


**INVESTMENT CAPITAL UKRAINE**  
 INVESTMENT BANKING

# Daily Insight

Liquidity unchanged; YTM's decline; Primary auction; Bondholder structure change; UAH down

TUESDAY, 18 FEBRUARY, 2014

RESEARCH INSIGHT

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### UX Index (3 months to 18 Feb 2014)



### Key market indicators (as of 17 Feb 2014)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	8.8600	+0.85	+7.52
USD/UAH (1Y NDF)	10.9000	+4.18	+15.71
EUR/USD	1.3707	+0.10	-0.26
USD/RUB	35.2477	+0.23	+7.23
KievPRIME O/N (%)	13.00	+130bp	+520bp
KievPRIME 1M (%)	21.05	-35bp	+480bp
<b>BONDS: yields and spreads</b>			
Ukraine VAT bond (%)	N/A	+74bp	+0bp
Ukraine 17, Eurobond (%)	12.46	-56bp	+290bp
Ukraine 22, Eurobond (%)	10.51	-26bp	+116bp
Ukraine 23, Eurobond (%)	9.97	-28bp	+92bp
Ukraine 5Y CDS	1,189bp	-9bp	+373bp
<b>EQUITIES</b>			
<b>Stock market indices</b>			
UX (Ukraine)	928.94	+0.17	+2.08
MSCI World	405.23	+0.26	-0.81
MSCI EM	964.29	+0.73	-3.83
RTS (Russia)	1,347.41	+0.31	-6.61
WIG-20 (Poland)	2,481.23	-0.06	+3.34
S&P 500 (USA)	1,838.63	+0.48	-0.53
<b>MOST ACTIVE: Top 3 stocks by value traded (US\$m)</b>			
FXPO LN	2.56	44.4% of total <sup>1</sup>	
KER PW	1.21	20.9%	
IMC PW	0.86	14.9%	
<b>GAINERS: Top 3 stocks (in listed currency)</b>			
IMC PW	PLN 8.70	+11.68	-28.40
MLK PW	PLN 10.48	+7.71	-16.16
KSG PW	PLN 7.96	+4.46	-26.64
<b>LOSERS: Top 3 stocks (in listed currency)</b>			
MHPC LI	USD 14.10	-4.28	-17.30
RPT LN	GBP 11.50	-2.13	-11.54
ALMK UK	UAH 0.04	-0.83	-7.25

