


**INVESTMENT CAPITAL UKRAINE**  
 INVESTMENT BANKING

# Daily Insight

Liquidity up; Ukrainian Eurobond YTM's slightly diverge; UAH in near free-fall

THURSDAY, 27 FEBRUARY, 2014

RESEARCH INSIGHT

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### UX Index (3 months to 27 Feb 2014)



### Key market indicators (as of 26 Feb 2014)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	10.1500	+4.37	+23.18
USD/UAH (1Y NDF)	12.5000	+10.13	+32.70
EUR/USD	1.3687	-0.42	-0.41
USD/RUB	36.0197	+0.98	+9.58
KievPRIME O/N (%)	8.26	+26bp	+46bp
KievPRIME 1M (%)	22.20	+80bp	+595bp
<b>BONDS: yields and spreads</b>			
Ukraine VAT bond (%)	N/A	+74bp	+0bp
Ukraine 17, Eurobond (%)	11.92	+3bp	+236bp
Ukraine 22, Eurobond (%)	9.93	+7bp	+58bp
Ukraine 23, Eurobond (%)	9.46	-2bp	+41bp
Ukraine 5Y CDS	1,087bp	+106bp	+271bp
<b>EQUITIES</b>			
<b>Stock market indices</b>			
UX (Ukraine)	1,120.64	+2.59	+23.14
MSCI World	407.37	-0.24	-0.29
MSCI EM	956.26	+0.08	-4.63
RTS (Russia)	1,286.07	-1.55	-10.86
WIG-20 (Poland)	2,478.38	-1.14	+3.22
S&P 500 (USA)	1,845.16	+0.00	-0.17
<b>MOST ACTIVE: Top 3 stocks by value traded (US\$m)</b>			
FXPO LN	2.96	32.6% of total <sup>1</sup>	
AGT PW	2.09	23.1%	
KER PW	1.78	19.6%	
<b>GAINERS: Top 3 stocks (in listed currency)</b>			
FORM UK	UAH 0.90	+21.32	+18.29
AZST UK	UAH 0.82	+6.49	+22.39
USCB UK	UAH 0.20	+5.16	+7.68
<b>LOSERS: Top 3 stocks (in listed currency)</b>			
SGR PW	PLN 0.92	-14.81	+73.58
CLE PW	PLN 1.73	-14.36	+64.76
OVO PW	PLN 69.01	-7.99	-30.99

