


INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

Liquidity falls further; YTM's down slightly; UAH weakens further

THURSDAY, 20 MARCH, 2014

RESEARCH INSIGHT

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UX Index (3 months to 20 Mar 2014)



Key market indicators (as of 19 Mar 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	10.1550	+1.30	+23.24
USD/UAH (1Y NDF)	12.3500	+0.00	+31.10
EUR/USD	1.3833	-0.72	+0.65
USD/RUB	35.9645	-0.78	+9.42
KievPRIME O/N (%)	N/A		
KievPRIME 1M (%)	N/A		

BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	+74bp	+0bp
Ukraine 17, Eurobond (%)	13.80	-49bp	+424bp
Ukraine 22, Eurobond (%)	10.52	-44bp	+117bp
Ukraine 23, Eurobond (%)	10.30	-44bp	+126bp
Ukraine 5Y CDS	1,197bp	-52bp	+380bp

EQUITIES

Stock market indices

UX (Ukraine)	1,006.77	-1.14	+10.63
MSCI World	405.63	-0.42	-0.71
MSCI EM	950.59	-0.20	-5.20
RTS (Russia)	1,155.81	-0.47	-19.89
WIG-20 (Poland)	2,360.77	-0.79	-1.67
S&P 500 (USA)	1,860.77	-0.61	+0.67

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

FXPO LN	3.56	32.3% of total ¹
MHPC LI	2.42	22.0%
KER PW	2.27	20.7%

GAINERS: Top 3 stocks (in listed currency)

FORM UK	UAH 0.34	+16.84	-55.26
MAYA GF	EUR 5.60	+6.48	+3.70
AGT PW	PLN 3.14	+3.29	+61.03

LOSERS: Top 3 stocks (in listed currency)

