


 INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

Liquidity up; YTM's down; UAH little changed

MONDAY, 17 FEBRUARY, 2014

RESEARCH INSIGHT

Contents

Bonds: News & Comments	3
Liquidity increases due to inflows	3
YTM's diverge	3
Chart page: Local bond market & Eurobond markets	4
FX: News & Comments	5
UAH changes little as global mood improves	5
Chart page #1: Foreign-exchange market	6
Chart page #2: ICU's UAH trade-weighted indices	7

UX Index (3 months to 17 Feb 2014)



Key market indicators (as of 14 Feb 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	8.7850	-0.06	+6.61
USD/UAH (1Y NDF)	10.4625	-2.22	+11.07
EUR/USD	1.3693	+0.09	-0.36
USD/RUB	35.1651	-0.01	+6.98
KievPRIME O/N (%)	11.70	-230bp	+390bp
KievPRIME 1M (%)	21.40	-10bp	+515bp
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	1,198bp	-7bp	+382bp
EQUITIES			
Stock market indices			
UX (Ukraine)	927.37	-0.04	+1.90
MSCI World	404.18	+0.50	-1.07
MSCI EM	957.31	+1.21	-4.53
RTS (Russia)	1,343.20	+1.63	-6.90
WIG-20 (Poland)	2,482.75	-0.28	+3.41
S&P 500 (USA)	1,838.63	+0.48	-0.53
MOST ACTIVE: Top 3 stocks by value traded (US\$m)			
FXPO LN	5.67	58.6% of total ¹	
KER PW	2.12	21.9%	
MHPC LI	1.32	13.6%	
GAINERS: Top 3 stocks (in listed currency)			
ALAGR FP	EUR 1.21	+3.42	-2.42
AGT PW	PLN 2.80	+2.19	+43.59
CLE PW	PLN 1.11	+1.83	+5.71
LOSERS: Top 3 stocks (in listed currency)			
USCB UK	UAH 0.16	-4.04	-12.53
OVO PW	PLN 73.00	-2.67	-27.00
AZST UK	UAH 0.60	-2.43	-10.15