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 17-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 (%)
<b>ENERGY</b>																											
Cadogan Petrol...	CAD LN	London	11.25 GBP	+2.3	-2.2	+8.4	-13.5	0.19	43.5	-19.6	40.2	17.5	11.1	13.3	0.04	2,331	Neg.	Neg.	Neg.	3.0	3.0	6.1	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	4.56 UAH	-0.1	-3.9	-4.3	-21.9	0.52	190.3	261.9	21.7	41.3	8.4	52.2	0.08	1,280	7.2	6.5	3.1	0.5	3.8	2.7	0.3	0.3	0.3	0.7	12.2
Coal Energy	CLE PW	Warsaw	1.15 PLN	+3.6	-17.9	+9.5	-90.6	0.38	17.1	75.0	25.0	4.3	121.1	121.7	3.47	29	Neg.	Neg.	N/A	1.2	10.3	N/A	0.6	0.8	N/A	0.1	7.7
Donbasenergo	DOEN UK	Kiev, UX	32.88 UAH	-0.5	+5.2	+19.2	+53.6	3.71	87.7	141.4	14.2	12.5	1.6	41.4	0.14	710	25.1	3.2	4.8	0.5	2.6	2.5	0.3	0.2	0.2	1.2	17.8
JKX Oil & Gas	JKX LN	London	68.00 GBP	-0.7	-3.9	-4.9	+3.0	1.14	195.3	192.3	47.2	92.2	40.6	64.4	0.08	1,187	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	11.50 GBP	-2.1	-18.6	-11.5	-61.3	0.19	61.7	34.8	80.9	49.9	4.8	7.4	0.01	6,698	5.3	12.3	N/A	1.6	2.0	N/A	0.8	N/A	N/A	0.2	0.0
Sadova Group	SGR PW	Warsaw	0.63 PLN	+0.0	-11.3	+18.9	-65.4	0.21	9.0	48.7	25.0	2.2	3.7	39.1	0.91	110	Neg.	N/A	N/A	7.3	N/A	N/A	1.2	N/A	N/A	0.2	42.4
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	-0.8	-0.5	-7.2	-29.6	0.00	104.7	1,689.2	3.9	4.1	8.5	10.7	0.14	709	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	2.77 UAH	-0.8	+0.1	-6.3	-15.9	0.31	61.1	57.0	4.0	2.4	0.2	9.6	0.09	1,142	Neg.	Neg.	2.5	Neg.	1.4	0.9	0.1	0.1	0.1	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.61 UAH	+1.3	-2.1	-9.0	-10.8	0.07	289.4	280.0	4.1	11.9	1.1	14.0	0.02	4,221	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	171.60 GBP	+0.9	-5.5	-10.2	-37.8	2.87	1,689.6	2,276.7	22.4	378.5	2,561.8	2,777.6	0.97	103	7.9	6.6	7.3	5.7	4.8	5.0	1.6	1.5	1.4	1.1	37.0
Yenakievo Steel	ENMZ UK	Kiev, UX	31.42 UAH	+0.5	-1.8	-1.8	-11.9	3.55	37.4	31.5	9.4	3.5	15.7	9.2	0.20	499	4.8	Neg.	2.0	Neg.	Neg.	N/A	0.0	0.0	0.0	0.8	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	1.21 EUR	+0.0	-4.0	-2.4	-28.0	1.66	153.2	180.4	34.0	52.1	9.6	40.8	0.05	1,870	Neg.	N/A	N/A	Neg.	N/A	N/A	2.8	N/A	N/A	1.3	35.9
Agroliga	AGL PW	Warsaw	25.25 PLN	+3.6	-7.8	-2.6	+40.3	8.35	12.8	13.8	16.7	2.1	70.5	12.8	0.63	158	3.0	N/A	N/A	4.0	N/A	N/A	0.6	N/A	N/A	1.0	5.7
Agroton	AGT PW	Warsaw	2.84 PLN	+1.4	+4.0	+45.6	-72.3	0.94	20.3	67.7	26.2	5.3	394.5	177.2	3.65	27	3.0	4.2	2.7	4.8	7.2	4.3	0.8	1.0	0.8	0.2	28.0
Astarta Holdin...	AST PW	Warsaw	60.00 PLN	+1.4	-7.7	-10.3	-4.8	19.84	495.9	825.0	31.0	153.8	179.5	184.9	0.16	630	8.0	7.6	4.0	9.4	7.5	4.6	1.7	1.7	1.3	0.9	38.9
Avangard	AVGR LI	London Intl	11.36 USD	+3.3	-2.9	-3.3	+12.6	11.36	725.6	891.9	21.7	157.5	75.9	239.2	0.01	8,697	3.2	3.2	3.4	3.2	3.0	3.2	1.4	1.3	1.2	0.6	22.3
IMC	IMC PW	Warsaw	8.70 PLN	+11.7	-31.9	-28.4	-46.8	2.88	90.0	206.3	23.9	21.5	861.6	42.4	0.47	215	4.8	4.8	3.7	5.7	4.9	4.1	2.7	1.4	1.0	0.7	33.0
Kernel Holding...	KER PW	Warsaw	38.25 PLN	+3.4	-5.6	+0.5	-44.2	12.65	1,007.7	1,728.1	58.8	592.3	1,207.2	2,003.7	0.26	388	9.1	8.4	5.5	5.9	5.8	4.8	0.6	0.7	0.6	0.8	30.6
KSG Agro	KSG PW	Warsaw	7.96 PLN	+4.5	-24.0	-26.6	-36.3	2.63	39.5	161.4	34.4	13.6	8.6	16.0	0.11	947	4.9	3.3	3.3	38.3	5.5	4.4	4.3	2.4	1.5	0.4	29.2
MHP	MHPC LI	London Intl	14.10 USD	-4.3	-19.9	-17.3	-26.4	14.10	1,489.9	2,690.9	22.3	332.5	125.0	853.6	0.45	222	5.0	7.2	5.2	5.8	6.4	5.2	1.9	1.8	1.6	1.3	45.8
Milkiland	MLK PW	Warsaw	10.48 PLN	+7.7	+0.5	-16.2	-31.7	3.46	108.3	243.1	20.0	21.7	30.1	9.3	0.03	3,115	6.2	6.1	6.0	6.8	6.0	4.8	0.6	0.5	0.5	0.5	29.9
Mriya Agrohold...	MAYA GF	Frankfurt	5.04 EUR	+0.0	-5.0	-6.8	+3.8	6.90	733.5	1,465.4	20.0	146.7	0.0	1.3	N/A	N/A	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	+2.7	-18.5	-25.0	-21.9	24.80	148.8	160.8	25.0	37.2	20.9	41.0	0.04	2,643	6.3	5.7	4.0	5.8	5.8	3.6	2.3	2.0	1.5	1.4	3.7
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Xetra	0.27 EUR	+0.0	-14.5	-14.5	-21.4	0.37	19.2	178.6	13.1	2.5	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
<b>FINANCIAL SERVICES</b>																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.11 UAH	-0.4	+1.1	+0.5	-3.2	0.01	386.1	N/A	3.8	14.7	10.9	40.2	0.18	549	10.7	6.2	3.3	N/A	N/A	N/A	N/A	N/A	N/A	0.5	28.3
Ukrrotsbank	USCB UK	Kiev, UX	0.17 UAH	+2.9	-5.7	-10.0	+26.0	0.02	345.6	N/A	4.5	15.5	0.2	9.2	0.03	3,988	1,011.6	186.7	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

