


**INVESTMENT CAPITAL UKRAINE**  
 INVESTMENT BANKING

# Daily Insight

## YTMs decline, Ukraine political crisis: Closing in on a resolution

MONDAY, 24 FEBRUARY, 2014

RESEARCH INSIGHT

### Contents

<b>Economics: News &amp; Comments</b>	<b>2</b>
Ukraine political crisis: Closing in on a resolution .....	2
<b>Bonds: News &amp; Comments</b>	<b>5</b>
YTMs decline.....	5
Chart page: Local bond market & Eurobond markets.....	6
<b>FX: News &amp; Comments</b>	<b>7</b>
Chart page #1: Foreign-exchange market.....	8
Chart page #2: ICU's UAH trade-weighted indices.....	9

### UX Index (3 months to 24 Feb 2014)



### Key market indicators (as of 21 Feb 2014)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	8.9500	+0.00	+8.62
USD/UAH (1Y NDF)	11.0500	-0.45	+17.30
EUR/USD	1.3746	+0.20	+0.02
USD/RUB	35.5325	-0.69	+8.10
KievPRIME O/N (%)	21.00	+533bp	+1,320bp
KievPRIME 1M (%)	23.00	+100bp	+675bp

### BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	+74bp	+0bp
Ukraine 17, Eurobond (%)	14.18	+88bp	+463bp
Ukraine 22, Eurobond (%)	10.89	+14bp	+154bp
Ukraine 23, Eurobond (%)	10.42	+23bp	+137bp
Ukraine 5Y CDS	1,134bp	-160bp	+318bp

### EQUITIES

#### Stock market indices

UX (Ukraine)	902.54	-0.30	-0.82
MSCI World	406.40	+0.30	-0.53
MSCI EM	959.26	+0.91	-4.33
RTS (Russia)	1,315.54	+0.95	-8.82
WIG-20 (Poland)	2,487.72	+1.01	+3.61
S&P 500 (USA)	1,836.25	-0.19	-0.66

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

KER PW	6.61	33.1% of total <sup>1</sup>
MHPC LI	4.86	24.4%
FXPO LN	3.16	15.8%

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

MHPC LI	USD 14.50	+9.85	-14.96
IMC PW	PLN 9.40	+9.56	-22.63
AST PW	PLN 56.40	+8.46	-15.70

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

FORM UK	UAH 0.59	-12.00	-21.84
SGR PW	PLN 0.64	-1.54	+20.75
JKX LN	GBP 65.00	-1.14	-9.09

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

## Ukraine political crisis: Closing in on a resolution

This past week saw an avalanche of developments. After the Maidan protesters and riot police clashed on Tuesday over the MPs failed attempt to reduce the president's powers, Yanukovich fled from his posh residence in the Kiev suburbs on Friday to an undisclosed location (likely in the Donetsk oblast) to avoid being physically harmed. As of now, Ukraine has an acting president, namely Oleksandr Turchinov, a right hand adviser of recently freed from jail Julia Tymoshenko, as a working majority of the opposition appear to have control. Presidential elections have been called to be held on May 24. The Party of Regions has lost much support in the parliament as many MPs have changed affiliation. While Yanukovich has been hiding, his party has essentially turned its back on him, blaming him for all wrongdoings. The newly released Tymoshenko delivered a speech on Saturday at Maidan which aroused little cheer. People were mourning the dead and generally did not like the idea that all three months were only about Tymoshenko. On Sunday, Tymoshenko asked the political activists to exclude her from the short list to run for prime minister. Other names included Arseniy Yatsenyuk and Petro Poroshenko, and the list is not yet complete. The new government is likely to be ready this week. A very important development occurred on Sunday. Turchinov made a statement in the capacity of acting president, stating that a European integration is Ukraine's key choice for development going forward. As a result, some progress in talks with the IMF should unfold over the next few weeks.