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 14-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	11.00 GBP	+1.1	-4.3	+6.0	-20.0	0.18	42.7	20.4	40.2	17.1	12.6	12.7	0.05	1,840	Neg.	Neg.	Neg.	3.1	3.1	6.4	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	4.57 UAH	-0.7	-3.7	-4.2	-22.5	0.52	192.2	264.4	21.7	41.7	99.4	56.0	0.10	1,010	7.2	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	1.11 PLN	+1.8	-20.7	+5.7	-91.1	0.37	16.5	74.4	25.0	4.1	60.6	114.0	3.61	28	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	33.05 UAH	+1.1	+5.8	+19.8	+53.2	3.76	89.0	143.0	14.2	12.7	19.1	46.5	0.15	678	25.2	3.3	4.9	0.6	2.7	2.5	0.3	0.3	0.3	1.2	17.8
JKX Oil & Gas	JKX LN	London	68.50 GBP	+0.7	-3.2	-4.2	+4.2	1.15	197.4	194.4	47.2	93.2	49.8	66.5	0.08	1,187	Neg.	6.1	5.5	1.4	2.0	2.1	1.0	1.0	0.9	0.4	2.5
Regal Petroleum	RPT LN	London	11.75 GBP	-1.1	-16.8	-9.6	-61.8	0.20	63.2	36.4	80.9	51.1	2.0	7.4	0.01	7,008	5.4	12.6	N/A	1.6	2.1	N/A	0.9	N/A	N/A	0.2	0.0
Sadova Group	SGR PW	Warsaw	0.63 PLN	+1.6	-11.3	+18.9	-65.4	0.21	9.0	48.7	25.0	2.2	10.5	38.7	0.94	107	Neg.	N/A	N/A	24.3	N/A	N/A	1.2	N/A	N/A	0.2	44.7
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	+0.6	+0.3	-6.5	-29.9	0.00	106.5	1,704.5	3.9	4.1	0.8	11.7	0.13	761	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	2.80 UAH	-0.9	+0.9	-5.6	-16.1	0.32	62.1	57.9	4.0	2.5	1.5	9.9	0.09	1,119	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	-2.4	-3.4	-10.1	-12.1	0.07	288.1	278.6	4.1	11.8	0.2	15.0	0.03	3,953	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	170.10 GBP	+0.9	-6.3	-10.9	-40.6	2.85	1,680.1	2,267.4	22.4	376.3	5,671.4	2,760.2	0.97	103	7.8	6.6	7.3	5.7	4.8	5.0	1.6	1.4	1.4	1.1	37.0
Yenakievo Steel	ENMZ UK	Kiev, UX	31.25 UAH	-0.3	-2.3	-2.4	-12.1	3.56	37.5	31.6	9.4	3.5	0.6	9.1	0.26	379	4.7	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	1.21 EUR	+3.4	-4.0	-2.4	-28.0	1.66	153.1	180.3	34.0	52.1	4.7	41.9	0.06	1,691	Neg.	N/A	N/A	Neg.	N/A	N/A	2.8	N/A	N/A	1.3	35.9
Agroliga	AGL PW	Warsaw	24.38 PLN	-0.4	-11.0	-6.0	+27.2	8.05	12.4	13.3	16.7	2.1	8.5	11.7	0.50	199	2.9	N/A	N/A	3.8	N/A	N/A	0.6	N/A	N/A	1.0	5.7
Agroton	AGT PW	Warsaw	2.80 PLN	+2.2	+2.6	+43.6	-72.1	0.92	20.0	67.4	26.2	5.3	155.3	166.5	3.43	29	3.0	4.2	2.7	4.7	7.2	4.3	0.8	1.0	0.8	0.2	28.0
Astarta Holdin...	AST PW	Warsaw	59.20 PLN	+1.1	-8.9	-11.5	-10.3	19.55	488.9	817.7	31.0	151.6	46.7	217.0	0.16	629	7.9	7.5	4.0	9.3	7.4	4.5	1.7	1.6	1.3	0.9	38.9
Avangard	AVGR LI	London Intl	11.00 USD	+0.4	-6.0	-6.4	+8.9	11.00	702.6	868.9	21.7	152.5	4.8	228.7	0.01	9,279	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	7.79 PLN	-1.0	-39.0	-35.9	-52.5	2.57	80.5	196.8	23.9	19.2	42.1	24.9	0.31	322	4.3	4.3	3.3	5.4	4.7	3.9	2.6	1.4	1.0	0.6	33.0
Kernel Holding...	KER PW	Warsaw	37.00 PLN	+0.0	-8.7	-2.8	-45.6	12.22	973.9	1,694.3	58.8	572.4	2,115.8	1,914.6	0.26	383	8.8	8.1	5.3	5.8	5.7	4.7	0.6	0.7	0.6	0.7	30.6
KSG Agro	KSGO PW	Warsaw	7.62 PLN	+0.9	-27.3	-29.8	-39.0	2.52	37.8	159.7	34.4	13.0	9.3	15.4	0.11	899	4.7	3.1	3.2	37.9	5.4	4.4	4.3	2.3	1.5	0.4	29.2
MHP	MHPC LI	London Intl	14.73 USD	-1.3	-16.4	-13.6	-21.3	14.73	1,556.5	2,757.5	22.3	347.4	1,320.8	1,426.1	0.43	232	5.2	7.4	5.4	5.9	6.5	5.2	2.0	1.8	1.6	1.3	45.8
Milkiland	MLK PW	Warsaw	9.73 PLN	+1.7	-6.7	-22.2	-36.2	3.21	100.4	235.2	20.0	20.1	0.2	8.1	0.03	3,316	5.7	5.6	5.5	6.6	5.7	4.7	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	1,464.8	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	73.00 PLN	-2.7	-20.7	-27.0	-24.4	24.11	144.7	156.7	25.0	36.2	3.5	39.1	0.04	2,765	6.2	5.6	3.9	5.6	5.6	3.5	2.2	1.9	1.4	1.4	3.7
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.28 EUR	+0.0	-11.4	-11.4	-33.9	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	+0.1	+1.6	+1.0	+3.2	0.01	391.1	N/A	3.8	14.9	38.6	41.9	0.19	537	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	0.16 UAH	-4.0	-8.4	-12.5	+23.6	0.02	338.6	N/A	4.5	15.2	3.1	9.0	0.03	3,865	982.8	181.4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.3	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 increases due to inflows

Broader banking sector liquidity rose UAH0.48bn to UAH29.63bn last Friday as banks' correspondent accounts with the NBU rose UAH0.50bn to UAH24.17bn, total CDs outstanding declined UAH0.02bn to UAH0.53bn and total local currency debt repayments scheduled for the next 30 days remained steady at UAH4.92bn.

