


INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

Liquidity down; YTM's move slightly; Gas price may rise; Auction announcement; UAH weakens further

TUESDAY, 25 MARCH, 2014

RESEARCH INSIGHT

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UX Index (3 months to 25 Mar 2014)



Key market indicators (as of 24 Mar 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	10.6500	+0.95	+29.25
USD/UAH (1Y NDF)	12.7000	+0.79	+34.82
EUR/USD	1.3839	+0.33	+0.70
USD/RUB	36.1211	-0.34	+9.89
KievPRIME O/N (%)	6.00	-80bp	-180bp
KievPRIME 1M (%)	23.33	-37bp	+708bp
BONDS: yields and spreads			
Ukraine VAT bond (%)	N/A	+74bp	+0bp
Ukraine 17, Eurobond (%)	12.90	-1bp	+335bp
Ukraine 22, Eurobond (%)	10.01	-3bp	+67bp
Ukraine 23, Eurobond (%)	9.78	-3bp	+73bp
Ukraine 5Y CDS	N/A		
EQUITIES			
Stock market indices			
UX (Ukraine)	1,035.49	+0.80	+13.79
MSCI World	403.12	-0.31	-1.33
MSCI EM	953.90	+0.95	-4.87
RTS (Russia)	1,131.60	-0.41	-21.57
WIG-20 (Poland)	2,361.78	-0.18	-1.63
S&P 500 (USA)	1,857.44	-0.49	+0.49
MOST ACTIVE: Top 3 stocks by value traded (US\$m)			
FXPO LN	1.82	44.9% of total ¹	
KER PW	0.86	21.3%	
MHPC LI	0.38	9.3%	
GAINERS: Top 3 stocks (in listed currency)			
USCB UK	UAH 0.16	+7.06	-12.69
DOEN UK	UAH 40.44	+3.96	+46.57
FORM UK	UAH 0.26	+2.40	-66.32
LOSERS: Top 3 stocks (in listed currency)			
KDM PW	PLN 12.50	-7.34	-60.18
AVGR LI	USD 9.13	-5.97	-22.30
ZAEN UK	UAH 118.00	-4.30	+30.53

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

Price of imported natural gas for Ukraine may rise to US\$480/Mcm

Yuriy Prodan, Ukraine's Minister of Fuel and Energy, stated that the price of Russian gas for Ukraine will be US\$386-387/Mcm, provided that the Russia-Ukraine agreement concluded in Kharkiv in 2010 is still valid, as reported by *Interfax Ukraine*. According to the Kharkiv agreement, Russia granted Ukraine a US\$100/Mcm discount in exchange for Russia's Black Sea navy to continue having Crimea's Sevastopol as its base until 2042.

At the same time, Prime Minister Arseniy Yatseniuk does not rule out that the gas price will cost for Ukraine around US\$500/Mcm starting from 1 April, as a number of Russian officials announced the Kharkiv agreement has been broken.

Earlier it was reported that Ukraine was preparing for the negotiations with Gazprom this week; however, the date of the negotiations is unknown, while the departure of the Ukrainian delegation to Moscow was canceled at the very last moment on Saturday.

Meanwhile, according to *Segodnia*, officials of Russia's Gosduma stated that Russia is ready to consider the creation of the three-party consortium on managing the Ukrainian gas transportation system (GTS). Earlier media repeatedly cited Russia's reluctance to accept participation of the EU in the consortium.

Investment implications: Given the 1Q14 price of gas at US\$268/Mcm and Ukraine's need for 27bcmpa of gas imports, the cost of imported gas will stay nearly flat at US\$11-11.5bn in 2014, even if the US\$100/Mcm discount is not applied and the gas price rises to US\$480/Mcm in 2-4Q14. Ukraine can save 5-7% of the imported gas cost by increasing reverse supplies from Poland and Hungary by 230% to the full pipeline capacity of 7.3bcmpa, and by another 1-2% if reverse gas supplies start through Romania. The import cost may be further reduced 5-15% to US\$9-10bn if Ukraine succeeds in ramping up the capacity of reverse gas supplies from the EU by 10bcmpa from Slovakia's pipeline. However, there is no tangible progress in Ukraine-Slovakia negotiations, and industry observers, including Slovakian sources, estimate that the deal may be implemented only by end-2014. We believe that the political will of the EU leaders remains the key factor in accelerating Ukraine-Slovakia negotiations. The EU position may also have a significant impact on changing the terms of Ukraine's imports of gas from Russia as a result of striking an agreement on managing the GTS, although we see the process as difficult and having a significant political component.

