


INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

Liquidity up; YTM's increase; UAH nosedives

WEDNESDAY, 26 FEBRUARY, 2014

RESEARCH INSIGHT

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UX Index (3 months to 26 Feb 2014)



Key market indicators (as of 25 Feb 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	9.7250	+5.99	+18.02
USD/UAH (1Y NDF)	11.3500	+1.79	+20.49
EUR/USD	1.3745	+0.07	+0.01
USD/RUB	35.6699	+0.56	+8.52
KievPRIME O/N (%)	8.00	-475bp	+20bp
KievPRIME 1M (%)	21.40	-160bp	+515bp

BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	+74bp	+0bp
Ukraine 17, Eurobond (%)	11.89	+78bp	+233bp
Ukraine 22, Eurobond (%)	9.85	+42bp	+51bp
Ukraine 23, Eurobond (%)	9.48	+42bp	+44bp
Ukraine 5Y CDS	982bp	+37bp	+165bp

EQUITIES

Stock market indices

UX (Ukraine)	1,092.30	+1.52	+20.03
MSCI World	408.34	+0.03	-0.05
MSCI EM	955.54	-0.30	-4.70
RTS (Russia)	1,306.37	-0.96	-9.45
WIG-20 (Poland)	2,507.06	-0.79	+4.42
S&P 500 (USA)	1,845.12	-0.13	-0.18

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

FXPO LN	5.64	37.4% of total ¹
KER PW	2.81	18.6%
CLE PW	2.33	15.4%

GAINERS: Top 3 stocks (in listed currency)

SGR PW	PLN 1.08	+18.68	+103.77
CLE PW	PLN 2.02	+9.78	+92.38
AGL PW	PLN 26.30	+9.58	+1.43

LOSERS: Top 3 stocks (in listed currency)