KyivPrime interest rates continued to decline: the KyivPrime ON interest rate fell 230bp to 11.70% while the KyivPrime 1M interest rate slid a mere 10bp to 21.40%.

Investment implications: The NBU significantly supported liquidity last Thursday, causing indicators to increase. In reality, the increase was less significant than the funds injected into the banking system. The NBU purchased UAH1.22bn of government bonds, of which UAH1.05bn were injected via repos. Significant outflows were just covered by the NBU so liquidity did not decline.

YTM's diverge

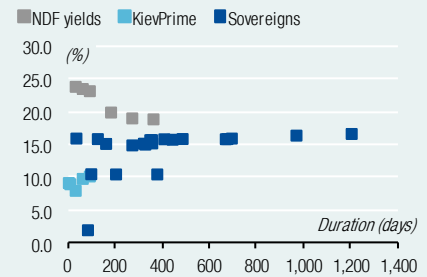
Ukrainian Eurobonds remained volatile last Friday with an increase in YTM's at the long-term end of the yield curve. At the close, UKRAIN 6.875% '15 slid 34bp to 16.03%, UKRAIN 6.58% '16 slid 50bp to 12.57%, UKRAIN 6.75% '17 slid 29bp to 11.44%, while UKRAIN 9.25% '17 rose 1bp to 13.04%, UKRAIN 7.95% '21 rose 31bp to 11.08%, UKRAIN 7.80% '22 rose 17bp to 10.93% and UKRAIN 7.50% '23 rose 16bp to 10.41%.

US Treasury bond YTM's rose last Friday at the close, as the 5-year bond YTM rose 3bp to 1.53% and the 10-year bond YTM rose 1bp to 2.74%.

Alexander Valchysheh, Kiev, +38044 2200120 ext.242

Yield curve of the local bond market

(as of market close on 14 Feb 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 14 Feb 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
0/n	11.70	-230bp	-953bp	+944bp	+390bp
1wk	17.78	-97bp	-345bp	+14bp	+798bp
1m	21.40	-10bp	+103bp	+11bp	+515bp
2m	18.20	+15bp	+103bp	+600bp	+180bp
3m	17.80	+28bp	+77bp	+485bp	+180bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	24,175	+2.12	+14.61	-24.07	-26.08
CDs ²	1,088	+0.00	-11.76	-94.76	-28.42
Sovgns ³	4,912	+0.00	+36.51	-37.70	+228.5
Total	30,174	+1.69	+16.40	-50.12	-15.52
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	149,670	+0.82	+1.34	+1.78	+3.33
Banks	80,977	+1.07	-0.27	-0.06	+1.01
Resid's ⁴	11,328	+0.12	-11.15	-8.06	-8.62
Non-res ⁵	12,894	+0.13	-1.94	+7.72	+10.22
Total	254,870	+0.84	+0.03	+0.99	+2.31
NDF IMPLIED YIELDS (%)					
3m	39.85	-52bp	+12bp	+32bp	+28bp
6m	31.21	+105bp	+646bp	+23bp	+18bp
9m	28.78	+543bp	+682bp	+18bp	+15bp
1yr	19.75	-265bp	+28bp	+780bp	+476bp
LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)					
Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	N/A	+320bp	+0bp	-205bp	-676bp
Aug '15 ⁶	N/A	+74bp	+0bp	+0bp	+0bp
EUROBONDS USD SOVEREIGN BOND YIELDS (%)					
CDS 5yr	1,198	-7bp	+130bp	+470bp	+382bp
Jun '16	13.41	-34bp	+113bp	+609bp	+452bp
Jul '17	13.02	+22bp	+131bp	+471bp	+347bp
Sep '20	10.90	-12bp	+30bp	+195bp	+171bp
Sep '21	10.76	-24bp	+7bp	+164bp	+154bp
Sep '22	10.77	+27bp	+38bp	+180bp	+142bp
Feb '23	10.25	+17bp	+23bp	+149bp	+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

