


INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

Metinvest's EBITDA up; Crimea vote; UAH little changed; Liquidity down; Auction announcement

TUESDAY, 18 MARCH, 2014

RESEARCH INSIGHT

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UX Index (3 months to 18 Mar 2014)



Key market indicators (as of 17 Mar 2014)

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

USD/UAH	9.7500	+0.52	+18.33
USD/UAH (1Y NDF)	12.3000	+0.00	+30.57
EUR/USD	1.3922	+0.06	+1.30
USD/RUB	36.2678	-1.00	+10.34
KievPRIME O/N (%)	9.18	+218bp	+138bp
KievPRIME 1M (%)	23.70	+32bp	+745bp

BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	+74bp	+0bp
Ukraine 17, Eurobond (%)	14.54	+50bp	+499bp
Ukraine 22, Eurobond (%)	10.97	+9bp	+163bp
Ukraine 23, Eurobond (%)	10.80	+29bp	+175bp
Ukraine 5Y CDS	1,246bp	+0bp	+429bp

EQUITIES

Stock market indices

UX (Ukraine)	994.25	-0.93	+9.25
MSCI World	404.41	+0.76	-1.01
MSCI EM	943.22	+0.59	-5.93
RTS (Russia)	1,114.66	+4.91	-22.74
WIG-20 (Poland)	2,394.84	+2.26	-0.26
S&P 500 (USA)	1,858.83	+0.96	+0.57

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

KER PW	3.37	34.7% of total ¹
FXPO LN	2.89	29.8%
AGT PW	1.37	14.1%

GAINERS: Top 3 stocks (in listed currency)

AST PW	PLN 40.80	+10.24	-39.01
KDM PW	PLN 14.50	+7.41	-53.81
KER PW	PLN 25.77	+7.38	-32.31

LOSERS: Top 3 stocks (in listed currency)

FORM UK	UAH 0.40	-33.33	-47.37
AGT PW	PLN 2.74	-10.16	+40.51
USCB UK	UAH 0.16	-6.77	-14.03

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

Crimea vote: What is next?

Following Sunday's illegitimate referendum in the Crimean vote, Ukraine and Russia remain in a bitter stand-off over the future relationship. The Kremlin's step to manipulate and threaten Ukrainian sovereignty is not yet complete as the Kremlin's Foreign Office issued a statement formulating its vision to settle the crisis with the West. The formula, whereby the federalization and no EU perspective to the country are key Kremlin demands, is likely neither acceptable nor negotiable from Kiev's viewpoint. Hence, this offer should not be viewed as a serious move by the Kremlin. Yesterday's sanctions from the West are soft at best. Moreover, the threat of more sanctions if the Kremlin refuses to obey are unconvincing. Further Kremlin moves should be expected, namely disobedience in the eastern oblasts, and the possibility of a Kremlin-led Russian invasion of Ukraine remains a possibility. Quite possibly, the Kremlin could implement trade restrictions similar to those issued last fall. Crimean pro-Russian authorities have declared many initiatives, such as adopting the RUB as its currency, aligning the time zone to that in Moscow (two hours ahead of Kiev), and filing a petition to Moscow to join Russia. All appear to be quite strong commitments that the Kremlin cannot ignore. Meanwhile, Kiev insists that Ukraine's military will remain stationed on the peninsula as a sign of support of those people who abstained from the illegal vote, including the Tatars, Ukrainians, and even Russians who prefer to remain free from Russian authority. In general, Crimea and the city of Sevastopol account for an estimated 4% of GDP, meaning that the Ukraine state budget would not see incomes of the same proportion to total budget revenues if Crimea were to separate from Kiev.

