


 INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

Liquidity reallocation; YTMs fall; Primary auction results; UAH falls to 11/USD

WEDNESDAY, 26 MARCH, 2014

RESEARCH INSIGHT

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UX Index (3 months to 26 Mar 2014)



Key market indicators (as of 25 Mar 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	10.9600	+2.91	+33.01
USD/UAH (1Y NDF)	12.7000	+0.00	+34.82
EUR/USD	1.3826	-0.09	+0.60
USD/RUB	35.5995	-1.44	+8.31
KievPRIME O/N (%)	6.22	+22bp	-158bp
KievPRIME 1M (%)	23.38	+5bp	+713bp
BONDS: yields and spreads			
Ukraine VAT bond (%)	N/A	+74bp	+0bp
Ukraine 17, Eurobond (%)	11.91	-99bp	+235bp
Ukraine 22, Eurobond (%)	9.64	-38bp	+29bp
Ukraine 23, Eurobond (%)	9.40	-37bp	+36bp
Ukraine 5Y CDS	1,173bp	-11bp	+356bp
EQUITIES			
Stock market indices			
UX (Ukraine)	1,013.47	-2.13	+11.37
MSCI World	405.45	+0.58	-0.76
MSCI EM	958.49	+0.48	-4.41
RTS (Russia)	1,170.20	+3.41	-18.89
WIG-20 (Poland)	2,401.61	+1.69	+0.03
S&P 500 (USA)	1,865.62	+0.44	+0.93
MOST ACTIVE: Top 3 stocks by value traded (US\$m)			
FXPO LN	2.21	41.2% of total ¹	
KER PW	1.43	26.6%	
MHPC LI	0.41	7.6%	
GAINERS: Top 3 stocks (in listed currency)			
AVGR LI	USD 9.98	+9.31	-15.06
KDM PW	PLN 13.49	+7.92	-57.02
YASK UK	UAH 0.76	+7.04	+43.40
LOSERS: Top 3 stocks (in listed currency)			
USCB UK	UAH 0.16	-3.36	-15.63
ENMZ UK	UAH 33.46	-2.70	+4.53
DOEN UK	UAH 39.41	-2.55	+42.84