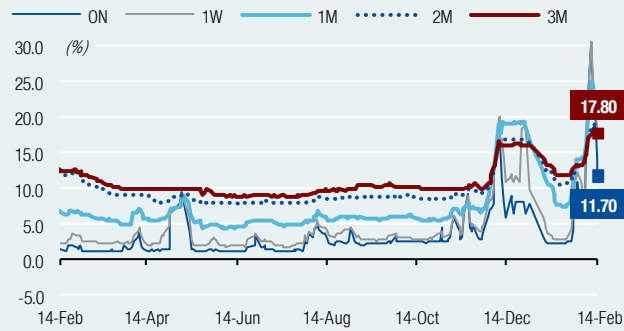


Chart 2. UAH NDF implied yields (%), last 12-month period

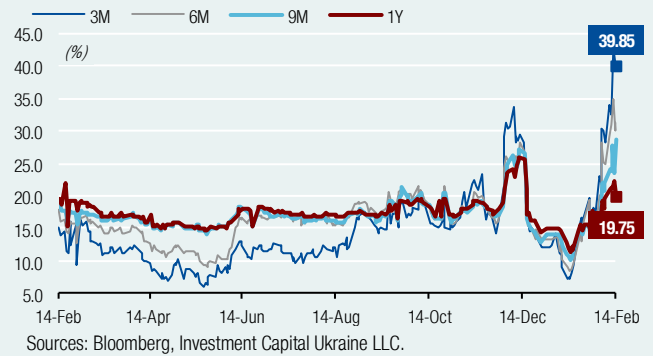


Chart 3. UAH sovereign yield curve (%) as of 14 Feb 2014

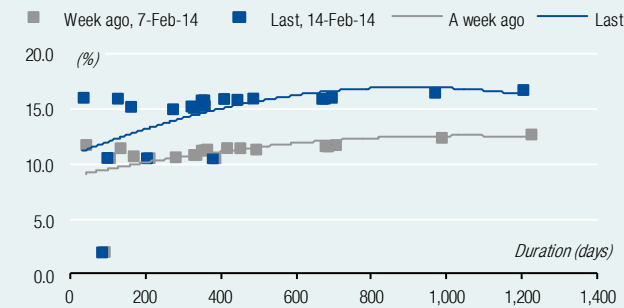


Chart 4. USD sovereign yield curve (%) as of 14 Feb 2014

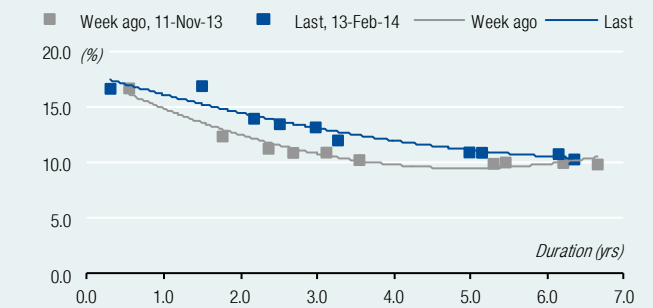


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

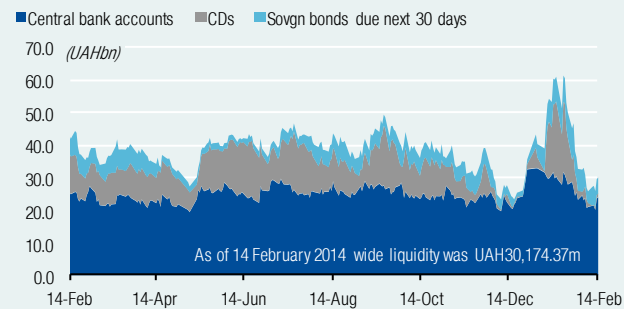


Chart 6. Breakdown of liquidity pool (%) as of 14 Feb 2014

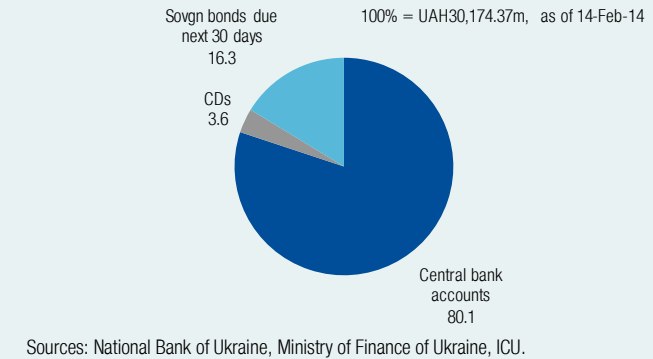


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

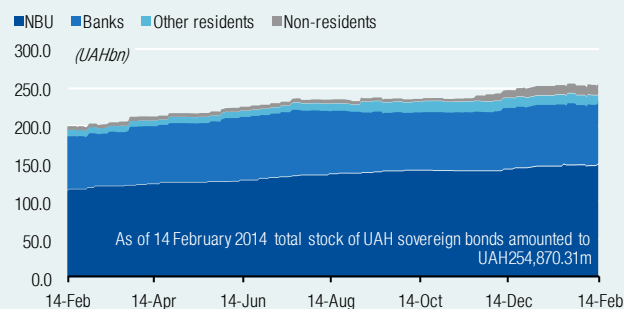
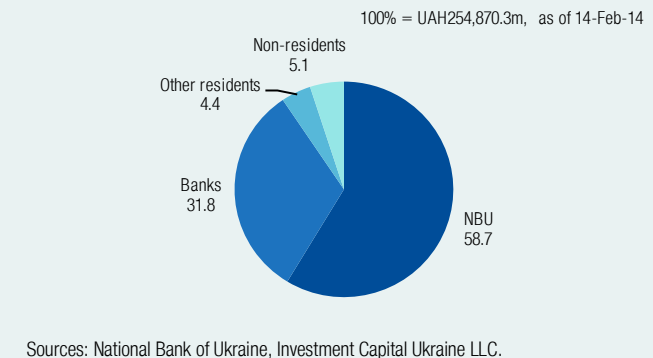


Chart 8. Domestic sovereign debt (%) as of 14 Feb 2014



FX: News & Comments

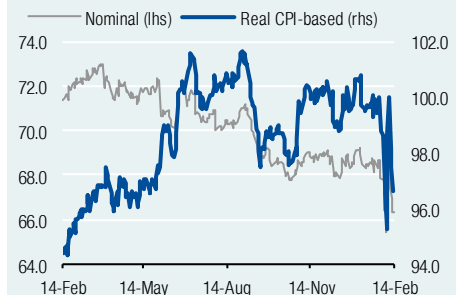
UAH changes little as global mood improves

The UAH closed at 8.7850/USD on volume of US\$2.2bn, up 2.2 times from the previous day, indicating the most of the FX demand that was postponed by the NBU's new regulation adopted a week ago hit the market in the last day of the week and this week. In last Friday's FX trading that was bolstered by better-than-expected real GDP data in the EU in 4Q13, particularly in the Eurozone where all major economies from Germany to France and Italy recorded growth, the EUR rose 0.09%. The increase aided risk-taking in other segments of the FX market, while the USD declined. The UAH's real TWI dropped by just 0.04%.

