



**INVESTMENT CAPITAL UKRAINE**  
INVESTMENT BANKING

# Daily Insight

Putin's troops flex their muscles; Liquidity up; YTM's up; UAH remains stable

TUESDAY, 4 MARCH, 2014

RESEARCH INSIGHT

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**UX Index (3 months to 4 Mar 2014)**



## Key market indicators (as of 3 Mar 2014)

	Last	Daily chg (%)	YTD chg (%)
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### FX & MONEY RATES

USD/UAH	9.7500	-2.01	+18.33
USD/UAH (1Y NDF)	12.1000	+2.54	+28.45
EUR/USD	1.3735	-0.49	-0.06
USD/RUB	36.5809	+2.00	+11.29
KievPRIME O/N (%)	9.00	-34bp	+120bp
KievPRIME 1M (%)	23.13	+9bp	+688bp

### BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	+74bp	+0bp
Ukraine 17, Eurobond (%)	13.11	+175bp	+356bp
Ukraine 22, Eurobond (%)	10.69	+101bp	+135bp
Ukraine 23, Eurobond (%)	10.37	+102bp	+132bp
Ukraine 5Y CDS	1,129bp	+97bp	+313bp

### EQUITIES

#### Stock market indices

UX (Ukraine)	987.96	-11.73	+8.56
MSCI World	405.06	-1.24	-0.85
MSCI EM	950.68	-1.63	-5.19
RTS (Russia)	1,115.06	-12.01	-22.71
WIG-20 (Poland)	2,389.89	-5.11	-0.46
S&P 500 (USA)	1,845.73	-0.74	-0.14

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

FXPO LN	13.82	43.8% of total <sup>1</sup>
KER PW	11.14	35.3%
MHPC LI	1.58	5.0%

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

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

KSG PW	PLN 6.18	-23.23	-43.04
SGR PW	PLN 0.73	-22.34	+37.74
CLE PW	PLN 1.42	-21.98	+35.24

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 under Russian invasion: Putin's troops flex their muscles

Russian troops occupying the perimeter of Ukraine near Crimea set up military bases demanding the surrender of Ukraine's military. When a high commanding Ukrainian officer surrendered to the Russian navy later tried to coerce his ex-colleagues to follow his example, his Ukraine navy squad rejected him by singing the Ukrainian anthem. Russian troops were reported to be building up their presence on the Ukraine-Russia border. At the UN, a Russian ambassador requested Yanukovich to plea to Putin to use military force to effectively re-install him to the presidency. The most dramatic development was that a commander of the Russian navy gave Ukraine's military a 5am deadline to surrender, with unclear consequences if they don't.

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### NBU declares two Ukrainian banks to be insolvent

The National Bank of Ukraine has introduced a temporary administration a Brokbusinessbank and Real Bank. Both institutions are known to be connected with the disgraced Ukrainian tycoon Sergiy Kurchenko. The total amount of the household deposits held in both banks amounted to UAH6.3bn as of 31/12/2013. The larger Brokbusinessbank suffered chronic liquidity problems in 2013 that intensified during the clashes on the streets of Kyiv in 2014. The NBU has provided UAH2.0bn of a refinancing loan in February in addition to the existing debt of UAH1.0bn, which has calmed depositors for a while.

The State Deposit Insurance Fund is in charge of the both bank management and will conduct the repayment of the past due deposit. It has announced that it will sell either the separate assets or the banks as a whole. The total amount of households deposit, eligible for the repayment by the fund amounts to UAH3.2bn as only deposits up to UAH200,000 are insured. The total assets of the Fund were UAH7.3bn as of January 1, 2014.

