


INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

Liquidity down; Eurobonds rally; Maidan update, backed by Pinchuk; UAH declines to USD 9.35

TUESDAY, 25 FEBRUARY, 2014

RESEARCH INSIGHT

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UX Index (3 months to 25 Feb 2014)



Key market indicators (as of 24 Feb 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	9.1750	+2.51	+11.35
USD/UAH (1Y NDF)	11.1500	+0.90	+18.37
EUR/USD	1.3735	-0.08	-0.06
USD/RUB	35.4719	-0.17	+7.92
KievPRIME O/N (%)	12.75	-825bp	+495bp
KievPRIME 1M (%)	23.00	+0bp	+675bp

BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	+74bp	+0bp
Ukraine 17, Eurobond (%)	11.11	-227bp	+156bp
Ukraine 22, Eurobond (%)	9.43	-103bp	+9bp
Ukraine 23, Eurobond (%)	9.06	-93bp	+2bp
Ukraine 5Y CDS	945bp	-189bp	+128bp

EQUITIES

Stock market indices

UX (Ukraine)	1,075.97	+19.22	+18.23
MSCI World	408.22	+0.45	-0.08
MSCI EM	958.42	-0.09	-4.42
RTS (Russia)	1,318.98	+0.26	-8.58
WIG-20 (Poland)	2,526.90	+1.57	+5.24
S&P 500 (USA)	1,847.61	+0.62	-0.04

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

FXPO LN	10.38	40.4% of total ¹
KER PW	5.36	20.8%
MHPC LI	2.93	11.4%

GAINERS: Top 3 stocks (in listed currency)

SGR PW	PLN 0.91	+42.19	+71.70
CLE PW	PLN 1.84	+41.54	+75.24
ENMZ UK	UAH 40.99	+29.80	+28.05

LOSERS: Top 3 stocks (in listed currency)

AGL PW	PLN 24.00	-9.37	-7.44
KDM PW	PLN 29.20	-1.52	-6.98
JKX LN	GBp 64.25	-1.15	-10.14

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

What we think of the new NBU chairman

The Verhovna Rada (VR), Ukraine's parliament, has just accepted the resignation of NBU chairman Ihor Sorkin, someone perceived as being close to ousted president Yanukovich. Stepan Kubiv, a 51-year old MP from Tymoshenko's faction, was installed in his place as the new head of the central bank.

A prominent member of the opposition, MP Kubiv has been at Maidan alongside ordinary protesters and ran the Unions House, which was burned down in recent clashes with riot police. Mr Kubiv has a degree in mathematics from Lviv National University (1984) and a degree in Economics and Management from Lviv Politechnic University (2002). He has held different positions during 1994-2008 at the commercial bank of the city of Lviv, where he rose to the position of chairman. He has been an MP since 2012, under the umbrella of the Arseniy Yatsenyuk-led political force Front Zmin (Front of Change).

Before December 2013, when the current political crisis started, Mr Kubiv was not active politically nor was he a critic of monetary policy under the previous head of the NBU (the central bank). Last Saturday, he made a speech at the VR calling on protesters not to take over the NBU because, he said somewhat vaguely, Ukraine's public has more than UAH600bn on deposit (in fact, this was a reference to total deposits held by both businesses and retail clients).

In our view, Kubiv's abrupt appearance on the scene indicates that his prime task will be to hold the banking system together, ie prevent bank runs. Hence, we do not expect any major overhaul of monetary policy from Mr. Kubiv greater than that of his predecessor. Sorkin was not seen as independent, but rather dependent on the Yanukovich government. We expect the same from Mr Kubiv, who is seen as rather dependent on Turchinov and Yatsenyuk.

At the same time, the good thing about this news is that the newly-installed NBU chairman stated that he would invite an IMF mission to Kiev for preliminary talks. Earlier yesterday, Mr Yatsenyuk reportedly had a phone talk with US Treasury head Jacob Lew and likely the IMF financial assistance was a topic of the talks.