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Table 1. Ukrainian stocks (closing prices as of 21-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	11.50 GBP	+7.0	-5.2	+10.8	-11.5	0.19	44.2	-18.8	40.2	17.8	17.2	12.4	0.03	2,938	Neg.	Neg.	Neg.	2.9	2.9	5.9	Neg.	Neg.	Neg.	0.2	0.0	
Centrenerg	CEEN UK	Kiev, UX	4.60 UAH	+3.4	+6.0	-3.5	-23.7	0.51	189.9	260.8	21.7	41.2	13.5	45.1	0.10	1,025	7.3	6.6	3.2	0.5	3.9	2.7	0.3	0.3	0.3	0.7	12.2	
Coal Energy	CLE PW	Warsaw	1.30 PLN	+4.8	+26.2	+23.8	-89.0	0.43	19.4	77.2	25.0	4.8	620.2	186.8	5.40	19	Neg.	Neg.	N/A	1.3	10.6	N/A	0.6	0.9	N/A	0.2	7.7	
Donbasenergo	DOEN UK	Kiev, UX	34.47 UAH	+4.2	+17.2	+24.9	+48.3	3.85	91.1	144.2	14.2	13.0	42.2	33.7	0.14	728	26.3	3.4	1.3	0.6	2.6	1.1	0.3	0.3	0.2	1.2	17.8	
JKX Oil & Gas	JKX LN	London	65.00 GBP	-1.1	-5.8	-9.1	+4.8	1.08	185.8	182.8	47.2	87.7	164.4	64.7	0.09	1,063	Neg.	5.7	5.2	1.3	1.8	2.0	0.9	0.9	0.9	0.4	2.5	
Regal Petroleum	RPT LN	London	11.00 GBP	-1.1	-20.7	-15.4	-63.9	0.18	58.7	31.9	80.9	47.5	0.2	7.0	0.02	6,395	5.0	11.7	N/A	1.4	1.9	N/A	0.8	N/A	N/A	0.2	0.0	
Sadova Group	SGR PW	Warsaw	0.64 PLN	-1.5	+4.9	+20.8	-66.1	0.21	9.1	48.9	25.0	2.3	50.3	45.8	1.53	65	Neg.	N/A	N/A	7.3	N/A	N/A	1.2	N/A	N/A	0.2	42.4	
Zakhidenergo	ZAEN UK	Kiev, PFTS	118.50 UAH	+2.2	+47.8	+31.1	+22.5	13.24	169.3	202.4	5.0	8.5	6.6	10.7	0.10	1,020	2.6	N/A	N/A	1.3	N/A	N/A	0.2	N/A	N/A	2.9	9.7	
<b>METALLURGY</b>																												
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	+4.8	+0.9	-9.3	-32.3	0.00	101.4	1,669.9	3.9	3.9	8.2	9.8	0.17	600	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	2.90 UAH	+3.9	+11.1	-2.0	-12.9	0.32	63.2	59.2	4.0	2.5	13.2	9.1	0.10	994	Neg.	Neg.	2.7	Neg.	1.5	0.9	0.1	0.1	0.1	0.1	0.0	
Azovstal	AZST UK	Kiev, UX	0.62 UAH	+1.2	+4.9	-8.2	-11.1	0.07	288.9	279.5	4.1	11.8	12.1	12.2	0.04	2,617	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0	
Ferrexpo PLC	FXPO LN	London	165.10 GBP	+3.2	+2.0	-13.6	-29.9	2.75	1,618.0	2,205.2	22.4	362.4	3,161.5	2,793.2	1.02	98	7.5	6.3	7.0	5.6	4.6	4.9	1.5	1.4	1.4	1.0	37.0	
Yasynivsky Cok...	YASK UK	Kiev, UX	0.57 UAH	+8.4	+9.6	+7.5	-18.9	0.06	17.4	19.0	9.0	1.6	0.4	1.8	0.04	2,560	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	31.58 UAH	+1.9	+3.5	-1.3	-13.1	3.53	37.2	31.4	9.4	3.5	10.3	8.0	0.21	467	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	1.22 EUR	+3.4	-2.4	-1.6	-27.4	1.68	154.8	182.1	34.0	52.6	81.2	41.1	0.05	1,898	Neg.	N/A	N/A	Neg.	N/A	N/A	2.8	N/A	N/A	1.3	35.9	
