


 INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

Liquidity down; Yields fall slightly; Unscheduled primary auction; UAH slides further

TUESDAY, 1 APRIL, 2014

RESEARCH INSIGHT

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UX Index (3 months to 1 Apr 2014)



Key market indicators (as of 31 Mar 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	11.3750	+2.48	+38.05
USD/UAH (1Y NDF)	12.7000	+0.61	+34.82
EUR/USD	1.3769	+0.12	+0.19
USD/RUB	35.1734	-1.65	+7.01
KievPRIME O/N (%)	6.50	+254bp	-130bp
KievPRIME 1M (%)	23.00	-30bp	+675bp
BONDS: yields and spreads			
Ukraine VAT bond (%)	N/A	+74bp	+0bp
Ukraine 17, Eurobond (%)	9.76	-22bp	+20bp
Ukraine 22, Eurobond (%)	8.79	-9bp	-55bp
Ukraine 23, Eurobond (%)	8.46	-13bp	-59bp
Ukraine 5Y CDS	890bp	+0bp	+73bp
EQUITIES			
Stock market indices			
UX (Ukraine)	1,019.72	+2.75	+12.05
MSCI World	411.02	+0.75	+0.60
MSCI EM	994.65	+0.99	-0.80
RTS (Russia)	1,226.10	+3.36	-15.02
WIG-20 (Poland)	2,462.47	+1.18	+2.56
S&P 500 (USA)	1,872.34	+0.79	+1.30
MOST ACTIVE: Top 3 stocks by value traded (US\$m)			
FXPO LN	2.78	36.0% of total ¹	
KER PW	2.42	31.3%	
CLE PW	0.55	7.2%	
GAINERS: Top 3 stocks (in listed currency)			
KDM PW	PLN 13.50	+13.35	-56.99
BAVL UK	UAH 0.16	+8.07	+42.82
JKX LN	GBp 61.50	+5.13	-13.99
LOSERS: Top 3 stocks (in listed currency)			
SGR PW	PLN 0.93	-7.00	+75.47
RPT LN	GBp 11.25	-2.17	-13.46
AGT PW	PLN 2.93	-0.68	+50.26