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Table 1. Ukrainian stocks (closing prices as of 24-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	9.38 GBP	+0.0	-18.5	-9.6	-34.2	0.15	35.7	27.3	40.2	14.4	0.0	9.4	0.05	1,875	Neg.	Neg.	Neg.	4.1	4.2	8.5	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	5.37 UAH	+1.5	+1.5	+12.6	-1.2	0.53	195.4	258.0	21.7	42.4	170.6	67.4	0.25	400	8.5	7.6	5.2	0.5	4.3	2.9	0.3	0.4	0.3	0.8	12.2
Coal Energy	CLE PW	Warsaw	1.50 PLN	+0.0	-25.7	+42.9	-80.4	0.49	22.2	80.1	25.0	5.6	111.4	405.6	11.28	9	Neg.	Neg.	N/A	1.3	11.0	N/A	0.6	0.9	N/A	0.2	7.7
Donbasenergo	DOEN UK	Kiev, UX	40.44 UAH	+4.0	-2.3	+46.6	+102.2	3.98	94.2	141.0	14.2	13.4	70.3	30.5	0.38	265	30.9	3.9	5.5	0.5	2.9	2.7	0.3	0.3	0.3	1.5	17.8
JKX Oil & Gas	JKX LN	London	58.50 GBP	-0.8	-6.0	-18.2	-24.3	0.97	165.7	162.7	47.2	78.2	24.8	66.7	0.12	870	Neg.	5.1	4.6	1.2	1.6	1.8	0.8	0.8	0.8	0.3	2.5
Regal Petroleum	RPT LN	London	11.00 GBP	+0.0	-2.2	-15.4	-57.7	0.18	58.2	31.4	80.9	47.1	0.1	6.4	0.01	8,724	5.0	11.6	N/A	1.4	1.8	N/A	0.8	N/A	N/A	0.2	0.0
Sadova Group	SGR PW	Warsaw	0.80 PLN	-1.2	-25.9	+50.9	-52.9	0.26	11.4	51.1	25.0	2.8	39.5	103.3	7.39	14	Neg.	N/A	N/A	7.6	N/A	N/A	1.3	N/A	N/A	0.2	42.4
Zakhidenergo	ZAEN UK	Kiev, PFTS	118.00 UAH	-4.3	-9.9	+30.5	+32.4	11.63	148.7	122.4	5.0	7.4	2.6	6.6	0.04	2,229	2.6	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	-0.5	-12.1	-5.7	-22.6	0.00	92.9	1,476.0	3.9	3.6	12.4	9.9	0.50	201	Neg.	Neg.	N/A	N/A	Neg.	N/A	1.0	1.1	N/A	N/A	64.5
Avdiyivsky Cok...	AVDK UK	Kiev, UX	3.02 UAH	+0.6	-5.4	+2.0	-0.4	0.30	58.0	54.4	4.0	2.3	0.8	14.0	1.20	83	Neg.	Neg.	2.8	Neg.	1.5	0.9	0.1	0.1	0.1	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.68 UAH	-1.6	-11.2	+2.1	+12.3	0.07	283.3	275.1	4.1	11.6	8.0	10.4	0.18	547	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	140.70 GBP	-2.2	-14.4	-24.3	-14.9	2.32	1,366.2	2,027.4	22.4	306.0	1,817.0	3,326.3	1.45	69	5.2	5.6	7.1	4.0	4.3	4.9	1.3	1.3	1.3	0.8	35.1
Yenakievo Steel	ENMZ UK	Kiev, UX	34.39 UAH	-1.1	-9.5	+7.4	-1.2	3.39	35.7	30.6	9.4	3.3	4.2	12.0	0.71	141	5.2	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	1.15 EUR	+0.9	-7.3	-7.3	-33.1	1.59	147.0	174.4	34.0	50.0	30.6	32.1	0.08	1,204	Neg.	N/A	N/A	Neg.	N/A	N/A	2.7	N/A	N/A	1.2	35.9
Agroliga	AGL PW	Warsaw	19.20 PLN	+0.0	-27.0	-26.0	+9.1	6.33	9.7	10.7	16.7	1.6	7.0	15.7	1.80	56	2.2	N/A	N/A	3.1	N/A	N/A	0.5	N/A	N/A	0.8	5.7
Agroton	AGT PW	Warsaw	2.98 PLN	-1.3	-33.8	+52.8	-68.1	0.98	21.3	68.6	26.2	5.6	313.0	655.9	25.64	4	3.1	4.4	2.9	4.8	7.3	4.4	0.8	1.0	0.8	0.2	28.0
Astarta Holdin...	AST PW	Warsaw	43.60 PLN	-2.5	-24.8	-34.8	-24.9	14.37	359.2	691.4	31.0	111.4	48.2	182.1	0.20	492	5.7	6.2	3.4	7.8	7.5	4.1	1.4	1.6	1.1	0.6	38.9
Avangard	AVGR LI	London Intl	9.13 USD	-6.0	-12.7	-22.3	+20.0	9.13	583.1	749.5	21.7	126.5	64.4	335.9	0.43	233	2.6	2.6	2.8	2.7	2.6	2.7	1.2	1.1	1.1	0.5	22.3
IMC	IMC PW	Warsaw	8.40 PLN	-0.6	-15.7	-30.9	-44.0	2.77	86.6	202.9	23.9	20.7	24.6	107.6	0.62	161	4.6	4.6	3.6	5.6	4.9	4.1	2.7	1.4	1.0	0.7	33.0
Kernel Holding...	KER PW	Warsaw	28.20 PLN	-2.1	-23.3	-25.9	-51.0	9.29	740.5	1,763.7	58.8	435.2	861.0	2,289.1	0.89	112	6.7	7.5	4.1	6.1	6.4	4.9	0.6	0.7	0.6	0.6	30.6
KSG Agro	KSG PW	Warsaw	5.61 PLN	-0.9	-34.8	-48.3	-53.4	1.85	27.8	149.6	34.4	9.5	16.6	17.8	0.36	279	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	13.15 USD	+1.5	-13.9	-22.9	-25.3	13.15	1,389.5	2,590.5	22.3	310.1	375.4	1,165.5	0.43	235	4.7	6.9	5.7	5.5	6.3	5.2	1.8	1.7	1.6	1.2	45.8
Milkiland	MLK PW	Warsaw	7.69 PLN	-1.8	-26.2	-38.5	-45.6	2.53	79.2	215.3	20.0	15.8	3.7	15.2	0.15	649	4.5	4.4	4.3	6.0	5.3	4.3	0.5	0.5	0.4	0.3	29.9
Mriya Agrohold...	MAYA GF	Frankfurt	5.31 EUR	+0.0	+1.1	-1.7	+16.0	7.34	780.4	1,512.2	20.0	156.1	9.5	2.6	0.00	34,961	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	65.70 PLN	-1.9	-12.4	-34.3	-31.0	21.65	129.9	142.0	25.0	32.5	7.9	52.0	0.15	666	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	12.50 PLN	-7.3	-56.6	-60.2	-65.0	4.12	38.3	22.3	10.9	4.2	0.4	0.9	0.05	1,959	3.1	N/A	N/A	1.5	N/A	N/A	0.8	N/A	N/A	0.7	8.3
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.31 EUR	+0.0	+14.4	-2.2	-44.2	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	0.26 UAH	+2.4	-65.5	-66.3	-57.5	0.03	15.0	N/A	5.5	0.8	0.1	0.9	0.28	352	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.1	18.6
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.15 UAH	+0.9	+5.0	+34.2	+53.1	0.02	449.8	N/A	3.8	17.2	20.7	45.6	0.40	250	14.3	8.2	4.4	N/A	N/A	N/A	N/A	N/A	N/A	0.6	28.3

