


**INVESTMENT CAPITAL UKRAINE**  
 INVESTMENT BANKING

# Daily Insight

Liquidity reallocation continues; YTM's change slightly;  
 DTEK's production grows; UAH weakens further

THURSDAY, 27 MARCH, 2014

RESEARCH INSIGHT

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### UX Index (3 months to 27 Mar 2014)



### Key market indicators (as of 26 Mar 2014)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	10.9490	-0.10	+32.88
USD/UAH (1Y NDF)	12.6500	-0.39	+34.29
EUR/USD	1.3781	-0.33	+0.28
USD/RUB	35.5279	-0.20	+8.09
KievPRIME O/N (%)	5.38	-84bp	-242bp
KievPRIME 1M (%)	23.60	+22bp	+735bp
<b>BONDS: yields and spreads</b>			
Ukraine VAT bond (%)	N/A	+74bp	+0bp
Ukraine 17, Eurobond (%)	11.63	-28bp	+208bp
Ukraine 22, Eurobond (%)	9.39	-25bp	+5bp
Ukraine 23, Eurobond (%)	9.26	-15bp	+21bp
Ukraine 5Y CDS	1,048bp	-125bp	+231bp
<b>EQUITIES</b>			
<b>Stock market indices</b>			
UX (Ukraine)	1,011.56	-0.19	+11.16
MSCI World	405.58	+0.03	-0.73
MSCI EM	968.23	+1.02	-3.44
RTS (Russia)	1,198.89	+2.45	-16.90
WIG-20 (Poland)	2,424.59	+0.96	+0.98
S&P 500 (USA)	1,852.56	-0.70	+0.23
<b>MOST ACTIVE: Top 3 stocks by value traded (US\$m)</b>			
FXPO LN	4.82	59.6% of total <sup>1</sup>	
KER PW	1.39	17.1%	
JKX LN	0.34	4.2%	
<b>GAINERS: Top 3 stocks (in listed currency)</b>			
FORM UK	UAH 0.30	+17.58	-60.39
CLE PW	PLN 1.58	+6.76	+50.48
JKX LN	GBp 60.75	+5.19	-15.03
<b>LOSERS: Top 3 stocks (in listed currency)</b>			
YASK UK	UAH 0.64	-15.53	+21.13
KDM PW	PLN 12.50	-7.34	-60.18
RPT LN	GBp 10.50	-4.55	-19.23

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 26-Mar-2014)

