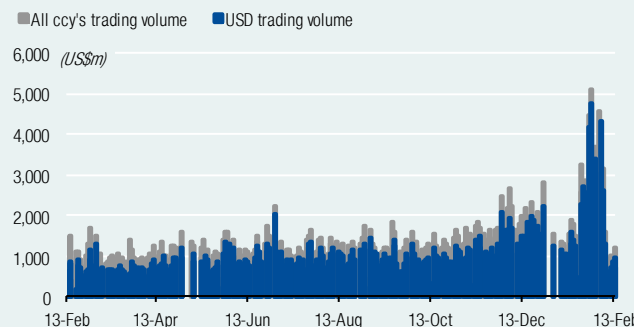


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.



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)



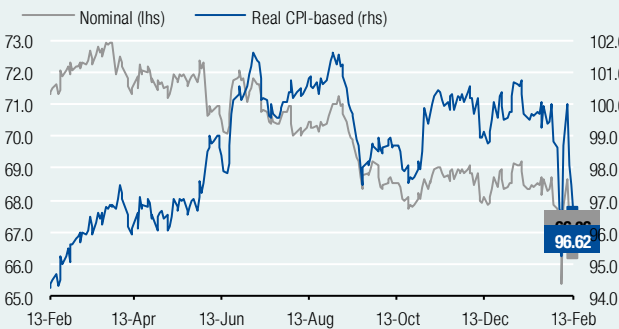
Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

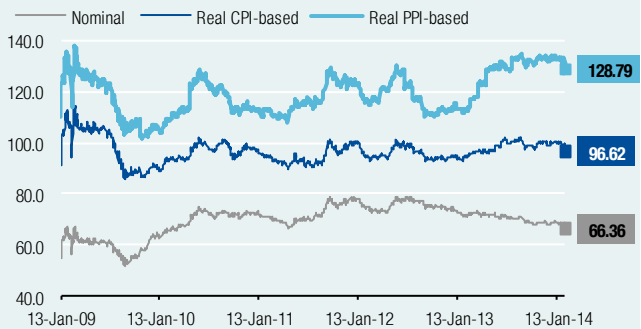
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

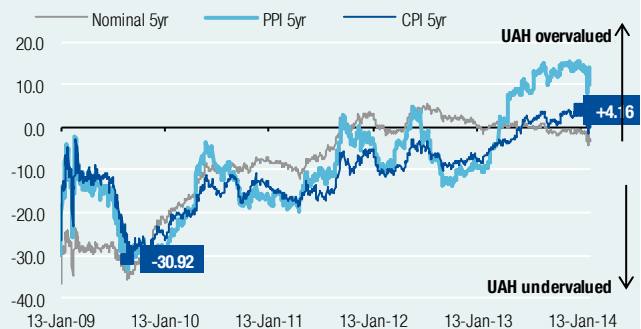


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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.

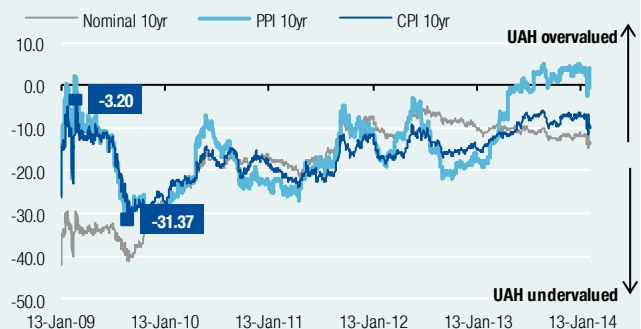


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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.

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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