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Table 1. Ukrainian stocks (closing prices as of 17-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 (%)
ENERGY																											
Cadogan Petrol...	CAD LN	London	10.25 GBP	+2.5	-8.9	-1.2	-27.4	0.17	39.4	-23.7	40.2	15.8	19.9	11.8	0.07	1,353	Neg.	Neg.	Neg.	3.6	3.6	7.4	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	5.23 UAH	-0.4	+20.8	+9.7	-8.3	0.54	198.2	263.2	21.7	43.0	45.1	63.2	0.21	466	8.3	7.4	5.1	0.5	4.2	2.8	0.3	0.4	0.3	0.8	12.2
Coal Energy	CLE PW	Warsaw	1.54 PLN	+2.0	+31.6	+46.7	-83.8	0.51	22.8	80.7	25.0	5.7	353.0	406.2	13.74	7	Neg.	Neg.	N/A	1.3	11.1	N/A	0.6	0.9	N/A	0.2	7.7
Donbasenergo	DOEN UK	Kiev, UX	36.85 UAH	-1.7	+17.1	+33.6	+75.7	3.78	89.4	138.1	14.2	12.7	33.1	32.4	0.38	263	28.1	3.5	5.0	0.5	2.7	2.5	0.3	0.3	0.3	1.3	17.8
JKX Oil & Gas	JKX LN	London	63.00 GBP	+0.8	-7.7	-11.9	-21.0	1.05	180.0	177.0	47.2	85.0	46.8	74.2	0.12	814	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	11.00 GBP	+0.0	-7.4	-15.4	-61.4	0.18	58.7	31.9	80.9	47.5	0.0	9.9	0.03	3,991	5.0	11.7	N/A	1.4	1.9	N/A	0.8	N/A	N/A	0.2	0.0
Sadova Group	SGR PW	Warsaw	0.83 PLN	+5.1	+31.7	+56.6	-58.3	0.27	11.8	51.5	25.0	2.9	166.8	102.2	8.09	12	Neg.	N/A	N/A	7.7	N/A	N/A	1.3	N/A	N/A	0.3	42.4
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	-3.0	+1.9	-7.2	-27.5	0.00	95.2	1,535.0	3.9	3.7	14.5	12.4	0.52	193	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	2.93 UAH	+0.7	+9.0	-1.0	-4.7	0.30	58.6	54.9	4.0	2.3	13.0	15.7	1.27	78	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	+2.1	+15.0	+2.1	+7.2	0.07	294.9	286.3	4.1	12.1	14.9	14.1	0.18	543	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	142.30 GBP	+2.4	-16.7	-25.5	-26.2	2.37	1,393.6	2,054.9	22.4	312.2	2,889.6	3,317.6	1.61	62	5.3	5.6	7.0	4.1	4.3	4.8	1.3	1.3	1.3	0.8	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.70 UAH	+5.8	+22.1	+31.1	+14.1	0.07	19.5	21.0	9.0	1.8	1.4	2.2	0.15	681	2.8	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	32.20 UAH	-4.6	+3.8	+0.6	-7.9	3.30	34.8	29.5	9.4	3.3	3.2	12.1	0.76	131	4.9	Neg.	N/A	Neg.	Neg.	N/A	0.0	0.0	N/A	0.8	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	1.18 EUR	+0.0	+0.0	-4.8	-33.0	1.64	151.7	179.3	34.0	51.6	20.5	35.4	0.09	1,113	Neg.	N/A	N/A	Neg.	N/A	N/A	2.7	N/A	N/A	1.3	35.9
Agroliga	AGL PW	Warsaw	20.85 PLN	-2.8	-22.4	-19.6	+18.5	6.86	10.5	11.5	16.7	1.8	18.7	15.2	1.53	65	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	2.74 PLN	-10.2	-23.9	+40.5	-74.5	0.90	19.5	66.9	26.2	5.1	1,372.0	548.5	32.97	3	2.9	4.1	2.6	4.7	7.2	4.3	0.8	1.0	0.8	0.2	28.0