Agroliga	AGL PW	Warsaw	26.48 PLN	+7.2	+20.3	+2.1	+43.9	8.76	13.5	14.4	16.7	2.2	14.8	14.2	0.72	139	3.1	N/A	N/A	4.2	N/A	N/A	0.7	N/A	N/A	1.1	5.7	
Agroton	AGT PW	Warsaw	4.30 PLN	+0.0	+91.1	+120.5	-57.4	1.42	30.8	78.2	26.2	8.1	894.9	399.1	6.46	15	4.6	6.4	4.2	5.5	8.4	5.0	0.9	1.2	1.0	0.2	28.0	
Astarta Holdin...	AST PW	Warsaw	56.40 PLN	+8.5	-14.2	-15.7	-13.8	18.66	466.6	796.3	31.0	144.7	191.2	178.1	0.17	580	7.5	7.7	3.8	9.0	7.7	4.4	1.6	1.6	1.3	0.8	38.9	
Avangard	AVGR LI	London Intl	10.45 USD	+5.2	-9.1	-11.1	+1.0	10.45	667.5	833.8	21.7	144.8	2,512.1	263.1	0.13	798	3.0	2.9	3.1	3.0	2.8	2.9	1.3	1.2	1.2	0.6	22.3	
IMC	IMC PW	Warsaw	9.40 PLN	+9.6	-16.1	-22.6	-42.0	3.11	97.4	213.6	23.9	23.2	303.4	63.6	0.68	146	5.2	5.2	4.0	5.9	5.1	4.3	2.8	1.5	1.1	0.8	33.0	
Kernel Holding...	KER PW	Warsaw	35.70 PLN	+6.3	-10.8	-6.2	-47.4	11.81	941.3	1,661.4	58.8	553.2	6,611.3	1,953.9	0.38	260	8.5	7.8	5.1	5.7	5.6	4.6	0.6	0.7	0.6	0.7	30.6	
KSG Agro	KSG PW	Warsaw	7.91 PLN	+2.7	-16.6	-27.1	-31.3	2.62	39.3	161.1	34.4	13.5	26.7	17.3	0.14	726	4.8	3.2	3.3	38.2	5.5	4.4	4.3	2.3	1.5	0.4	29.2	
MHP	MHPC LI	London Intl	14.50 USD	+9.8	-16.6	-15.0	-21.1	14.50	1,532.2	2,733.2	22.3	342.0	4,861.6	1,053.1	0.58	173	5.2	7.4	5.4	5.8	6.5	5.3	1.9	1.8	1.6	1.3	45.8	
Milkiland	MLK PW	Warsaw	9.99 PLN	+0.0	+1.6	-20.1	-33.6	3.31	103.3	238.4	20.0	20.7	58.9	10.0	0.05	2,022	5.9	5.8	5.7	6.7	5.8	4.7	0.6	0.5	0.5	0.4	29.9	
Mriya Agrohold...	MAYA GF	Frankfurt	5.16 EUR	+0.0	-0.3	-4.5	+11.3	7.09	753.0	1,484.8	20.0	150.6	0.0	1.5	0.00	259,143	4.3	4.7	5.0	6.4	5.6	6.0	4.3	4.0	3.5	0.8	34.8	
Ovostar Union	OVO PW	Warsaw	68.10 PLN	+4.8	-18.7	-31.9	-27.6	22.53	135.2	147.2	25.0	33.8	170.4	41.0	0.08	1,214	5.8	5.2	3.6	5.3	5.3	3.3	2.1	1.8	1.3	1.3	3.7	
<b>TRANSPORTATION</b>																												
KDM Shipping	KDM PW	Warsaw	29.65 PLN	+3.7	-4.0	-5.5	+5.4	9.81	91.2	75.2	10.9	9.9	5.8	1.7	0.02	6,627	7.3	N/A	N/A	5.0	N/A	N/A	2.6	N/A	N/A	1.6	8.3	
<b>CONSTRUCTION</b>																												
TMM	TR61 GF	Xetra	0.27 EUR	+0.0	-14.5	-14.5	-59.6	0.37	19.3	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>																												
Forum Bank	FORM UK	Kiev, UX	0.59 UAH	-12.0	-15.1	-21.8	-1.0	0.07	39.4	N/A	5.5	2.2	0.4	2.0	0.03	3,775	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.3	18.6
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.11 UAH	+7.2	+8.3	+0.1	-6.3	0.01	380.5	N/A	3.8	14.5	91.1	37.9	0.24	416	10.7	6.1	3.3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.5	28.3