Alexander Valchyshen, Kiev, +38044 2200120 ext.242

ICU's UAH trade-weighted indices

(Last 12-month history to 17 Feb 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 14 Feb 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	8.7850	-0.06	+2.81	+5.61	+6.61
NBU avg	N/A	N/A	N/A	N/A	N/A
Tt vlm ¹	N/A	N/A	N/A	N/A	N/A
\$ volume ²	N/A	N/A	N/A	N/A	N/A
NDF 3M	9.6530	-0.18	+5.56	+13.98	+13.77
NDF 6M	10.1400	+0.40	+5.76	+17.05	+15.49
NDF 1Y	10.4625	-2.22	+3.05	+12.99	+11.07
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	66.336	-0.04	-2.15	-2.94	-3.20
UAH real CPI	96.586	-0.04	-2.15	-2.94	-3.20
UAH real PPI	128.739	-0.04	-2.15	-2.94	-3.20
USD nom'l	80.136	-0.23	-0.69	-0.65	+0.13
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	35.1651	-0.01	+1.18	+5.55	+6.98
EUR/USD	1.3693	+0.09	+0.43	+0.10	-0.36
USD/CNY	6.0662	+0.04	+0.04	+0.42	+0.20
USD/PLN	3.0262	-0.49	-1.18	-0.06	+0.11
USD/TRY	2.1834	-0.04	-1.62	-0.03	+1.64
USD/BYR	9,710.00	+0.05	+0.21	+1.48	+1.78
USD/KZT	184.5400	+0.01	+18.55	+19.10	+19.62
OTHER MAJOR CURRENCIES					
USD/JPY	101.8000	-0.36	-0.49	-2.32	-3.33
GBP/USD	1.6747	+0.53	+2.05	+1.87	+1.15
USD/CHF	0.8925	-0.10	-0.62	-1.11	-0.04
AUD/USD	0.9034	+0.61	+0.84	+0.75	+1.31
USD/CAD	1.0978	+0.01	-0.49	+0.29	+3.34
USD/BRL	2.3889	-0.19	+0.41	+1.66	+1.13
USD/KRW	1,063.35	-0.27	-1.03	+0.40	+1.29
COMMODITIES					
Gold(\$/oz)	1,318.69	+1.21	+4.06	+5.90	+9.38
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	293.24	+0.23	+1.20	+5.95	+4.67

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)

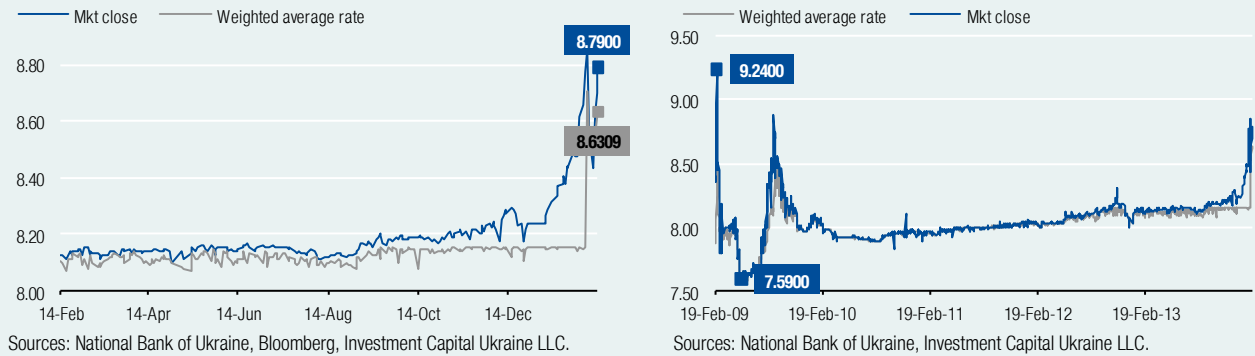


Chart 10. NDF market rates USD/UAH: last 12-month and 5-year periods (UAH per USD, left and right respectively)