CLE PW	PLN 1.58	-3.66	+50.48
YASK UK	UAH 0.71	-3.27	+33.96
FXPO LN	GBp 142.70	-3.25	-23.22

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 19-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	9.63 GBP	-1.3	-10.5	-7.2	-31.9	0.16	36.8	-26.3	40.2	14.8	0.5	10.4	0.08	1,228	Neg.	Neg.	Neg.	4.0	4.0	8.2	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	5.20 UAH	-1.9	+16.9	+9.1	-9.6	0.51	189.1	251.5	21.7	41.0	64.3	63.2	0.23	426	8.2	7.3	5.1	0.5	4.2	2.8	0.3	0.4	0.3	0.8	12.2
Coal Energy	CLE PW	Warsaw	1.58 PLN	-3.7	+27.4	+50.5	-80.2	0.52	23.4	81.2	25.0	5.8	349.4	424.0	12.89	8	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	37.49 UAH	-0.7	+13.4	+35.9	+75.8	3.69	87.2	134.0	14.2	12.4	21.9	27.2	0.39	256	28.6	3.6	5.1	0.5	2.7	2.5	0.3	0.3	0.3	1.3	17.8
JKX Oil & Gas	JKX LN	London	62.25 GBP	+0.8	-5.3	-12.9	-19.9	1.03	176.9	173.9	47.2	83.5	19.3	72.6	0.13	792	Neg.	5.4	4.9	1.3	1.7	1.9	0.9	0.9	0.8	0.4	2.5
Regal Petroleum	RPT LN	London	11.00 GBP	+0.0	-1.1	-15.4	-59.3	0.18	58.4	31.5	80.9	47.2	0.0	6.9	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	0.86 PLN	-1.1	+32.3	+62.3	-55.0	0.28	12.2	51.9	25.0	3.0	146.2	110.2	7.80	13	Neg.	N/A	N/A	7.8	N/A	N/A	1.3	N/A	N/A	0.3	42.4
Zakhidenergo	ZAEN UK	Kiev, PFTS	120.00 UAH	+2.1	+3.4	+32.7	+41.2	11.81	151.1	124.8	5.0	7.6	0.9	7.7	0.04	2,789	2.7	N/A	N/A	0.8	N/A	N/A	0.1	N/A	N/A	0.9	0.0
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	-3.2	+8.6	-6.0	-26.7	0.00	92.6	1,474.3	3.9	3.6	3.4	11.4	0.52	192	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	2.99 UAH	-0.4	+7.0	+0.9	-4.7	0.29	57.3	53.8	4.0	2.3	0.5	15.0	1.25	80	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	+0.0	+12.3	+1.9	+8.9	0.07	282.6	274.4	4.1	11.6	6.4	12.0	0.19	532	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	142.70 GBP	-3.3	-8.3	-23.2	-15.9	2.36	1,390.1	2,051.3	22.4	311.4	3,556.2	3,347.1	1.57	64	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	0.71 UAH	-3.3	+35.0	+34.0	+14.5	0.07	19.1	20.5	9.0	1.7	1.4	1.5	0.15	672	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	32.94 UAH	-0.4	+6.3	+2.9	-6.1	3.24	34.2	29.1	9.4	3.2	9.4	11.5	0.75	134	5.0	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	1.16 EUR	-1.7	-1.7	-6.5	-33.7	1.61	148.3	175.7	34.0	50.4	42.4	34.2	0.09	1,065	Neg.	N/A	N/A	Neg.	N/A	N/A	2.7	N/A	N/A	1.2	35.9
Agroliga	AGL PW	Warsaw	20.34 PLN	-2.3	-17.7	-21.6	+15.4	6.68	10.3	11.2	16.7	1.7	57.5	16.2	1.62	62	2.3	N/A	N/A	3.2	N/A	N/A	0.5	N/A	N/A	0.8	5.7
Agroton	AGT PW	Warsaw	3.14 PLN	+3.3	-27.0	+61.0	-70.0	1.03	22.3	69.7	26.2	5.9	1,382.8	668.8	27.96	4	3.3	4.7	3.0	4.9	7.5	4.5	0.8	1.0	0.9	0.2	28.0
Astarta Holdin...	AST PW	Warsaw	44.00 PLN	+1.7	-15.4	-34.2	-24.0	14.45	361.3	693.4	31.0	112.1	423.8	185.1	0.24	413	5.8	6.2	3.1	7.9	6.9	4.0	1.4	1.5	1.1	0.6	38.9
Avangard	AVGR LI	London Intl	8.72 USD	-0.2	-12.2	-25.8	-6.2	8.72	557.0	723.3	21.7	120.9	70.8	300.2	0.48	208	2.5	2.4	2.7	2.6	2.5	2.6	1.1	1.0	1.0	0.5	22.3
IMC	IMC PW	Warsaw	8.60 PLN	+2.0	+0.2	-29.2	-45.6	2.82	88.4	204.7	23.9	21.1	60.6	108.9	0.89	112	4.7	4.7	3.6	5.6	4.9	4.1	2.7	1.4	1.0	0.7	33.0
Kernel Holding...	KER PW	Warsaw	27.40 PLN	+1.4	-18.5	-28.0	-52.2	9.00	717.1	1,740.3	58.8	421.5	2,272.8	2,155.9	0.98	102	6.4	6.8	3.9	6.0	6.2	4.9	0.6	0.7	0.6	0.6	30.6
KSG Agro	KSG PW	Warsaw	5.65 PLN	-2.2	-26.6	-47.9	-52.3	1.86	27.9	149.7	34.4	9.6	29.5	17.7	0.44	229	3.4	2.3	2.3	35.5	5.1	4.1	4.0	2.2	1.4	0.3	29.2
MHP	MHPC LI	London Intl	13.35 USD	-0.4	+1.1	-21.7	-25.4	13.35	1,410.7	2,611.6	22.3	314.9	2,424.4	1,205.8	0.57	176	4.7	6.9	5.1	5.6	6.2	5.1	1.9	1.8	1.6	1.2	45.8
Milkiland	MLK PW	Warsaw	7.85 PLN	-1.0	-21.4	-37.2	-46.2	2.58	80.6	216.7	20.0	16.1	12.2	15.0	0.22	459	4.6	4.5	4.4	6.0	5.3	4.3	0.5	0.5	0.4	0.3	29.9
Mriya Agrohold...	MAYA GF	Frankfurt	5.60 EUR	+6.5	+8.6	+3.7	+22.4	7.75	823.4	1,555.3	20.0	164.7	3.9	2.3	0.00	53,148	4.7	5.1	5.4	6.7	5.8	6.3	4.5	4.1	3.6	0.9	34.8
Ovostar Union	OVO PW	Warsaw	65.41 PLN	-2.4	+0.6	-34.6	-32.6	21.48	128.9	140.9	25.0	32.2	33.2	51.7	0.20	494	5.5	5.0	3.5	5.1	5.1	3.2	2.0	1.7	1.3	1.2	3.7
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	13.49 PLN	-0.1	-52.8	-57.0	-61.7	4.43	41.2	25.2	10.9	4.5	1.5	1.0	0.06	1,549	3.3	N/A	N/A	1.7	N/A	N/A	0.9	N/A	N/A	0.7	8.3
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.31 EUR	+0.0	+14.4	-2.2	-43.6	0.43	22.2	181.5	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	0.34 UAH	+16.8	-49.6	-55.3	-46.8	0.03	19.9	N/A	5.5	1.1	0.2	1.1	0.20	491	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.2	18.6