Table 1. Ukrainian stocks (closing prices as of 24-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	+7.1	-14.7	-12.7	+40.4	0.02	292.6	N/A	4.5	13.1	1.6	4.2	0.06	1,605	981.0	181.1	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 due to tax payments

After a significant increase in liquidity last Friday, liquidity declined on the first day of this week likely due to tax payments that began last Friday. Broader banking sector liquidity declined UAH1.56bn to UAH36.95bn yesterday as banks' correspondent accounts with the NBU fell UAH2.16bn to UAH26.76bn while total CDs outstanding rose a mere UAH0.61bn to UAH6.51bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH3.69bn.

Investment implications: *The beginning of tax payments normally causes liquidity to decline as NBU absorption also occurs on the same day. These deals, combined with a possible impact on the FX market, caused the decline in liquidity. Without additional NBU support, liquidity should continue to fall.*

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YTM's move slightly

Ukrainian Eurobonds were volatile yesterday, declining slightly and then rebounding to levels close to last Friday's closing. Ultimately, yields diverged, causing the yield curve to move to the range of 9.77-15.14. At the close, UKRAIN 6.875% '15 and UKRAIN 7.95% '21 remained steady at 15.14% and 10.49% respectively, UKRAIN 9.25% '17 rose 2bp to 12.91%, while UKRAIN 7.80% '22 slid 1bp to 10.01% and UKRAIN 7.50% '23 slid 1bp to 9.77%.