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 25-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	9.25 GBP	-1.3	-17.8	-10.8	-35.1	0.15	35.3	-27.8	40.2	14.2	1.8	9.2	0.05	1,854	Neg.	Neg.	Neg.	4.2	4.3	8.7	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	5.24 UAH	-2.5	-4.8	+9.8	-3.1	0.48	176.5	234.4	21.7	38.3	384.8	65.0	0.29	347	8.3	7.4	5.1	0.4	4.2	2.8	0.3	0.4	0.3	0.8	12.2
Coal Energy	CLE PW	Warsaw	1.48 PLN	-1.3	-14.5	+41.0	-76.1	0.49	22.0	79.8	25.0	5.5	53.5	394.5	9.33	11	Neg.	Neg.	N/A	1.3	10.9	N/A	0.6	0.9	N/A	0.2	7.7
Donbasenergo	DOEN UK	Kiev, UX	39.41 UAH	-2.5	-4.4	+42.8	+96.8	3.60	85.0	128.4	14.2	12.1	22.3	27.8	0.35	282	30.1	3.8	5.4	0.5	2.8	2.6	0.3	0.3	0.3	1.4	17.8
JKX Oil & Gas	JKX LN	London	57.75 GBP	-1.3	-7.2	-19.2	-25.0	0.95	163.8	160.8	47.2	77.3	124.0	67.9	0.12	844	Neg.	5.0	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	-4.3	-15.4	-57.3	0.18	58.3	31.4	80.9	47.1	0.0	6.4	0.01	9,013	5.0	11.7	N/A	1.4	1.8	N/A	0.8	N/A	N/A	0.2	0.0
Sadova Group	SGR PW	Warsaw	0.83 PLN	+3.8	-9.8	+56.6	-45.4	0.27	11.8	51.5	25.0	2.9	15.9	105.7	5.41	18	Neg.	N/A	N/A	7.7	N/A	N/A	1.3	N/A	N/A	0.3	42.4
Zakhidenergo	ZAEN UK	Kiev, PFTS	118.80 UAH	+0.7	-4.4	+31.4	+33.3	10.84	138.6	114.3	5.0	6.9	6.2	6.2	0.04	2,554	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	-1.4	-14.7	-7.0	-22.6	0.00	84.9	1,365.7	3.9	3.3	14.6	9.2	0.45	222	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	2.95 UAH	-2.3	-8.7	-0.3	-3.2	0.27	52.5	49.2	4.0	2.1	0.3	12.6	1.18	85	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	-0.9	-17.3	+1.2	+12.6	0.06	260.1	252.4	4.1	10.7	40.2	9.9	0.18	542	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	143.40 GBP	+1.9	-11.9	-22.8	-14.8	2.37	1,394.2	2,055.3	22.4	312.3	2,215.0	3,423.4	1.37	73	5.3	5.6	7.2	4.1	4.4	5.0	1.3	1.3	1.3	0.8	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.76 UAH	+7.0	+2.7	+43.4	+18.0	0.07	19.0	20.3	9.0	1.7	0.1	1.4	0.12	808	3.1	2.0	1.5	0.1	1.0	0.8	0.1	0.1	0.1	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	33.46 UAH	-2.7	-14.7	+4.5	-3.5	3.05	32.2	27.5	9.4	3.0	36.0	11.4	0.55	183	5.1	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	1.13 EUR	-1.7	-8.9	-8.9	-32.7	1.56	144.2	171.5	34.0	49.0	23.1	31.5	0.09	1,174	Neg.	N/A	N/A	Neg.	N/A	N/A	2.6	N/A	N/A	1.2	35.9
Agroliga	AGL PW	Warsaw	19.18 PLN	-0.1	-24.7	-26.0	+9.0	6.32	9.7	10.7	16.7	1.6	10.6	15.6	1.62	62	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	2.95 PLN	-1.0	-37.2	+51.3	-65.9	0.97	21.1	68.4	26.2	5.5	346.4	644.4	25.56	4	3.1	4.4	2.8	4.8	7.3	4.4	0.8	1.0	0.8	0.2	28.0
Astarta Holdin...	AST PW	Warsaw	44.70 PLN	+2.5	-20.9	-33.2	-25.5	14.73	368.3	699.8	31.0	114.2	129.5	185.8	0.20	506	5.9	6.4	3.5	7.9	7.7	4.2	1.4	1.6	1.1	0.6	38.9
Avangard	AVGR LI	London Intl	9.98 USD	+9.3	-5.0	-15.1	+24.9	9.98	637.4	803.8	21.7	138.3	12.8	361.6	0.39	257	2.8	2.8	3.0	2.9	2.7	2.9	1.3	1.2	1.1	0.6	22.3
IMC	IMC PW	Warsaw	8.37 PLN	-0.4	-11.0	-31.1	-43.1	2.76	86.3	202.6	23.9	20.6	10.3	105.6	0.57	174	4.6	4.6	3.6	5.5	4.9	4.1	2.7	1.4	1.0	0.7	33.0
Kernel Holding...	KER PW	Warsaw	28.95 PLN	+2.7	-16.6	-24.0	-48.8	9.54	760.3	1,783.5	58.8	446.8	1,431.9	2,335.0	0.85	117	6.8	7.7	4.2	6.1	6.4	5.0	0.6	0.7	0.7	0.6	30.6
KSG Agro	KSG PW	Warsaw	5.91 PLN	+5.3	-29.6	-45.5	-51.6	1.95	29.3	151.1	34.4	10.1	52.7	19.3	0.28	360	3.6	2.4	2.5	35.8	5.2	4.2	4.1	2.2	1.4	0.3	29.2
MHP	MHPC LI	London Intl	13.29 USD	+1.1	-13.6	-22.1	-25.3	13.29	1,404.3	2,605.3	22.3	313.4	408.6	1,184.2	0.41	243	4.7	7.0	5.7	5.6	6.3	5.2	1.9	1.7	1.6	1.2	45.8
Milkiland	MLK PW	Warsaw	7.60 PLN	-1.2	-26.9	-39.2	-45.7	2.50	78.3	214.1	20.0	15.7	0.5	14.8	0.12	848	4.4	4.4	4.3	6.0	5.2	4.2	0.5	0.5	0.4	0.3	29.9
Mriya Agrohold...	MAYA GF	Frankfurt	5.50 EUR	+0.0	-8.3	+1.9	+19.3	7.60	807.1	1,539.1	20.0	161.4	0.2	2.6	0.00	36,165	4.6	5.0	5.3	6.7	5.8	6.2	4.4	4.1	3.6	0.9	34.8
Ovostar Union	OVO PW	Warsaw	68.00 PLN	+3.5	-1.5	-32.0	-29.9	22.41	134.5	146.5	25.0	33.6	7.3	53.0	0.12	810	5.7	5.2	3.6	5.3	5.3	3.3	2.1	1.8	1.3	1.3	3.7
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	13.49 PLN	+7.9	-53.2	-57.0	-61.9	4.45	41.3	25.3	10.9	4.5	4.1	1.0	0.05	2,063	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	+5.1	-2.2	-41.5	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																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.15 UAH	-1.8	-0.8	+31.8	+48.6	0.01	409.2	N/A	3.8	15.6	17.7	41.1	0.36	275	14.1	8.1	4.3	N/A	N/A	N/A	N/A	N/A	N/A	0.6	28.3