RPT LN	GBp 11.25	-10.00	-13.46
ENMZ UK	UAH 37.99	-7.32	+18.68
IMC PW	PLN 9.96	-5.05	-18.02

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 25-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	-11.5	0.19	44.3	-18.7	40.2	17.8	2.1	13.2	0.05	2,193	Neg.	Neg.	Neg.	2.8	2.9	5.9	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	5.29 UAH	+1.4	+21.9	+10.9	-12.2	0.54	200.9	266.2	21.7	43.6	148.5	45.4	0.10	994	8.4	7.5	5.2	0.5	4.2	2.8	0.3	0.4	0.3	0.8	12.2
Coal Energy	CLE PW	Warsaw	2.02 PLN	+9.8	+96.1	+92.4	-82.0	0.67	30.1	88.0	25.0	7.5	2,325.2	322.0	4.23	24	Neg.	Neg.	N/A	1.4	12.1	N/A	0.7	1.0	N/A	0.2	7.7
Donbasenergo	DOEN UK	Kiev, UX	41.40 UAH	+3.4	+40.8	+50.1	+76.5	4.26	100.7	149.5	14.2	14.3	74.3	37.4	0.14	695	31.6	4.0	5.6	0.6	2.9	2.7	0.3	0.3	0.3	1.5	17.8
JKX Oil & Gas	JKX LN	London	62.25 GBP	-3.1	-9.8	-12.9	-4.2	1.04	178.3	175.3	47.2	84.2	93.2	61.4	0.09	1,120	Neg.	5.5	5.0	1.3	1.8	1.9	0.9	0.9	0.8	0.4	2.5
Regal Petroleum	RPT LN	London	11.25 GBP	-10.0	-18.9	-13.5	-64.0	0.19	60.2	33.4	80.9	48.7	3.2	9.0	0.02	4,290	5.2	12.0	N/A	1.5	2.0	N/A	0.8	N/A	N/A	0.2	0.0
Sadova Group	SGR PW	Warsaw	1.08 PLN	+18.7	+77.0	+103.8	-43.5	0.36	15.4	55.1	25.0	3.9	1,024.2	91.1	1.63	62	Neg.	N/A	N/A	8.2	N/A	N/A	1.4	N/A	N/A	0.3	42.4
Zakhidenergo	ZAEN UK	Kiev, PFTS	130.90 UAH	+0.7	+63.2	+44.8	+35.4	13.46	172.2	202.6	5.0	8.6	2.3	10.0	0.09	1,091	2.9	N/A	N/A	1.3	N/A	N/A	0.2	N/A	N/A	3.2	9.7
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	+5.1	+19.3	+7.2	-20.8	0.00	110.3	1,553.8	3.9	4.3	45.4	11.4	0.20	504	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	3.19 UAH	-4.5	+22.2	+7.7	-5.1	0.33	64.0	60.2	4.0	2.6	122.3	9.7	0.13	765	Neg.	Neg.	2.9	Neg.	1.6	1.0	0.1	0.1	0.1	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.77 UAH	+1.3	+31.4	+14.9	+9.4	0.08	332.9	324.3	4.1	13.6	98.5	14.8	0.04	2,288	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	169.00 GBP	-1.2	+4.4	-11.5	-27.3	2.82	1,659.7	2,247.0	22.4	371.8	5,642.9	3,050.1	1.14	88	7.7	6.5	7.2	5.7	4.7	5.0	1.6	1.4	1.4	1.0	37.0
Yasynivsky Cok...	YASK UK	Kiev, UX	0.72 UAH	+7.7	+37.7	+35.1	+2.0	0.07	20.1	21.6	9.0	1.8	14.2	2.2	0.05	2,222	2.9	1.9	1.4	0.1	0.9	0.8	0.1	0.1	0.1	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	37.99 UAH	-7.3	+24.6	+18.7	+3.5	3.91	41.2	35.9	9.4	3.9	141.0	11.4	0.34	293	5.8	Neg.	2.5	Neg.	Neg.	N/A	0.0	0.0	0.0	0.9	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	1.24 EUR	-0.8	-0.8	+0.0	-26.2	1.70	157.4	184.7	34.0	53.5	16.7	40.3	0.04	2,278	Neg.	N/A	N/A	Neg.	N/A	N/A	2.8	N/A	N/A	1.3	35.9
Agroliga	AGL PW	Warsaw	26.30 PLN	+9.6	+19.5	+1.4	+43.7	8.71	13.4	14.3	16.7	2.2	71.3	14.4	0.77	130	3.1	N/A	N/A	4.1	N/A	N/A	0.7	N/A	N/A	1.0	5.7
Agroton	AGT PW	Warsaw	4.50 PLN	-0.2	+100.0	+130.8	-55.4	1.49	32.3	79.6	26.2	8.5	729.1	442.6	6.80	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	58.00 PLN	-1.0	-11.8	-13.3	-14.1	19.20	480.0	809.8	31.0	148.9	142.8	203.7	0.18	552	7.7	7.9	3.9	9.2	7.9	4.5	1.7	1.7	1.3	0.8	38.9
Avangard	AVGR LI	London Intl	10.46 USD	-4.9	-9.0	-11.0	+1.6	10.46	668.1	834.5	21.7	145.0	77.8	254.3	0.14	731	3.0	2.9	3.1	3.0	2.8	3.0	1.3	1.2	1.2	0.6	22.3
IMC	IMC PW	Warsaw	9.96 PLN	-5.1	-11.1	-18.0	-39.2	3.30	103.2	219.4	23.9	24.6	207.9	80.3	0.78	128	5.5	5.5	4.2	6.0	5.3	4.4	2.9	1.5	1.1	0.8	33.0
Kernel Holding...	KER PW	Warsaw	36.75 PLN	-3.3	-8.1	-3.5	-44.5	12.16	969.3	1,689.6	58.8	569.7	2,807.6	2,083.6	0.40	251	8.7	8.0	5.3	5.8	5.7	4.7	0.6	0.7	0.6	0.7	30.6
KSG Agro	KSG PW	Warsaw	8.60 PLN	+7.8	-9.3	-20.7	-23.7	2.85	42.8	164.6	34.4	14.7	173.8	21.2	0.17	584	5.3	3.5	3.6	39.0	5.6	4.5	4.4	2.4	1.5	0.5	29.2
MHP	MHPC LI	London Intl	15.27 USD	-0.8	-12.1	-10.4	-16.1	15.27	1,613.5	2,814.5	22.3	360.1	617.9	1,131.0	0.55	181	5.4	7.8	5.7	6.0	6.7	5.4	2.0	1.9	1.7	1.4	45.8
Milkiland	MLK PW	Warsaw	10.42 PLN	+2.2	+6.0	-16.6	-30.5	3.45	107.8	243.0	20.0	21.6	114.3	13.5	0.09	1,148	6.1	6.0	5.9	6.8	6.0	4.8	0.6	0.5	0.5	0.5	29.9
Mriya Agrohold...	MAYA GF	Frankfurt	5.25 EUR	+0.0	+1.5	-2.8	+13.3	7.22	766.7	1,498.6	20.0	153.3	0.0	1.6	0.00	263,817	4.4	4.8	5.0	6.5	5.6	6.1	4.3	4.0	3.5	0.9	34.8
Ovostar Union	OVO PW	Warsaw	75.00 PLN	+1.3	-10.5	-25.0	-20.2	24.83	149.0	161.0	25.0	37.2	153.5	48.4	0.09	1,067	6.4	5.7	4.0	5.8	5.8	3.6	2.3	2.0	1.5	1.4	3.7
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	28.80 PLN	-1.4	-6.8	-8.3	+2.2	9.53	88.6	72.6	10.9	9.7	2.9	1.5	0.02	6,144	7.1	N/A	N/A	4.8	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	0.74 UAH	+7.7	+5.9	-2.5	+17.6	0.08	45.2	N/A	5.5	2.5	0.1	2.3	0.02	4,170	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	0.15 UAH	+5.5	+38.3	+27.8	+17.8	0.01	447.0	N/A	3.8	17.1	207.1	46.9	0.23	427	13.6	7.8	4.2	N/A	N/A	N/A	N/A	N/A	N/A	0.6	28.3