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Primary auction announcement

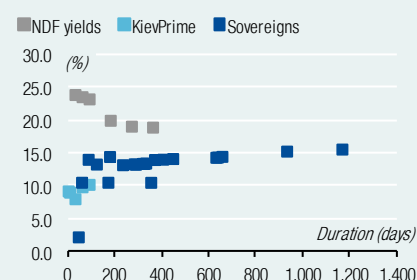
The MoF announced today's primary auction with no changes to the schedule, offering only three bonds with 12-month, 5-year and 7-year maturities.

Investment implications: *The MoF has to repay UAH2.10bn, including UAH1.96bn in local currency of which UAH1.53bn is principal repayments. The results of today's auction will depend on real needs in local currency funds. If tax payments provide the MoF with sufficient funds, the auction could be canceled. At the same time, if proceeds from tax payments are insufficient to cover debt repayments, we could see demand supported by domestic QE or an increase in interest rates to meet market demand.*

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Yield curve of the local bond market

(as of market close on 24 Mar 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 24 Mar 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
0/n	6.00	-80bp	-318bp	-675bp	-180bp
1wk	17.33	-39bp	-19bp	-142bp	+753bp
1m	23.33	-37bp	-37bp	+33bp	+708bp
2m	18.33	+3bp	+3bp	+8bp	+193bp
3m	18.00	-4bp	-4bp	+0bp	+200bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	26,756	-7.47	-5.24	+18.77	-18.18
CDs ²	6,508	-45.04	+26.37	+767.7	+328.2
Sovgns ³	5,134	+38.77	+9.79	-17.71	+243.4
Total	38,398	-13.63	+0.88	+30.09	+7.50
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	147,698	-12.96	-12.96	-8.56	+1.97
Banks	81,194	+0.01	+2.60	-0.61	+1.28
Resid's ⁴	12,750	+15.92	+13.54	+10.46	+2.85
Non-res ⁵	13,149	-8.43	-4.47	-1.41	+12.40
Total	254,791	-7.76	-6.95	-4.96	+2.28
NDF IMPLIED YIELDS (%)					
3m	32.22	+540bp	-21ppt	-176bp	+20bp
6m	26.63	-358bp	-16ppt	+160bp	+13bp
9m	21.73	-20bp	-885bp	-170bp	+771bp
1yr	19.92	-18bp	-694bp	-228bp	+493bp
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	N/A	N/A	N/A	N/A	N/A
Jun '16	12.83	-1bp	-214bp	+210bp	+394bp
Jul '17	12.90	-1bp	-164bp	+179bp	+335bp
Sep '20	10.46	-3bp	-143bp	+104bp	+126bp
Sep '21	10.49	-3bp	-126bp	+95bp	+127bp
Sep '22	10.01	-3bp	-96bp	+58bp	+67bp
Feb '23	9.78	-3bp	-102bp	+71bp	+73bp