Table 1. Ukrainian stocks (closing prices as of 19-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 (%)		
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.15 UAH	-2.1	+38.4	+29.3	+37.6	0.01	432.8	N/A	3.8	16.5	9.8	47.8	0.45	221	13.8	7.9	4.2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.6	28.3

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 continues to fall

Banks' correspondent accounts with the NBU declined UAH1.71bn to UAH26.05bn yesterday while total CDs outstanding rose UAH0.57bn to UAH5.23bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH4.66bn. As a result, broader banking sector liquidity fell UAH1.14bn to UAH35.95bn.

Investment implications: Banking sector liquidity continued to decline, starting yesterday from a new low prior to tax payments which will begin tomorrow. If the situation fails to improve after yesterday's UAH0.98bn debt repayment in local currency, we could see both a significant decline in liquidity and an increase in interest rates next week due to outflows to the state budget.

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YTM's decline but remain high

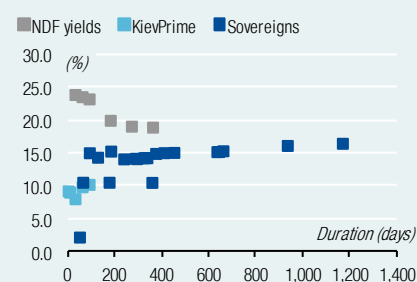
After more than a week of rising and holding steady on Tuesday, YTM's of Ukrainian Eurobonds slightly declined yesterday albeit insignificantly. Yields remained mostly above 11.0% and the yield curve moved slightly to the range of 10.32-18.61%, excluding UKRAIN 7.95% '14 whose YTM declined to 35.96% and UKRAIN 5.00% '15 which routinely remains low. At the close, only UKRAIN 6.875% '15 rose 43bp to 18.61%, while UKRAIN 9.25% '17 declined 49bp to 13.78%, UKRAIN 7.95% '21 declined 61bp to 11.14%, UKRAIN 7.80% '22 slid 42bp to 10.54% and UKRAIN 7.50% '23 slid 42bp to 10.32%. The 5-year CDS declined to 1,197bp.

Investment implications: After Crimea signed its agreement with Russia and Russian President Putin said in a speech on Tuesday that Russia will not deploy troops to Eastern Ukraine, investors appear to have become more optimistic in regard to the political situation, as economic and financial risks remain too high. Until Ukraine receives financial support, current yields should hold steady.