Alexander Valchysen, Kiev, +38044 2200120 ext.242

Maidan goes mainstream: Wealthy businessman Pinchuk is a backer

Viktor Pinchuk, one of the wealthiest businessmen of Ukraine, published in today's *Financial Times* an op-ed article titled "Ukrainian society must follow Maidan" ([here](#)). This is a very rare gesture by a Ukrainian of his reputation and prominence. In the article, he generally portrays Maidan as the way forward for the nation. His reference that . . . "Civilian society turned out to be far ahead of us [the politicians]" . . . is an observation that we share. In brief, the article is a kind of a show piece to the outside world that the wealthy in Ukraine have been siding with the changes brought about by Maidan and its current achievement of removing the most cynical, self-interested and corrupt leader the nation has had since gaining independence in early 1990s. Another wealthy Ukrainian businessman, Rinat Akhmetov reportedly is in his stronghold in Donetsk oblast. This news is to allay separatist speculations, a measure of last resort used by the Party of Regions' backers once political rivalry reaches a peak point. In our view, this represents a sign that gradually the political rivalry will settle back into a normal competition, as the election campaign for the presidency is declared open and candidates begin to register.

Alexander Valchysen, Kiev, +38044 2200120 ext.242

Table 1. Ukrainian stocks (closing prices as of 24-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	-5.2	+10.8	-13.2	0.19	44.3	-18.8	40.2	17.8	57.6	13.3	0.05	2,123	Neg.	Neg.	Neg.	2.9	2.9	5.9	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	5.22 UAH	+13.4	+20.2	+9.4	-13.4	0.57	210.0	279.2	21.7	45.6	177.0	47.4	0.10	980	8.3	7.5	3.6	0.5	4.2	3.0	0.3	0.4	0.3	0.8	12.2
Coal Energy	CLE PW	Warsaw	1.84 PLN	+41.5	+78.6	+75.2	-83.6	0.61	27.4	85.2	25.0	6.8	1,493.5	292.7	4.65	22	Neg.	Neg.	N/A	1.4	11.7	N/A	0.7	1.0	N/A	0.2	7.7
Donbasenergo	DOEN UK	Kiev, UX	40.05 UAH	+16.2	+36.2	+45.2	+70.8	4.37	103.2	155.0	14.2	14.7	122.8	38.3	0.15	672	30.6	3.9	1.5	0.6	2.9	1.3	0.3	0.3	0.2	1.4	17.8
JKX Oil & Gas	JKX LN	London	64.25 GBP	-1.2	-6.9	-10.1	+2.0	1.07	183.8	180.9	47.2	86.8	36.5	62.8	0.08	1,190	Neg.	5.7	5.1	1.3	1.8	2.0	0.9	0.9	0.9	0.4	2.5
Regal Petroleum	RPT LN	London	12.50 GBP	+13.6	-9.9	-3.8	-59.0	0.21	66.8	40.0	80.9	54.0	129.2	10.0	0.02	4,167	5.7	13.4	N/A	1.8	2.4	N/A	1.0	N/A	N/A	0.2	0.0
Sadova Group	SGR PW	Warsaw	0.91 PLN	+42.2	+49.2	+71.7	-52.4	0.30	13.0	52.7	25.0	3.2	638.9	76.6	1.93	52	Neg.	N/A	N/A	7.9	N/A	N/A	1.3	N/A	N/A	0.3	42.4
Zakhidenergo	ZAEN UK	Kiev, PFTS	130.00 UAH	+9.7	+62.1	+43.8	+34.4	14.17	181.2	213.5	5.0	9.1	16.7	10.6	0.09	1,083	2.9	N/A	N/A	1.4	N/A	N/A	0.2	N/A	N/A	3.2	9.7
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	+12.5	+13.5	+2.0	-24.6	0.00	111.2	1,641.3	3.9	4.3	59.9	11.5	0.21	480	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	3.34 UAH	+15.2	+28.0	+12.8	-0.6	0.36	71.0	67.1	4.0	2.8	28.1	10.8	0.12	801	Neg.	Neg.	3.1	Neg.	1.7	1.0	0.1	0.1	0.1	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.76 UAH	+23.6	+29.7	+13.4	+8.0	0.08	348.2	339.1	4.1	14.3	46.8	15.5	0.04	2,258	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	171.00 GBP	+3.6	+5.7	-10.5	-28.7	2.85	1,677.2	2,264.6	22.4	375.7	10,382.7	3,033.8	1.07	93	7.8	6.6	7.3	5.7	4.7	5.0	1.6	1.4	1.4	1.1	37.0