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Table 1. Ukrainian stocks (closing prices as of 3-Mar-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	9.75 GBP	-13.3	-13.3	-6.0	-29.1	0.16	37.6	-25.5	40.2	15.1	48.7	11.6	0.07	1,441	Neg.	Neg.	Neg.	3.9	3.9	8.0	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	4.91 UAH	-11.9	+12.8	+3.0	-16.8	0.50	186.0	251.1	21.7	40.4	63.0	48.8	0.16	644	7.8	6.9	4.8	0.5	4.0	2.7	0.3	0.4	0.3	0.7	12.2
Coal Energy	CLE PW	Warsaw	1.42 PLN	-22.0	+27.9	+35.2	-85.8	0.47	21.0	78.8	25.0	5.2	921.4	297.0	10.34	10	Neg.	Neg.	N/A	1.3	10.8	N/A	0.6	0.9	N/A	0.2	7.7
Donbasenergo	DOEN UK	Kiev, UX	35.59 UAH	-12.3	+13.6	+29.0	+57.7	3.65	86.3	135.1	14.2	12.3	27.7	27.4	0.28	363	27.2	3.4	4.8	0.5	2.7	2.4	0.3	0.3	0.3	1.3	17.8
JKX Oil & Gas	JKX LN	London	55.50 GBP	-9.8	-20.1	-22.4	-16.5	0.93	158.9	155.9	47.2	75.0	305.5	56.7	0.10	1,044	Neg.	4.9	4.4	1.1	1.6	1.7	0.8	0.8	0.7	0.3	2.5
Regal Petroleum	RPT LN	London	10.63 GBP	-9.6	-15.0	-18.3	-66.1	0.18	56.8	30.0	80.9	46.0	5.3	8.7	0.02	4,194	4.9	11.4	N/A	1.4	1.8	N/A	0.7	N/A	N/A	0.2	0.0
Sadova Group	SGR PW	Warsaw	0.73 PLN	-22.3	+19.7	+37.7	-62.0	0.24	10.3	50.1	25.0	2.6	225.4	83.4	6.41	16	Neg.	N/A	N/A	7.5	N/A	N/A	1.3	N/A	N/A	0.2	42.4
Zakhidenergo	ZAEN UK	Kiev, PFTS	121.40 UAH	-4.4	+3.8	+34.3	+27.8	12.45	159.3	189.6	5.0	8.0	0.6	9.5	0.09	1,162	2.7	N/A	N/A	1.3	N/A	N/A	0.2	N/A	N/A	3.0	9.7
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	-10.0	+7.3	-0.8	-26.0	0.00	101.8	1,541.6	3.9	3.9	24.8	12.3	0.39	258	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	2.92 UAH	-9.4	+6.9	-1.5	-12.4	0.30	58.3	54.6	4.0	2.3	35.4	12.5	0.74	135	Neg.	Neg.	2.7	Neg.	1.5	0.9	0.1	0.1	0.1	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.68 UAH	-13.2	+14.9	+1.5	-0.9	0.07	293.2	284.6	4.1	12.0	15.7	14.3	0.11	919	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	141.40 GBP	-7.6	-5.5	-26.0	-28.9	2.36	1,388.0	1,975.2	22.4	310.9	13,815.7	2,915.3	1.53	65	6.5	5.4	6.0	5.0	4.1	4.4	1.4	1.3	1.2	0.9	37.0
Yasynivsky Cok...	YASK UK	Kiev, UX	0.61 UAH	-18.0	+9.4	+14.5	-11.9	0.06	17.0	18.5	9.0	1.5	3.1	2.4	0.15	676	2.4	1.6	1.2	0.1	0.8	0.7	0.1	0.1	0.1	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	34.20 UAH	-8.0	+8.8	+6.8	-5.1	3.51	37.0	31.7	9.4	3.5	23.5	12.8	0.67	149	5.2	Neg.	2.2	Neg.	Neg.	N/A	0.0	0.0	0.0	0.8	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	1.18 EUR	-4.8	+0.0	-4.8	-29.3	1.62	149.9	177.2	34.0	51.0	227.0	35.4	0.07	1,458	Neg.	N/A	N/A	Neg.	N/A	N/A	2.7	N/A	N/A	1.3	35.9