Table 1. Ukrainian stocks (closing prices as of 25-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	-3.4	-21.6	-15.6	+36.6	0.01	261.8	N/A	4.5	11.7	4.0	3.7	0.06	1,673	948.1	175.0	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 reallocation

Although Monday's increase in ON CDs outstanding sold by the NBU caused a significant decline in banks' correspondent accounts with the NBU, the increase in debt repayments scheduled for the next 30 days caused broader banking sector liquidity to rise UAH1.75bn to UAH38.70bn yesterday. Banks' correspondent accounts with the NBU fell UAH1.81bn to UAH24.94bn while total CDs outstanding rose a significant UAH2.14bn to UAH8.65bn. Total local currency debt repayments scheduled for the next 30 days increased UAH1.43bn to UAH5.12bn.

Investment implications: It appears that banks reallocated a portion of funds deposited for future FX purchasing to NBU CDs with short-term maturities; this appears to have caused a decrease in banks' correspondent accounts with the NBU and a similar increase in CDs outstanding. Monday tax payments were insignificant and had little impact on liquidity.

YTM's decline significantly

Ukrainian Eurobond prices significantly rose after the opening of US market, causing a significant decline in YTM's. This improvement could be based on positive economic developments from Ukraine. The yield curve shifted to the range of 9.13-12.96. At the close, UKRAIN 6.875% '15 declined 218bp to 12.96%, UKRAIN 9.25% '17 declined 126bp to 11.65%, while UKRAIN 7.95% '21 slid 61bp to 9.88%, UKRAIN 7.80% '22 slid 26bp to 9.75% and UKRAIN 7.50% '23 slid 64bp to 9.13%. The 5-year CDS declined to 1,173bp.

Investment implications: The Ukrainian Minister of Finance announced yesterday that the MoF is in the final stages of negotiations with the IMF and that special financial assistance could amount to US\$15-20bn. In addition, the Ukrainian government declared its intentions to reimburse VAT via issuing VAT bonds, as it has done twice over the last ten years in 2004 and 2010.

Primary auction results

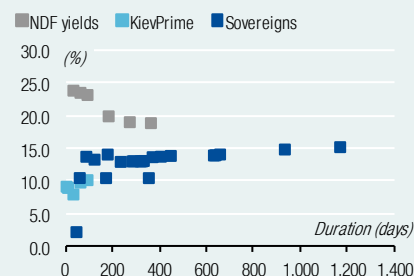
For the second consecutive week, the scheduled primary auction raised no funds. Although last week attracted two indicative bids, yesterday's auction had no bids.