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Yield curve of the local bond market

(as of market close on 19 Mar 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 19 Mar 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
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MONEY MARKET KIEV PRIME RATES (%)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
O/n	N/A	N/A	N/A	N/A	N/A
1wk	N/A	N/A	N/A	N/A	N/A
1m	N/A	N/A	N/A	N/A	N/A
2m	N/A	N/A	N/A	N/A	N/A
3m	N/A	N/A	N/A	N/A	N/A

LIQUIDITY WIDE MEASUREMENT (UAHm)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
CB acc's ¹	26,053	-6.16	-12.12	+14.31	-20.33
CDs ²	9,788	+0.83	+146.7	+490.3	+543.9
Sovgns ³	3,699	-20.88	-6.28	-31.90	+147.5
Total	39,540	-6.18	+5.27	+32.32	+10.70

HOLDERS OF UAH SOVEREIGN BONDS (UAHm)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
C.bank	169,693	+0.00	-0.21	+5.57	+17.15
Banks	80,756	+1.10	+3.01	-0.38	+0.73
Resid's ⁴	11,222	+0.26	-0.85	-2.40	-9.48
Non-res ⁵	14,184	+1.70	+5.75	+9.45	+21.25
Total	275,855	+0.42	+0.98	+3.60	+10.73

NDF IMPLIED YIELDS (%)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
3m	31.62	-14ppt	-22ppt	-781bp	+19bp
6m	32.76	-303bp	-909bp	+112bp	+19bp
9m	24.02	-205bp	-12ppt	-401bp	+10bp
1yr	22.29	-159bp	-555bp	-186bp	+730bp

LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
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 (%)

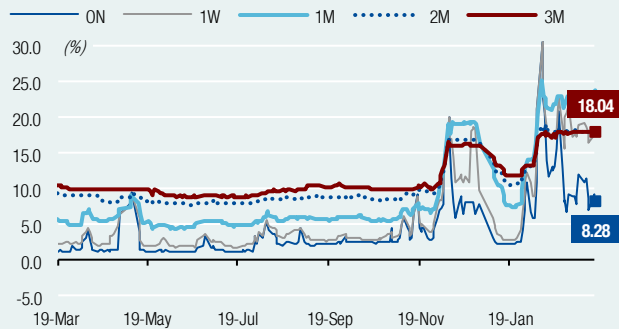
	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
CDS 5yr	1,197	-52bp	-100bp	-132bp	+380bp
Jun '16	14.25	-126bp	+10bp	+152bp	+536bp
Jul '17	13.80	-49bp	-57bp	+50bp	+424bp
Sep '20	11.28	-60bp	-30bp	+51bp	+208bp
Sep '21	11.13	-62bp	-42bp	+33bp	+191bp
Sep '22	10.52	-44bp	-42bp	-23bp	+117bp
Feb '23	10.30	-44bp	-36bp	+11bp	+126bp

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.

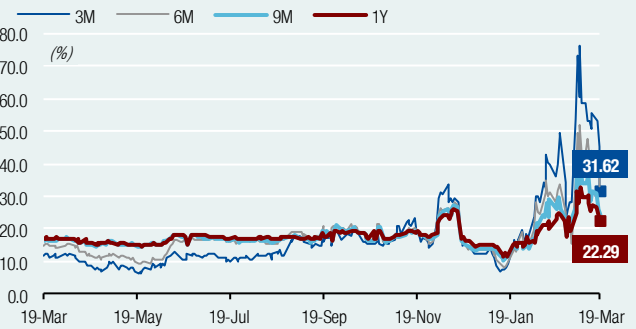
Chart page: Local bond market & Eurobond markets

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



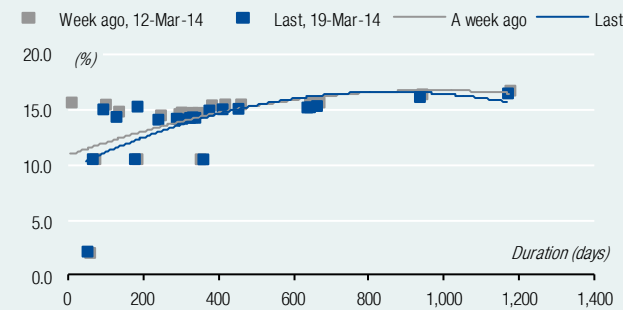
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