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 26-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	-2.2	-3.2	+8.4	-14.3	0.19	43.4	-19.7	40.2	17.4	0.0	12.9	0.05	2,146	Neg.	Neg.	Neg.	3.0	3.0	6.2	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	5.50 UAH	+4.0	+25.0	+15.4	-7.5	0.54	200.2	262.7	21.7	43.5	124.3	47.5	0.12	828	8.7	7.8	5.4	0.5	4.4	2.9	0.3	0.4	0.3	0.8	12.2
Coal Energy	CLE PW	Warsaw	1.73 PLN	-14.4	+68.0	+64.8	-84.0	0.57	25.5	83.4	25.0	6.4	925.6	315.1	6.88	15	Neg.	Neg.	N/A	1.4	11.4	N/A	0.7	0.9	N/A	0.2	7.7
Donbasenergo	DOEN UK	Kiev, UX	41.22 UAH	-0.4	+38.8	+49.4	+79.8	4.06	96.0	142.8	14.2	13.7	47.4	33.2	0.18	556	31.5	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	+0.0	-9.1	-12.9	-4.2	1.04	178.3	175.2	47.2	84.1	56.8	60.4	0.09	1,121	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	11.50 GBP	+2.2	-13.2	-11.5	-62.9	0.19	61.5	34.7	80.9	49.7	4.0	9.1	0.02	4,380	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	0.92 PLN	-14.8	+50.8	+73.6	-51.8	0.30	13.0	52.7	25.0	3.2	299.7	94.1	3.91	26	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	124.30 UAH	-5.0	+48.9	+37.5	+30.8	12.25	156.6	185.8	5.0	7.8	3.6	9.1	0.08	1,181	2.7	N/A	N/A	1.2	N/A	N/A	0.2	N/A	N/A	3.1	9.7
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	+1.7	+19.2	+9.0	-18.7	0.00	107.4	1,490.5	3.9	4.2	27.0	11.7	0.28	360	Neg.	Neg.	N/A	N/A	Neg.	N/A	1.0	1.1	N/A	N/A	64.5
Avdiivsky Cok...	AVDK UK	Kiev, UX	3.23 UAH	+1.3	+18.1	+9.1	-4.4	0.32	62.1	58.5	4.0	2.5	85.8	12.3	0.53	189	Neg.	Neg.	3.0	Neg.	1.6	1.0	0.1	0.1	0.1	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.82 UAH	+6.5	+38.5	+22.4	+18.5	0.08	339.6	331.4	4.1	13.9	19.2	16.5	0.08	1,325	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	167.30 GBP	-1.0	+6.0	-12.4	-28.8	2.79	1,642.1	2,229.3	22.4	367.8	2,955.9	3,046.0	1.13	89	7.7	6.4	7.1	5.6	4.7	4.9	1.6	1.4	1.4	1.0	37.0
Yasynivsky Cok...	YASK UK	Kiev, UX	0.74 UAH	+3.4	+32.1	+39.6	+6.5	0.07	19.9	21.3	9.0	1.8	13.8	2.6	0.11	880	3.0	2.0	1.5	0.1	0.9	0.8	0.1	0.1	0.1	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	39.21 UAH	+3.2	+26.5	+22.5	+8.3	3.86	40.8	35.6	9.4	3.8	22.7	13.5	0.58	174	6.0	Neg.	2.5	Neg.	Neg.	N/A	0.0	0.0	0.0	0.9	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	1.24 EUR	+0.0	+4.2	+0.0	-25.7	1.70	156.7	183.9	34.0	53.3	19.1	38.9	0.04	2,263	Neg.	N/A	N/A	Neg.	N/A	N/A	2.8	N/A	N/A	1.3	35.9
Agroliga	AGL PW	Warsaw	25.48 PLN	-3.1	+4.0	-1.7	+48.1	8.34	12.8	13.8	16.7	2.1	71.4	15.6	1.08	93	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	4.70 PLN	+4.4	+108.0	+141.0	-53.0	1.54	33.3	80.7	26.2	8.7	2,093.2	490.5	7.72	13	4.9	6.9	4.5	5.7	8.6	5.2	0.9	1.2	1.0	0.3	28.0
Astarta Holdin...	AST PW	Warsaw	56.50 PLN	-2.6	-13.9	-15.5	-19.3	18.50	462.5	790.9	31.0	143.5	101.0	194.7	0.18	560	7.5	7.6	3.8	9.0	7.7	4.4	1.6	1.6	1.3	0.8	38.9
Avangard	AVGR LI	London Intl	10.50 USD	+0.4	-4.5	-10.6	+2.0	10.50	670.7	837.0	21.7	145.5	57.8	254.2	0.14	722	3.0	2.9	3.1	3.0	2.9	3.0	1.3	1.2	1.2	0.6	22.3
IMC	IMC PW	Warsaw	9.40 PLN	-5.6	-17.5	-22.6	-42.0	3.08	96.3	212.6	23.9	23.0	118.1	78.8	0.88	113	5.1	5.1	4.0	5.8	5.1	4.3	2.8	1.5	1.1	0.8	33.0
Kernel Holding...	KER PW	Warsaw	34.72 PLN	-5.5	-14.3	-8.8	-47.2	11.37	905.8	1,626.1	58.8	532.4	1,777.6	1,974.2	0.44	227	8.1	7.5	4.9	5.6	5.5	4.5	0.6	0.6	0.6	0.7	30.6
KSG Agro	KSG PW	Warsaw	8.39 PLN	-2.4	-11.7	-22.7	-23.0	2.75	41.3	163.1	34.4	14.2	43.3	23.5	0.25	408	5.1	3.4	3.5	38.7	5.6	4.5	4.4	2.4	1.5	0.5	29.2
MHP	MHPC LI	London Intl	15.39 USD	+0.8	-7.8	-9.7	-15.7	15.39	1,626.2	2,827.2	22.3	363.0	11.8	1,131.0	0.55	182	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	10.40 PLN	-0.2	+7.8	-16.8	-30.7	3.41	106.4	241.0	20.0	21.3	40.8	15.4	0.12	812	6.1	6.0	5.9	6.7	5.9	4.8	0.6	0.5	0.5	0.5	29.9
Mriya Agrohold...	MAYA GF	Frankfurt	6.00 EUR	+0.0	+16.0	+11.1	+27.5	8.21	872.4	1,604.3	20.0	174.5	6.6	1.9	0.00	301,505	5.0	5.5	5.7	7.0	6.0	6.5	4.6	4.3	3.7	1.0	34.8
Ovostar Union	OVO PW	Warsaw	69.01 PLN	-8.0	-17.6	-31.0	-28.5	22.59	135.6	147.6	25.0	33.9	38.6	45.6	0.12	811	5.8	5.2	3.6	5.3	5.3	3.3	2.1	1.8	1.3	1.3	3.7
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Xetra	0.30 EUR	+0.0	-6.9	-6.9	-36.1	0.40	20.9	180.2	13.1	2.7	1.3	0.0	N/A	N/A	Neg.	N/A	N/A	Neg.	N/A	N/A	8.3	N/A	N/A	0.2	44.1
<b>FINANCIAL SERVICES</b>																											
Forum Bank	FORM UK	Kiev, UX	0.90 UAH	+21.3	+28.4	+18.3	+42.7	0.09	52.6	N/A	5.5	2.9	2.5	2.7	0.02	4,259	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.4	18.6
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.15 UAH	+4.0	+39.6	+32.9	+29.6	0.01	445.4	N/A	3.8	17.0	79.6	49.3	0.27	376	14.2	8.2	4.3	N/A	N/A	N/A	N/A	N/A	N/A	0.6	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.20 UAH	+5.2	+9.4	+7.7	+46.2	0.02	360.8	N/A	4.5	16.2	6.8	8.9	0.03	2,950	1,209.9	223.3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.4	30.9