Investment implications: The MoF likely used its budget revenues, and possibly additional revenues received by the NBU, which have to be transferred to the state budget. As the MoF has to finance its current budget expenditures, we could see an unscheduled auction later this week. As the beginning of April has a lower debt burden, the MoF will have a few weeks to test the market and possibly amend its policy.

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Yield curve of the local bond market

(as of market close on 25 Mar 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 25 Mar 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
0/n	6.22	+22bp	-206bp	-178bp	-158bp
1wk	17.40	+7bp	-112bp	+180bp	+760bp
1m	23.38	+5bp	-52bp	+198bp	+713bp
2m	18.13	-20bp	-17bp	-7bp	+173bp
3m	18.00	+0bp	-4bp	+20bp	+200bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	24,941	-6.78	-10.16	-7.45	-23.73
CDs ²	15,053	+131.3	+55.07	+1,907.1	+890.3
Sovgns ³	5,134	+0.00	+9.79	-7.81	+243.4
Total	45,128	+17.53	+7.08	+35.65	+26.35
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	169,695	+14.89	+0.00	+5.09	+17.15
Banks	82,145	+1.17	+2.84	+0.54	+2.47
Resid's ⁴	11,234	-11.89	+0.38	-1.56	-9.37
Non-res ⁵	14,672	+11.58	+5.20	+10.76	+25.41
Total	277,747	+9.01	+1.11	+3.70	+11.49
NDF IMPLIED YIELDS (%)					
3m	14.47	-18ppt	-31ppt	-842bp	+233bp
6m	21.03	-560bp	-15ppt	+66bp	+762bp
9m	17.33	-440bp	-874bp	-57bp	+331bp
1yr	16.53	-339bp	-735bp	-83bp	+154bp
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	1,173	-11bp	-76bp	+191bp	+356bp
Jun '16	11.25	-159bp	-427bp	-26bp	+236bp
Jul '17	11.91	-99bp	-238bp	+2bp	+235bp
Sep '20	10.07	-38bp	-180bp	+3bp	+88bp
Sep '21	10.11	-38bp	-164bp	+15bp	+89bp
Sep '22	9.64	-38bp	-133bp	-22bp	+29bp
Feb '23	9.40	-37bp	-134bp	-8bp	+36bp