Company	Bloomberg Ticker	Listing	Share price performance (% change)					Valuation (US\$)			Free float (FF) & Liquidity					P/E			EV/EBITDA			EV/Sales			Ratios		
			Last price	Daily	MoM	YTD	YoY	Last price	Market cap (m)	EV (m)	FF (%)	FF mkt cap (US\$m)	Last day turnover (US\$ 000)	3M avg. turnover (US\$ 000)	FF share traded (%)	FF turnover (days)	2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E	P/B (x)	Debt/Assets (%)
<b>ENERGY</b>																											
Cadogan Petrol...	CAD LN	London	9.25 GBP	+0.0	-17.8	-10.8	-34.5	0.15	35.4	-27.7	40.2	14.2	1.5	9.1	0.05	1,836	Neg.	Neg.	Neg.	4.2	4.3	8.6	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	5.20 UAH	-0.8	-7.7	+9.0	-3.2	0.49	179.8	239.2	21.7	39.0	276.0	70.1	0.31	325	8.2	7.3	5.1	0.4	4.2	2.8	0.3	0.4	0.3	0.8	12.2
Coal Energy	CLE PW	Warsaw	1.58 PLN	+6.8	-18.1	+50.5	-75.0	0.52	23.4	81.3	25.0	5.9	199.2	417.4	8.08	12	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	39.27 UAH	-0.4	-3.5	+42.3	+96.9	3.68	87.0	131.5	14.2	12.4	10.1	28.4	0.33	300	30.0	3.8	5.3	0.5	2.8	2.6	0.3	0.3	0.3	1.4	17.8
JKX Oil & Gas	JKX LN	London	60.75 GBP	+5.2	-2.8	-15.0	-20.6	1.01	172.9	169.9	47.2	81.6	339.9	75.9	0.13	768	Neg.	6.8	4.9	1.2	1.7	1.8	0.8	0.9	0.8	0.4	2.5
Regal Petroleum	RPT LN	London	10.50 GBP	-4.5	-8.7	-19.2	-56.3	0.17	55.8	29.0	80.9	45.1	11.4	6.2	0.01	8,057	4.8	11.2	N/A	1.3	1.7	N/A	0.7	N/A	N/A	0.2	0.0
Sadova Group	SGR PW	Warsaw	0.83 PLN	+0.0	-14.4	+56.6	-47.8	0.27	11.8	51.5	25.0	2.9	37.5	104.6	4.93	20	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	117.90 UAH	-0.8	-6.8	+30.4	+39.9	11.04	141.3	116.3	5.0	7.1	30.9	6.9	0.06	1,688	2.6	N/A	N/A	0.8	N/A	N/A	0.1	N/A	N/A	0.9	0.0
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	-1.7	-16.5	-8.5	-23.5	0.00	85.7	1,400.8	3.9	3.3	8.2	9.3	0.41	245	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	2.89 UAH	-1.9	-9.6	-2.3	-5.0	0.27	52.9	49.5	4.0	2.1	3.1	12.7	0.94	106	Neg.	Neg.	2.6	Neg.	1.5	0.9	0.1	0.1	0.1	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.68 UAH	+0.1	-17.1	+1.3	+12.2	0.06	267.4	259.6	4.1	11.0	2.9	10.1	0.15	680	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	150.30 GBP	+4.8	-5.7	-19.1	-10.7	2.49	1,466.0	2,127.1	22.4	328.4	4,824.8	3,619.1	1.35	74	5.6	5.9	7.6	4.2	4.6	5.2	1.3	1.3	1.4	0.9	35.1
Yasnyivsky Cok...	YASK UK	Kiev, UX	0.64 UAH	-15.5	-13.2	+21.1	+5.2	0.06	16.5	17.8	9.0	1.5	0.1	1.2	0.11	929	2.6	1.7	1.3	0.1	0.8	0.7	0.1	0.1	0.1	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	34.37 UAH	+2.7	-13.4	+7.4	+1.6	3.22	34.0	29.1	9.4	3.2	62.4	13.0	0.37	268	5.2	Neg.	N/A	Neg.	Neg.	N/A	0.0	0.0	N/A	0.8	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	1.14 EUR	+0.9	-6.6	-8.1	-32.5	1.57	145.1	172.5	34.0	49.3	38.6	31.8	0.09	1,158	Neg.	N/A	N/A	Neg.	N/A	N/A	2.6	N/A	N/A	1.2	35.9
Agroliga	AGL PW	Warsaw	19.85 PLN	+3.5	-23.6	-23.4	+12.8	6.54	10.1	11.0	16.7	1.7	13.5	16.1	1.38	72	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	2.98 PLN	+1.0	-45.6	+52.8	-64.9	0.98	21.3	68.6	26.2	5.6	178.0	643.1	23.57	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	44.00 PLN	-1.6	-21.4	-34.2	-27.3	14.50	362.5	693.3	31.0	112.4	297.7	184.7	0.21	477	5.8	6.3	3.5	7.9	7.6	4.1	1.4	1.6	1.1	0.6	38.9
Avangard	AVGR LI	London Intl	10.00 USD	+0.2	-3.8	-14.9	+22.2	10.00	638.7	805.1	21.7	138.6	62.0	357.5	0.39	257	2.8	2.8	3.1	2.9	2.7	2.9	1.3	1.2	1.1	0.6	22.3
IMC	IMC PW	Warsaw	8.35 PLN	-0.2	-8.7	-31.3	-44.3	2.75	86.1	202.4	23.9	20.6	10.9	103.8	0.55	183	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	29.00 PLN	+0.2	-12.3	-23.8	-50.2	9.56	761.4	1,784.7	58.8	447.5	1,386.2	2,322.9	0.85	118	6.8	7.7	4.2	6.1	6.5	5.0	0.6	0.7	0.7	0.6	30.6
KSG Agro	KSG PW	Warsaw	5.95 PLN	+0.7	-27.4	-45.2	-54.8	1.96	29.4	151.3	34.4	10.1	8.5	19.2	0.26	387	3.6	2.4	2.5	35.9	5.2	4.2	4.1	2.2	1.4	0.3	29.2
MHP	MHPC LI	London Intl	12.99 USD	-2.3	-13.3	-23.8	-23.6	12.99	1,372.6	2,573.6	22.3	306.4	221.1	1,142.6	0.42	235	4.6	6.8	5.6	5.5	6.2	5.2	1.8	1.7	1.6	1.2	45.8
Milkiland	MLK PW	Warsaw	7.60 PLN	+0.0	-25.6	-39.2	-45.7	2.50	78.3	213.8	20.0	15.7	0.7	14.6	0.11	951	4.4	4.4	4.3	6.0	5.2	4.3	0.5	0.5	0.4	0.3	29.9
Mriya Agrohold...	MAYA GF	Frankfurt	5.60 EUR	+0.0	-4.3	+3.7	+21.5	7.72	820.1	1,552.0	20.0	164.0	16.6	2.9	0.00	33,113	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	67.98 PLN	+0.0	-4.5	-32.0	-28.5	22.40	134.4	146.4	25.0	33.6	1.0	52.1	0.12	850	5.7	5.2	3.6	5.3	5.2	3.3	2.1	1.8	1.3	1.3	3.7
<b>TRANSPORTATION</b>																											
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	2.4	1.0	0.06	1,806	3.1	N/A	N/A	1.5	N/A	N/A	0.8	N/A	N/A	0.7	8.3
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Xetra	0.31 EUR	+0.0	+4.4	-2.2	-42.5	0.43	22.1	181.5	13.1	2.9	0.0	0.1	0.01	13,799	Neg.	N/A	N/A	Neg.	N/A	N/A	8.3	N/A	N/A	0.2	44.1
<b>FINANCIAL SERVICES</b>																											
Forum Bank	FORM UK	Kiev, UX	0.30 UAH	+17.6	-62.1	-60.4	-53.3	0.03	16.7	N/A	5.5	0.9	0.6	0.9	0.24	420	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	+2.5	-1.1	+35.1	+57.5	0.01	430.5	N/A	3.8	16.4	42.9	43.8	0.31	321	14.4	8.3	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 26-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	-0.4	-18.2	-15.9	+36.6	0.01	267.8	N/A	4.5	12.0	0.1	3.8	0.05	1,881	944.5	174.3	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 reallocation continues