## Insufficient changes in liquidity

Broader banking sector liquidity declined UAH0.28bn to UAH29.35bn yesterday as banks' correspondent accounts with the NBU slid UAH0.07bn to UAH24.11bn, total CDs outstanding declined UAH0.21bn to UAH0.32bn, and total local currency debt repayments scheduled for the next 30 days remained steady at UAH4.92bn.

KyivPrime interest rates slightly diverged: the KyivPrime ON interest rate rose 130bp to 13.00% while the KyivPrime 1M interest rate slid a mere 35bp to 21.05%.

**Investment implications: Last Friday's inflows from the NBU appear to have been newly issued bonds for which the funds injected were exchanged in FX. Last Friday, FX turnover significantly rose to above US\$2.0bn, just less than the amount of funds injected.**

## YTM's decline

While Ukrainian Eurobonds were volatile last week, their YTM's declined yesterday likely on positive news of a resolution of the political crisis. At the close, UKRAIN 6.875% '15 slid 65bp to 15.38%, UKRAIN 9.25% '17 slid 59bp to 12.45%, while UKRAIN 7.95% '21 slid 50bp to 10.58%, UKRAIN 7.80% '22 slid 44bp to 10.49% and UKRAIN 7.50% '23 declined 45bp to 9.96%.

## Primary auction announcement

Today, the MoF will offer five bonds with maturities from three months to seven years. Three of the offered bonds will be zero-coupon bonds with 3-month, 4-month and 8-month maturities, and the other two will be the routine 5-year and 7-year bonds. All offered bonds will be denominated in local currency.