**Table 1. Ukrainian stocks (closing prices as of 26-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)

Notes: mln - millions; FF - free float; n/a - not available; neg. - negative; a company name (the left column of the table) is shortened to fit the column and hence in some cases is not displayed in full; \*\*\* -- means that P/E ratio is above 10,000x.

Sources: Bloomberg, Investment Capital Ukraine LLC.

# Bonds: News & Comments

## Liquidity increases

Broader banking sector liquidity rose UAH1.35bn to UAH34.54bn yesterday, as banks' correspondent accounts with the NBU rose only UAH0.06bn to UAH27.01bn. Total CDs outstanding rose a significant UAH1.97bn to UAH1.97bn after the NBU sold CDs on Tuesday mostly maturing yesterday to absorb liquidity and decrease pressure on the FX market. After the MoF repaid UAH0.67bn in debt repayments, total local currency debt repayments scheduled for the next 30 days fell to UAH5.57bn.

KyivPrime interest rates slightly rose: the KyivPrime ON interest rate rose 26bp to 8.26% while the KyivPrime 1M interest rate rose 80bp to 22.20%.

**Investment implications: Debt repayments decreased the impact of NBU absorption directed to stabilize banks' correspondent accounts with the NBU. As a result, the cost of funds rose because both MoF inflows and liquidity were insufficient to satisfy money market demand. Account funds appear to have been reserved for future purchases of FX.**

## Ukrainian Eurobond YTM's slightly diverge

Ukrainian Eurobonds continued to increase yesterday to the range of 9.44-14.14%, excluding UKRAIN 7.95% '14 and UKRAIN 5.00% '15. The two day delay in appointing a new government had a negative impact and reduced speculative demand. At the close, UKRAIN 6.875% '15 rose 108bp to 14.24%, UKRAIN 9.25% '17 rose 3bp to 11.92%, UKRAIN 7.95% '21 rose 22bp to 10.17%, UKRAIN 7.80% '22 rose 7bp to 9.91% while UKRAIN 6.75% '17 slid 7bp to 10.90 and UKRAIN 7.50% '23 slid 3bp to 9.44%. 5-year CDS rose to 1,087bp.

**Investment implications: Today, after the draft of a new government is presented at Maidan and most likely approved today, yields should start to decline on the anticipation of positive reforms and new external financing. At the same time, the situation in the Crimea could have a negative impact.**

## Unexpected primary auction

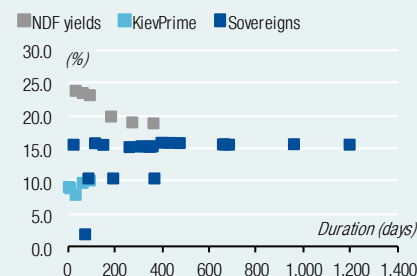
The MoF held an additional primary auction yesterday which was quite unexpected after Tuesday's auction was canceled. The MoF offered two 5-year bonds, only one of which received a single bid for UAH1.50bn. This auction differed from similar auctions held earlier this year in that the interest rate was 11.50%, or 275bp lower.