Yasynivsky Cok...	YASK UK	Kiev, UX	0.67 UAH	+16.7	+27.9	+25.5	-5.3	0.07	19.8	21.4	9.0	1.8	6.6	2.2	0.05	2,063	2.7	1.8	1.3	0.1	0.8	0.7	0.1	0.1	0.1	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	40.99 UAH	+29.8	+34.4	+28.1	+11.7	4.47	47.1	41.5	9.4	4.4	187.5	13.1	0.32	316	6.2	Neg.	2.7	Neg.	Neg.	N/A	0.0	0.0	0.0	1.0	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	1.25 EUR	+2.5	+0.0	+0.8	-25.6	1.72	158.6	185.8	34.0	53.9	132.1	40.6	0.04	2,296	Neg.	N/A	N/A	Neg.	N/A	N/A	2.9	N/A	N/A	1.3	35.9
Agroliga	AGL PW	Warsaw	24.00 PLN	-9.4	+9.0	-7.4	+31.1	7.93	12.2	13.1	16.7	2.0	24.6	13.1	0.85	118	2.8	N/A	N/A	3.8	N/A	N/A	0.6	N/A	N/A	1.0	5.7
Agroton	AGT PW	Warsaw	4.51 PLN	+4.9	+100.4	+131.3	-55.3	1.49	32.3	79.6	26.2	8.5	1,122.6	442.6	6.78	15	4.8	6.7	4.4	5.6	8.5	5.1	0.9	1.2	1.0	0.3	28.0
Astarta Holdin...	AST PW	Warsaw	58.60 PLN	+3.9	-10.9	-12.4	-13.2	19.36	483.9	813.7	31.0	150.1	1,080.2	205.4	0.18	558	7.8	8.0	3.9	9.2	7.9	4.5	1.7	1.7	1.3	0.9	38.9
Avangard	AVGR LI	London Intl	11.00 USD	+5.3	-4.3	-6.4	+6.8	11.00	702.6	868.9	21.7	152.5	263.7	270.4	0.13	785	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	10.49 PLN	+11.6	-6.3	-13.7	-36.0	3.47	108.5	224.7	23.9	25.9	752.4	84.4	0.74	135	5.8	5.8	4.5	6.2	5.4	4.5	3.0	1.6	1.1	0.9	33.0
Kernel Holding...	KER PW	Warsaw	38.00 PLN	+6.4	-5.0	-0.2	-42.6	12.55	1,000.2	1,720.5	58.8	587.8	5,358.3	2,150.0	0.38	260	9.0	8.3	5.4	5.9	5.8	4.8	0.6	0.7	0.6	0.8	30.6
KSG Agro	KSG PW	Warsaw	7.98 PLN	+0.9	-15.8	-26.5	-29.2	2.64	39.6	161.4	34.4	13.6	142.5	19.6	0.18	542	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	15.40 USD	+6.2	-11.4	-9.7	-15.4	15.40	1,627.3	2,828.3	22.3	363.2	2,927.8	1,148.7	0.56	179	5.5	7.9	5.7	6.0	6.7	5.5	2.0	1.9	1.7	1.4	45.8
Milkiland	MLK PW	Warsaw	10.20 PLN	+2.1	+3.8	-18.4	-32.0	3.37	105.3	240.4	20.0	21.1	180.7	13.2	0.09	1,124	6.0	5.9	5.8	6.7	5.9	4.8	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	7.08	752.7	1,484.6	20.0	150.5	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	74.05 PLN	+8.7	-11.6	-26.0	-21.2	24.46	146.8	158.8	25.0	36.7	144.2	47.7	0.09	1,054	6.3	5.7	3.9	5.7	5.7	3.6	2.2	1.9	1.5	1.4	3.7
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	29.20 PLN	-1.5	-5.5	-7.0	+3.7	9.65	89.7	73.7	10.9	9.8	1.4	1.6	0.02	6,230	7.2	N/A	N/A	4.9	N/A	N/A	2.5	N/A	N/A	1.6	8.3
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.27 EUR	+0.0	-14.5	-14.5	-43.1	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
FINANCIAL SERVICES																											
Forum Bank	FORM UK	Kiev, UX	0.69 UAH	+15.8	-1.7	-9.5	+9.2	0.07	44.5	N/A	5.5	2.4	1.5	2.3	0.03	3,872	Neg.	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	0.14 UAH	+21.0	+31.0	+21.1	+11.6	0.01	448.9	N/A	3.8	17.1	192.0	47.1	0.25	405	12.9	7.4	3.9	N/A	N/A	N/A	N/A	N/A	N/A	0.6	28.3

Table 1. Ukrainian stocks (closing prices as of 24-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	0.19 UAH	+11.8	+2.9	-0.7	+33.1	0.02	368.1	N/A	4.5	16.5	18.9	8.9	0.03	3,254	1,115.9	206.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.4	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 declines

Broader banking sector liquidity declined UAH0.92bn to UAH28.48bn yesterday as banks' correspondent accounts with the NBU declined UAH1.33bn to UAH22.53bn, total CDs outstanding increased UAH0.63bn to UAH0.75bn and total local currency debt repayments scheduled for the next 30 days slid UAH0.23bn to UAH5.21bn.