**Investment implications: The primary auction will not see significant market demand due to low liquidity and upcoming tax payments. At the same time, there could be demand supported by the NBU under the QE program.**

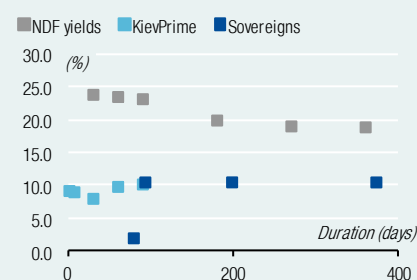
## Bondholder structure changes

As a consequence of last Friday's issues and new deals, bondholders' shares changed significantly. The increase in total bonds outstanding followed the increase in the size of the NBU's portfolio, at UAH11.12bn and UAH11.07bn, respectively. Other portfolios changed less significantly. The NBU's share rose 171bp to 60.43% while other groups' shares declined: the banks' share declined 146bp to 30.31%, the other residents' share slid 3bp to 4.41%, and the non-residents' share declined 21bp to 4.85%.

**Investment implications: Last Friday's issue appears to be the result of the Naftogaz share capital increase which was immediately purchased by the NBU. Secondary market turnover shows that the bonds were sold to banks and later to the NBU, as the bonds most likely could not be purchased by the NBU directly.**

### Yield curve of the local bond market

(as of market close on 17 Feb 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

### Bond market indicators (as of 17 Feb 2014)

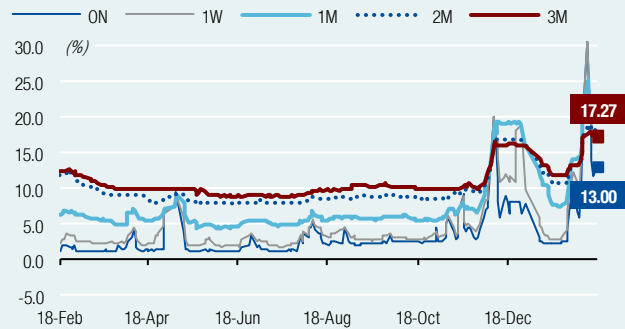
	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
O/n	13.00	+130bp	-18ppt	+11bp	+520bp
1wk	17.23	-55bp	-13ppt	+14bp	+743bp
1m	21.05	-35bp	-417bp	+13bp	+480bp
2m	18.00	-20bp	-70bp	+712bp	+160bp
3m	17.27	-53bp	-55bp	+539bp	+127bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	24,106	-0.29	+12.29	-18.67	-26.29
CDs <sup>2</sup>	348	-68.01	+411.8	-98.37	-77.11
Sovgns <sup>3</sup>	5,888	+19.88	+1.83	-22.23	+293.9
<b>Total</b>	<b>30,342</b>	<b>+0.55</b>	<b>+11.07</b>	<b>-48.21</b>	<b>-15.05</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	160,737	+7.39	+8.83	+9.30	+10.97
Banks	80,626	-0.43	+0.37	-1.26	+0.57
Resid's <sup>4</sup>	11,725	+3.50	-8.20	-8.67	-5.42
Non-res <sup>5</sup>	12,906	+0.09	-0.23	+7.82	+10.32
<b>Total</b>	<b>265,993</b>	<b>+4.36</b>	<b>+4.83</b>	<b>+4.92</b>	<b>+6.78</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	N/A	N/A	N/A	N/A	N/A
6m	N/A	N/A	N/A	N/A	N/A
9m	N/A	N/A	N/A	N/A	N/A
1yr	N/A	N/A	N/A	N/A	N/A
<b>LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)</b>					
Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	N/A	+320bp	+0bp	+119bp	-676bp
Aug '15 <sup>6</sup>	N/A	+74bp	+0bp	+0bp	+0bp
<b>EUROBONDS USD SOVEREIGN BOND YIELDS (%)</b>					
CDS 5yr	1,189	-9bp	+135bp	+494bp	+373bp
Jun '16	12.60	-81bp	+21bp	+617bp	+371bp
Jul '17	12.46	-56bp	+80bp	+476bp	+290bp
Sep '20	10.60	-16bp	+9bp	+226bp	+141bp
Sep '21	10.60	-57bp	+10bp	+214bp	+138bp
Sep '22	10.51	-26bp	+36bp	+198bp	+116bp
Feb '23	9.97	-28bp	+30bp	+158bp	+92bp

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.