Astarta Holdin...	AST PW	Warsaw	40.80 PLN	+10.2	-29.9	-39.0	-31.8	13.42	335.5	669.5	31.0	104.1	145.2	176.0	0.23	435	5.3	5.8	2.8	7.6	6.7	3.8	1.4	1.4	1.1	0.6	38.9
Avangard	AVGR LI	London Intl	8.75 USD	-0.1	-22.3	-25.6	-9.7	8.75	558.6	724.9	21.7	121.2	34.4	302.7	0.51	197	2.5	2.5	2.7	2.6	2.5	2.6	1.2	1.0	1.0	0.5	22.3
IMC	IMC PW	Warsaw	8.34 PLN	+5.0	-7.8	-31.4	-46.2	2.74	85.9	202.1	23.9	20.5	57.2	102.9	1.04	96	4.6	4.6	3.5	5.5	4.8	4.1	2.7	1.4	1.0	0.7	33.0
Kernel Holding...	KER PW	Warsaw	25.77 PLN	+7.4	-30.0	-32.3	-57.3	8.48	675.4	1,698.6	58.8	396.9	3,367.7	1,953.0	1.01	99	6.1	6.4	3.7	5.8	6.0	4.7	0.6	0.7	0.6	0.5	30.6
KSG Agro	KSG PW	Warsaw	5.55 PLN	+1.3	-33.1	-48.8	-54.3	1.83	27.4	149.3	34.4	9.4	21.3	16.8	0.47	214	3.4	2.3	2.3	35.4	5.1	4.1	4.0	2.2	1.4	0.3	29.2
MHP	MHPC LI	London Intl	13.00 USD	+2.9	-4.1	-23.8	-29.7	13.00	1,373.7	2,574.7	22.3	306.6	949.9	1,155.5	0.60	166	4.6	6.7	4.9	5.5	6.2	5.1	1.8	1.7	1.6	1.2	45.8
Milkiland	MLK PW	Warsaw	7.24 PLN	+7.3	-30.4	-42.1	-51.7	2.38	74.4	211.3	20.0	14.9	11.6	13.3	0.23	430	4.2	4.1	4.1	5.9	5.1	4.2	0.5	0.4	0.4	0.3	29.9
Mriya Agrohold...	MAYA GF	Frankfurt	5.26 EUR	+0.0	-0.5	-2.6	+14.9	7.32	777.7	1,509.6	20.0	155.5	0.0	2.1	0.00	44,313	4.5	4.9	5.1	6.6	5.7	6.1	4.3	4.0	3.5	0.9	34.8
Ovostar Union	OVO PW	Warsaw	69.00 PLN	+0.0	-7.3	-31.0	-30.2	22.69	136.2	148.2	25.0	34.0	2.6	58.2	0.20	500	5.8	5.3	3.7	5.3	5.3	3.3	2.1	1.8	1.4	1.3	3.7
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	14.50 PLN	+7.4	-51.4	-53.8	-55.4	4.77	44.3	28.3	10.9	4.8	6.8	1.0	0.06	1,553	3.5	N/A	N/A	1.9	N/A	N/A	1.0	N/A	N/A	0.8	8.3
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.31 EUR	+0.0	+14.4	-2.2	-43.6	0.43	22.3	181.7	13.1	2.9	0.0	0.1	0.01	10,140	Neg.	N/A	N/A	Neg.	N/A	N/A	8.3	N/A	N/A	0.2	44.1
FINANCIAL SERVICES																											
Forum Bank	FORM UK	Kiev, UX	0.40 UAH	-33.3	-42.6	-47.4	-36.9	0.04	24.3	N/A	5.5	1.3	1.2	1.3	0.17	586	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.2	18.6
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.15 UAH	-2.2	+33.0	+27.8	+36.6	0.01	445.8	N/A	3.8	17.0	83.9	51.0	0.44	226	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 17-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 (%)		
Ukrsotsbank	USCB UK	Kiev, UX	0.16 UAH	-6.8	+3.6	-14.0	+38.4	0.02	299.9	N/A	4.5	13.4	5.3	6.5	0.06	1,573	966.0	178.3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.3	30.9