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

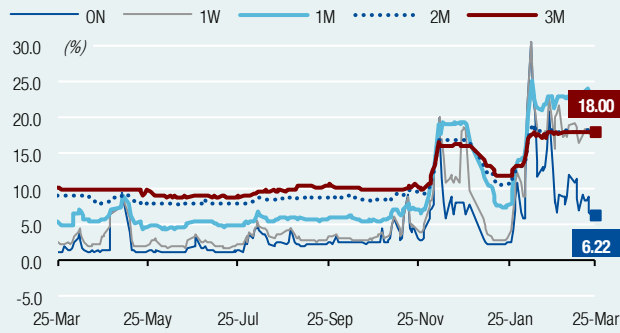


Chart 2. UAH NDF implied yields (%), last 12-month period



Chart 3. UAH sovereign yield curve (%) as of 25 Mar 2014

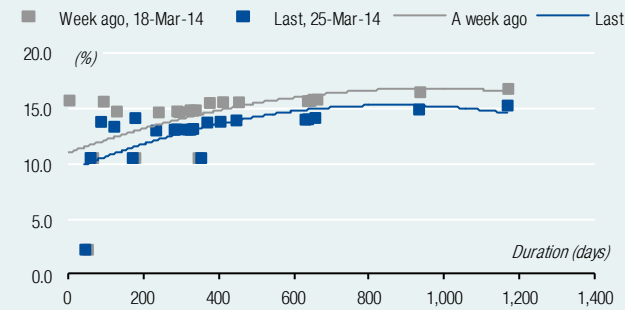


Chart 4. USD sovereign yield curve (%) as of 25 Mar 2014



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

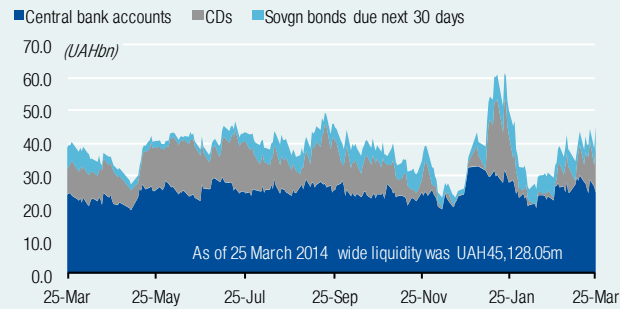


Chart 6. Breakdown of liquidity pool (%) as of 25 Mar 2014

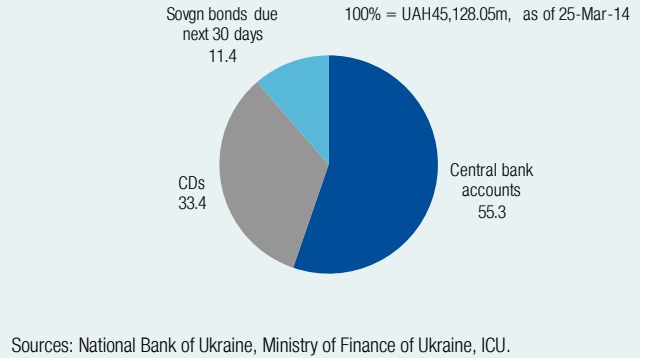


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

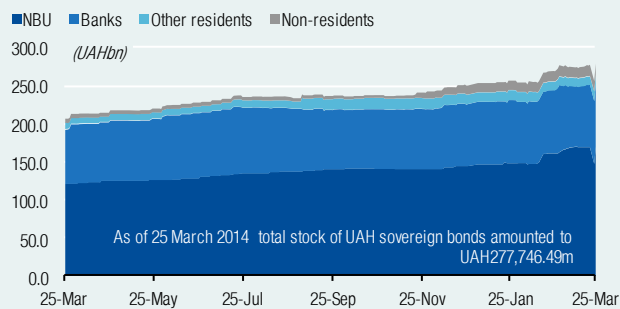
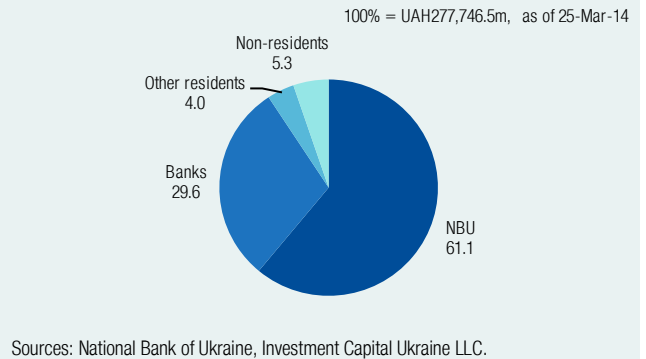


Chart 8. Domestic sovereign debt (%) as of 25 Mar 2014



FX: News & Comments

UAH weakens close to UAH11/USD

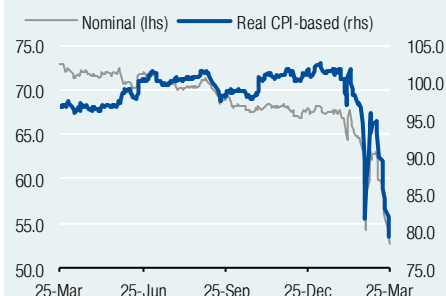
The hryvnia continued to weaken yesterday as market bids crossed UAH11.0/USD. Interfax-Ukraine reported that although quotes rose to UAH10.70-10.85/USD, the NBU did not participate in the market. The UAH fell 2.91% to close at 10.96/USD yesterday, a new low on US\$0.68bn in trading, up 17.21 from the day before. The NBU increased the official exchange rate to UAH10.5758/USD. Meanwhile, the UAH's real rate declined 3.35%.