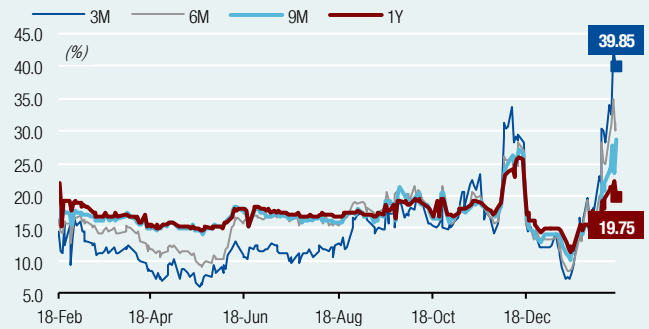
**Chart page: Local bond market & Eurobond markets**

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



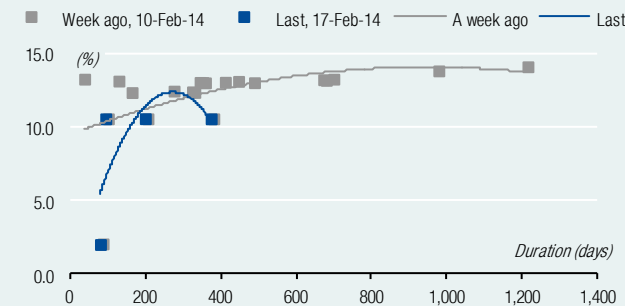
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



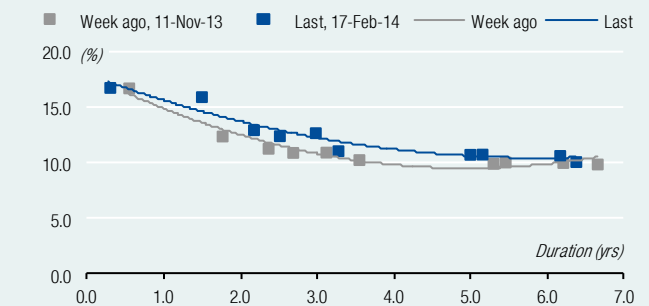
Sources: Bloomberg, Investment Capital Ukraine LLC.

**Chart 3. UAH sovereign yield curve (%) as of 17 Feb 2014**



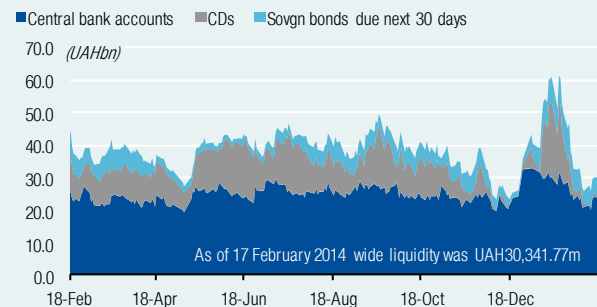
Sources: Bloomberg, Investment Capital Ukraine LLC.

**Chart 4. USD sovereign yield curve (%) as of 17 Feb 2014**



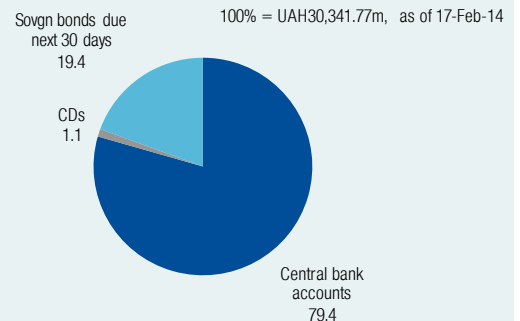
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