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

Sources: Bloomberg, Investment Capital Ukraine LLC.

Bonds: News & Comments

Liquidity declines significantly

Broader banking sector liquidity declined UAH1.19bn to UAH37.33bn yesterday, as banks' correspondent accounts with the NBU declined UAH1.99bn to UAH28.24bn and total CDs outstanding rose UAH0.080bn to UAH5.15bn while total local currency debt repayments scheduled for the next 30 days remained steady at UAH3.95bn.

KyivPrime interest rates rose significantly: the KyivPrime ON interest rate jumped up 218bp to 9.18% while the KyivPrime 1M interest rate rose a less significant 32bp to 23.70%.

Investment implications: The NBU absorbed a small portion of banks' correspondent accounts with the NBU from CDs maturing yesterday, as the regulator sold more CDs than it repaid last Friday. At the same time, the NBU did not issue any loans or purchase any bonds in its portfolio.

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YTMs continue to rise

YTMs of Ukrainian Eurobonds remained steady with slight volatility yesterday on news of sanctions against Russia resulting from the Crimean referendum that occurred over the weekend. The reaction to the Russian invasion caused YTMs of Ukrainian Eurobonds to move slightly to the range of 10.81-18.20%, excluding the YTM of UKRAIN 7.95% '14 which slightly declined to 41.73% and UKRAIN 5.00% '15 which usually remains low. At the close, UKRAIN 6.875% '15 rose 51bp to 14.98%, UKRAIN 9.25% '17 rose 52bp to 14.54%, while UKRAIN 7.95% '21 rose 29bp to 11.77%, UKRAIN 7.80% '22 rose 11bp to 10.98% and UKRAIN 7.50% '23 rose 31bp to 10.81%.

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Primary auction announcement

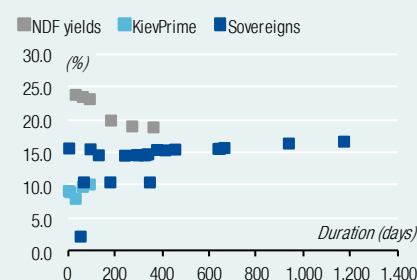
The MoF announced the offering of five domestic bonds, according to the schedule, four of which will be denominated in local currency and one in US dollars. Local currency bonds will have maturities from three months to seven years, while the USD-denominated bonds will have a 2-year maturity.

Investment implications: This auction could attract mostly demand supported by domestic QE or some refinancing from banks which will receive debt redemptions tomorrow. Market demand could take place today after the NBU following last week's interest rate increase for 3-month bonds which could be submitted as indicative rates for zero-coupon bonds and the USD-denominated bond. This auction could indicate how the MoF is going to finance the state budget via NBU support, possibly with rates high enough to attract market demand.

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Yield curve of the local bond market

(as of market close on 17 Mar 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 17 Mar 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
0/n	9.18	+218bp	-282bp	-382bp	+138bp
1wk	17.52	+104bp	-158bp	+29bp	+772bp
1m	23.70	+32bp	+90bp	+265bp	+745bp
2m	18.30	+17bp	+20bp	+30bp	+190bp
3m	18.04	+4bp	+4bp	+77bp	+204bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	28,236	-6.58	+13.13	+17.13	-13.66
CDs ²	5,150	-45.70	-28.52	+1,379.9	+238.8
Sovgns ³	4,676	+18.45	-14.47	-20.59	+212.8
Total	38,062	-12.82	+1.14	+25.44	+6.57
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	169,691	+0.00	+0.44	+5.57	+17.15
Banks	79,139	+0.67	-0.93	-1.85	-1.28
Resid's ⁴	11,230	+0.23	-0.89	-4.22	-9.41
Non-res ⁵	13,764	+1.07	+1.81	+6.65	+17.65
Total	273,824	+0.26	+0.05	+2.94	+9.92
NDF IMPLIED YIELDS (%)					
3m	53.13	-234bp	-542bp	+13bp	+41bp
6m	42.45	-125bp	-112bp	+11bp	+29bp
9m	30.58	-85bp	-340bp	+179bp	+17bp
1yr	26.86	-65bp	-275bp	+711bp	+12bp
LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)					
Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	N/A	+320bp	+0bp	+0bp	-676bp
Aug '15 ⁶	N/A	+74bp	+0bp	+0bp	+0bp
EUROBONDS USD SOVEREIGN BOND YIELDS (%)					
CDS 5yr	1,246	+0bp	+165bp	+57bp	+429bp
Jun '16	14.97	+49bp	+204bp	+237bp	+608bp
Jul '17	14.54	+50bp	+99bp	+208bp	+499bp
Sep '20	11.88	+36bp	+82bp	+128bp	+269bp
Sep '21	11.76	+26bp	+72bp	+115bp	+254bp
Sep '22	10.97	+9bp	+59bp	+46bp	+163bp
Feb '23	10.80	+29bp	+65bp	+83bp	+175bp

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.