KyivPrime interest rates diverged: the KyivPrime ON interest rate fell 825bp to 12.75% while the KyivPrime 1M interest rate remained steady at 23.00%.

Investment implications: Banking sector liquidity remained rather stable despite the difficult political situation and volatile FX trading. The NBU did not support liquidity last Friday as it absorbed UAH0.63bn from liquidity.

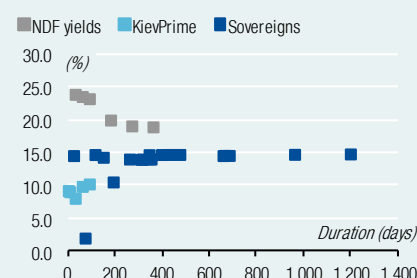
Ukrainian Eurobonds rally

As Ukrainian Eurobonds continued to rally yesterday, the yield curve declined to 9.07-11.83% with a significant tightening of spreads to 632-1,041bp and the 5-year CDS declined 189bp to 945bp. At the close, UKRAIN 6.875% '15 declined 424bp to 11.83%, UKRAIN 9.25% '17 slid 226bp to 11.12%, while UKRAIN 7.95% '21 slid 114bp to 9.55%, UKRAIN 7.80% '22 slid 103bp to 10.47% and UKRAIN 7.50% '23 93bp to 9.07%.

Investment implications: This rally resulted from positive steps toward resolving the political crisis, offers of support from the EU and US to provide financing, and resumed negotiations with the IMF. Recent decisions in parliament yesterday and the possible appointment of a new prime minister today should push yields closer to coupon rates.

Yield curve of the local bond market

(as of market close on 24 Feb 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 24 Feb 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
0/n	12.75	-825bp	-25bp	+10bp	+495bp
1wk	18.75	-425bp	+152bp	+16bp	+895bp
1m	23.00	+0bp	+195bp	+15bp	+675bp
2m	18.25	-5bp	+25bp	+750bp	+185bp
3m	18.00	+0bp	+73bp	+600bp	+200bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	22,526	-5.56	-6.55	-19.61	-31.12
CDs ²	750	-57.94	+115.5	-94.79	-50.66
Sovgns ³	6,239	+14.85	+5.96	-20.24	+317.3
Total	29,515	-4.99	-2.72	-41.26	-17.36
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	161,522	+0.00	+0.49	+8.73	+11.51
Banks	81,688	+0.23	+1.32	-0.07	+1.90
Resid's ⁴	11,543	-0.17	-1.55	-11.91	-6.88
Non-res ⁵	13,338	+1.53	+3.35	+10.03	+14.01
Total	268,091	+0.14	+0.79	+4.92	+7.62
NDF IMPLIED YIELDS (%)					
3m	33.98	-16ppt	-587bp	+17bp	+22bp
6m	25.03	-886bp	-618bp	+904bp	+12bp
9m	23.43	-236bp	-536bp	+808bp	+941bp
1yr	22.20	-195bp	+245bp	+654bp	+721bp
LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)					
Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	N/A	+320bp	+0bp	+320bp	-676bp
Aug '15 ⁶	N/A	+74bp	+0bp	+0bp	+0bp
EUROBONDS USD SOVEREIGN BOND YIELDS (%)					
CDS 5yr	945	-189bp	-244bp	+20bp	+128bp
Jun '16	10.73	-260bp	-187bp	+166bp	+184bp
Jul '17	11.11	-227bp	-135bp	+165bp	+156bp
Sep '20	9.42	-113bp	-119bp	-35bp	+22bp
Sep '21	9.54	-113bp	-106bp	-19bp	+32bp
Sep '22	9.43	-103bp	-107bp	-14bp	+9bp
Feb '23	9.06	-93bp	-90bp	-6bp	+2bp