Broader banking sector liquidity rose an insufficient UAH0.13bn to UAH38.83bn yesterday as banks' correspondent accounts with the NBU increased UAH1.25bn to UAH26.19bn. Total CDs outstanding declined UAH1.12bn to UAH7.53bn and total local currency debt repayments scheduled for the next 30 days remained steady at UAH5.12bn.

KyivPrime interest rates slightly diverged: the KyivPrime ON interest rate fell 84bp to 5.38% while the KyivPrime 1M interest rate rose 22bp to 23.60%.

**Investment implications: Tuesday's deals resulted in a stabilization of yesterday's liquidity indicators, primarily showing the reallocation of funds from CDs outstanding into banks' correspondent accounts with the NBU. The MoF and the NBU provided little support on Tuesday. As large debt repayments were due yesterday, we could see some changes in liquidity today.**

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## YTM's change slightly

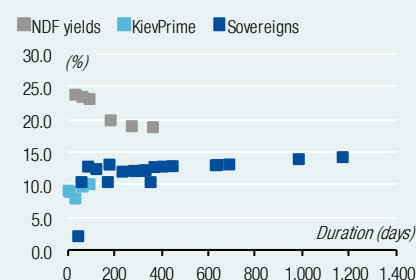
Ukrainian Eurobonds were quite volatile yesterday without significant changes at the close. YTM's declined, causing the yield curve to shift to the range of 8.95-12.18%. At the close, UKRAIN 6.875% '15 declined 78bp to 12.18%, UKRAIN 9.25% '17 slid 29bp to 11.37%, while UKRAIN 7.95% '21 slid 27bp to 9.61%, UKRAIN 7.80% '22 slid 23bp to 9.52% and UKRAIN 7.50% '23 slid 17bp to 8.95%. 5-year CDS declined to 1,048bp.