**Investment implications: The NBU likely supported this demand and agreed new level of coupon rate with banks and the MoF. This decreasing confirmed the MoF attempts to decrease cost of debt servicing in the future.**

**Taras Kotovych, Kiev, +38044 2200120 ext.244**

## Yield curve of the local bond market

(as of market close on 26 Feb 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

## Bond market indicators (as of 26 Feb 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
0/n	8.26	+26bp	-474bp	+582bp	+46bp
1wk	20.20	+460bp	+216bp	+17bp	+10bp
1m	22.20	+80bp	+20bp	+15bp	+595bp
2m	18.24	+4bp	+20bp	+749bp	+184bp
3m	18.04	+24bp	+80bp	+604bp	+204bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	27,009	+0.22	+18.51	-3.61	-17.41
CDs <sup>2</sup>	1,965	+162.0	+18.52	-86.36	+29.28
Sovgns <sup>3</sup>	5,215	-6.36	-4.00	-33.33	+248.8
<b>Total</b>	<b>34,189</b>	<b>+2.77</b>	<b>+14.42</b>	<b>-31.96</b>	<b>-4.28</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	161,450	-0.01	+0.44	+8.68	+11.46
Banks	83,046	+1.64	+2.44	+1.59	+3.59
Resid's <sup>4</sup>	11,396	-0.14	-0.88	-13.03	-8.07
Non-res <sup>5</sup>	13,565	+2.40	+4.67	+11.91	+15.95
<b>Total</b>	<b>269,458</b>	<b>+0.61</b>	<b>+1.20</b>	<b>+5.45</b>	<b>+8.17</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	25.89	+300bp	-14ppt	+928bp	+14bp
6m	22.98	+262bp	-866bp	+699bp	+958bp
9m	20.56	+266bp	-747bp	+521bp	+655bp
1yr	23.83	+648bp	-32bp	+818bp	+884bp
<b>LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)</b>					
Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	N/A	+320bp	+0bp	+320bp	-676bp
Aug '15 <sup>6</sup>	N/A	+74bp	+0bp	+0bp	+0bp
<b>EUROBONDS USD SOVEREIGN BOND YIELDS (%)</b>					
CDS 5yr	1,087	+106bp	-242bp	+163bp	+271bp
Jun '16	11.52	+1bp	-121bp	+226bp	+263bp
Jul '17	11.92	+3bp	-138bp	+218bp	+236bp
Sep '20	10.14	+11bp	-62bp	+32bp	+95bp
Sep '21	10.19	+22bp	-61bp	+24bp	+97bp
Sep '22	9.93	+7bp	-82bp	+22bp	+58bp
Feb '23	9.46	-2bp	-73bp	+21bp	+41bp