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

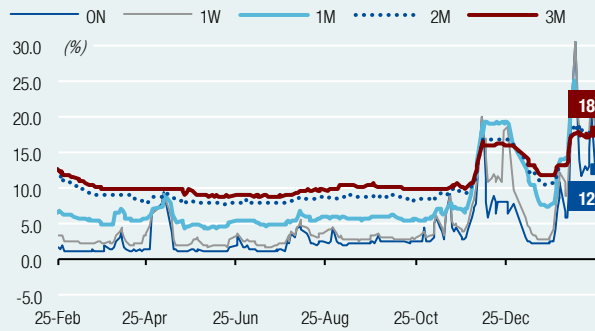


Chart 2. UAH NDF implied yields (%), last 12-month period

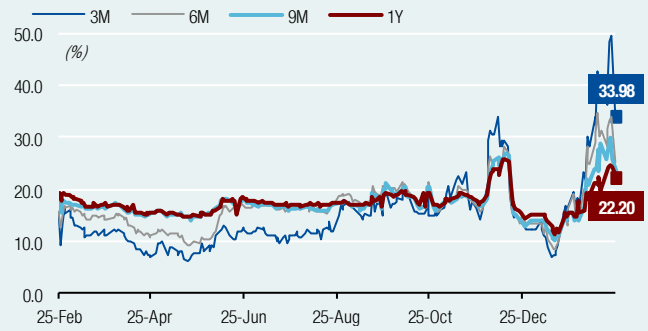


Chart 3. UAH sovereign yield curve (%) as of 24 Feb 2014

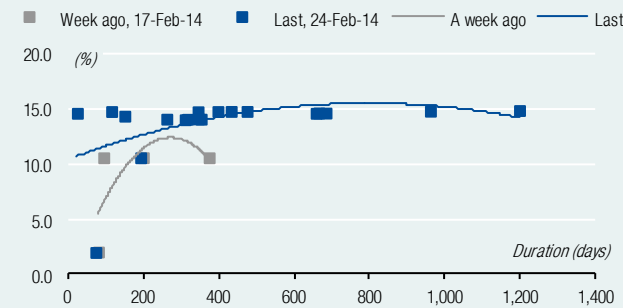


Chart 4. USD sovereign yield curve (%) as of 24 Feb 2014

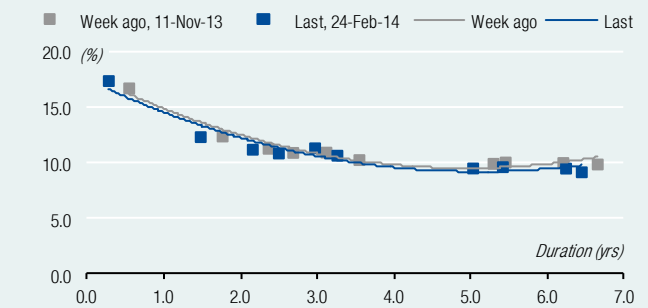


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

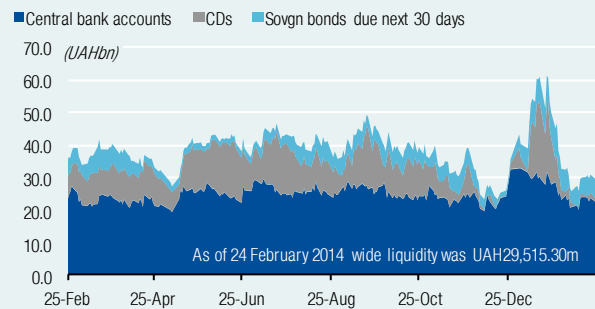


Chart 6. Breakdown of liquidity pool (%) as of 24 Feb 2014

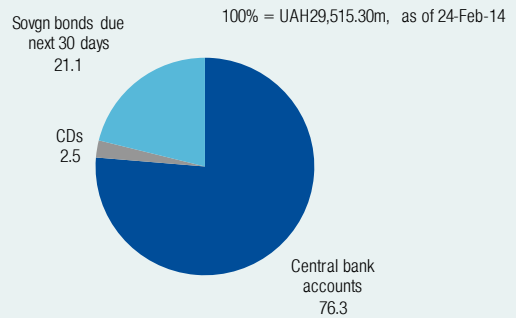


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

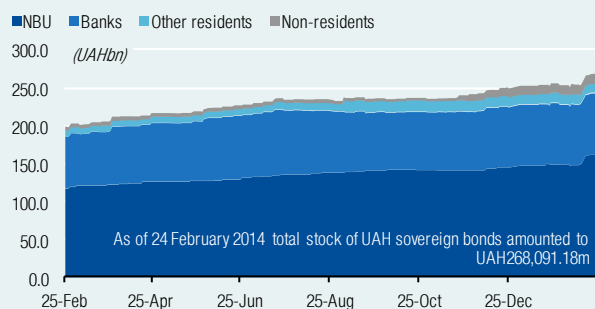
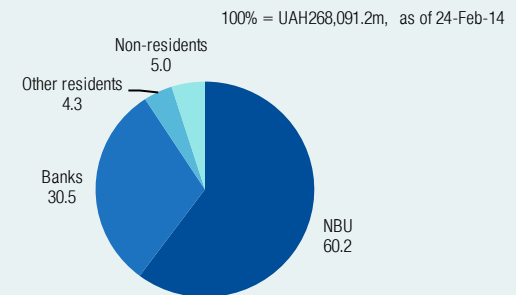


Chart 8. Domestic sovereign debt (%) as of 24 Feb 2014



FX: News & Comments

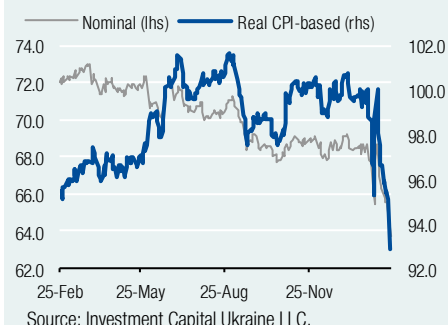
UAH slips to 9.35/USD; new NBU chairman appointed

The hryvnia fell to 9.30/USD in mid-day after declining when the market opened; it closed at 9.35/USD, according to Interfax-Ukraine. The NBU reportedly did not intervene. The central bank was obviously chaotic in light of the impact of swift political developments that took place over the weekend. The previous head of the NBU stepped down on his own volition as parliament was preparing a vote to install a new head of the central bank. See our economics comment on page 2 on Mr Kubiv, the new chairman of NBU. The real trade-weighted index of UAH slid 2.42%.