Table 1. Ukrainian stocks (closing prices as of 25-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	+3.1	+6.1	+2.4	+37.3	0.02	358.1	N/A	4.5	16.0	18.4	8.7	0.03	3,356	1,150.6	212.4	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 rises

Banks' correspondent accounts with the NBU significantly rose UAH4.42bn to UAH26.95bn, while the NBU's inflows on Monday were significantly lower, as total CDs outstanding declined UAH0.75bn to UAH0.00bn and UAH0.36bn of loans were issued on the same day by the NBU. At the same time, total local currency debt repayments scheduled for the next 30 days rose UAH1.03bn to UAH6.24bn and broader banking sector liquidity rose UAH4.71bn to UAH33.19bn.

As a result of the significant increase in liquidity, KyivPrime interest rates declined: the KyivPrime ON interest rate fell 475bp to 8.00% while the KyivPrime 1M interest rate slid 160bp to 21.40%.

Investment implications: Liquidity rose likely without visible inflows from the NBU, where only CD redemptions and small loans took place. At the same time, the NBU did not publish secondary market data since last Monday and yesterday's liquidity increase could be supported by repos. As liquidity increased, interest rates significantly declined, which could catalyze activity at the bond market. The high liquidity could increase demand for FX over the next few days, the funds of which could be deposited at banks for FX.