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

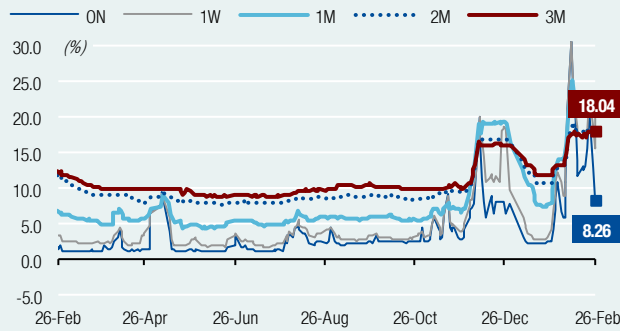


Chart 2. UAH NDF implied yields (%), last 12-month period



Chart 3. UAH sovereign yield curve (%) as of 26 Feb 2014

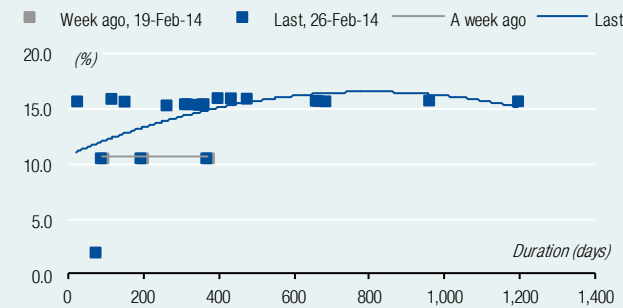


Chart 4. USD sovereign yield curve (%) as of 26 Feb 2014

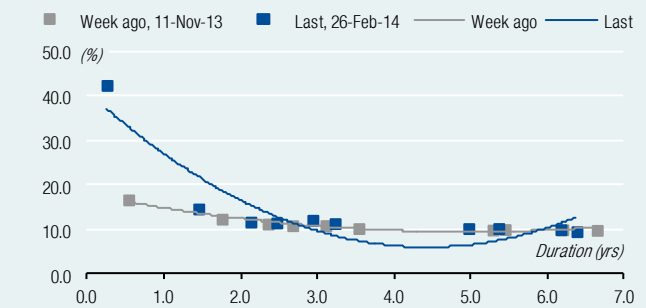


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

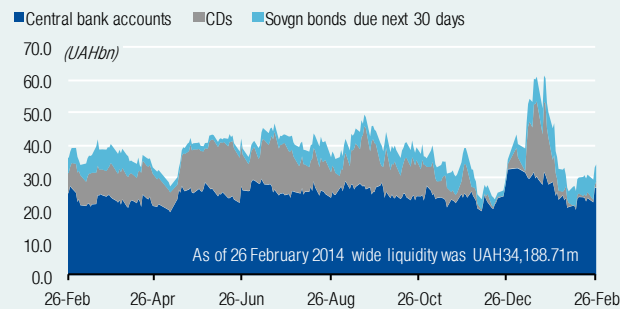


Chart 6. Breakdown of liquidity pool (%) as of 26 Feb 2014

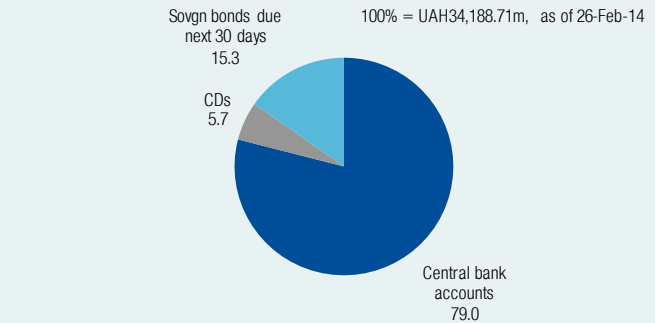


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

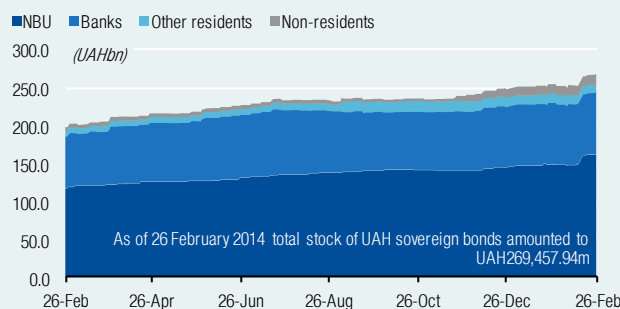
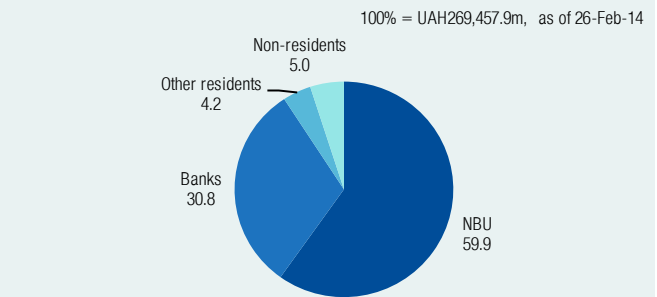


Chart 8. Domestic sovereign debt (%) as of 26 Feb 2014



# FX: News & Comments

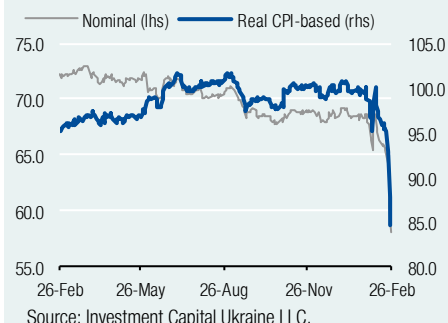
## UAH in a near free-fall

The hryvnia declined again, down a dramatic 4.37% to close at 10.15/USD on US\$0.72bn in trading volume, touching the 10.50/USD threshold intraday. The UAH's real trade-weighted index dropped 3.67%, extending the year-to-date contraction to 15.27%. Although Ukrainian authorities issued statements that they would begin negotiations with the IMF within days, only a firm commitment from the IMF and Ukrainian approval would effectively curb the hryvnia's steep devaluation and reverse current market sentiment.