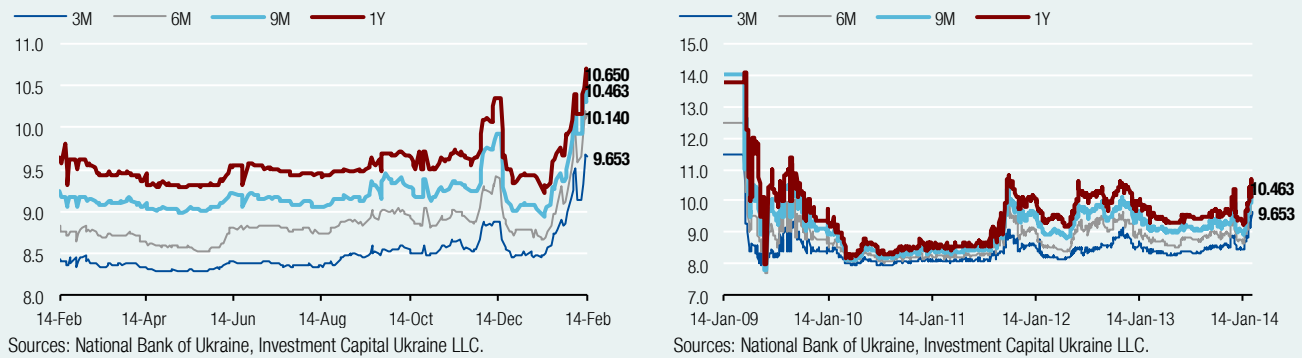


Chart 11. Trading volume: last 12-month and 5-year periods (US\$m, left and right respectively)

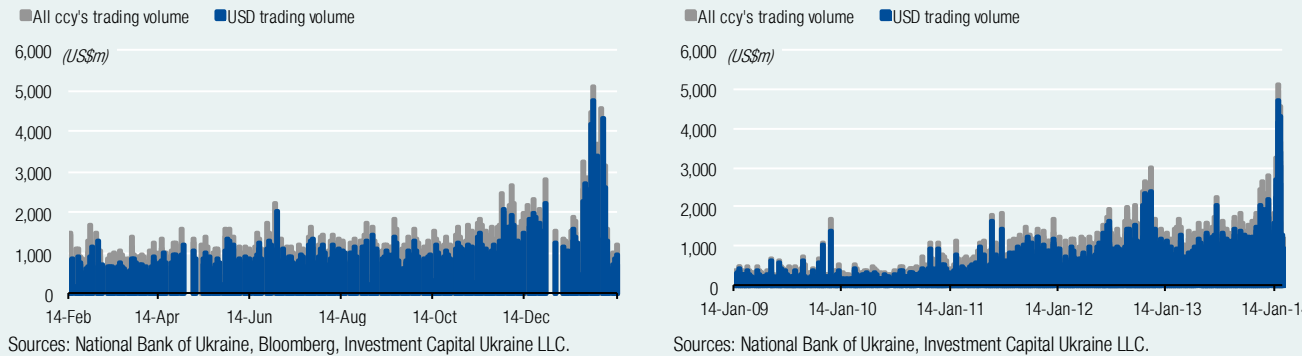


Chart 12. 30D MA* ratio of FX market turnover to merchandise trade: last 12m and 5yr periods (% , left and right respectively)

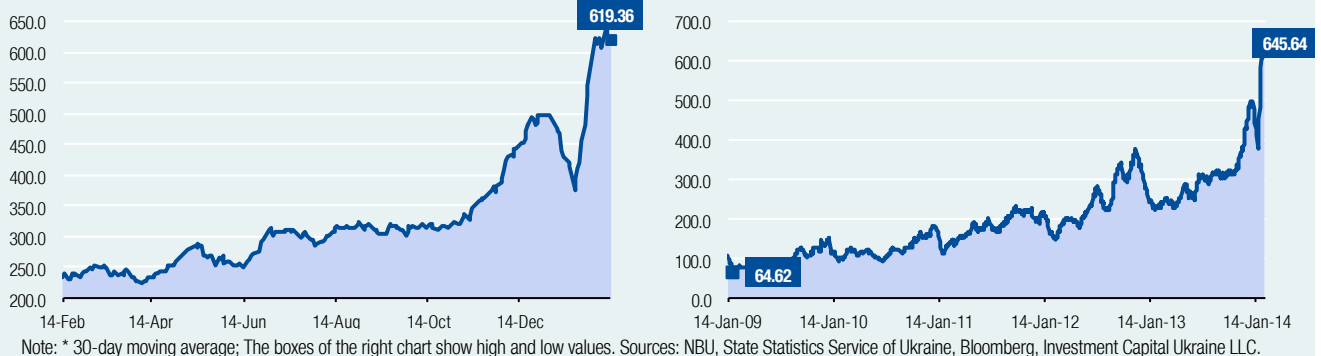
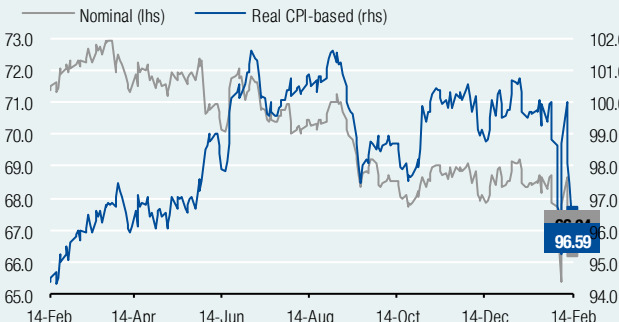