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

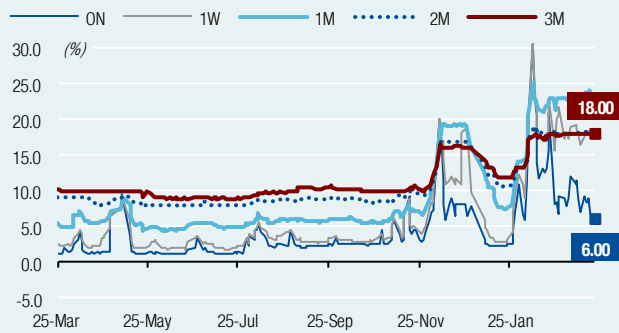


Chart 2. UAH NDF implied yields (%), last 12-month period

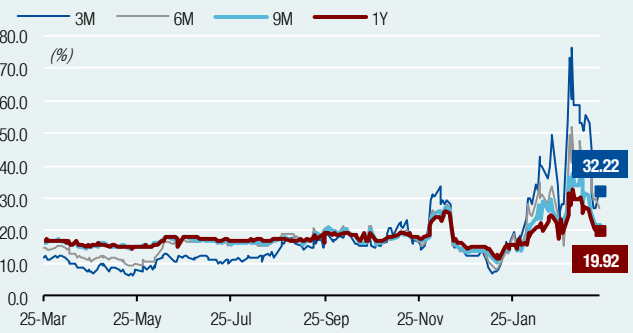


Chart 3. UAH sovereign yield curve (%) as of 24 Mar 2014

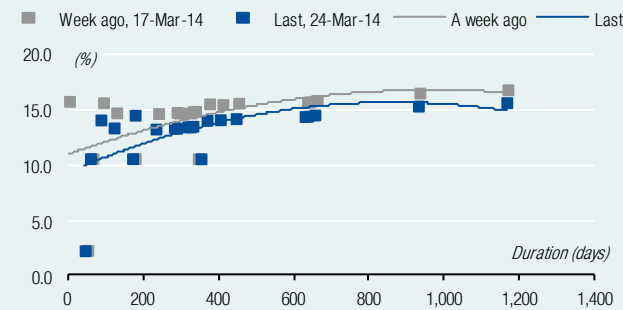


Chart 4. USD sovereign yield curve (%) as of 24 Mar 2014

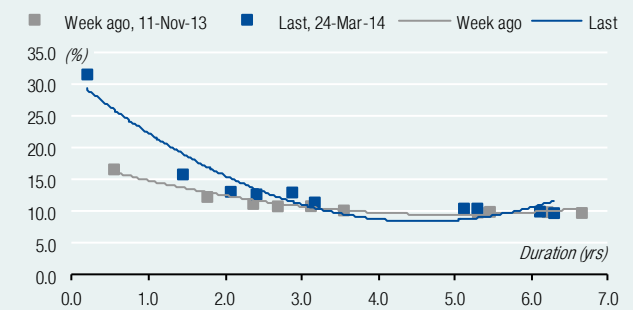


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

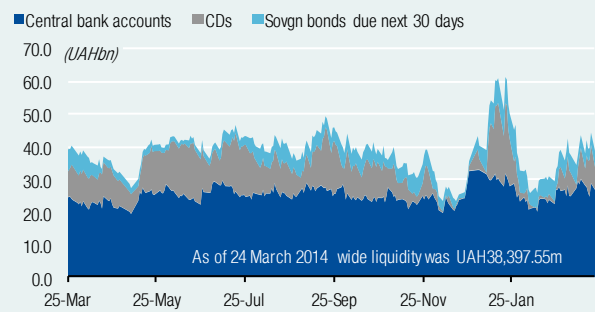


Chart 6. Breakdown of liquidity pool (%) as of 24 Mar 2014

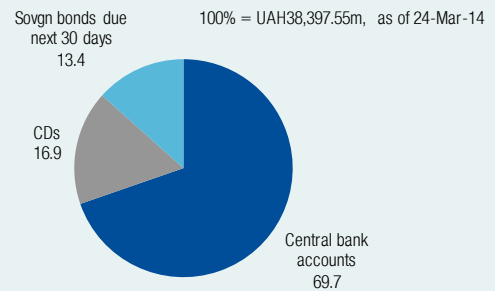


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

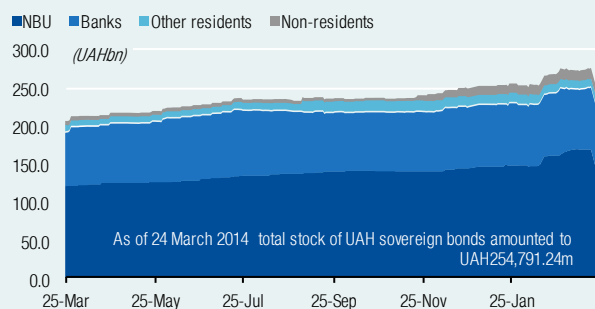
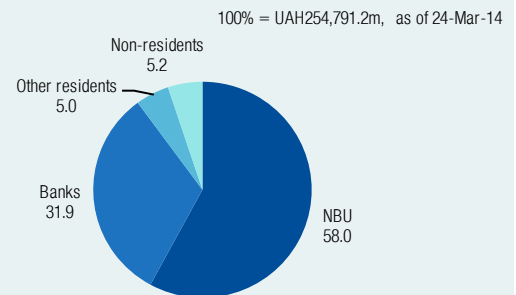


Chart 8. Domestic sovereign debt (%) as of 24 Mar 2014



FX: News & Comments

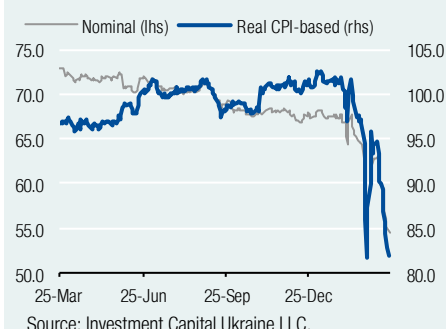
UAH weakens further

The UAH weakened 0.95% to 10.65/USD yesterday, a two-week low. Interfax-Ukraine reported that the NBU did not participate in the market during yesterday's session, while quotes rose to UAH10.70-10.85/USD. The NBU increased the official exchange rate to UAH10.1965/USD. Meanwhile, the UAH's real rate declined 1.20%.