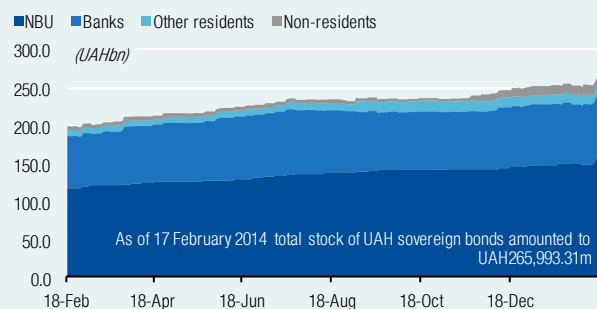
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

**Chart 6. Breakdown of liquidity pool (%) as of 17 Feb 2014**



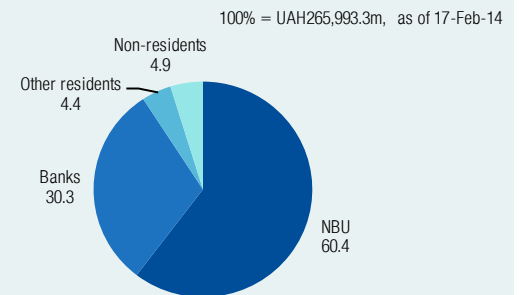
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

**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 17 Feb 2014**



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

# FX: News & Comments

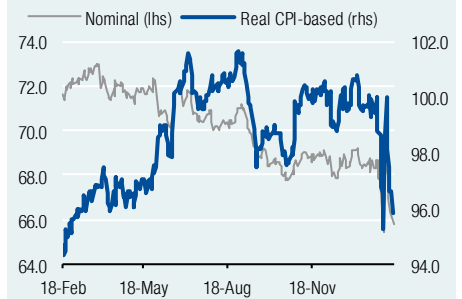
## UAH declines, no NBU intervention

With no reported NBU intervention, the USD/UAH pair declined to 8.8600/USD on US\$0.24bn in trading. Due to the national holiday in the US, trading activity was subdued and should rebound today. In general, the FX market globally was driven by domestic news: in Russia, the ruble lost 0.23% on the news that industrial production contracted 0.2% YoY in January while the Euro increased 0.10%. The UAH's real trade-weighted value declined 0.82% on the back of the UAH's nominal weakness.

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### ICU's UAH trade-weighted indices

(Last 12-month history to 18 Feb 2014)



Source: Investment Capital Ukraine LLC.

### FX market indicators (as of 17 Feb 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	8.8600	+0.85	+5.04	+5.85	+7.52
NBU avg	8.6458	+0.06	+1.08	+6.03	+6.07
Ttt vlm <sup>1</sup>	361.78	-84.18	-62.13	-75.59	-87.09
\$ volume <sup>2</sup>	243.72	-88.77	-65.95	-80.47	-88.98
NDF 3M	9.6500	-0.03	+5.53	+12.73	+13.73
NDF 6M	10.1500	+0.10	+5.25	+15.80	+15.60
NDF 1Y	10.9000	+4.18	+7.36	+17.39	+15.71
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	65.793	-0.82	-4.20	-3.86	-3.99
UAH real CPI	95.795	-0.82	-4.20	-3.86	-3.99
UAH real PPI	127.686	-0.82	-4.20	-3.86	-3.99
USD nom'l	80.136	+0.00	-0.63	-1.34	+0.13
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	35.2477	+0.23	+1.41	+5.04	+7.23
EUR/USD	1.3707	+0.10	+0.45	+1.23	-0.26
USD/CNY	6.0640	-0.04	+0.06	+0.23	+0.16
USD/PLN	3.0237	-0.08	-1.28	-1.68	+0.02
USD/TRY	2.1768	-0.30	-1.74	-2.53	+1.33
USD/BYR	9,730.00	+0.21	+0.46	+1.48	+1.99
USD/KZT	184.5300	-0.01	+18.57	+18.92	+19.61
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	101.9200	+0.12	-0.33	-2.30	-3.22
GBP/USD	1.6714	-0.20	+1.90	+1.77	+0.95
USD/CHF	0.8915	-0.11	-0.59	-2.04	-0.16
AUD/USD	0.9032	-0.02	+0.93	+2.86	+1.29
USD/CAD	1.0965	-0.12	-0.81	+0.01	+3.22
USD/BRL	2.3895	+0.03	-0.85	+2.01	+1.16
USD/KRW	1,060.62	-0.26	-0.99	+0.09	+1.03
<b>COMMODITIES</b>					
Gold(\$/oz)	1,328.79	+0.77	+4.24	+5.96	+10.21
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>	N/A	N/A	N/A	N/A	N/A