**Investment implications: All positive news affecting Ukrainian risks on Tuesday appear to have been factored in yesterday. However, news on the Ukrainian economy yesterday in the short-term was not as positive. The market appears to be anticipating news on IMF mission results that will determine how the MoF is going to finance its external debt repayments in May and June.**

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### Yield curve of the local bond market

(as of market close on 26 Mar 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

### Bond market indicators (as of 26 Mar 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
0/n	5.38	-84bp	-300bp	-288bp	-242bp
1wk	17.72	+32bp	-80bp	-248bp	+792bp
1m	23.60	+22bp	+0bp	+140bp	+735bp
2m	18.30	+17bp	+0bp	+6bp	+190bp
3m	18.04	+4bp	+0bp	+0bp	+204bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	26,187	+4.99	+0.51	-3.04	-19.92
CDs <sup>2</sup>	16,075	+6.79	+64.23	+718.1	+957.6
Sovgns <sup>3</sup>	3,178	-38.10	-14.10	-39.06	+112.6
<b>Total</b>	<b>45,440</b>	<b>+0.69</b>	<b>+14.92</b>	<b>+32.91</b>	<b>+27.22</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	169,696	+0.00	+0.00	+5.11	+17.15
Banks	83,084	+1.14	+2.88	+0.05	+3.64
Resid's <sup>4</sup>	11,296	+0.55	+0.66	-0.88	-8.88
Non-res <sup>5</sup>	14,800	+0.87	+4.34	+9.10	+26.51
<b>Total</b>	<b>278,876</b>	<b>+0.41</b>	<b>+1.10</b>	<b>+3.50</b>	<b>+11.95</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	15.81	+133bp	-16ppt	-10ppt	+366bp
6m	18.59	-244bp	-14ppt	-439bp	+518bp
9m	15.95	-138bp	-807bp	-461bp	+194bp
1yr	16.19	-34bp	-611bp	-765bp	+120bp
<b>LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)</b>					
Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	N/A	+320bp	+0bp	+0bp	-676bp
Aug '15 <sup>6</sup>	N/A	+74bp	+0bp	+0bp	+0bp
<b>EUROBONDS USD SOVEREIGN BOND YIELDS (%)</b>					
CDS 5yr	1,048	-125bp	-149bp	-40bp	+231bp
Jun '16	10.73	-51bp	-352bp	-79bp	+184bp
Jul '17	11.63	-28bp	-216bp	-28bp	+208bp
Sep '20	9.63	-44bp	-164bp	-51bp	+44bp
Sep '21	9.77	-34bp	-136bp	-42bp	+55bp
Sep '22	9.39	-25bp	-113bp	-54bp	+5bp
Feb '23	9.26	-15bp	-104bp	-20bp	+21bp

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.

## DTEK's production grows in 2013

According to its 2013 production results released yesterday, DTEK increased its output of ROM coal by 4.3% to 41.4mt, production of electricity by 3.1% YoY to 53TWh, and distribution of electricity by 10.8% YoY to 59.7TWh. The company increased electricity exports by 1.2% YoY to 9.8TWh and increased coal exports by 72.7% YoY to 4.7mt.

**Investment implications: DTEK was able to increase its production of electricity despite a 6.6% decrease in electricity consumption by the Ukrainian industry, as the company filled the shortage in supply of Ukrainian thermal power plants resulting from the fire accident at Kurakhovo TPP, a plant controlled by state-owned Centerenergo. DTEK was also able to counter the trend of falling coal production in Ukraine, being helped primarily by the positive effect from the consolidation of Russian coal mines acquired by the company in March and July 2012, as well as from the company's rising coal exports. We see such a significant rise in DTEK's coal exports as a positive surprise, as the company reported entering new markets in Asia and Morocco, extending its cooperation with steel makers in China and South Korea, and resuming exports to consumers in the Mediterranean region.**

**Table 2. DTEK Eurobond quotation as of market close, 26 March 2014**

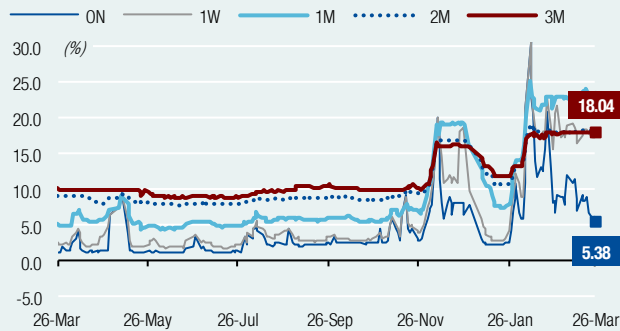
Issuer	Moody's/S&P/Fitch	Ccy	Volume	Coupon rate (%)	Maturity	Price (%)	YTW (%)	Spread (bp)
DTEK	Caa1/--/CCC	USD	500m	9.50	28-Apr-15	93	17.522	1,723
DTEK	Caa1/--/CCC	USD	750m	7.875	04-Apr-18	83.375	13.366	1,169