Agroliga	AGL PW	Warsaw	21.00 PLN	-19.1	-15.0	-19.0	+22.1	6.89	10.6	11.5	16.7	1.8	32.3	13.0	1.43	70	2.4	N/A	N/A	3.3	N/A	N/A	0.5	N/A	N/A	0.8	5.7
Agroton	AGT PW	Warsaw	4.21 PLN	-21.3	+75.4	+115.9	-55.6	1.38	29.9	77.2	26.2	7.8	1,003.2	515.1	11.62	9	4.4	6.2	4.0	5.4	8.3	5.0	0.9	1.1	0.9	0.2	28.0
Astarta Holdin...	AST PW	Warsaw	47.00 PLN	-13.0	-29.1	-29.7	-25.9	15.41	385.3	715.4	31.0	119.5	644.2	180.4	0.24	421	6.2	6.4	3.2	8.1	7.0	4.0	1.5	1.5	1.1	0.7	38.9
Avangard	AVGR LI	London Intl	8.40 USD	-16.0	-25.7	-28.5	-16.6	8.40	536.5	702.9	21.7	116.4	530.2	213.1	0.23	432	2.4	2.4	2.6	2.5	2.4	2.5	1.1	1.0	1.0	0.5	22.3
IMC	IMC PW	Warsaw	8.00 PLN	-14.3	-13.2	-34.2	-50.6	2.62	82.1	198.4	23.9	19.6	391.8	77.5	1.14	87	4.4	4.4	3.4	5.4	4.8	4.0	2.6	1.4	1.0	0.7	33.0
Kernel Holding...	KER PW	Warsaw	25.50 PLN	-20.6	-33.2	-33.0	-57.9	8.36	666.3	1,689.5	58.8	391.6	11,135.3	1,541.0	0.74	135	6.0	7.4	3.6	5.8	6.4	4.7	0.6	0.7	0.6	0.5	30.6
KSG Agro	KSG PW	Warsaw	6.18 PLN	-23.2	-29.6	-43.0	-36.2	2.03	30.4	152.3	34.4	10.5	104.8	17.6	0.39	257	3.8	2.5	2.6	36.1	5.2	4.2	4.1	2.2	1.4	0.3	29.2
MHP	MHPC LI	London Intl	13.30 USD	-7.7	-11.5	-22.0	-27.5	13.30	1,405.4	2,606.4	22.3	313.7	1,576.1	1,017.3	0.62	162	4.7	6.8	5.1	5.6	6.2	5.1	1.9	1.8	1.6	1.2	45.8
Milkiland	MLK PW	Warsaw	8.50 PLN	-14.9	-11.9	-32.0	-41.2	2.79	87.1	222.4	20.0	17.4	58.1	13.8	0.17	589	5.0	4.9	4.8	6.2	5.5	4.4	0.6	0.5	0.4	0.4	29.9
Mriya Agrohold...	MAYA GF	Frankfurt	3.81 EUR	-6.8	-28.1	-29.4	-20.3	5.24	557.0	1,288.9	20.0	111.4	1.0	1.4	0.00	68,984	3.2	3.5	3.7	5.6	4.8	5.2	3.7	3.4	3.0	0.6	34.8
Ovostar Union	OVO PW	Warsaw	59.40 PLN	-16.3	-27.3	-40.6	-38.7	19.48	116.9	128.9	25.0	29.2	231.6	44.6	0.18	542	5.0	4.5	3.1	4.6	4.6	2.9	1.8	1.6	1.2	1.1	3.7
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Xetra	0.30 EUR	+0.0	-5.4	-5.4	-35.5	0.41	21.4	180.7	13.1	2.8	0.0	0.1	0.01	11,158	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	0.70 UAH	-18.5	+0.6	-7.9	+16.7	0.07	42.6	N/A	5.5	2.3	9.8	2.5	0.07	1,510	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	-12.7	+22.5	+21.6	+14.2	0.01	424.3	N/A	3.8	16.2	42.8	47.7	0.35	286	13.0	7.5	4.0	N/A	N/A	N/A	N/A	N/A	N/A	0.6	28.3
UkrSotsbank	USCB UK	Kiev, UX	0.18 UAH	-8.0	-3.2	-5.5	+29.0	0.02	329.5	N/A	4.5	14.8	2.9	7.3	0.05	2,077	1,061.3	195.9	N/A	N/A	N/A	N/A	N/A	N/A	0.4	30.9	