**Alexander Valchyshen, Kiev, +38044 2200120 ext.242**

### ICU's UAH trade-weighted indices

(Last 12-month history to 27 Feb 2014)



### FX market indicators (as of 26 Feb 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	10.1500	+4.37	+13.41	+20.33	+23.18
NBU avg	9.5179	+0.97	+8.34	+16.73	+16.77
Ttl vlm <sup>1</sup>	835.27	+23.83	-1.38	-70.84	-70.19
\$ volume <sup>2</sup>	718.96	+30.72	+7.78	-71.99	-67.48
NDF 3M	10.8000	+5.11	+9.92	+23.01	+27.28
NDF 6M	11.3000	+5.61	+9.18	+24.22	+28.70
NDF 1Y	12.5000	+10.13	+13.12	+28.87	+32.70
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	58.065	-3.67	-11.35	-15.39	-15.27
UAH real CPI	84.544	-3.67	-11.35	-15.39	-15.27
UAH real PPI	112.689	-3.67	-11.35	-15.39	-15.27
USD nom'l	80.429	+0.36	+0.36	-0.04	+0.49
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	36.0197	+0.98	+1.02	+4.25	+9.58
EUR/USD	1.3687	-0.42	-0.33	+0.07	-0.41
USD/CNY	6.1244	+0.02	+0.79	+1.26	+1.16
USD/PLN	3.0542	+1.04	+0.58	-0.42	+1.03
USD/TRY	2.2289	+0.75	+0.65	-4.61	+3.76
USD/BYR	9,775.00	-0.15	+0.15	+1.61	+2.46
USD/KZT	184.9000	+0.21	+0.12	+19.08	+19.85
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	102.3800	+0.14	+0.07	+0.07	-2.78
GBP/USD	1.6671	-0.06	-0.05	+1.15	+0.69
USD/CHF	0.8907	+0.44	+0.24	-0.42	-0.25
AUD/USD	0.8968	-0.57	-0.36	+3.28	+0.57
USD/CAD	1.1128	+0.39	+0.43	+0.36	+4.75
USD/BRL	2.3500	+0.38	-1.83	-1.98	-0.51
USD/KRW	1,065.20	-0.71	-0.04	-1.40	+1.47
<b>COMMODITIES</b>					
Gold(\$/oz)	1,330.57	-0.75	+1.45	+4.76	+10.36
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>	301.61	+0.01	-0.03	+6.75	+7.65

Readers may follow the ICU trade-weighted indices of the local-currency, the hryvnia (UAH), on the ICU website ([download history](#)) and Bloomberg (type: ALLX UTWI <GO>).

Section on FX market is continued on next page.

Notes: [1] trading volume in all foreign currencies (US\$m); [2] trading volume in the pair USD/UAH (US\$m); [3] crude oil price (USD per barrel); [4] the Thomson Reuters/Jefferies CRB Index. A green/-red-shaded box means gain or loss, respectively, of the investment into the asset. Currencies are gaining when their exchange rates strengthen versus USD.

Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart page #1: Foreign-exchange market

Chart 9. Spot market rates USD/UAH: last 12-month and 5-year periods (UAH per USD, left and right respectively)

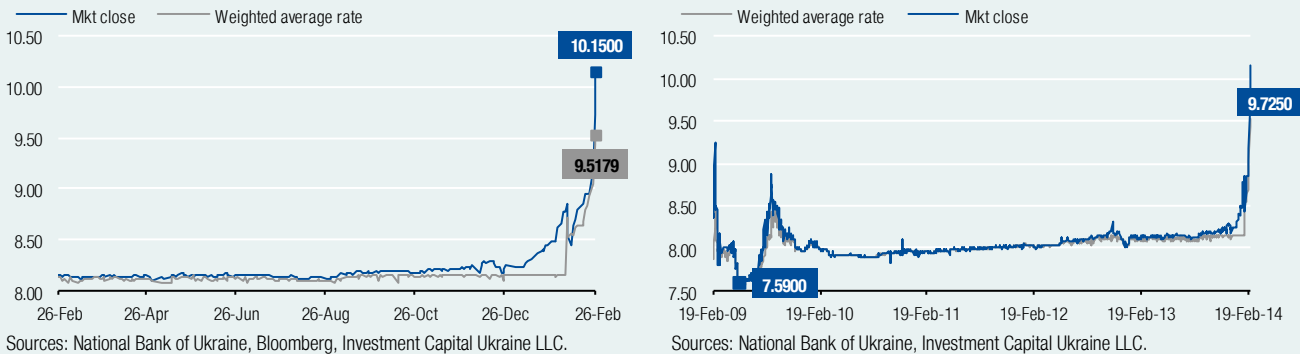


Chart 10. NDF market rates USD/UAH: last 12-month and 5-year periods (UAH per USD, left and right respectively)