Metinvest's EBITDA up 15% YoY, net debt down in 2013

Metinvest increased its EBITDA by 15% YoY to US\$2.291bn in 2013, according to its trading update released yesterday. The company's net revenues grew 2% YoY to US\$12.807bn and capex slid 2% YoY to US\$747m. As of end-2013, Metinvest's net debt declined 6% YoY to US\$3.528bn, while the company's net debt/EBITDA ratio declined to 1.9x from 2.1x as of end-2012.

Table 2. Metinvest's Eurobond quotation as of market close, 17 March 2014

Issuer	Moody's/S&P /Fitch	Ccy	Volume	Coupon (%)	Maturity	Price (%)	YTW (%)	Spread (bp)
Metinvest	Caa1/--/CCC	USD	500m	10.25	20-May-15	93.75	17.031	1,673
Metinvest	Caa1/--/CCC	USD	750m	8.75	14-Feb-18	87.25	13.017	1,146

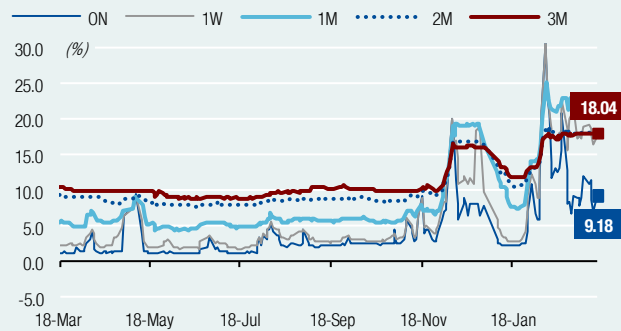
Source: Bloomberg

Investment implications: In the challenging market environment of 2013, Metinvest managed to substantially increase its earnings, which we attribute not only to higher volumes of steel and iron ore products and higher iron ore prices, but also to the cost-saving effect of the introduction of the higher energy-efficient PCI technology at one of the company's steel plants, Ilyich Steel. For more details, please see our upcoming note.

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Chart page: Local bond market & Eurobond markets

Chart 1. Kiev Prime rates (%), last 12-month period



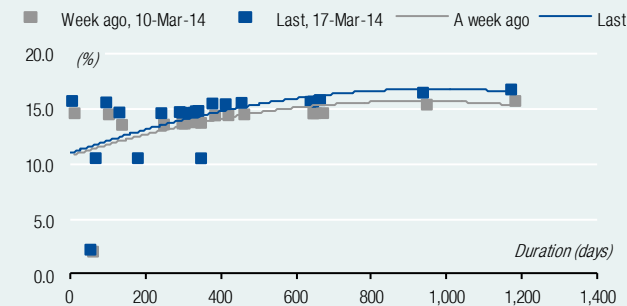
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



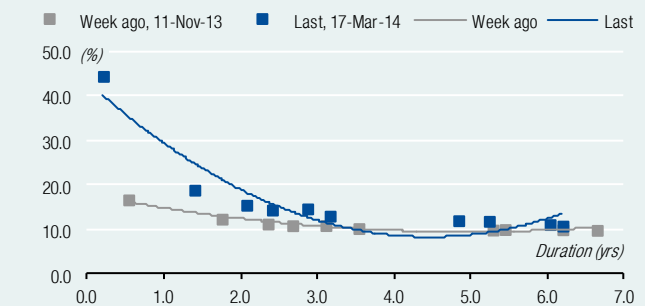
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 17 Mar 2014



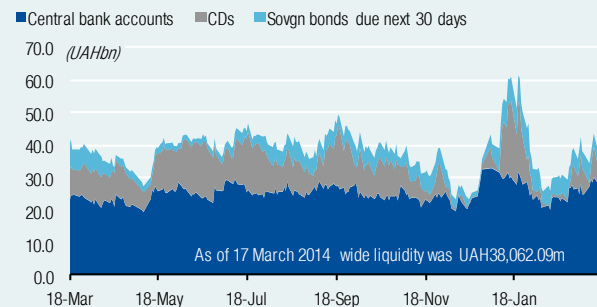
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 17 Mar 2014



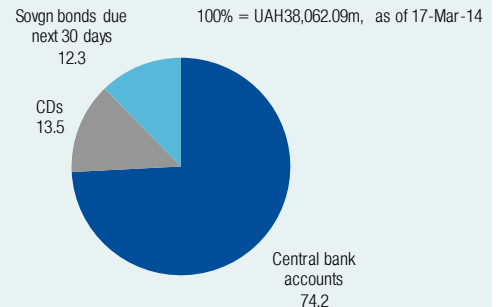
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