Ukrainian Eurobond YTM's slightly increase

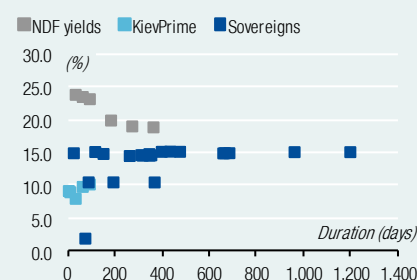
Ukrainian Eurobonds rose yesterday, after parliament failed to appoint a new government after making a few political decisions. At the close, UKRAIN 6.875% '15 rose 133bp to 13.16%, UKRAIN 9.25% '17 rose 77bp to 10.97%, while UKRAIN 7.95% '21 rose 41bp to 9.96%, UKRAIN 7.80% '22 rose 41bp to 9.85% and UKRAIN 7.50% '23 rose 41bp to 9.48%. 5-year CDS rose to 982bp.

Investment implications: The delay in appointing a new government to Thursday and the increasing possibility of Crimean separatism created negative investor sentiment, because all new support can only be issued for a new legal government. As the uncertainty could continue today, yields could continue to increase slightly.

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Yield curve of the local bond market

(as of market close on 25 Feb 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 25 Feb 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
O/n	8.00	-475bp	-450bp	+556bp	+20bp
1wk	15.60	-315bp	-140bp	+13bp	+580bp
1m	21.40	-160bp	-60bp	+14bp	+515bp
2m	18.20	-5bp	+20bp	+745bp	+180bp
3m	17.80	-20bp	+5bp	+580bp	+180bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	26,950	+19.64	+12.69	-3.82	-17.59
CDs ²	750	+0.00	-30.75	-94.79	-50.66
Sovgns ³	5,569	-10.74	-5.42	-28.80	+272.5
Total	33,269	+12.72	+7.72	-33.80	-6.86
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	161,469	-0.03	+0.46	+8.69	+11.47
Banks	81,705	+0.02	+1.34	-0.05	+1.92
Resid's ⁴	11,412	-1.13	-2.89	-12.91	-7.94
Non-res ⁵	13,247	-0.68	+2.59	+9.28	+13.23
Total	267,833	-0.10	+0.68	+4.82	+7.51
NDF IMPLIED YIELDS (%)					
3m	22.89	-11ppt	-13ppt	+627bp	+11bp
6m	20.36	-467bp	-797bp	+437bp	+696bp
9m	17.90	-552bp	-799bp	+255bp	+389bp
1yr	17.36	-484bp	-578bp	+170bp	+237bp
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	982	+37bp	-180bp	+57bp	+165bp
Jun '16	11.51	+78bp	-122bp	+225bp	+262bp
Jul '17	11.89	+78bp	-141bp	+215bp	+233bp
Sep '20	10.04	+62bp	-72bp	+21bp	+85bp
Sep '21	9.96	+42bp	-83bp	+2bp	+74bp
Sep '22	9.85	+42bp	-90bp	+14bp	+51bp
Feb '23	9.48	+42bp	-71bp	+23bp	+44bp