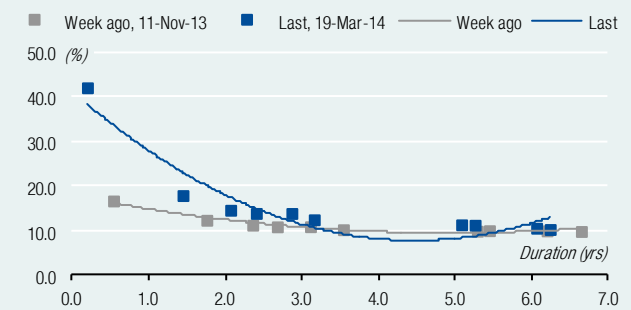
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 19 Mar 2014



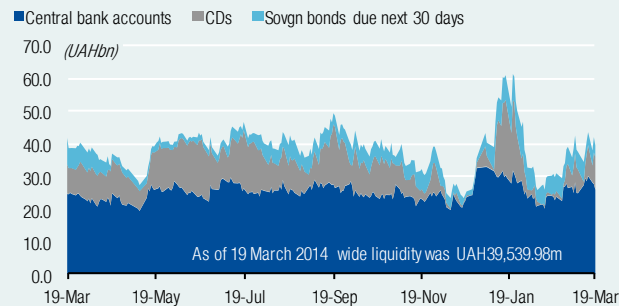
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 19 Mar 2014



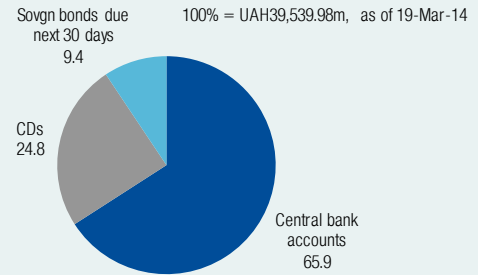
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



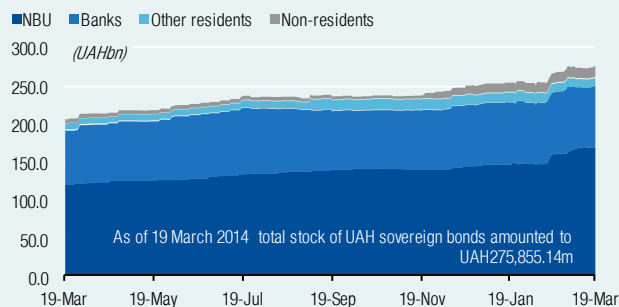
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 19 Mar 2014



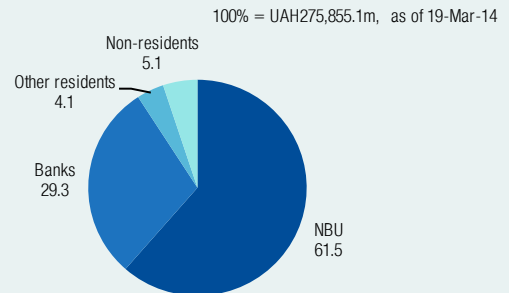
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 19 Mar 2014



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

FX: News & Comments

UAH continues to weaken

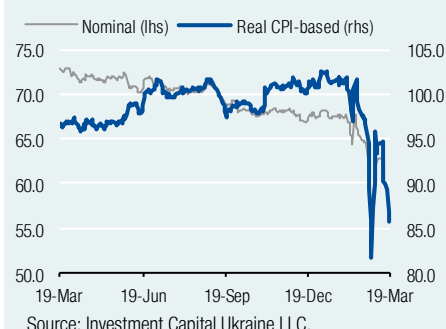
The UAH slid 1.30% yesterday to 10.1550/USD, a two-week low on US\$0.69bn in trading volume, up 21.62% from the previous day's trading volume. Interfax-Ukraine reported that closing quotes were in the range of UAH10.0-UAH10.20/USD. The NBU did not participate in the market. The UAH's real rate declined 1.24%.