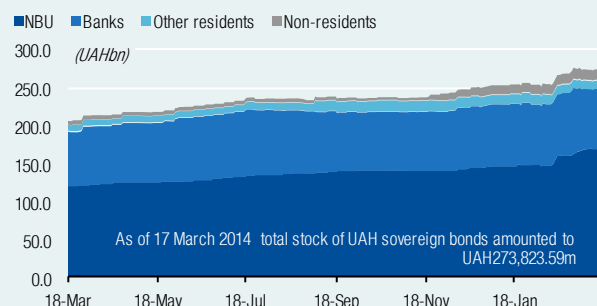
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 17 Mar 2014



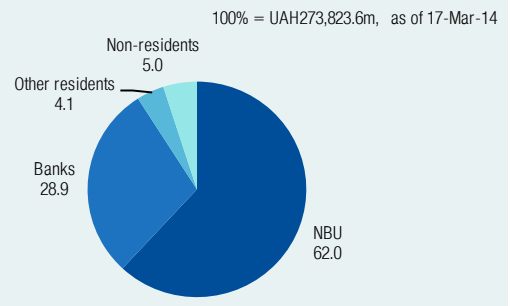
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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



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

Chart 8. Domestic sovereign debt (%) as of 17 Mar 2014



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

FX: News & Comments

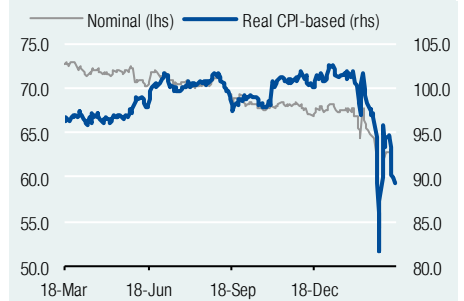
UAH little changed

The NBU appears to be continuing its FX intervention policy. The market closed yesterday little changed from the previous day as the USD/UAH slid just 0.52% to 9.7500/USD on US\$0.58bn in trading. Yesterday, with new statistical data, we updated our assessment of the UAH's real trade-weighted value: by a CPI-based measurement, the UAH is undervalued by 7.02%. By a PPI-based measurement, it is overvalued by 3.48% (see Chart 15 on p.10).

Alexander Valchyshen, Kiev, +38044 2200120 ext.242

ICU's UAH trade-weighted indices

(Last 12-month history to 18 Mar 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 17 Mar 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	9.7500	+0.52	+5.61	+10.05	+18.33
NBU avg	9.7568	+1.63	+5.64	+12.85	+19.70
Ttt vlm ¹	718.04	-21.58	-13.07	+98.48	-74.38
\$ volume ²	577.74	-19.18	-16.62	+137.1	-73.87
NDF 3M	11.0360	+0.00	+4.36	+14.36	+30.06
NDF 6M	11.8000	+0.00	+5.12	+16.26	+34.40
NDF 1Y	12.3000	+0.00	+3.36	+12.84	+30.57
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	59.404	-0.82	-5.40	-8.34	-12.05
UAH real CPI	89.307	-0.82	-5.40	-8.34	-11.65
UAH real PPI	122.836	-0.82	-5.40	-8.34	-11.50
USD nom'l	79.385	-0.08	-0.48	-0.94	-0.81
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	36.2678	-1.00	-0.23	+2.89	+10.34
EUR/USD	1.3922	+0.06	+0.32	+1.57	+1.30
USD/CNY	6.1775	+0.45	+0.61	+1.87	+2.03
USD/PLN	3.0374	+0.00	+0.05	+0.45	+0.48
USD/TRY	2.2187	+0.27	+0.01	+1.92	+3.28
USD/BYR	9,835.00	-0.05	+0.41	+1.08	+3.09
USD/KZT	182.1800	-0.30	+0.07	-1.27	+18.09
OTHER MAJOR CURRENCIES					
USD/JPY	101.7700	+0.40	-1.45	-0.15	-3.36
GBP/USD	1.6637	-0.06	-0.05	-0.46	+0.48
USD/CHF	0.8733	+0.10	-0.50	-2.04	-2.20
AUD/USD	0.9087	+0.65	+0.74	+0.61	+1.91
USD/CAD	1.1052	-0.48	-0.50	+0.79	+4.04
USD/BRL	2.3490	+0.10	-0.06	-1.69	-0.55
USD/KRW	1,067.39	-0.50	+0.08	+0.64	+1.68
COMMODITIES					
Gold(\$/oz)	1,367.10	-1.15	+2.04	+2.88	+13.39
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	301.02	-0.61	-1.63	+2.65	+7.44