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

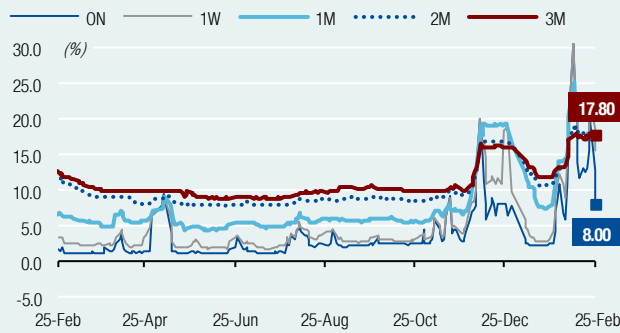


Chart 2. UAH NDF implied yields (%), last 12-month period



Chart 3. UAH sovereign yield curve (%) as of 25 Feb 2014

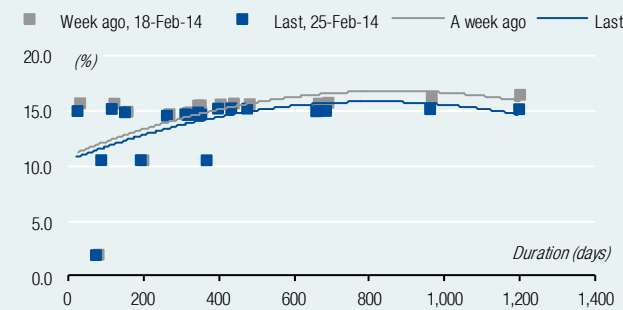


Chart 4. USD sovereign yield curve (%) as of 25 Feb 2014

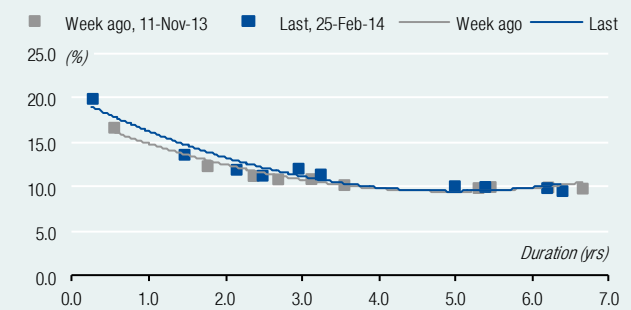


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

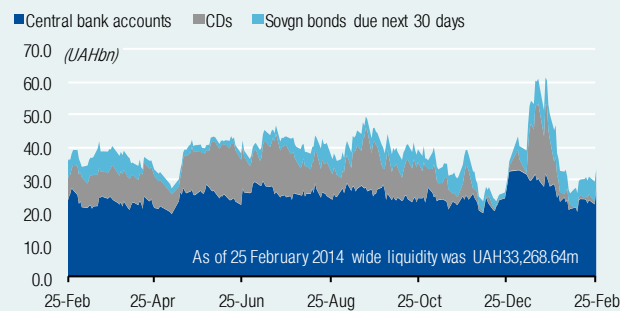


Chart 6. Breakdown of liquidity pool (%) as of 25 Feb 2014

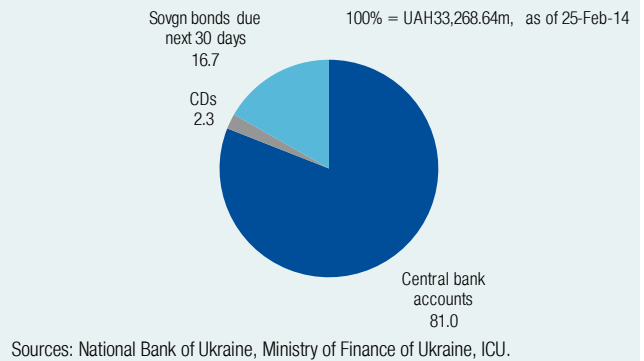


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

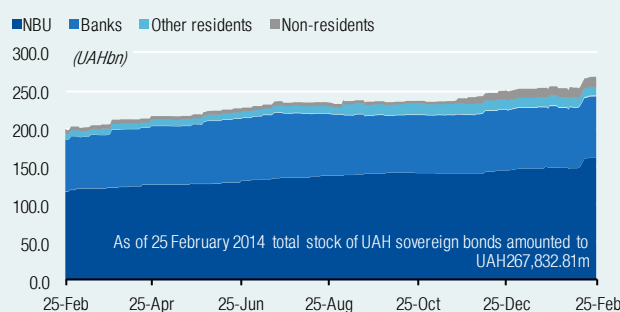
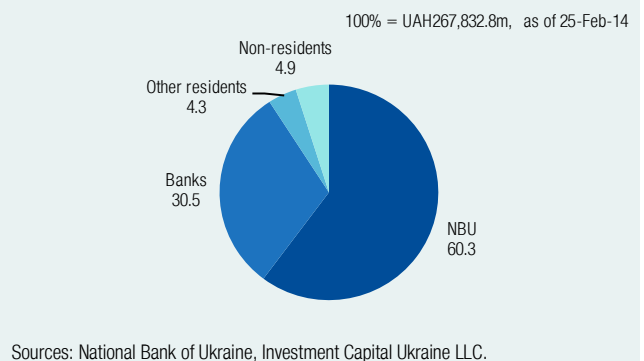