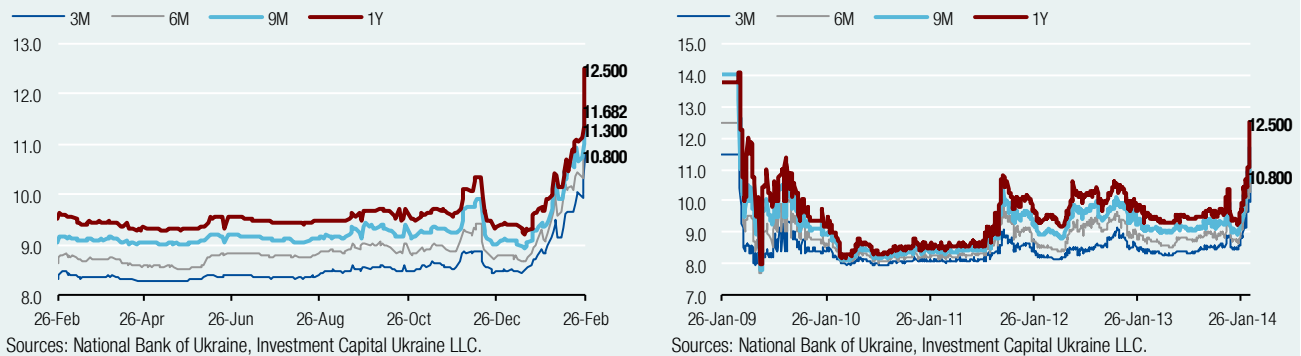


Chart 11. Trading volume: last 12-month and 5-year periods (US\$m, left and right respectively)

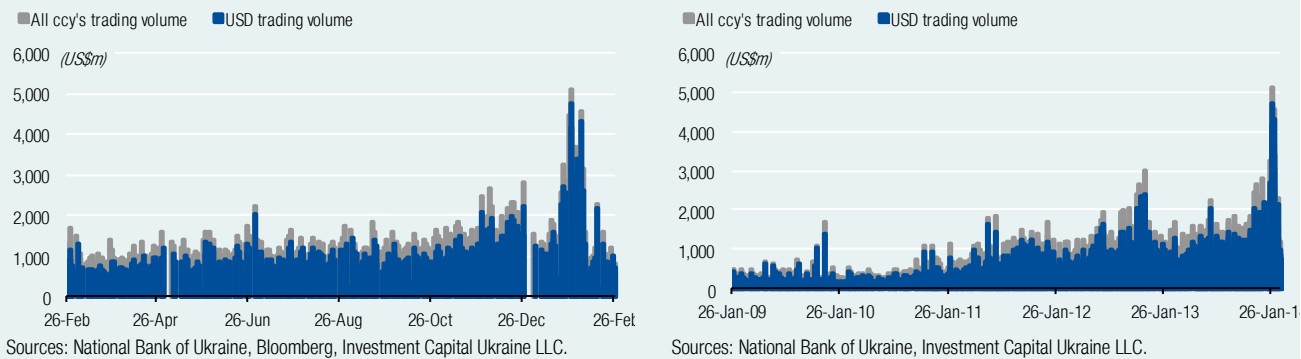
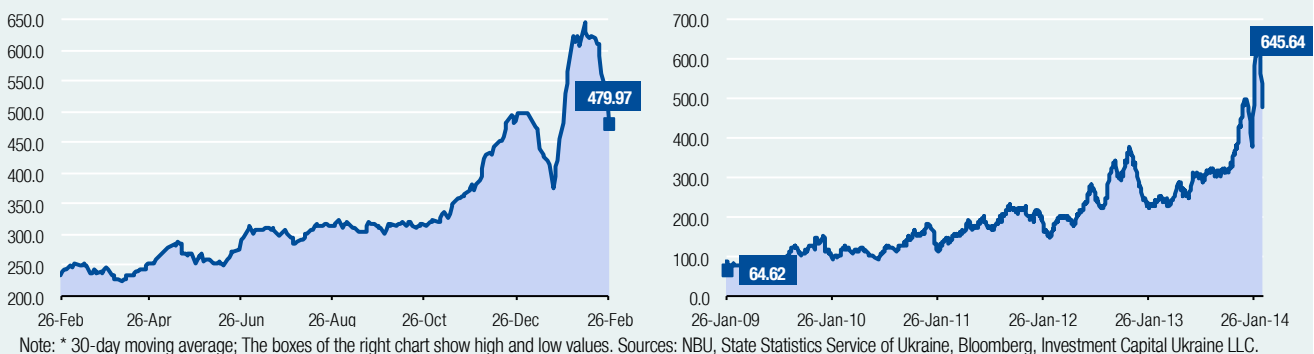


Chart 12. 30D MA\* ratio of FX market turnover to merchandise trade: last 12m and 5yr periods (% , left and right respectively)