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>).

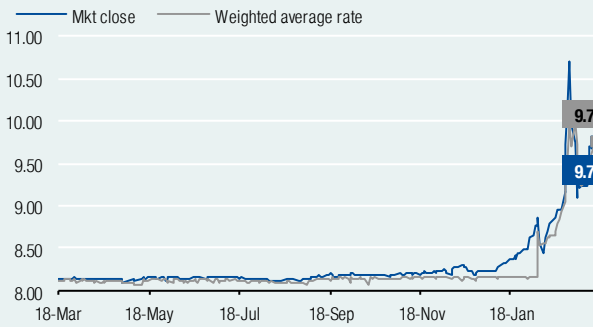
Section on FX market is continued on next page.

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.

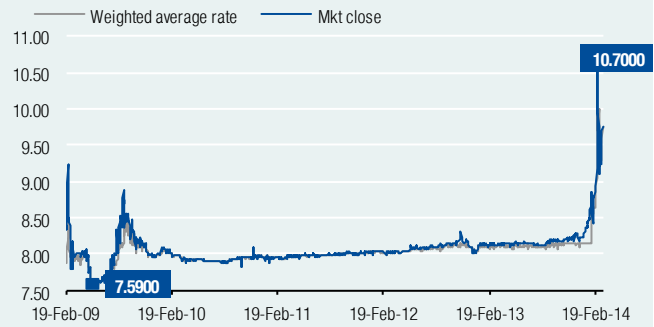
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