Table 1. Ukrainian stocks (closing prices as of 21-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 (%)		
Ukrsotsbank	USCB UK	Kiev, UX	0.17 UAH	+6.1	-8.0	-11.1	+22.3	0.02	337.7	N/A	4.5	15.1	4.8	8.0	0.03	3,469	998.4	184.3	N/A	N/A	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

## YTM's decline

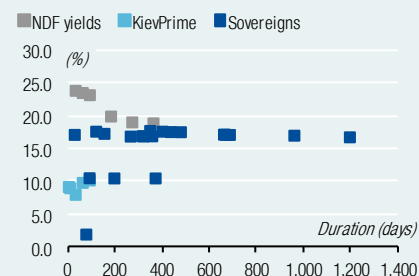
After the Ukrainian Parliament made concrete headway to resolving the political crisis on Friday, S&P downgraded Ukraine from CCC+ to CCC with a negative outlook on the worsening political situation and higher risk of default on government debt. Although this decision was published last Friday, it appears to have been prepared at least a day before.

The market reacted on the latest news from Ukraine, leaving the S&P opinion moot. At the close, YTM's of Ukrainian Eurobond significantly declined as follows: UKRAIN 6.875% '15 declined 219bp to 16.07%, UKRAIN 9.25% '17 slid declined 165bp to 13.38%, while UKRAIN 7.95% '21 slid 91bp to 10.68%, UKRAIN 7.80% '22 slid 87bp to 10.47% and UKRAIN 7.50% '23 slid 82bp to 10.00%.

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### Yield curve of the local bond market

(as of market close on 21 Feb 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

### Bond market indicators (as of 21 Feb 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
0/n	21.00	+533bp	+930bp	+19bp	+13bp
1wk	23.00	+500bp	+522bp	+20bp	+13bp
1m	23.00	+100bp	+160bp	+16bp	+675bp
2m	18.30	+63bp	+10bp	+755bp	+190bp
3m	18.00	+67bp	+20bp	+625bp	+200bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	N/A	N/A	N/A	N/A	N/A
CDs <sup>2</sup>	N/A	N/A	N/A	N/A	N/A
Sovgns <sup>3</sup>	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	N/A	N/A	N/A	N/A	N/A
Banks	N/A	N/A	N/A	N/A	N/A
Resid's <sup>4</sup>	N/A	N/A	N/A	N/A	N/A
Non-res <sup>5</sup>	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	49.52	+112bp	+967bp	+34bp	+37bp
6m	33.89	+56bp	+268bp	+20bp	+20bp
9m	25.79	-410bp	-299bp	+12bp	+12bp
1yr	24.15	-56bp	+440bp	+939bp	+916bp
<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	1,134	-160bp	-64bp	+389bp	+318bp
Jun '16	13.74	+101bp	+33bp	+660bp	+485bp
Jul '17	14.18	+88bp	+116bp	+622bp	+463bp
Sep '20	10.97	+21bp	+7bp	+226bp	+178bp
Sep '21	11.09	+29bp	+33bp	+232bp	+187bp
Sep '22	10.89	+14bp	+12bp	+202bp	+154bp
Feb '23	10.42	+23bp	+17bp	+188bp	+137bp