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ICU's UAH trade-weighted indices

(Last 12-month history to 26 Mar 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 25 Mar 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	10.9600	+2.91	+9.33	+12.70	+33.01
NBU avg	10.5758	+1.92	+6.18	+12.19	+29.75
Ttl vlm ¹	943.75	+24.61	+23.36	+39.91	-66.32
\$ volume ²	683.75	+17.21	+21.31	+24.32	-69.07
NDF 3M	11.3500	-1.30	+1.81	+10.46	+33.77
NDF 6M	12.0950	+0.37	+2.50	+13.04	+37.76
NDF 1Y	12.7000	+0.00	+2.83	+11.89	+34.82
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	52.609	-3.35	-8.88	-11.39	-22.11
UAH real CPI	79.092	-3.35	-8.88	-11.39	-21.76
UAH real PPI	108.787	-3.35	-8.88	-11.39	-21.62
USD nom'l	79.944	+0.01	+0.67	-0.24	-0.11
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	35.5995	-1.44	-1.78	-0.20	+8.31
EUR/USD	1.3826	-0.09	-0.78	+0.59	+0.60
USD/CNY	6.2009	+0.11	+0.10	+1.27	+2.42
USD/PLN	3.0297	-0.19	+0.32	+0.23	+0.22
USD/TRY	2.2167	-0.89	-0.08	+0.20	+3.19
USD/BYR	9,865.00	-0.05	+0.22	+0.77	+3.41
USD/KZT	182.2900	-0.01	-0.04	-1.21	+18.16
OTHER MAJOR CURRENCIES					
USD/JPY	102.2600	+0.02	+0.81	+0.02	-2.90
GBP/USD	1.6529	+0.19	-0.39	-0.91	-0.17
USD/CHF	0.8827	+0.22	+1.09	-0.46	-1.14
AUD/USD	0.9166	+0.36	+0.43	+1.63	+2.79
USD/CAD	1.1167	-0.22	+0.29	+0.74	+5.12
USD/BRL	2.3113	-0.50	-0.97	-1.28	-2.15
USD/KRW	1,079.50	+0.16	+0.96	+0.62	+2.83
COMMODITIES					
Gold(\$/oz)	1,311.20	+0.19	-3.28	-2.20	+8.75
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	300.83	+0.43	-0.64	-0.25	+7.37

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)

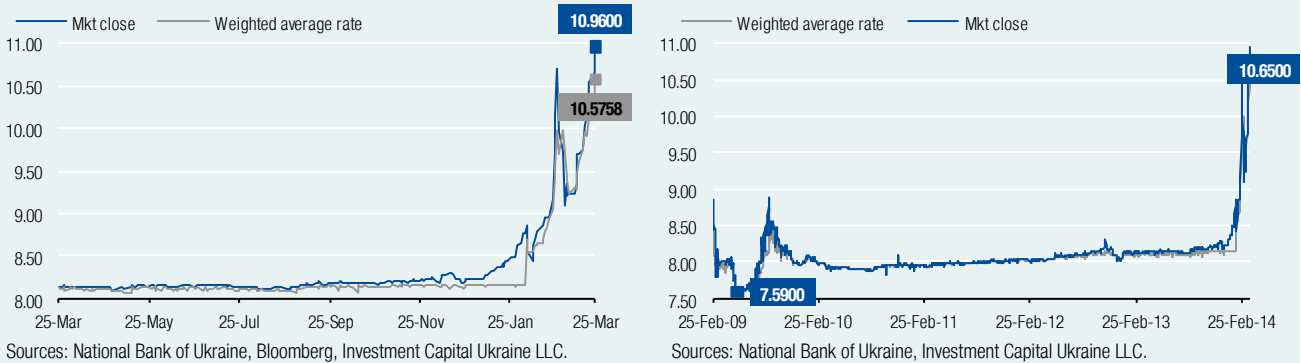


Chart 10. NDF market rates USD/UAH: last 12-month and 5-year periods (UAH per USD, left and right respectively)