Source: Bloomberg

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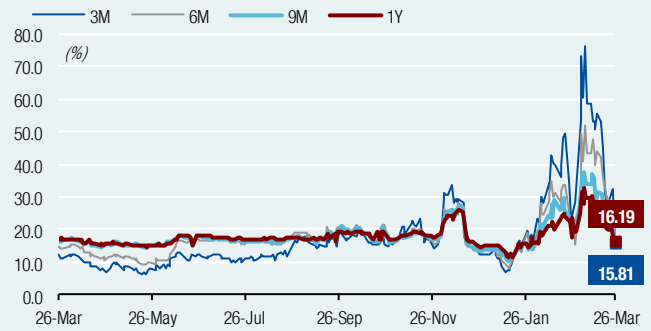
**Chart page: Local bond market & Eurobond markets**

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



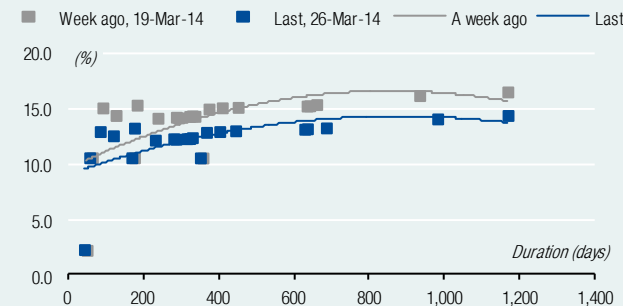
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



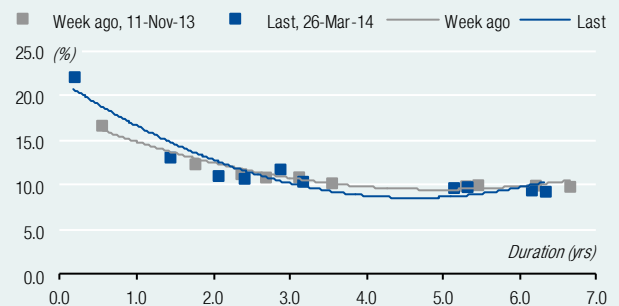
Sources: Bloomberg, Investment Capital Ukraine LLC.

**Chart 3. UAH sovereign yield curve (%) as of 26 Mar 2014**



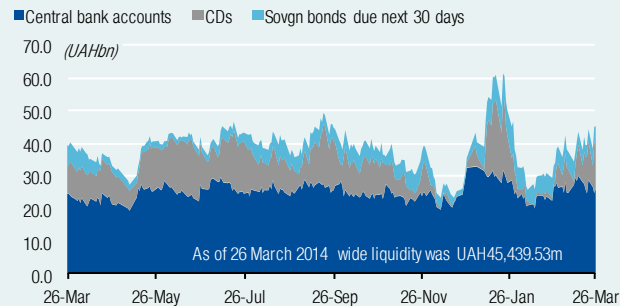
Sources: Bloomberg, Investment Capital Ukraine LLC.

**Chart 4. USD sovereign yield curve (%) as of 26 Mar 2014**



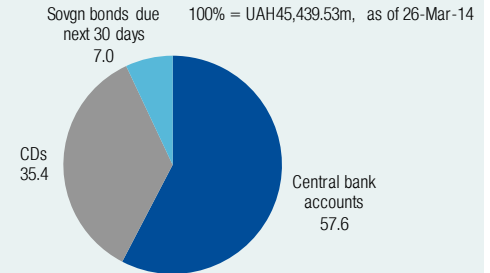
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



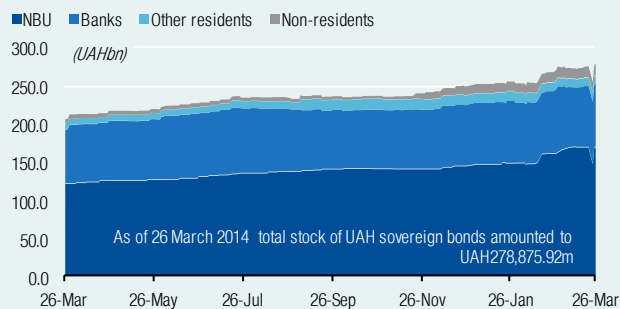
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