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

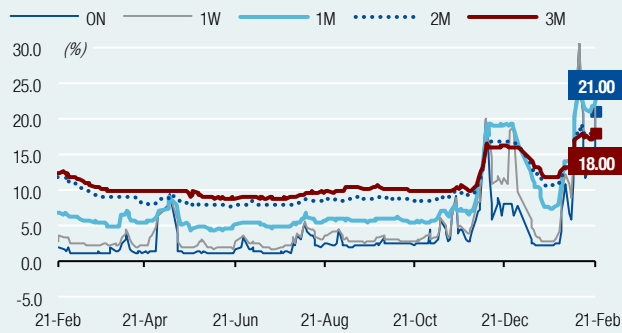


Chart 2. UAH NDF implied yields (%), last 12-month period



Chart 3. UAH sovereign yield curve (%) as of 21 Feb 2014

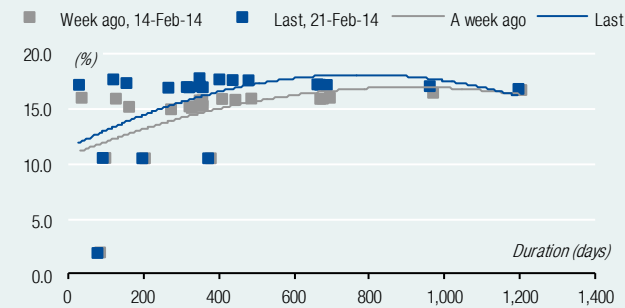


Chart 4. USD sovereign yield curve (%) as of 21 Feb 2014

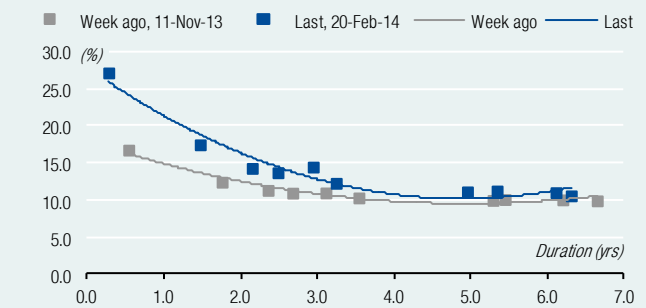


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

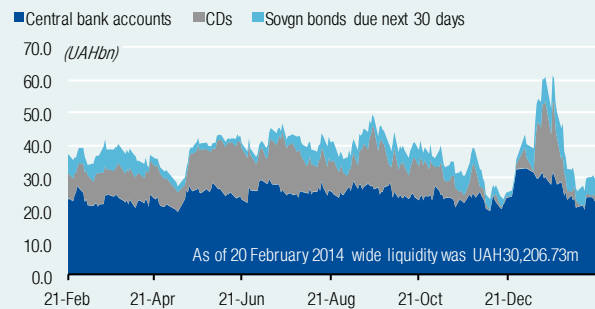


Chart 6. Breakdown of liquidity pool (%) as of 21 Feb 2014

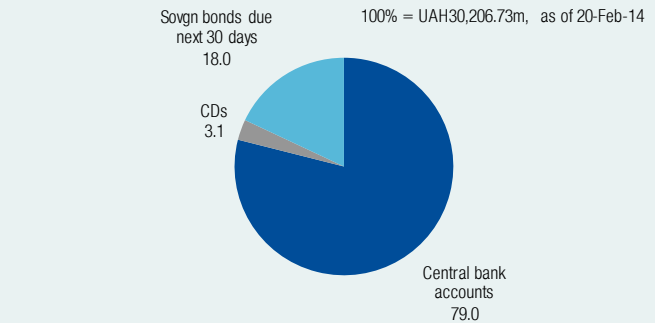


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

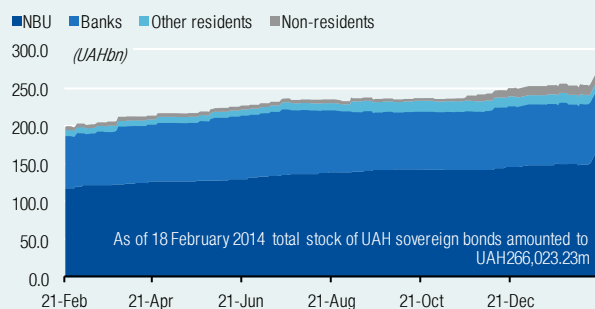
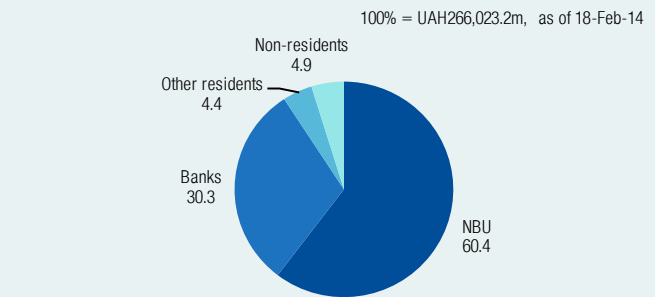


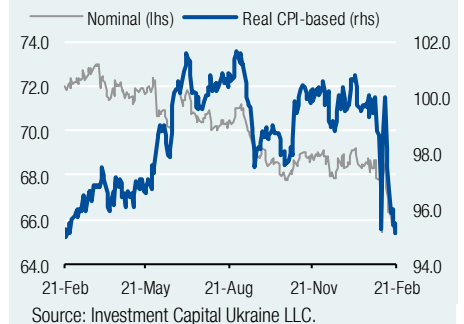
Chart 8. Domestic sovereign debt (%) as of 21 Feb 2014



# FX: News & Comments

## ICU's UAH trade-weighted indices

(Last 12-month history to 24 Feb 2014)