**Table 1. Ukrainian stocks (closing prices as of 3-Mar-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: mIn - 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 increase significantly

As the political crisis in Crimea escalates with the possible beginning of a Russian military invasion of Ukraine, YTM's of Ukrainian Eurobonds rose significantly. As a result, YTM's jumped significantly in the morning, and then retreated slightly, but remained at very high level. At the close, UKRAIN 6.875% '15 rose 260bp to 15.95%, UKRAIN 9.25% '17 rose 171bp to 13.09%, UKRAIN 7.95% '21 rose 109bp to 11.11%, while UKRAIN 7.80% '22 rose 95bp to 10.67% and UKRAIN 7.50% '23 rose 96bp to 10.34%. The 5-year CDS rose to 1,129bp.

## Primary auction announcement

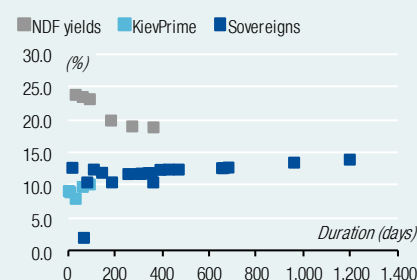
The MoF followed its schedule today and offered five bonds, four in local currency and one in US dollars. Two short-term local currency bonds will have 84-day and 273-day maturities and two intermediate-term bonds will have the standard 5-year and 7-year maturities. The USD-denominated bond will have a 2-year maturity.

**Investment implications:** As the NBU purchased UAH3.5bn of government bonds last Friday, we could see significant demand for long-term bonds which usually attract demand supported by domestic QE. The zero-coupon bonds will probably attract no demand. The USD-denominated bonds could see some bids, but not at large volumes.

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### Yield curve of the local bond market

(as of market close on 3 Mar 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

### Bond market indicators (as of 3 Mar 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
0/n	9.00	-34bp	-375bp	+120bp	+120bp
1wk	17.40	-424bp	-135bp	+760bp	+760bp
1m	23.13	+9bp	+13bp	+688bp	+688bp
2m	18.13	+13bp	-12bp	+173bp	+173bp
3m	18.05	+30bp	+5bp	+205bp	+205bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	26,905	+1.34	+19.44	-18.57	-17.73
CDs <sup>2</sup>	300	-95.95	-60.00	-90.94	-80.26
Sovgns <sup>3</sup>	5,566	+6.72	-10.79	+35.93	+272.3
<b>Total</b>	<b>32,771</b>	<b>-16.36</b>	<b>+11.03</b>	<b>-18.98</b>	<b>-8.25</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	166,450	+2.15	+3.05	+13.19	+14.91
Banks	82,228	-5.47	+0.66	+1.46	+2.57
Resid's <sup>4</sup>	11,459	-0.31	-0.73	-6.88	-7.56
Non-res <sup>5</sup>	13,884	-2.36	+4.10	+15.99	+18.68
<b>Total</b>	<b>274,021</b>	<b>-0.59</b>	<b>+2.21</b>	<b>+8.58</b>	<b>+10.00</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	53.70	+25bp	+20bp	+41bp	+42bp
6m	34.21	+19bp	+919bp	+21bp	+21bp
9m	27.14	+506bp	+371bp	+13bp	+13bp
1yr	24.79	+554bp	+259bp	+973bp	+980bp
<b>LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)</b>					
Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	N/A	+320bp	+0bp	-676bp	-676bp
Aug '15 <sup>6</sup>	N/A	+74bp	+0bp	+0bp	+0bp
<b>EUROBONDS USD SOVEREIGN BOND YIELDS (%)</b>					
CDS 5yr	1,129	+97bp	+184bp	+347bp	+313bp
Jun '16	12.45	+157bp	+172bp	+357bp	+357bp
Jul '17	13.11	+175bp	+200bp	+356bp	+356bp
Sep '20	11.49	+163bp	+207bp	+230bp	+230bp
Sep '21	11.14	+115bp	+160bp	+192bp	+192bp
Sep '22	10.69	+101bp	+126bp	+135bp	+135bp
Feb '23	10.37	+102bp	+131bp	+132bp	+132bp