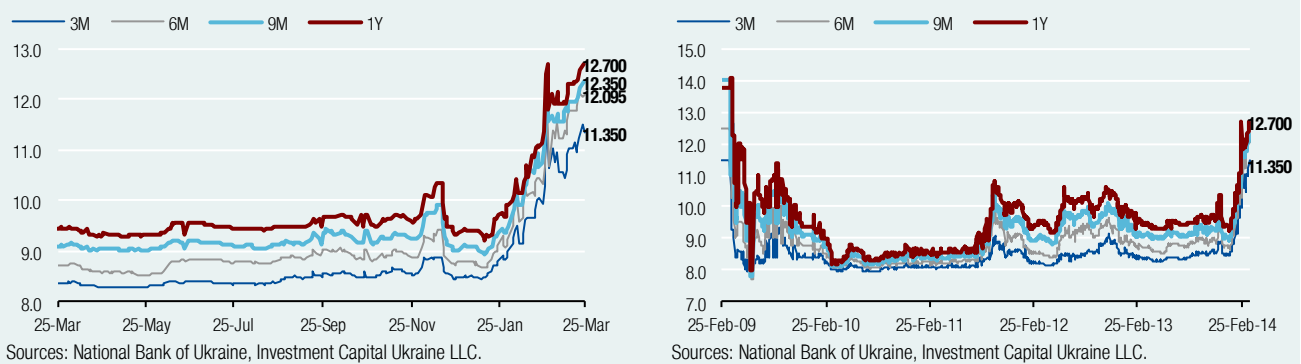


Chart 11. Trading volume: last 12-month and 5-year periods (US\$m, left and right respectively)

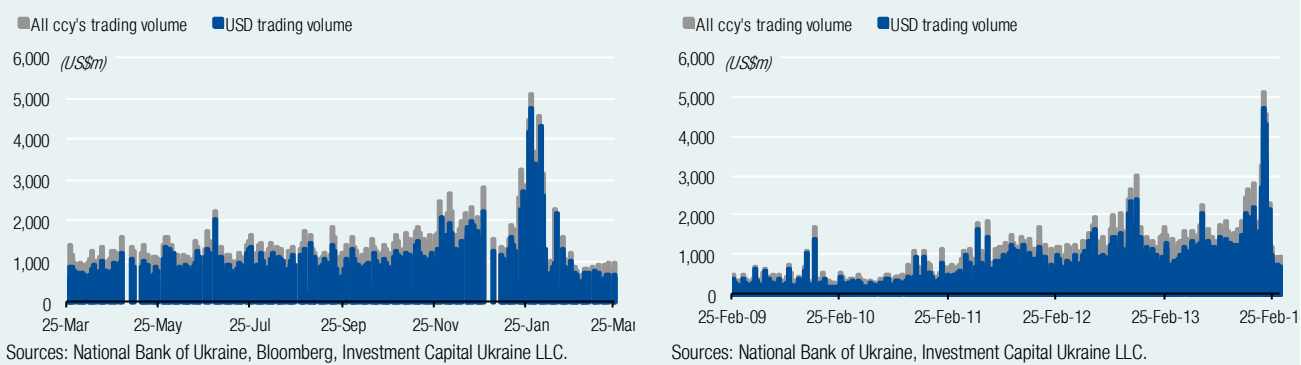


Chart 12. 30D MA* ratio of FX market turnover to merchandise trade: last 12m and 5yr periods (% , left and right respectively)