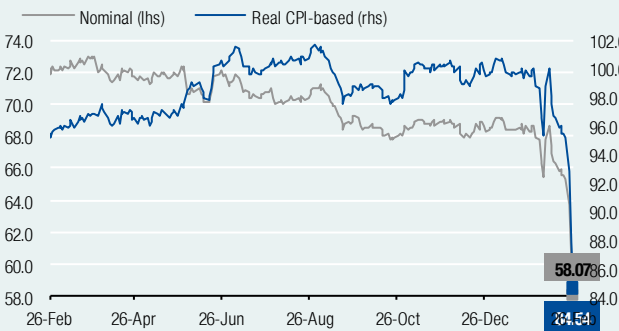




## Chart page #2: ICU's UAH trade-weighted indices

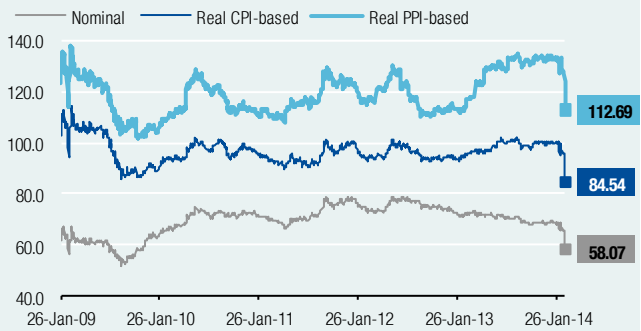
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



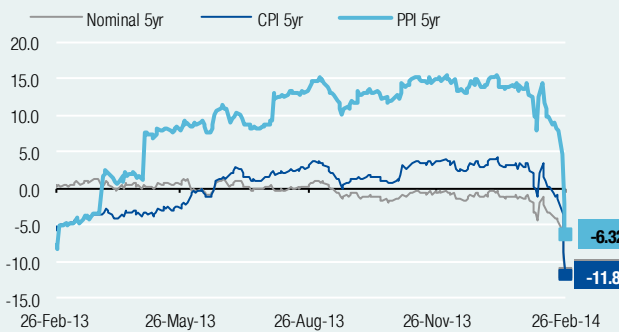
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

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

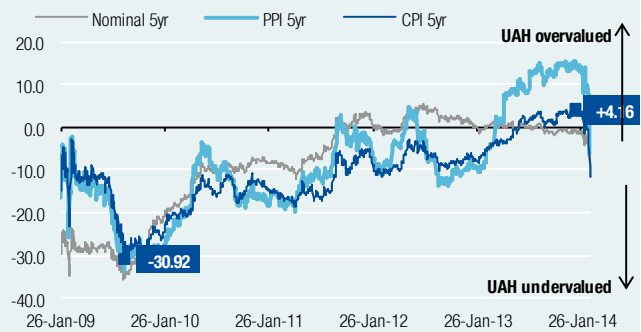


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**Chart 15. Deviation of UAH trade-weighted indices from their 5-year moving averages: last 12-month and 5-year periods (%), left and right respectively**

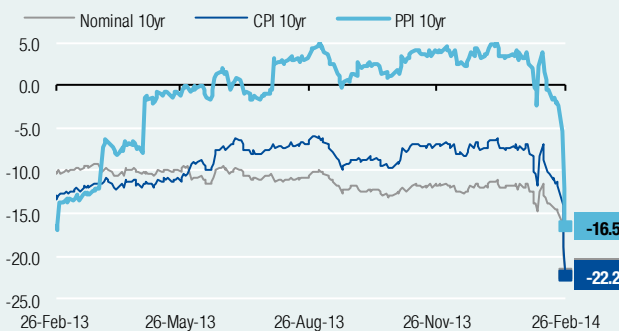


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

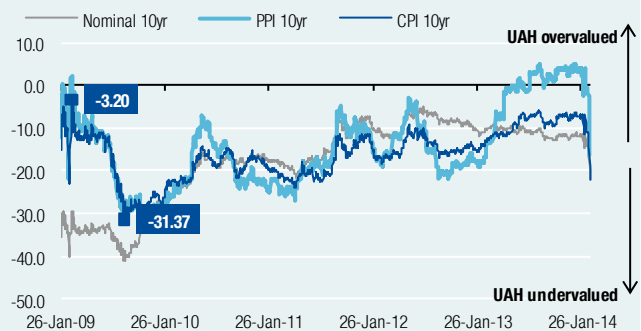


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**Chart 16. Deviation of UAH trade-weighted indices from their 10-year moving averages: last 12-month and 5-year periods (%), left and right respectively**



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



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



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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



**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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