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

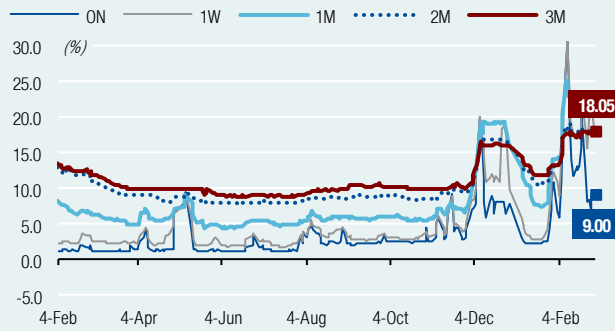


Chart 2. UAH NDF implied yields (%), last 12-month period



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

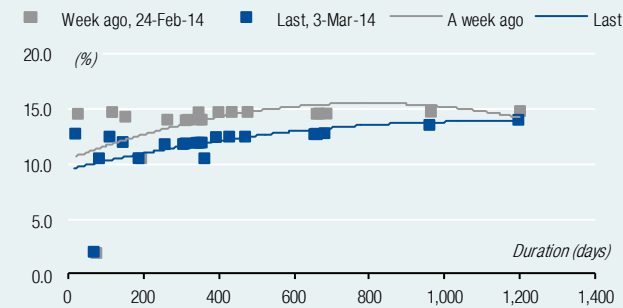


Chart 4. USD sovereign yield curve (%) as of 3 Mar 2014

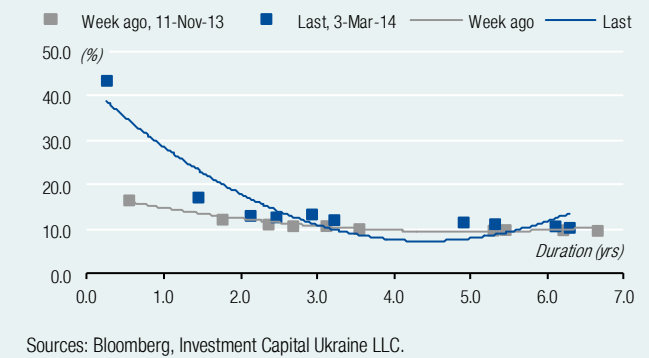


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

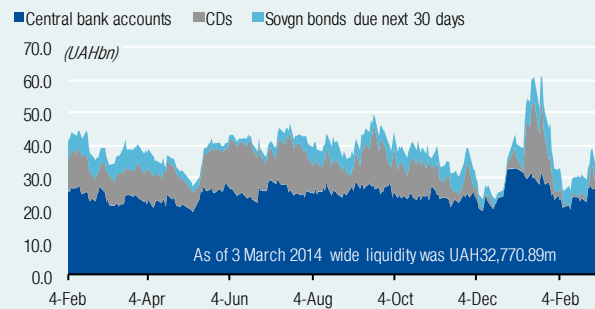


Chart 6. Breakdown of liquidity pool (%) as of 3 Mar 2014

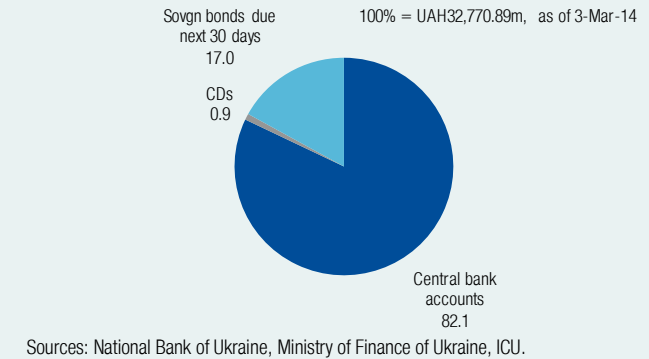


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

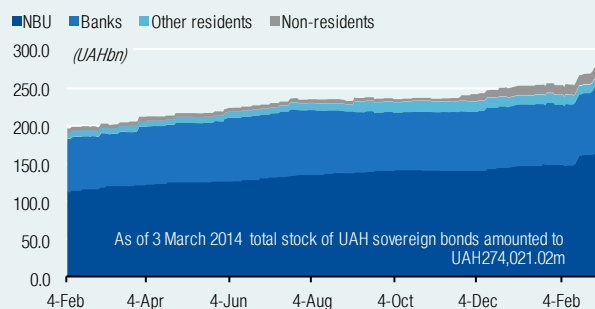
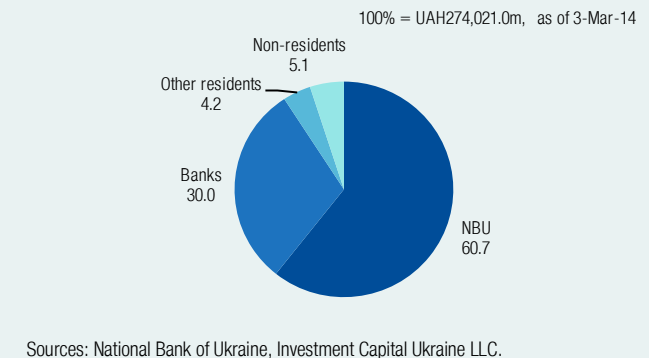