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ICU's UAH trade-weighted indices

(Last 12-month history to 20 Mar 2014)



FX market indicators (as of 19 Mar 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	10.1550	+1.30	+8.49	+13.46	+23.24
NBU avg	9.9178	-0.42	+6.85	+12.89	+21.68
Ttl vlm ¹	927.86	+21.29	+31.19	+9.55	-66.89
\$ volume ²	685.46	+21.62	+11.08	+2.76	-69.00
NDF 3M	10.9500	-1.78	+3.30	+11.45	+29.05
NDF 6M	11.8000	+0.00	+4.42	+14.01	+34.40
NDF 1Y	12.3500	+0.00	+3.78	+11.76	+31.10
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	57.025	-1.24	-8.09	-11.62	-15.57
UAH real CPI	85.730	-1.24	-8.09	-11.62	-15.19
UAH real PPI	117.917	-1.24	-8.09	-11.62	-15.04
USD nom'l	79.995	+0.73	+0.49	-0.19	-0.05
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	35.9645	-0.78	-1.48	+0.87	+9.42
EUR/USD	1.3833	-0.72	-0.50	+0.73	+0.65
USD/CNY	6.1943	-0.01	+0.79	+1.94	+2.31
USD/PLN	3.0452	+0.83	+0.22	+0.28	+0.73
USD/TRY	2.2395	+0.95	+0.33	+1.13	+4.25
USD/BYR	9,860.00	+0.17	+0.46	+1.02	+3.35
USD/KZT	182.1300	-0.13	-0.20	-1.38	+18.06
OTHER MAJOR CURRENCIES					
USD/JPY	102.3200	+0.87	-0.43	+0.01	-2.84
GBP/USD	1.6541	-0.31	-0.47	-0.83	-0.10
USD/CHF	0.8807	+0.86	+0.77	-0.89	-1.37
AUD/USD	0.9042	-0.93	+0.60	+0.47	+1.40
USD/CAD	1.1238	+0.93	+1.08	+1.43	+5.79
USD/BRL	2.3498	+0.68	-0.24	-1.83	-0.52
USD/KRW	1,070.65	+0.14	+0.01	+0.47	+1.99
COMMODITIES					
Gold(\$/oz)	1,329.63	-1.92	-2.72	+1.37	+10.28
WTI crude ³	N/A	N/A	N/A	N/A	N/A
Brent crd ³	N/A	N/A	N/A	N/A	N/A
Urals crd ³	N/A	N/A	N/A	N/A	N/A
TR/J CRB ⁴	302.91	+0.04	-0.03	+0.40	+8.12

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>).

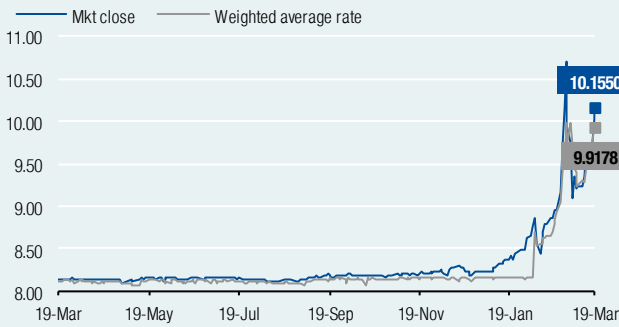
Section on FX market is continued on next page.

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.

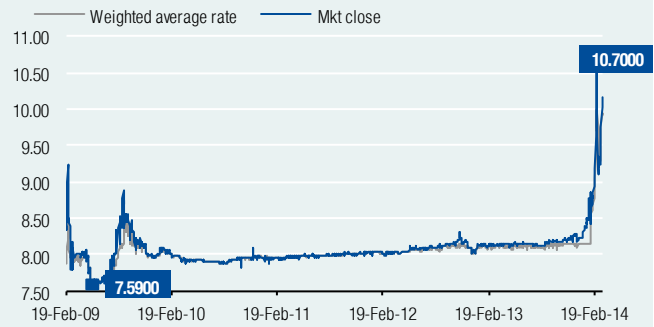
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

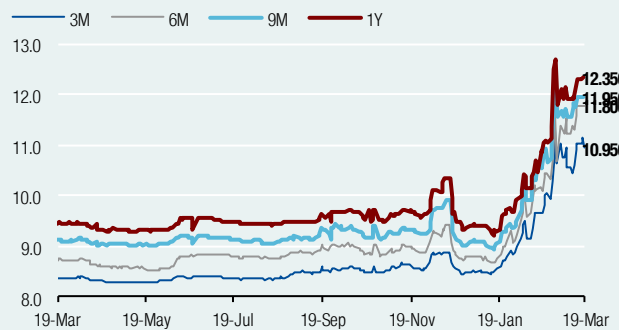


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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.