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 31-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	8.88 GBP	+0.0	-21.1	-14.5	-34.9	0.15	34.2	-28.9	40.2	13.7	50.3	9.5	0.06	1,697	Neg.	Neg.	Neg.	4.4	4.4	9.0	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	5.22 UAH	+1.5	-6.4	+9.5	+16.0	0.46	169.2	224.9	21.7	36.7	158.0	68.3	0.31	321	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	1.65 PLN	+1.2	-9.3	+57.1	-73.9	0.55	24.6	82.4	25.0	6.1	552.3	450.4	7.00	14	Neg.	Neg.	N/A	1.4	11.3	N/A	0.7	0.9	N/A	0.2	7.7
Donbasenergo	DOEN UK	Kiev, UX	39.62 UAH	+2.6	-2.3	+43.6	+101.2	3.48	82.2	123.9	14.2	11.7	58.1	28.6	0.27	365	30.2	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	61.50 GBP	+5.1	+0.0	-14.0	-18.8	1.02	176.0	173.0	47.2	83.1	82.7	78.1	0.12	845	27.1	5.0	N/A	1.3	1.9	N/A	1.0	0.8	N/A	0.4	2.5
Regal Petroleum	RPT LN	London	11.25 GBP	-2.2	-4.3	-13.5	-53.4	0.19	60.1	33.3	80.9	48.6	0.0	6.7	0.01	8,511	5.2	12.0	N/A	1.5	2.0	N/A	0.8	N/A	N/A	0.2	0.0
Sadova Group	SGR PW	Warsaw	0.93 PLN	-7.0	-1.1	+75.5	-43.6	0.31	13.3	53.0	25.0	3.3	493.1	130.9	4.75	21	Neg.	N/A	N/A	7.9	N/A	N/A	1.3	N/A	N/A	0.3	42.4
Zakhidenergo	ZAEN UK	Kiev, PFTS	122.50 UAH	+2.1	-3.5	+35.5	+45.8	10.75	137.5	114.1	5.0	6.9	1.4	6.5	0.05	1,895	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	+3.8	-16.1	-7.5	-21.3	0.00	81.2	1,313.2	3.9	3.1	29.8	9.7	0.37	272	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	2.97 UAH	+4.0	-7.8	+0.2	-0.4	0.26	50.8	47.6	4.0	2.0	36.9	12.4	0.77	129	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	+1.3	-13.2	+1.5	+11.5	0.06	250.9	243.5	4.1	10.3	0.5	9.3	0.13	756	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	154.60 GBP	+1.2	+3.8	-16.8	-8.2	2.58	1,516.5	2,177.7	22.4	339.7	2,782.8	3,757.1	1.09	92	5.8	6.1	7.7	4.3	4.7	5.2	1.4	1.4	1.4	0.9	35.1
Yenakievo Steel	ENMZ UK	Kiev, UX	33.38 UAH	+0.9	-10.2	+4.3	-0.6	2.93	30.9	26.3	9.4	2.9	0.5	12.4	0.40	247	5.1	Neg.	N/A	Neg.	Neg.	N/A	0.0	0.0	N/A	0.8	0.0
FOOD AND AGRIBUSINESS																											
Agroliga	AGL PW	Warsaw	19.39 PLN	-0.4	-25.3	-25.2	+11.6	6.41	9.9	10.8	16.7	1.6	7.4	15.6	1.24	80	2.3	N/A	N/A	3.1	N/A	N/A	0.5	N/A	N/A	0.8	5.7
Agroton	AGT PW	Warsaw	2.93 PLN	-0.7	-45.2	+50.3	-65.1	0.97	21.0	68.3	26.2	5.5	441.3	650.9	20.99	5	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	44.00 PLN	+4.8	-18.5	-34.2	-27.9	14.55	363.8	694.4	31.0	112.9	59.4	180.5	0.18	557	5.8	7.5	4.1	7.9	8.5	4.5	1.4	1.7	1.2	0.6	38.9
Avangard	AVGR LI	London Intl	9.70 USD	+1.0	-3.0	-17.4	+19.0	9.70	619.6	785.9	21.7	134.4	242.1	385.7	0.45	220	2.7	2.7	3.2	2.8	2.7	2.9	1.2	1.1	1.1	0.5	22.3
IMC	IMC PW	Warsaw	8.60 PLN	+1.2	-7.8	-29.2	-44.2	2.84	89.0	205.3	23.9	21.3	13.9	110.6	0.48	210	4.7	4.7	3.1	5.6	4.9	3.8	2.7	1.4	1.0	0.7	33.0
Kernel Holding...	KER PW	Warsaw	29.26 PLN	+1.8	-8.8	-23.1	-50.5	9.68	771.1	1,794.4	58.8	453.2	2,417.6	2,400.6	0.72	139	6.9	8.3	4.2	6.2	6.4	5.0	0.6	0.7	0.7	0.6	30.6
KSG Agro	KSG PW	Warsaw	5.89 PLN	-0.2	-26.8	-45.7	-54.0	1.95	29.3	151.1	34.4	10.1	47.7	19.6	0.25	408	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	13.15 USD	+1.2	-8.7	-22.9	-25.9	13.15	1,389.5	2,590.5	22.3	310.1	123.9	1,226.9	0.48	207	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	7.90 PLN	+2.6	-20.9	-36.8	-44.6	2.61	81.7	217.1	20.0	16.3	3.7	15.1	0.08	1,297	4.6	4.6	4.5	6.1	5.3	4.3	0.5	0.5	0.4	0.3	29.9
Mriya Agrohold...	MAYA GF	Frankfurt	4.90 EUR	+0.0	-16.3	-9.3	+6.3	6.75	717.2	1,449.0	20.0	143.4	3.4	2.6	0.00	30,370	4.1	4.5	4.7	6.3	5.4	5.9	4.2	3.9	3.4	0.8	34.8
Ovostar Union	OVO PW	Warsaw	70.00 PLN	+1.6	-1.4	-30.0	-26.4	23.15	138.9	151.0	25.0	34.7	33.7	38.7	0.12	864	5.9	5.4	3.7	5.4	5.4	3.4	2.1	1.8	1.4	1.3	3.7
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	13.50 PLN	+13.4	-53.1	-57.0	-62.2	4.47	41.5	25.5	10.9	4.5	21.5	1.4	0.07	1,345	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	-2.8	-2.2	-36.5	0.43	22.1	181.4	13.1	2.9	0.0	0.1	0.00	84,131	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	0.16 UAH	+8.1	+2.6	+42.8	+75.5	0.01	426.5	N/A	3.8	16.3	55.6	44.2	0.26	392	15.2	8.8	4.7	N/A	N/A	N/A	N/A	N/A	N/A	0.7	28.3
UkrSotsbank	USCB UK	Kiev, UX	0.16 UAH	+4.4	-14.7	-12.3	+43.0	0.01	261.7	N/A	4.5	11.7	1.9	3.8	0.04	2,373	985.2	181.8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.3	30.9

Table 1. Ukrainian stocks (closing prices as of 31-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)

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

Broader banking sector liquidity fell UAH2.71bn yesterday to UAH39.12bn as banks' correspondent accounts with the NBU declined UAH3.14bn to UAH26.23bn and total CDs outstanding rose a mere UAH0.43bn to UAH9.73bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH3.16bn.

KyivPrime interest rates once more slightly diverged yesterday: the KyivPrime ON interest rate rose 254bp to 6.50% while the KyivPrime 1M interest rate slid 30bp to 23.00%.

Investment implications: Without NBU support following last Friday's outflows, liquidity declined significantly yesterday but remained high due to funds deposited for FX purchases. The NBU decreased its ON loans last Friday UAH1.29bn to a paltry UAH0.14bn and absorbed of the additional liquidity via CDs. But these outflows constituted slightly overhalf of the decline in liquidity while the rest of the funds were paid as tax payments. Liquidity could decline again today due to bonds purchased yesterday (see comment below) if this purchase was not immediately supported by the NBU.