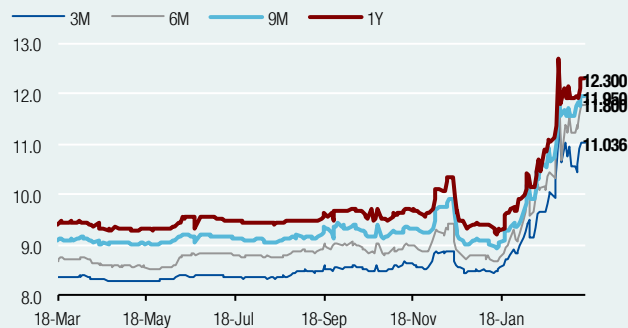


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

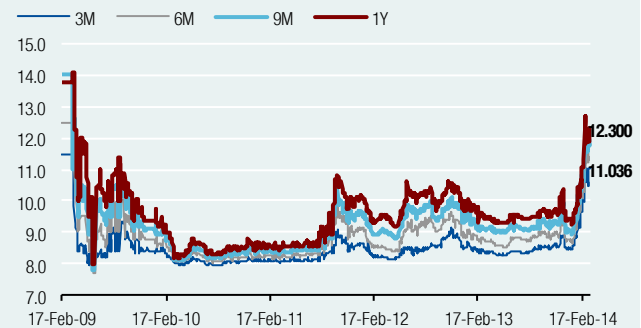


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

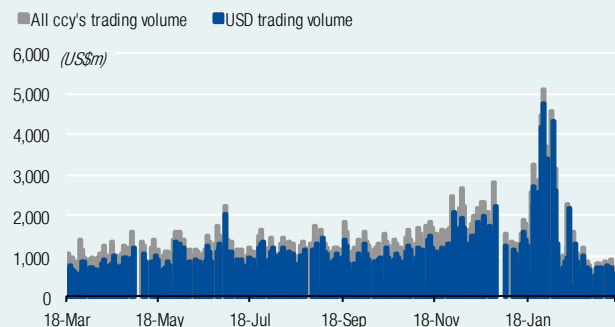


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

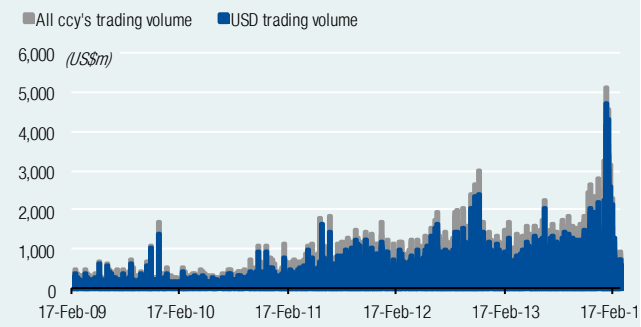


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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)



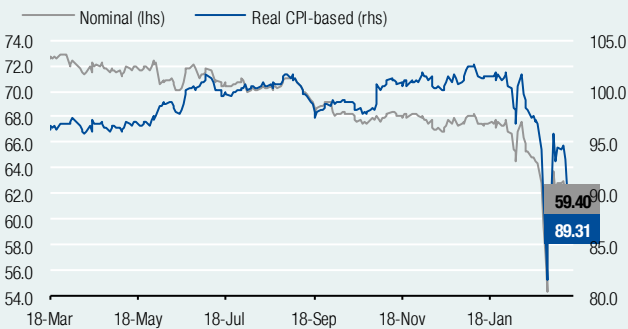
Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

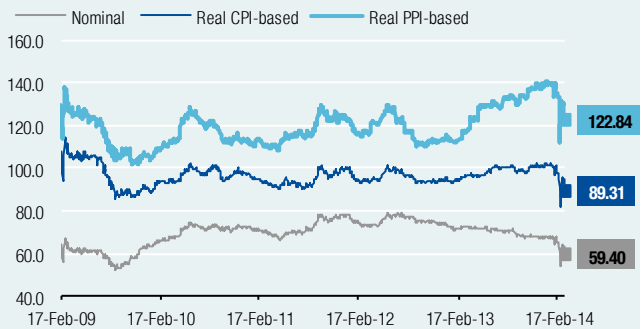
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



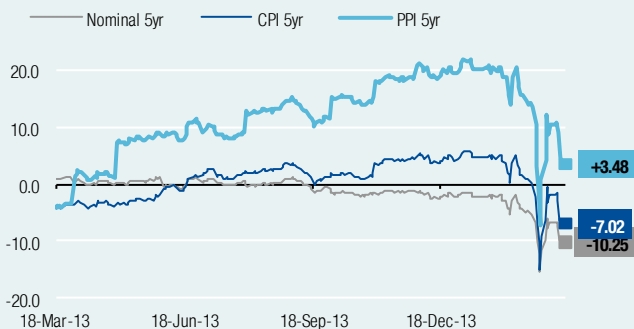
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

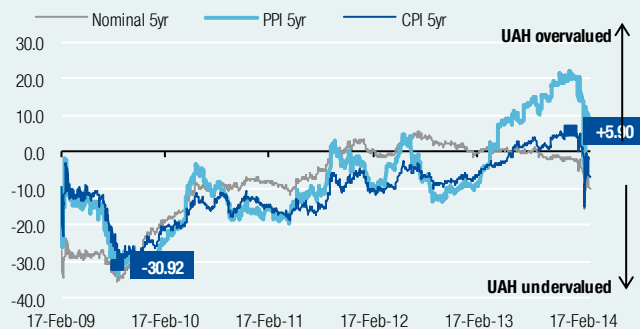


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

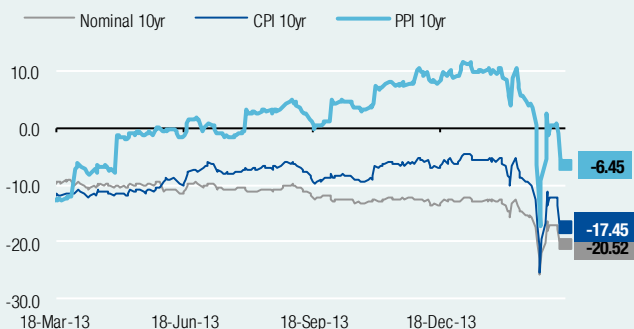


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.



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.

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