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>).

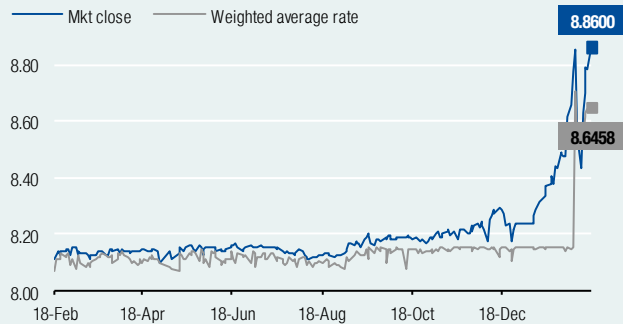
Section on FX market is continued on next page.

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.

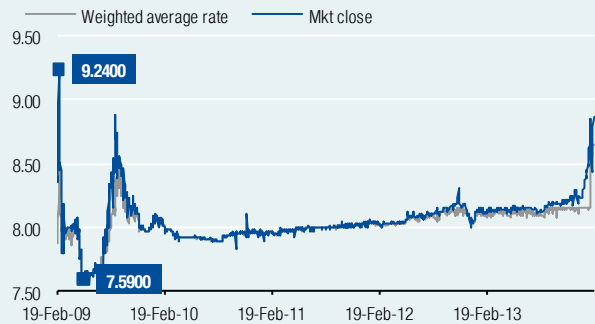
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

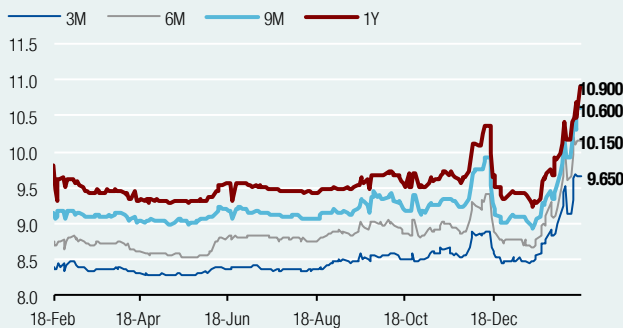


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

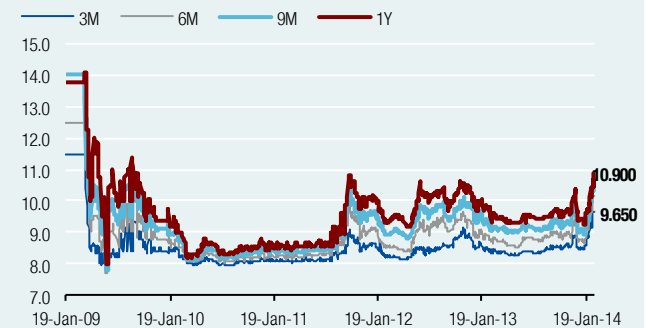


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

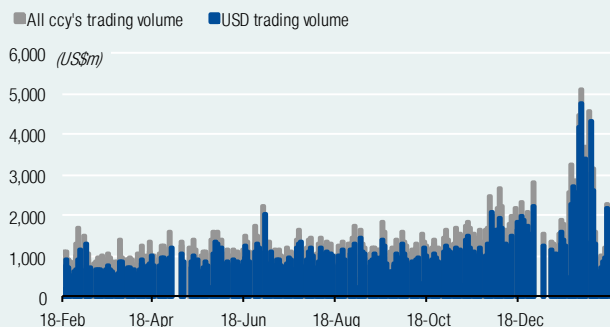


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.