Alexander Valchysen, Kiev, +38044 2200120 ext.242

ICU's UAH trade-weighted indices

(Last 12-month history to 25 Feb 2014)



FX market indicators (as of 24 Feb 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	9.1750	+2.51	+3.56	+8.77	+11.35
NBU avg	N/A	N/A	N/A	N/A	N/A
Ttl 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	9.9475	-1.02	+3.08	+13.30	+17.24
NDF 6M	10.3080	-1.36	+1.56	+13.31	+17.40
NDF 1Y	11.1500	+0.90	+2.29	+14.95	+18.37
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	63.752	-2.42	-3.10	-7.11	-6.97
UAH real CPI	92.823	-2.42	-3.10	-7.11	-6.97
UAH real PPI	123.725	-2.42	-3.10	-7.11	-6.97
USD nom'l	80.199	-0.05	+0.08	-0.32	+0.20
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	35.4719	-0.17	+0.64	+2.66	+7.92
EUR/USD	1.3735	-0.08	+0.20	+0.42	-0.06
USD/CNY	6.0976	+0.11	+0.55	+0.81	+0.72
USD/PLN	3.0284	+0.23	+0.16	-1.26	+0.18
USD/TRY	2.1999	+1.04	+1.06	-5.85	+2.41
USD/BYR	9,780.00	+0.00	+0.51	+1.66	+2.52
USD/KZT	184.4800	+0.03	-0.03	+18.81	+19.58
OTHER MAJOR CURRENCIES					
USD/JPY	102.5100	+0.00	+0.58	+0.20	-2.66
GBP/USD	1.6656	+0.24	-0.35	+1.06	+0.60
USD/CHF	0.8890	+0.15	-0.28	-0.61	-0.44
AUD/USD	0.9035	+0.65	+0.03	+4.05	+1.32
USD/CAD	1.1060	-0.43	+0.87	-0.25	+4.11
USD/BRL	2.3413	-0.19	-2.02	-2.34	-0.88
USD/KRW	1,074.60	+0.23	+1.32	-0.53	+2.36
COMMODITIES					
Gold(\$/oz)	1,336.98	+0.96	+0.62	+5.27	+10.89
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	302.20	+0.21	+3.06	+6.96	+7.86

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>).