Chart 8. Domestic sovereign debt (%) as of 3 Mar 2014



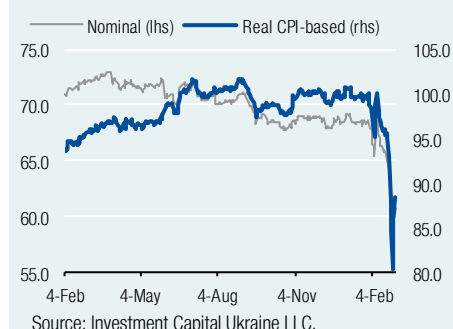
# FX: News & Comments

## UAH remains stable

Yesterday, the UAH closed at 9.75/USD, up 2.01% from the previous day on trading volume of US\$0.3bn, quite a subdued level compared with the previous days, signaling that capital controls have taken effect. Meanwhile, the UAH's real trade-weighted index rose 3.07% on the back of a sizable daily decline of the RUB due to prospect of anti-Russian economic sanctions.

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**ICU's UAH trade-weighted indices**  
(Last 12-month history to 4 Mar 2014)



## FX market indicators (as of 3 Mar 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	9.7500	-2.01	+6.27	+18.40	+18.33
NBU avg	9.9924	+3.02	+10.56	+22.61	+22.59
Ttl vlm <sup>1</sup>	519.28	-33.09	-56.16	-66.73	-81.47
\$ volume <sup>2</sup>	285.65	-57.69	-71.55	-77.43	-87.08
NDF 3M	11.0500	+3.76	+11.08	+30.23	+30.23
NDF 6M	11.4000	+6.54	+10.59	+29.91	+29.84
NDF 1Y	12.1000	+2.54	+8.52	+28.45	+28.45
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	60.760	+3.07	-4.69	-12.12	-11.33
UAH real CPI	88.468	+3.07	-4.69	-12.12	-11.33
UAH real PPI	117.919	+3.07	-4.69	-12.12	-11.33
USD nom'l	80.077	+0.48	-0.15	-0.88	+0.05
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	36.5809	+2.00	+3.13	+10.19	+11.29
EUR/USD	1.3735	-0.49	+0.00	+1.07	-0.06
USD/CNY	6.1457	+0.01	+0.79	+1.55	+1.51
USD/PLN	3.0750	+2.07	+1.54	+0.23	+1.72
USD/TRY	2.2320	+1.17	+1.46	+2.41	+3.90
USD/BYR	9,790.00	+0.26	+0.10	+2.30	+2.62
USD/KZT	182.9700	-0.79	-0.82	+18.54	+18.60
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	101.4500	-0.34	-1.03	-3.25	-3.67
GBP/USD	1.6667	-0.47	+0.07	+1.52	+0.66
USD/CHF	0.8831	+0.32	-0.66	-2.44	-1.10
AUD/USD	0.8938	+0.16	-1.07	-0.08	+0.24
USD/CAD	1.1076	+0.11	+0.14	+4.15	+4.26
USD/BRL	N/A	N/A	N/A	N/A	N/A
USD/KRW	1,070.13	+0.24	-0.42	+1.41	+1.94
<b>COMMODITIES</b>					
Gold(\$/oz)	1,350.58	+1.82	+1.02	+9.18	+12.02
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>	305.85	+1.13	+1.21	+10.60	+9.17

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>).

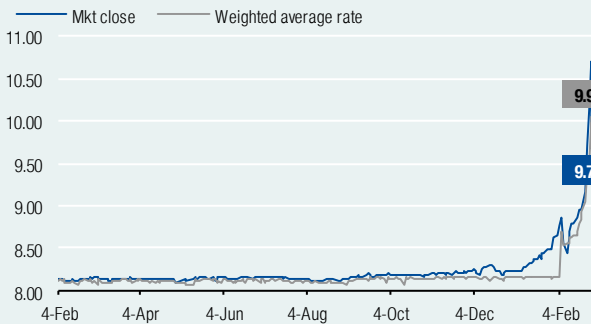
Section on FX market is continued on next page.

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.