Alexander Valchysen, Kiev, +38044 2200120 ext.242

ICU's UAH trade-weighted indices

(Last 12-month history to 25 Mar 2014)



FX market indicators (as of 24 Mar 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	10.6500	+0.95	+9.23	+16.08	+29.25
NBU avg	N/A	N/A	N/A	N/A	N/A
Tt vlm ¹	N/A	N/A	N/A	N/A	N/A
\$ volume ²	N/A	N/A	N/A	N/A	N/A
NDF 3M	11.5000	+2.22	+4.20	+15.61	+35.53
NDF 6M	12.0500	-0.62	+2.12	+16.90	+37.24
NDF 1Y	12.7000	+0.79	+3.25	+13.90	+34.82
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	54.432	-1.20	-8.37	-13.32	-19.41
UAH real CPI	81.832	-1.20	-8.37	-13.32	-19.05
UAH real PPI	112.555	-1.20	-8.37	-13.32	-18.91
USD nom'l	79.934	-0.21	+0.69	-0.33	-0.13
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	36.1211	-0.34	-0.40	+1.83	+9.89
EUR/USD	1.3839	+0.33	-0.60	+0.76	+0.70
USD/CNY	6.1943	-0.51	+0.27	+1.59	+2.31
USD/PLN	3.0354	-0.23	-0.07	+0.23	+0.41
USD/TRY	2.2367	+0.12	+0.81	+1.67	+4.12
USD/BYR	9,870.00	+0.05	+0.36	+0.92	+3.46
USD/KZT	182.3000	+0.00	+0.07	-1.18	+18.17
OTHER MAJOR CURRENCIES					
USD/JPY	102.2400	-0.01	+0.46	-0.26	-2.92
GBP/USD	1.6498	+0.07	-0.84	-0.95	-0.36
USD/CHF	0.8808	-0.24	+0.86	-0.92	-1.36
AUD/USD	0.9133	+0.57	+0.51	+1.08	+2.42
USD/CAD	1.1192	-0.26	+1.27	+1.19	+5.36
USD/BRL	2.3229	-0.09	-1.11	-0.79	-1.66
USD/KRW	1,077.82	-0.24	+0.98	+0.30	+2.67
COMMODITIES					
Gold(\$/oz)	1,308.76	-1.94	-4.27	-2.11	+8.55
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	299.53	+0.04	-0.49	-0.88	+6.91

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)

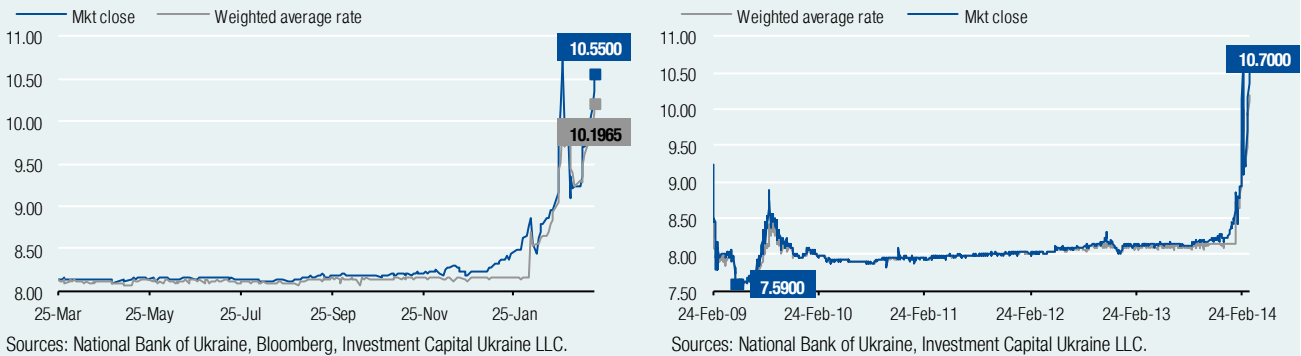


Chart 10. NDF market rates USD/UAH: last 12-month and 5-year periods (UAH per USD, left and right respectively)