Chart page #2: ICU's UAH trade-weighted indices

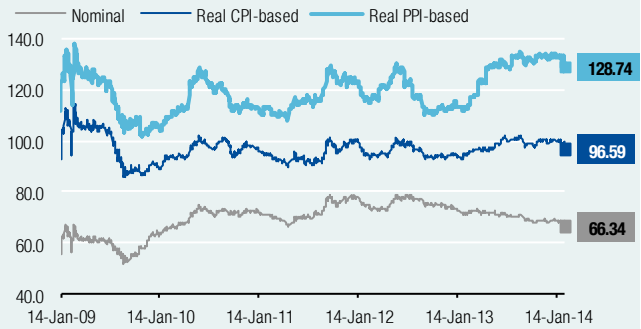
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

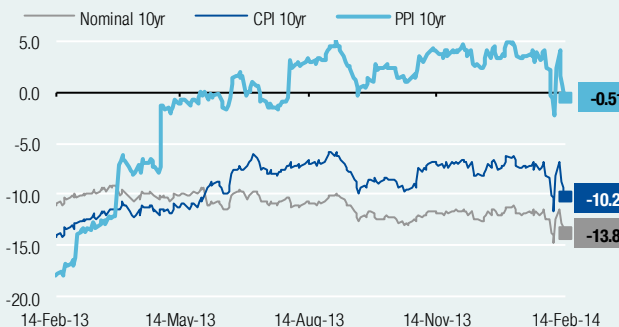


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

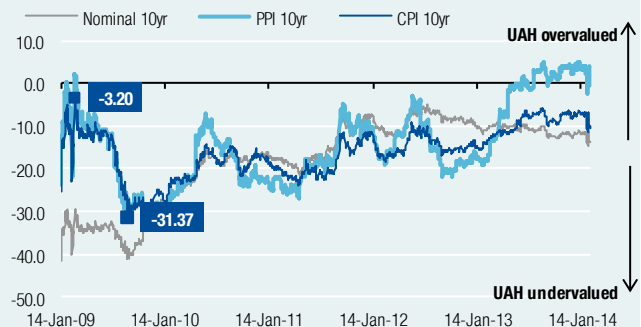


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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.

This page is intentionally left blank

Disclosures

ANALYST CERTIFICATION

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



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

Investment Capital Ukraine LLC is regulated by Securities and Stock Market State Commission of Ukraine (license numbers: dealer activity AE 263019, broker activity AE 263018, underwriting activity AE 263020 dated 11 April 2013).

DISCLAIMER

This research publication has been prepared by Investment Capital Ukraine LLC solely for information purposes for its clients. It does not constitute an investment advice or an offer or solicitation for the purchase or sale of any financial instrument. While reasonable care has been taken to ensure that the information contained herein is not untrue or misleading at the time of publication, Investment Capital Ukraine makes no representation that it is accurate or complete. The information contained herein is subject to change without notice. Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of Investment Capital Ukraine LLC. All rights are reserved. Any investments referred to herein may involve significant risk, are not necessarily available in all jurisdictions, may be illiquid and may not be suitable for all investors. The value of, or income from, any investments referred to herein may fluctuate and/or be affected by changes in exchange rates. Past performance is not indicative of future results. Investors should make their own investigations and investment decisions without relying on this report. Only investors with sufficient knowledge and experience in financial matters to evaluate the merits and risks should consider an investment in any issuer or market discussed herein and other persons should not take any action on the basis of this report.



Additional information is available upon request.