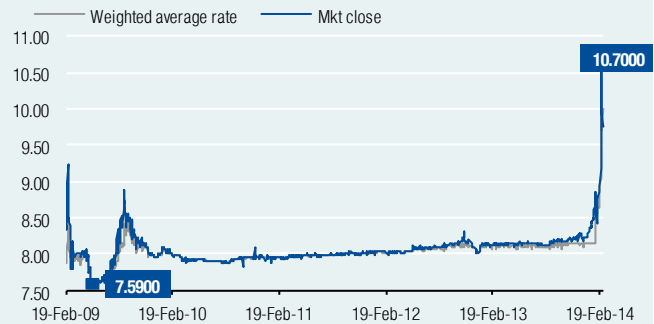
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

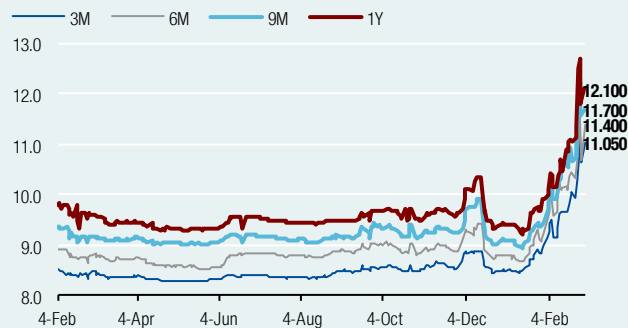


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

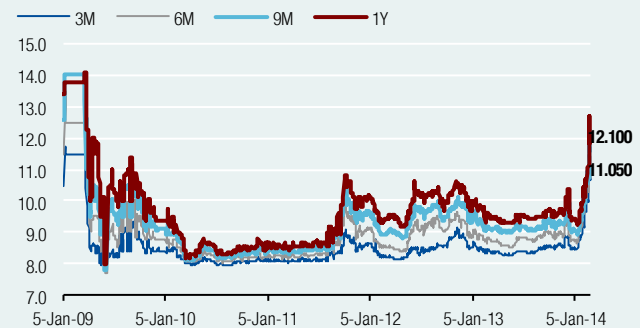


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

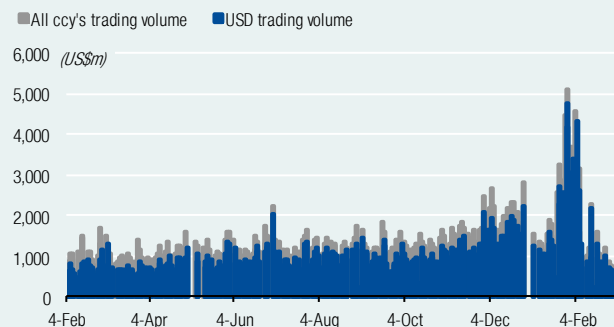


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.



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.

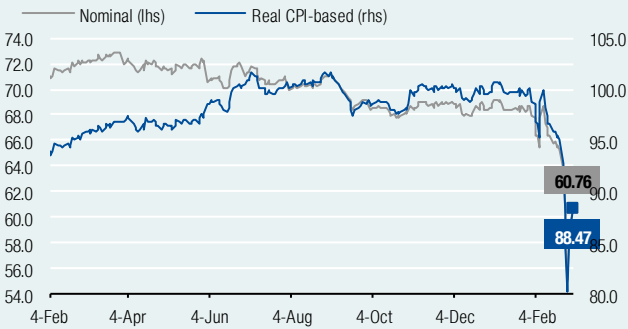




## Chart page #2: ICU's UAH trade-weighted indices

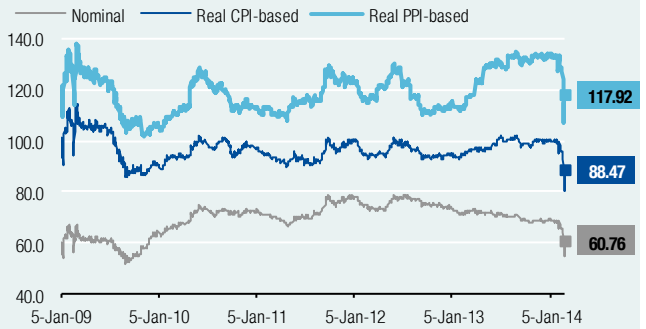
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

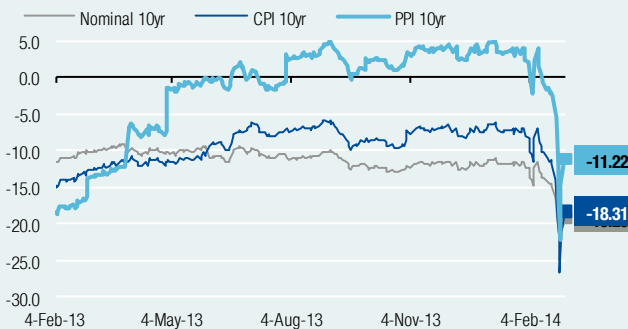


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.



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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