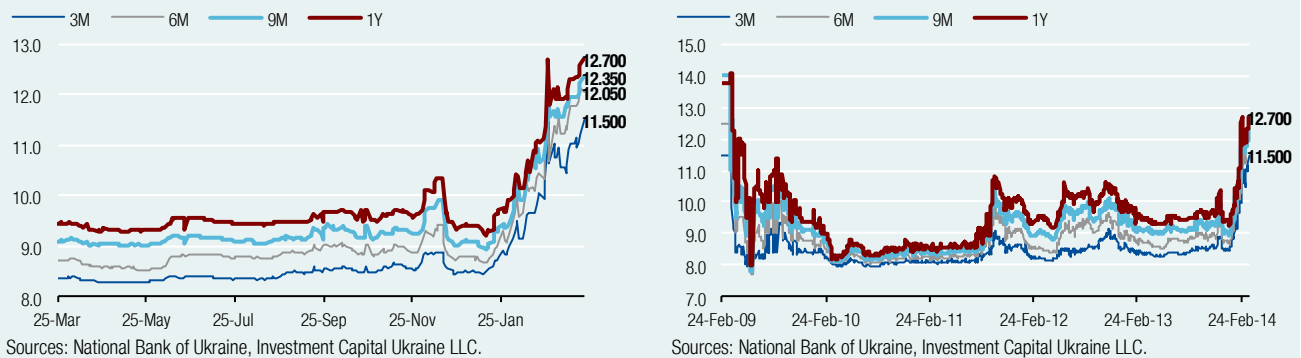


Chart 11. Trading volume: last 12-month and 5-year periods (US\$m, left and right respectively)

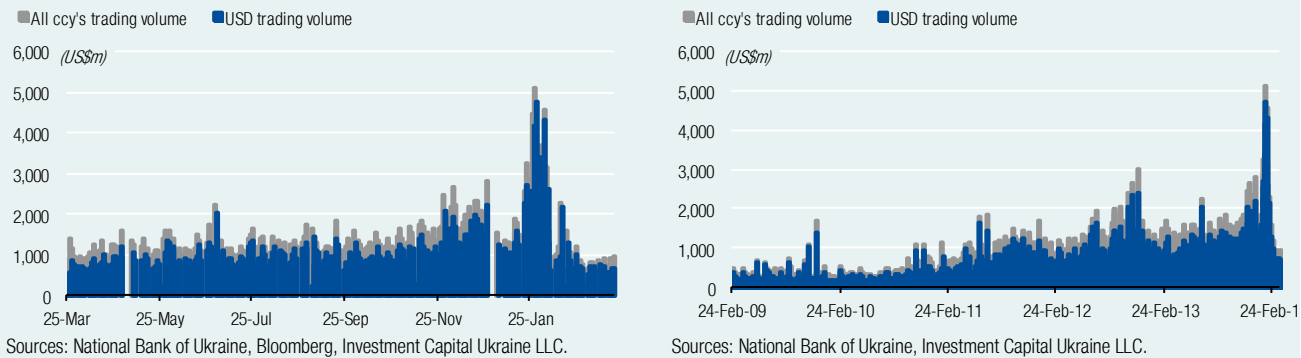


Chart 12. 30D MA* ratio of FX market turnover to merchandise trade: last 12m and 5yr periods (% , left and right respectively)

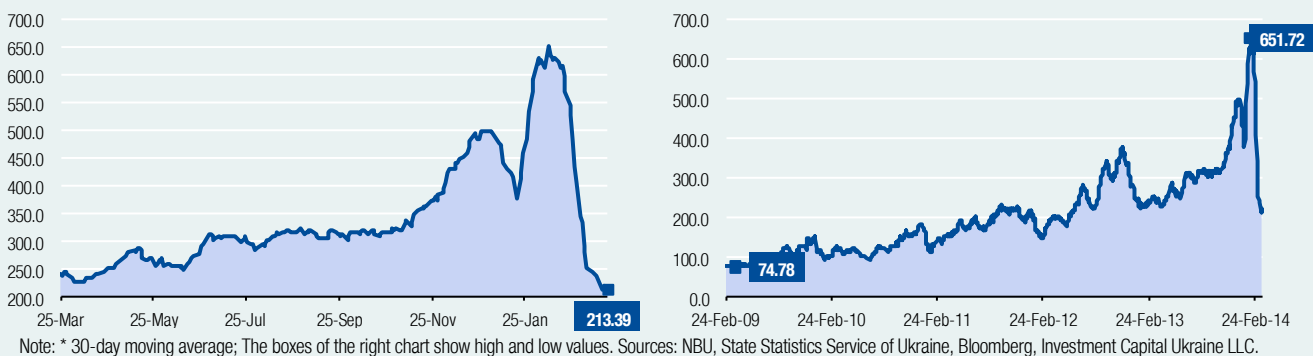
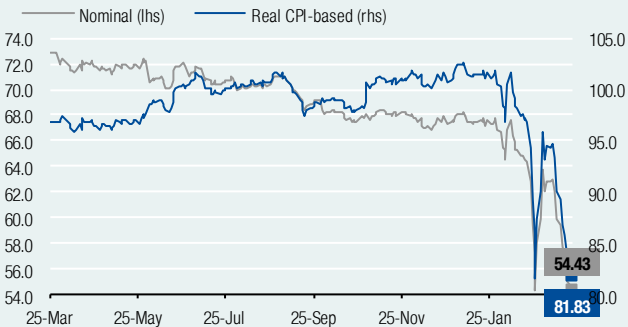