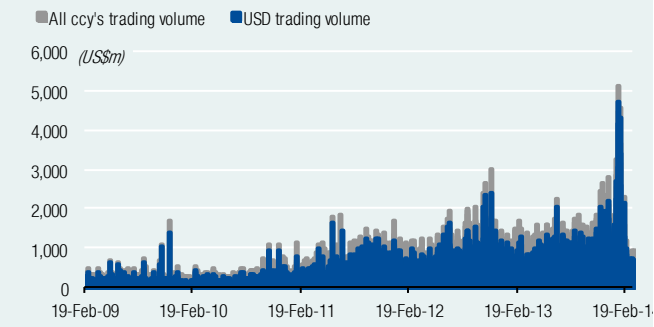


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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)



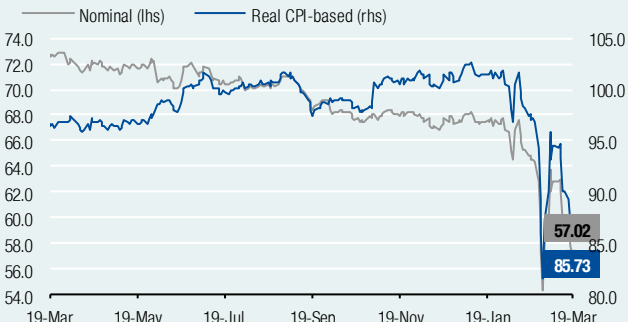
Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

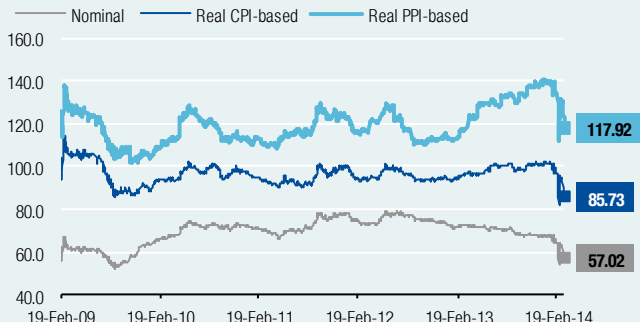
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

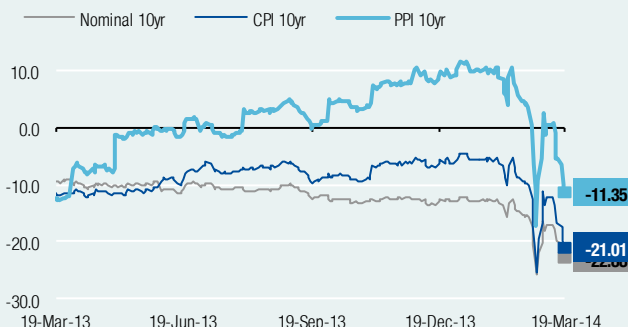


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

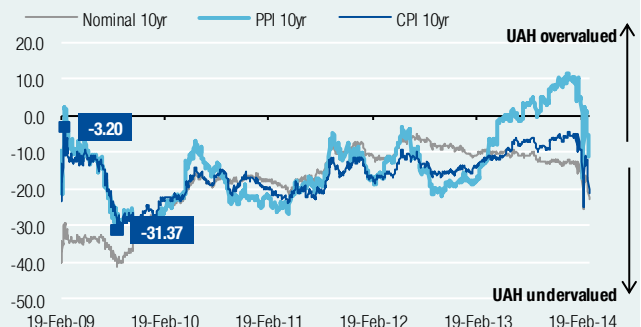


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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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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.

EQUITY RATING DEFINITIONS

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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