**Chart 6. Breakdown of liquidity pool (%) as of 26 Mar 2014**



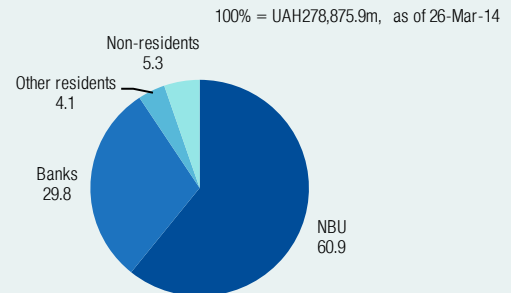
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

**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 26 Mar 2014**



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

# FX: News & Comments

## UAH weakens further

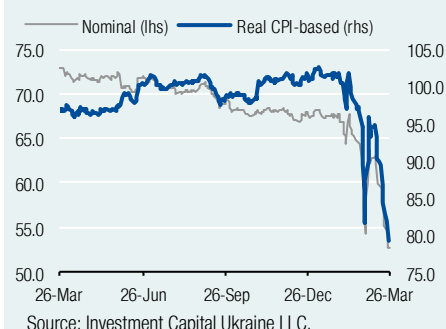
Interfax-Ukraine reported yesterday's session for the hryvnia at UAH11.10-11.40/USD as the NBU did not participate in the market yet again. According to Interfax-Ukraine the UAH weakened to close at 11.2500/USD yesterday, a new low, on US\$0.66bn in trading, down 3.47% from the day before. Meanwhile, the UAH's real rate rose 0.08%.

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### ICU's UAH trade-weighted indices

(Last 12-month history to 27 Mar 2014)



### FX market indicators (as of 26 Mar 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	10.9490	-0.10	+7.82	+7.87	+32.88
NBU avg	10.6721	+0.91	+7.61	+12.13	+30.93
Tt vlm <sup>1</sup>	871.11	-7.70	-6.12	+4.29	-68.91
\$ volume <sup>2</sup>	660.05	-3.47	-3.71	-8.19	-70.14
NDF 3M	11.3750	+0.22	+3.88	+5.32	+34.06
NDF 6M	11.9500	-1.20	+1.27	+5.75	+36.10
NDF 1Y	12.6500	-0.39	+2.43	+1.20	+34.29
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	52.652	+0.08	-7.67	-7.94	-22.04
UAH real CPI	79.157	+0.08	-7.67	-7.94	-21.69
UAH real PPI	108.876	+0.08	-7.67	-7.94	-21.56
USD nom'l	80.032	+0.11	+0.05	-0.49	+0.00
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	35.5279	-0.20	-1.21	-1.37	+8.09
EUR/USD	1.3781	-0.33	-0.38	+0.69	+0.28
USD/CNY	6.2087	+0.13	+0.23	+1.38	+2.55
USD/PLN	3.0339	+0.14	-0.37	-0.66	+0.36
USD/TRY	2.1917	-1.13	-2.13	-1.67	+2.02
USD/BYR	9,880.00	+0.15	+0.20	+1.07	+3.56
USD/KZT	182.0700	-0.12	-0.03	-1.53	+18.02
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	102.0400	-0.22	-0.27	-0.33	-3.11
GBP/USD	1.6583	+0.33	+0.25	-0.53	+0.16
USD/CHF	0.8850	+0.26	+0.49	-0.64	-0.88
AUD/USD	0.9226	+0.65	+2.03	+2.88	+3.47
USD/CAD	1.1102	-0.58	-1.21	-0.23	+4.51
USD/BRL	2.3029	-0.36	-2.00	-2.00	-2.51
USD/KRW	1,074.91	-0.43	+0.40	+0.91	+2.39
<b>COMMODITIES</b>					
Gold(\$/oz)	1,304.47	-0.51	-1.89	-1.96	+8.20
WTI crude <sup>3</sup>	N/A	N/A	N/A	N/A	N/A
Brent crd <sup>3</sup>	N/A	N/A	N/A	N/A	N/A
Urals crd <sup>3</sup>	N/A	N/A	N/A	N/A	N/A
TR/J CRB <sup>4</sup>	301.19	+0.12	-0.57	-0.14	+7.50

Readers may follow the ICU trade-weighted indices of the local-currency, the hryvnia (UAH), on the ICU website ([download history](#)) and Bloomberg (type: ALLX UTWI <GO>).