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)

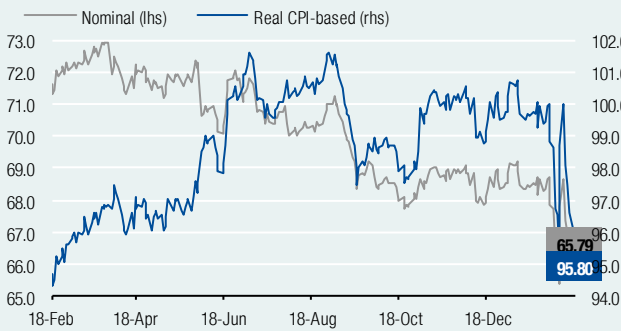


Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

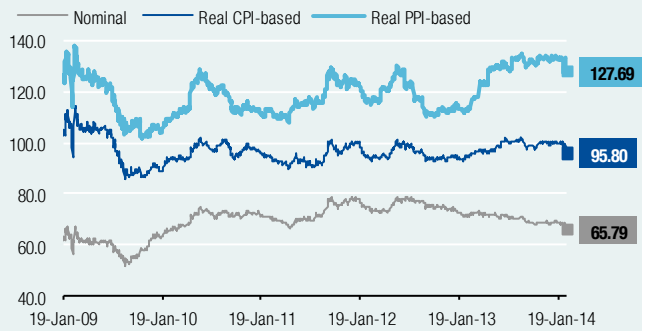
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

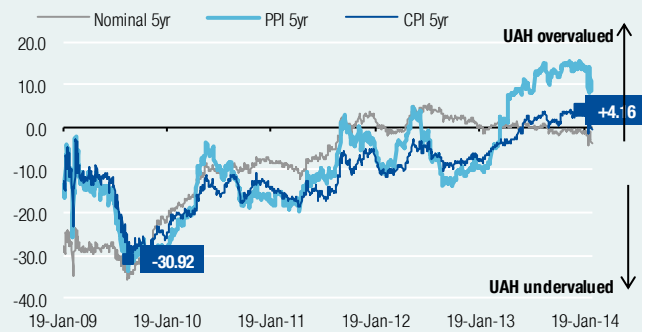


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

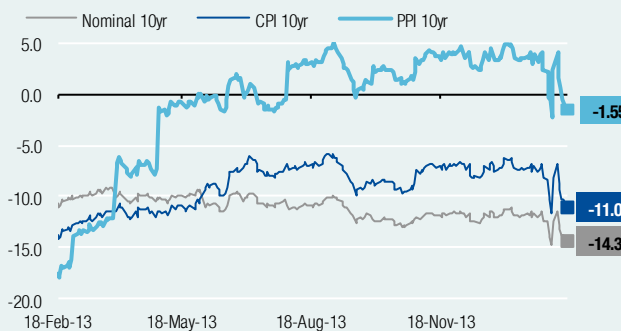


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

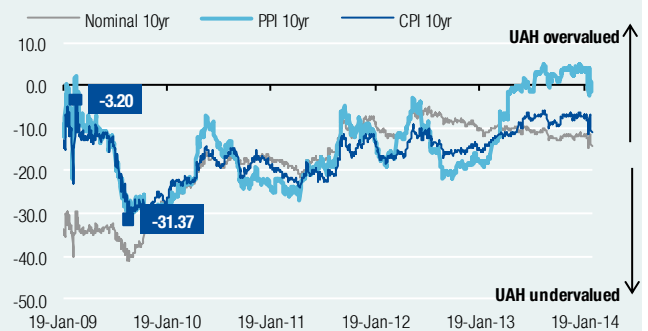


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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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