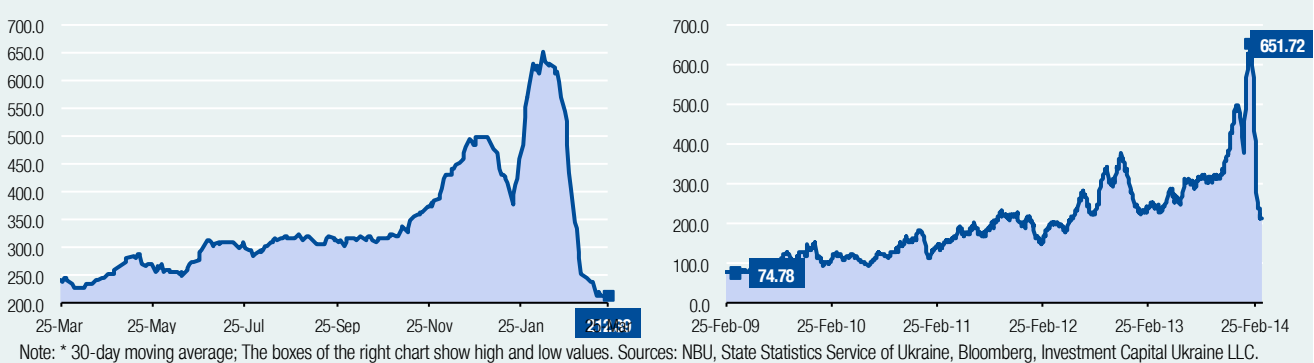
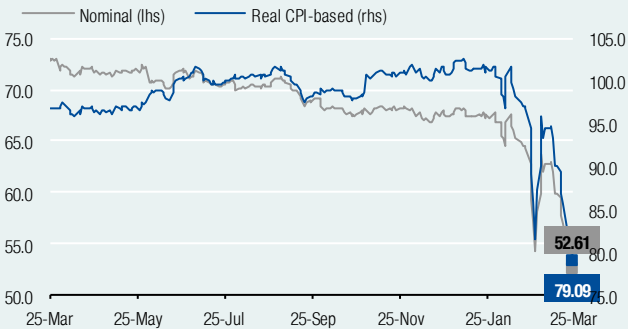


Chart page #2: ICU's UAH trade-weighted indices

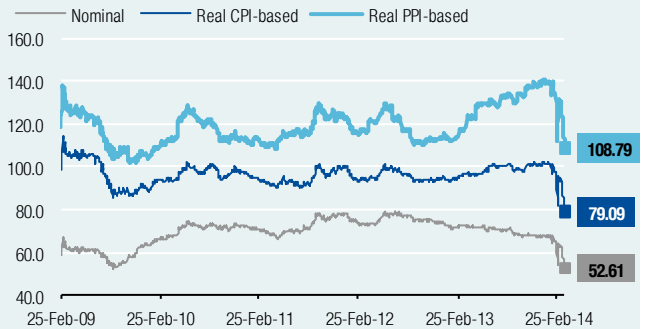
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



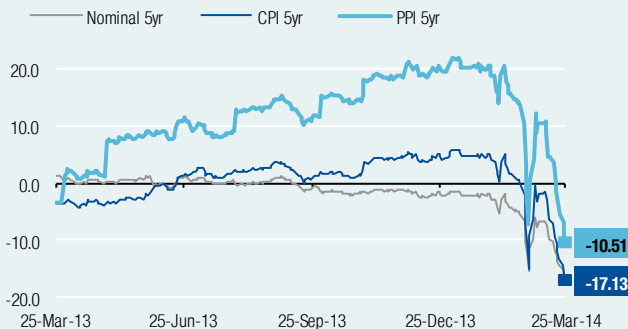
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

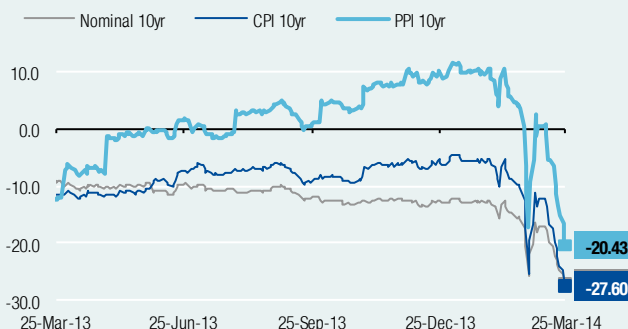


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.



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

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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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