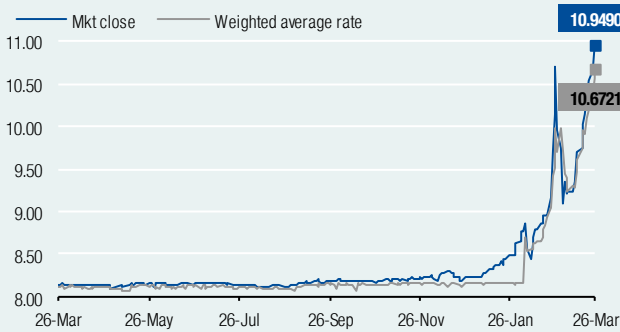
Section on FX market is continued on next page.

Notes: [1] trading volume in all foreign currencies (US\$m); [2] trading volume in the pair USD/UAH (US\$m); [3] crude oil price (USD per barrel); [4] the Thomson Reuters/Jefferies CRB Index. A green/-red-shaded box means gain or loss, respectively, of the investment into the asset. Currencies are gaining when their exchange rates strengthen versus USD.

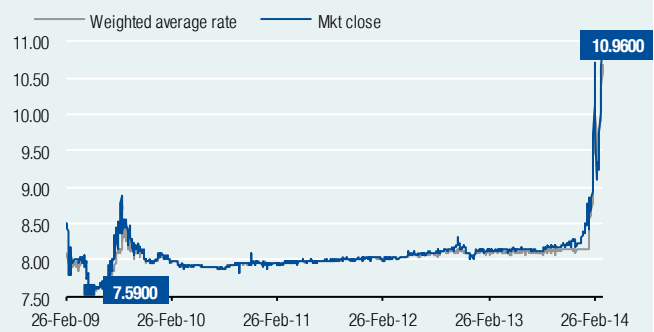
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart page #1: Foreign-exchange market

Chart 9. Spot market rates USD/UAH: last 12-month and 5-year periods (UAH per USD, left and right respectively)

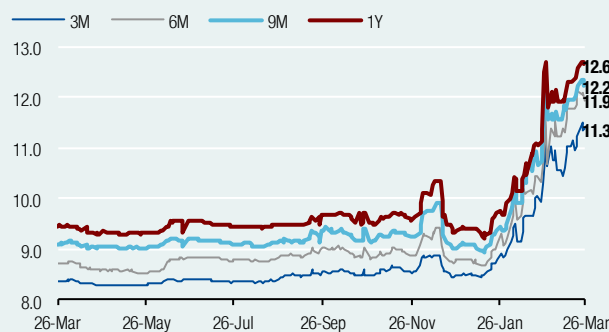


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

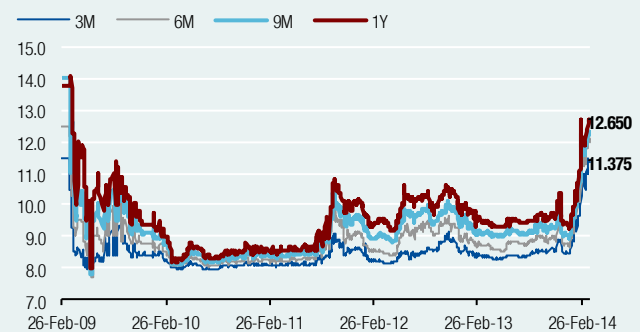


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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



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

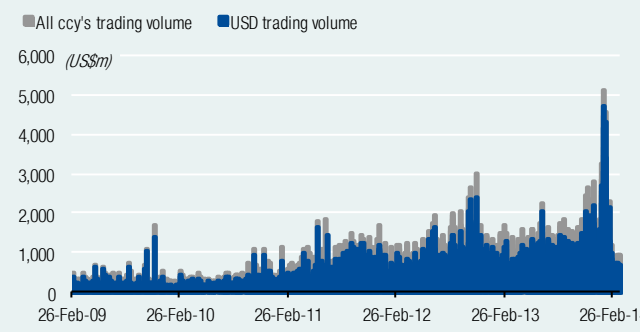


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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