Chart page #2: ICU's UAH trade-weighted indices

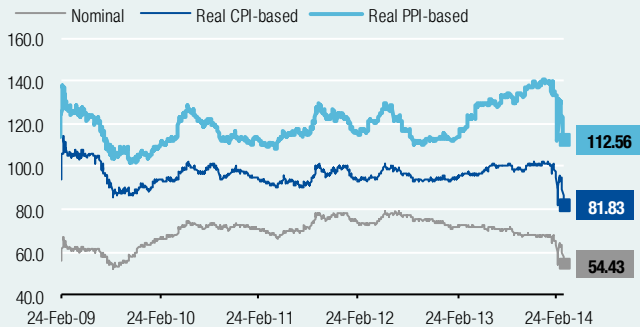
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



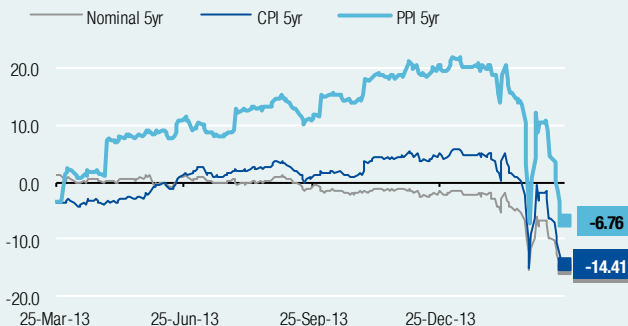
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

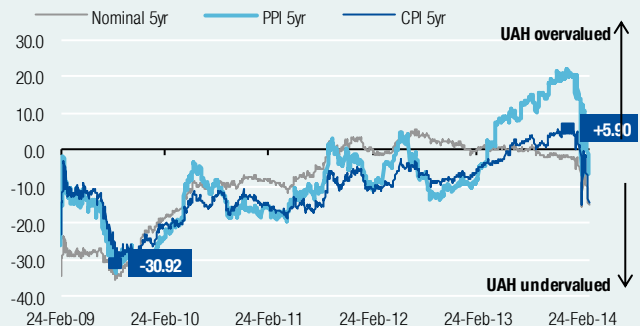


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

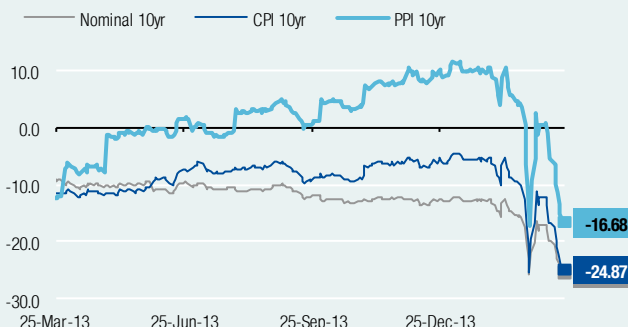


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.



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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This research publication has been prepared by the analyst(s), whose name(s) appear on the front page of this publication. The analyst(s) hereby certifies that the views expressed within this publication accurately reflect her/his own views about the subject financial instruments or issuers and no part of her/his compensation was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views within this research publication.

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Buy: Forecasted 12-month total return greater than 20%

Hold: Forecasted 12-month total return 0% to 20%

Sell: Forecasted 12-month total return less than 0%

Note: total return is share price appreciation to a target price in relative terms plus forecasted dividend yield.

DEBT RATING DEFINITIONS

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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