## FX market indicators (as of 21 Feb 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	8.9500	+0.00	+1.88	+6.48	+8.62
NBU avg	8.9380	+1.13	+3.44	+9.67	+9.66
Ttl vlm <sup>1</sup>	742.36	-28.56	-67.53	-71.01	-73.51
\$ volume <sup>2</sup>	648.25	-23.05	-70.14	-71.20	-70.68
NDF 3M	10.0500	+0.25	+4.11	+15.22	+18.44
NDF 6M	10.4500	+0.24	+3.06	+16.52	+19.02
NDF 1Y	11.0500	-0.45	+5.62	+15.21	+17.30
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	65.333	-0.38	-1.51	-4.56	-4.66
UAH real CPI	95.126	-0.38	-1.51	-4.56	-4.66
UAH real PPI	126.793	-0.38	-1.51	-4.56	-4.66
USD nom'l	80.237	-0.06	+0.13	-1.06	+0.25
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	35.5325	-0.69	+1.04	+4.69	+8.10
EUR/USD	1.3746	+0.20	+0.39	+1.36	+0.02
USD/CNY	6.0912	+0.11	+0.41	+0.68	+0.61
USD/PLN	3.0216	-0.55	-0.15	-1.61	-0.05
USD/TRY	2.1773	-1.06	-0.28	-3.29	+1.35
USD/BYR	9,780.00	+0.41	+0.72	+1.79	+2.52
USD/KZT	184.4200	-0.89	-0.07	+18.77	+19.54
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	102.5100	+0.22	+0.70	-1.72	-2.66
GBP/USD	1.6616	-0.21	-0.78	+0.84	+0.36
USD/CHF	0.8877	-0.20	-0.54	-2.46	-0.58
AUD/USD	0.8977	-0.33	-0.63	+1.94	+0.67
USD/CAD	1.1108	+0.08	+1.18	+1.29	+4.57
USD/BRL	2.3457	-1.04	-1.81	-0.63	-0.69
USD/KRW	1,072.09	-0.02	+0.82	+0.64	+2.12
<b>COMMODITIES</b>					
Gold(\$/oz)	1,324.28	+0.10	+0.42	+6.68	+9.84
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>	301.58	+0.11	+2.84	+8.33	+7.64

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>).

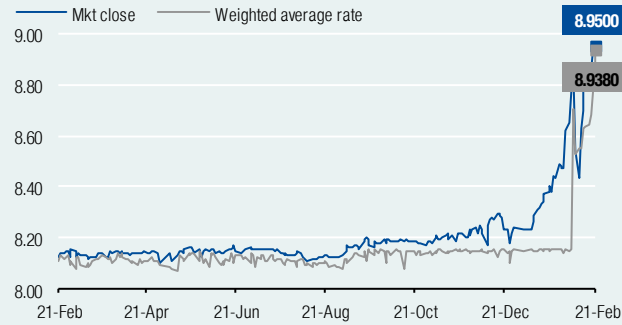
Section on FX market is continued on next page.

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.

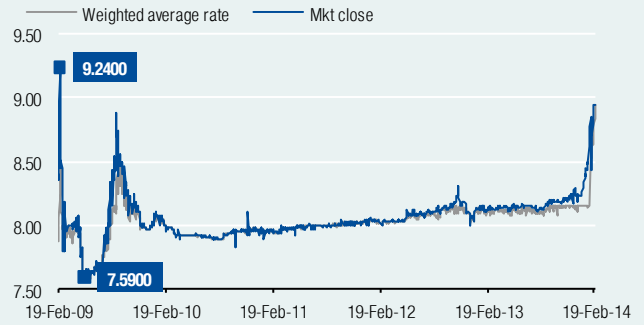
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

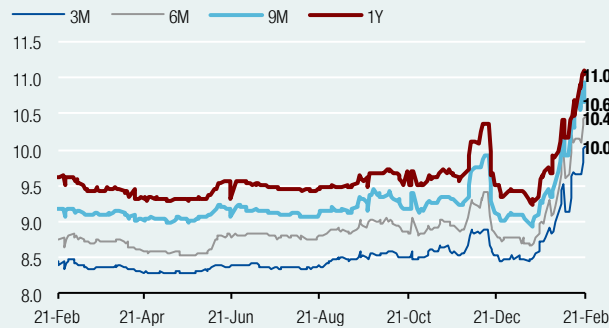


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)