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



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

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



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

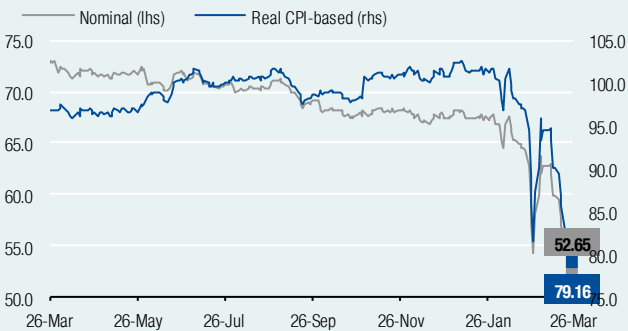




## Chart page #2: ICU's UAH trade-weighted indices

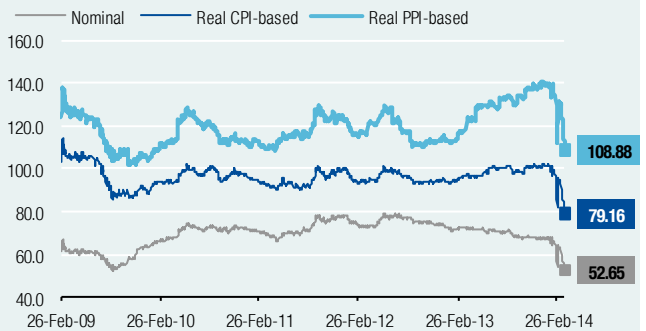
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



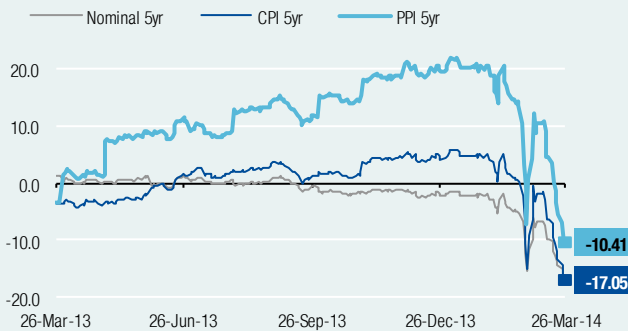
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

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

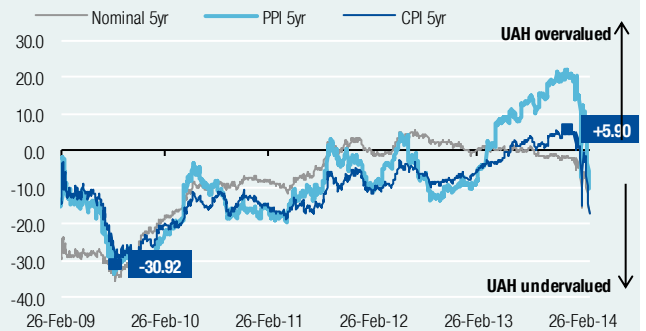


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**Chart 15. Deviation of UAH trade-weighted indices from their 5-year moving averages: last 12-month and 5-year periods (% , left and right respectively)**

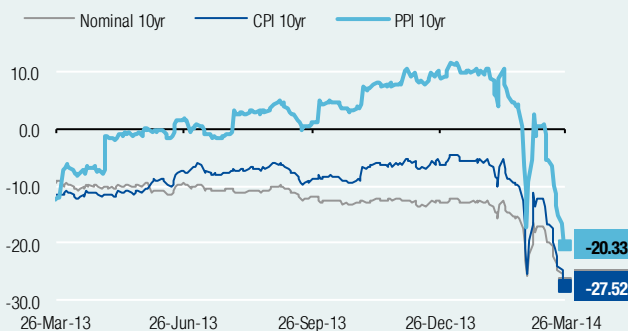


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

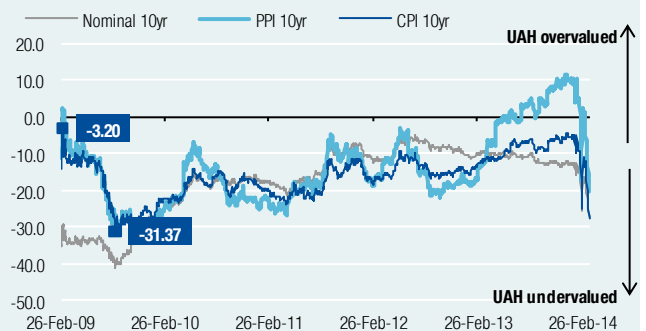


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**Chart 16. Deviation of UAH trade-weighted indices from their 10-year moving averages: last 12-month and 5-year periods (% , left and right respectively)**



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



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

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## Disclosures

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

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

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

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

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