Chart 8. Domestic sovereign debt (%) as of 25 Feb 2014



FX: News & Comments

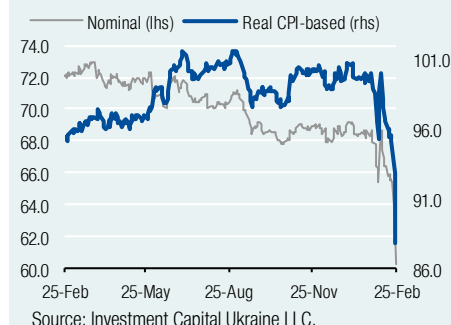
UAH nosedives on debut of new NBU head

The hryvnia tumbled 5.99% to close at 9.725/USD while hovering near 10.00/USD at midday. Although the NBU did not intervene, no FX correction would be possible without the assistance of a state-run bank. A newly-installed NBU head yesterday told reporters that the UAH FX rate hit a ceiling, suggesting that no substantial new weakness from that level would unfold going forward. However, we expect the rate to fall further because FX reserves reportedly declined this month to US\$15bn, down more than US\$2bn during February per reports yesterday. Hence, until an IMF program is in place, the pressure on the UAH will build.

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ICU's UAH trade-weighted indices

(Last 12-month history to 26 Feb 2014)



FX market indicators (as of 25 Feb 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	9.7250	+5.99	+9.76	+15.29	+18.02
NBU avg	9.4269	+4.31	+8.52	+15.61	+15.66
Ttl vlm ¹	674.54	-43.05	-57.23	-76.45	-75.93
\$ volume ²	549.99	-45.23	-58.04	-78.57	-75.12
NDF 3M	10.2750	+3.29	+6.44	+17.03	+21.10
NDF 6M	10.7000	+3.80	+5.94	+17.62	+21.87
NDF 1Y	11.3500	+1.79	+4.61	+17.01	+20.49
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	60.276	-5.45	-8.51	-12.17	-12.04
UAH real CPI	87.763	-5.45	-8.51	-12.17	-12.04
UAH real PPI	116.979	-5.45	-8.51	-12.17	-12.04
USD nom'l	80.137	-0.08	+0.16	-0.40	+0.13
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	35.6699	+0.56	+0.64	+3.24	+8.52
EUR/USD	1.3745	+0.07	-0.10	+0.49	+0.01
USD/CNY	6.1234	+0.42	+0.92	+1.24	+1.14
USD/PLN	3.0227	-0.19	+0.27	-1.45	-0.01
USD/TRY	2.2122	+0.56	+1.47	-5.32	+2.98
USD/BYR	9,790.00	+0.10	+0.41	+1.77	+2.62
USD/KZT	184.5200	+0.02	+0.00	+18.84	+19.61
OTHER MAJOR CURRENCIES					
USD/JPY	102.2400	-0.26	-0.12	-0.07	-2.92
GBP/USD	1.6681	+0.15	-0.02	+1.21	+0.75
USD/CHF	0.8868	-0.25	-0.12	-0.86	-0.68
AUD/USD	0.9019	-0.18	-0.09	+3.87	+1.14
USD/CAD	1.1085	+0.23	+1.26	-0.03	+4.35
USD/BRL	2.3412	+0.00	-2.28	-2.35	-0.88
USD/KRW	1,072.85	-0.16	+0.67	-0.70	+2.20
COMMODITIES					
Gold(\$/oz)	1,340.64	+0.27	+1.41	+5.56	+11.20
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	301.58	-0.21	+1.04	+6.74	+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>).