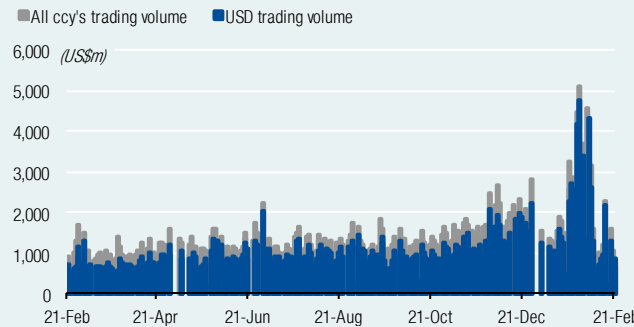


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.



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)



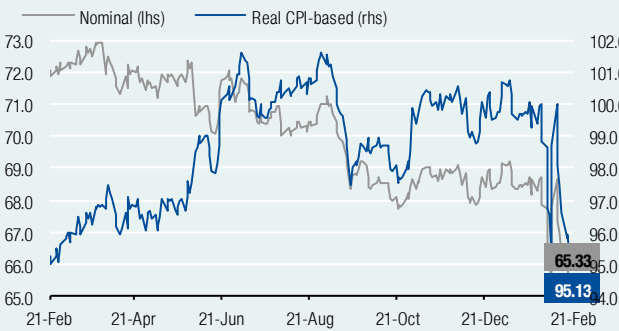
Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

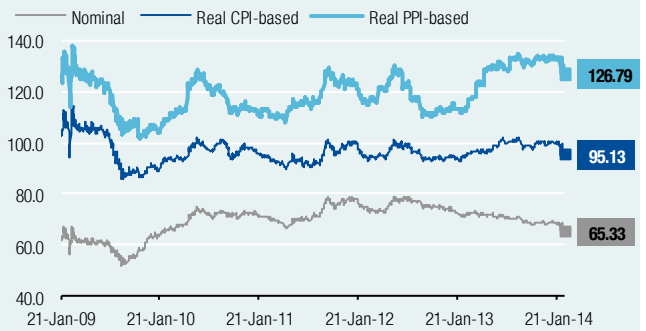
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

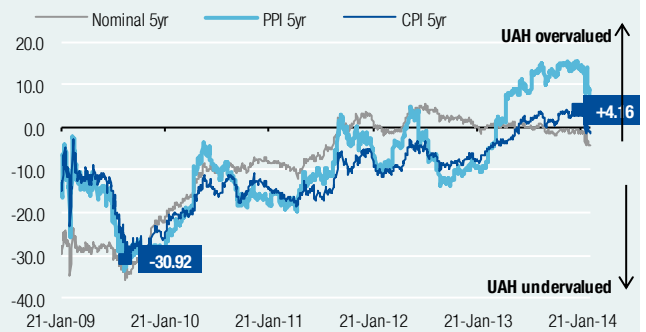


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

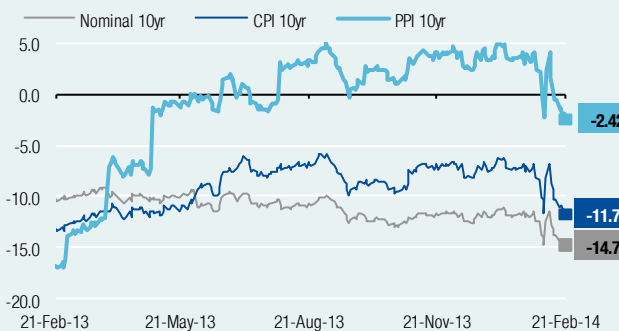


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

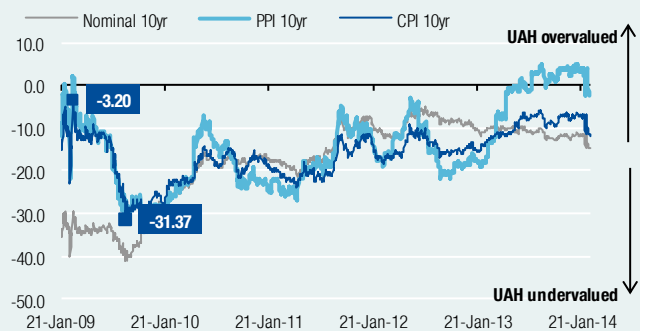


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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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