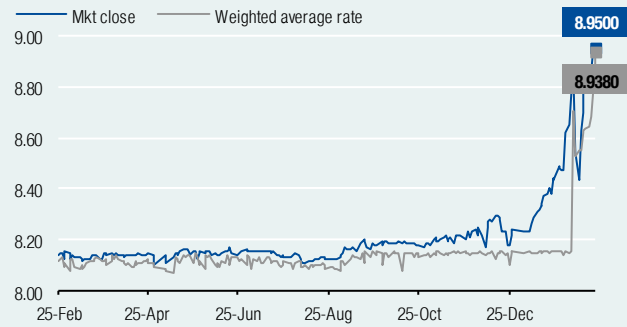
Section on FX market is continued on next page.

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.

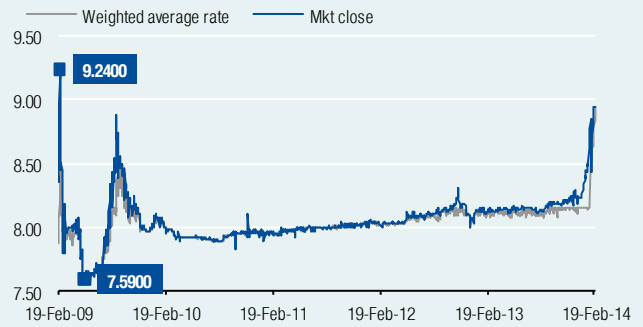
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

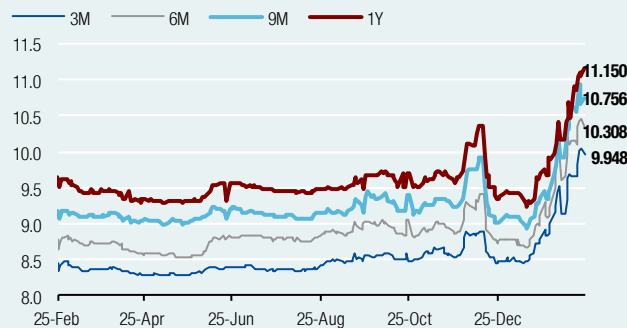


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

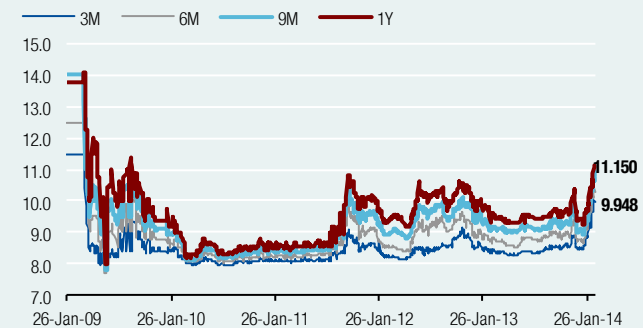


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

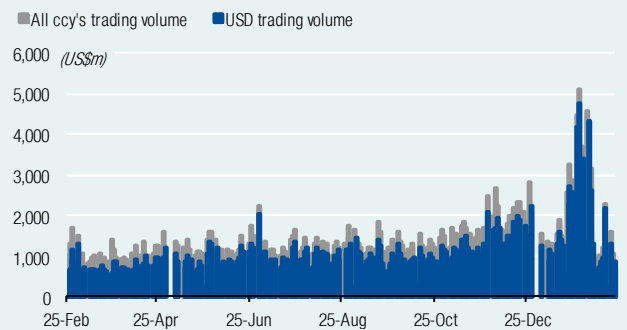


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

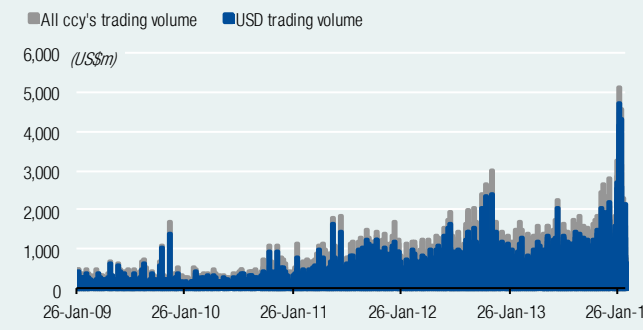


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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)