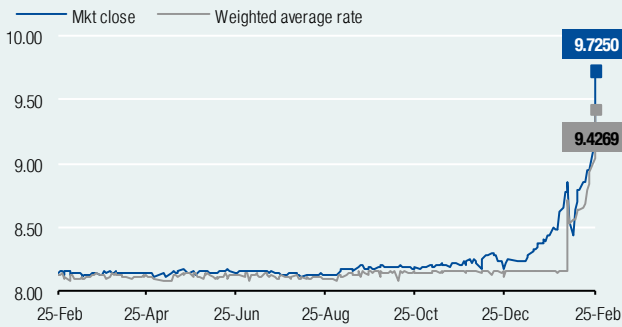
Section on FX market is continued on next page.

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.

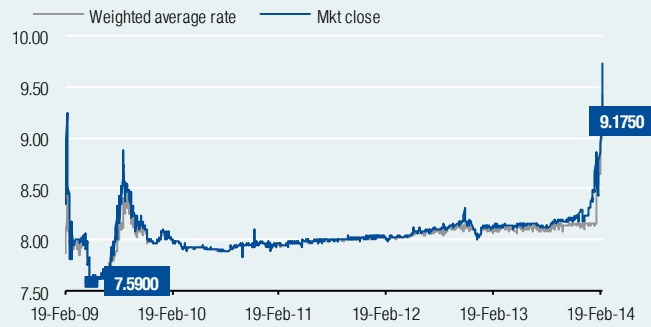
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

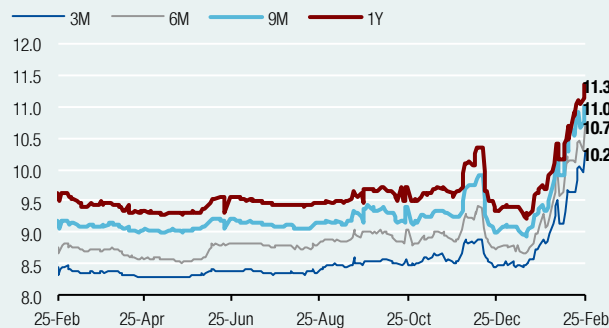


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

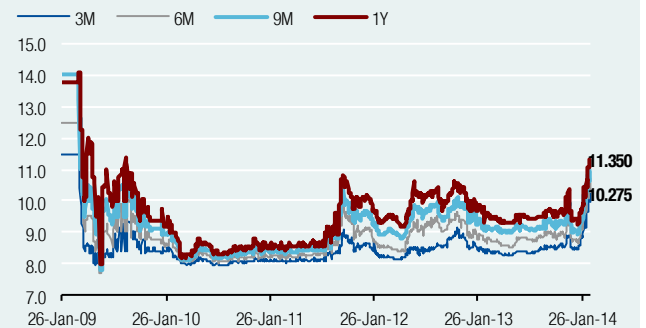


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

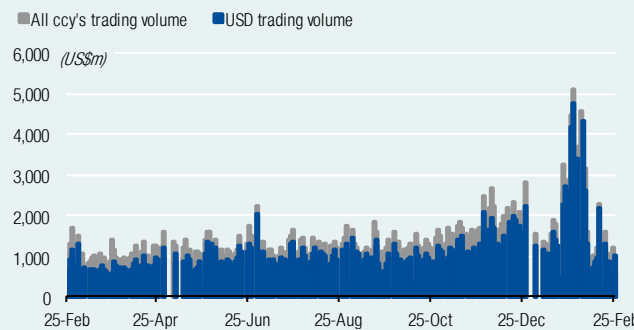


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.