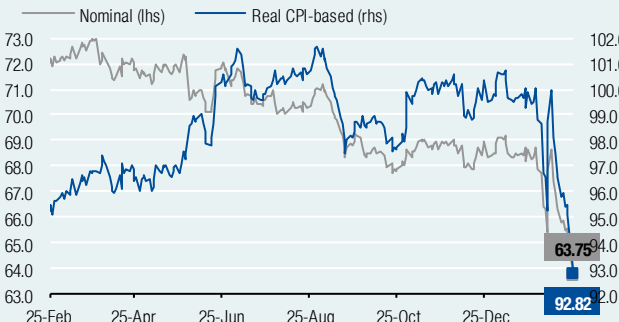


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

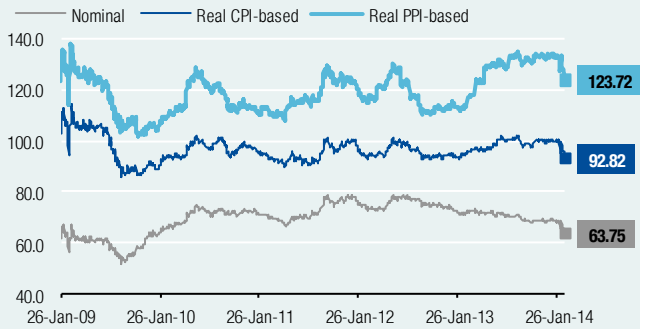
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



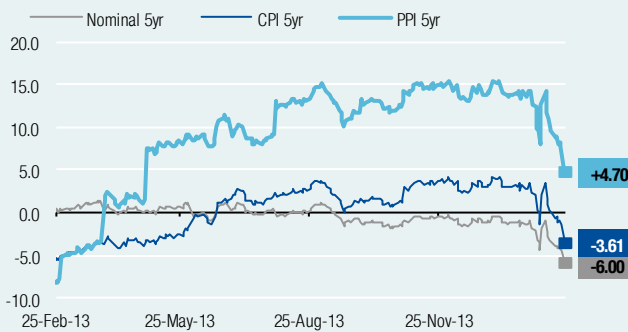
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

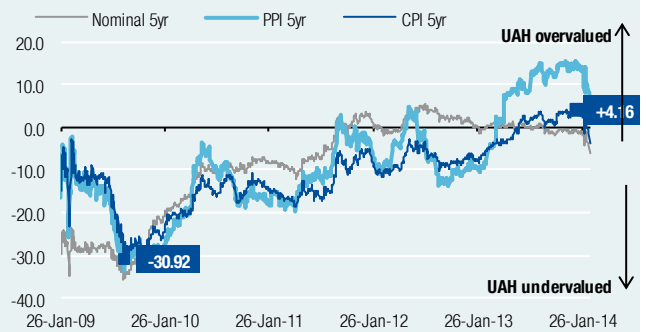


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

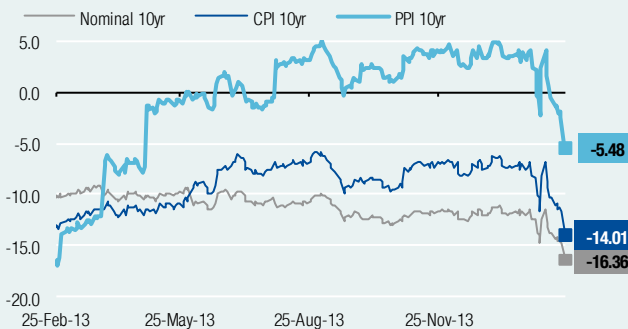


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

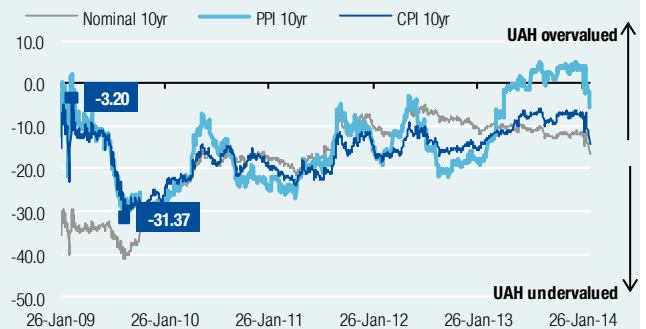


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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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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.

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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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