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)



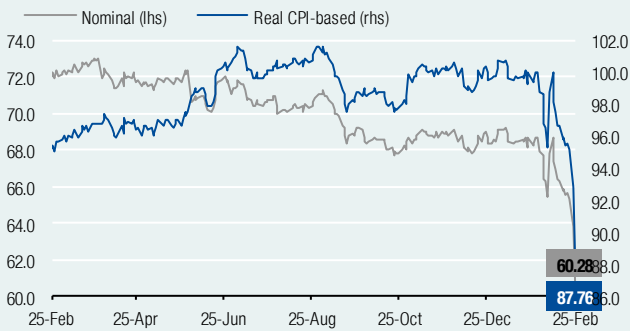
Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

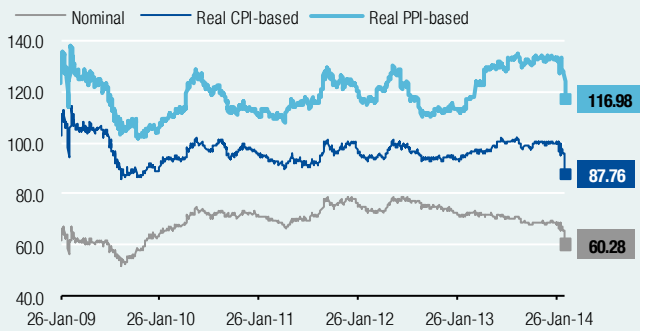
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



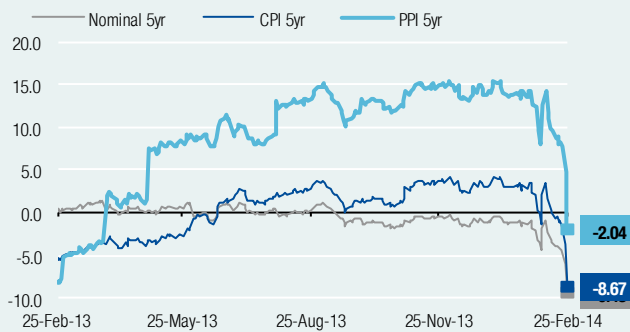
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

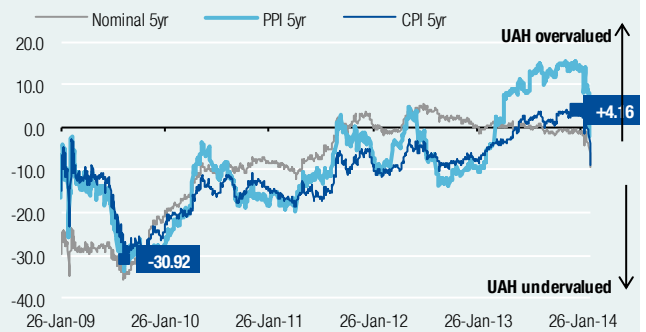


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

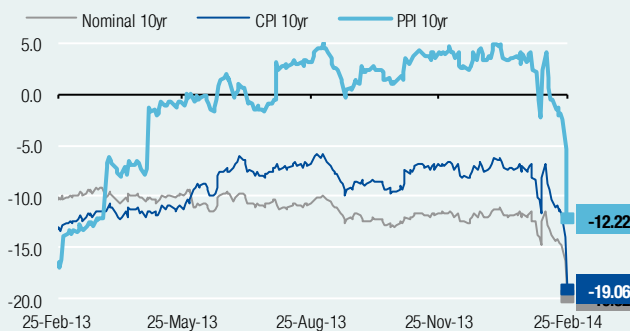


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

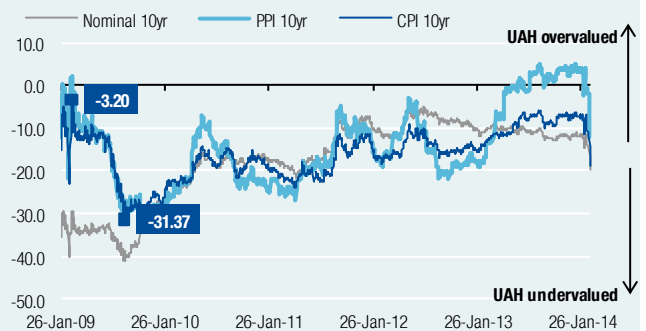


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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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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.

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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

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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



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