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Yields decline slightly

After a slight correction last Friday, prices of Ukrainian Eurobonds once more slightly rose above 94 yesterday, causing yields to decline to the range of 8.24-9.48%. At the close, UKRAIN 6.875% '15 declined 19bp to 9.48%, UKRAIN 9.25% '17 declined 37bp to 9.83%, UKRAIN 7.95% '21 declined 22bp below 9.0% to 8.99%, while UKRAIN 7.80% '22 declined 7bp to 8.85% and UKRAIN 7.50% '23 declined 8bp to 8.24%.

Investment implications: The positive anticipation of a diplomatic resolution of the conflict between Russia and Ukraine once more had an impact on yields. Sentiment became even more positive following last week's IMF statement for a new stand-by loan for Ukraine.

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Primary auction results

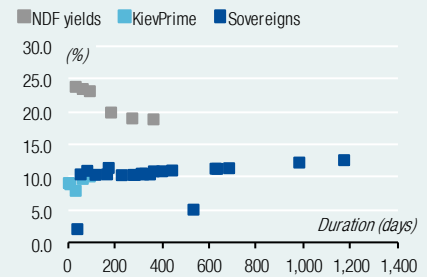
The MoF held an unscheduled primary auction yesterday offering a 3-year local currency bond that is rarely sold. This bond received three bids at 14.25%, the same rate as that for the 5-year bond, which were accepted by the MoF.

Investment implications: Yesterday's demand was likely supported by domestic QE due to the low interest rates, particularly in comparison to those of money market interest rates (see comment above).

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Yield curve of the local bond market

(as of market close on 31 Mar 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 31 Mar 2014)

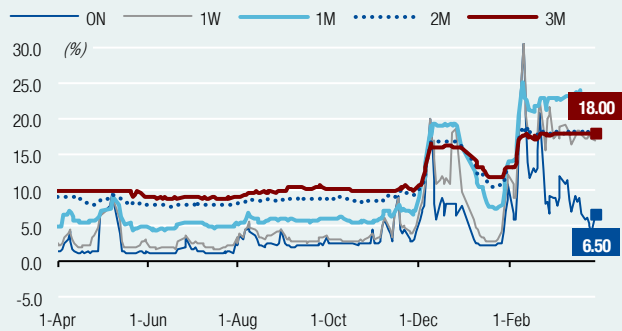
	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
O/n	6.50	+254bp	+50bp	-284bp	-130bp
1wk	17.00	-30bp	-33bp	-464bp	+720bp
1m	23.00	-30bp	-33bp	-4bp	+675bp
2m	18.20	-10bp	-13bp	+20bp	+180bp
3m	18.00	-4bp	+0bp	+25bp	+200bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	26,231	-10.69	-1.96	-1.20	-19.79
CDs ²	9,726	-46.74	+49.45	+31.17	+539.9
Sovgns ³	5,200	+63.62	+1.28	-0.30	+247.8
Total	41,157	-19.00	+7.19	+5.04	+15.23
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	169,443	+0.00	+14.72	+3.98	+16.98
Banks	83,766	+0.61	+3.17	-3.70	+4.49
Resid's ⁴	11,043	-0.35	-13.39	-3.94	-10.92
Non-res ⁵	15,239	+0.80	+15.90	+7.17	+30.27
Total	279,491	+0.21	+9.69	+1.39	+12.19
NDF IMPLIED YIELDS (%)					
3m	6.37	-11ppt	-26ppt	-22ppt	-578bp
6m	12.15	-609bp	-14ppt	-323bp	-126bp
9m	14.17	-27bp	-755bp	-790bp	+16bp
1yr	12.27	-208bp	-765bp	-698bp	-272bp
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	890	+0bp	-293bp	-142bp	+73bp
Jun '16	8.70	-22bp	-413bp	-257bp	-19bp
Jul '17	9.76	-22bp	-314bp	-200bp	+20bp
Sep '20	8.88	-20bp	-157bp	-124bp	-31bp
Sep '21	8.94	+0bp	-155bp	-127bp	-28bp
Sep '22	8.79	-9bp	-122bp	-101bp	-55bp
Feb '23	8.46	-13bp	-132bp	-102bp	-59bp

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.

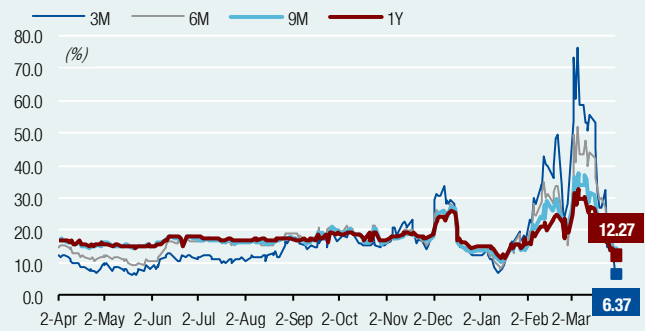
Chart page: Local bond market & Eurobond markets

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



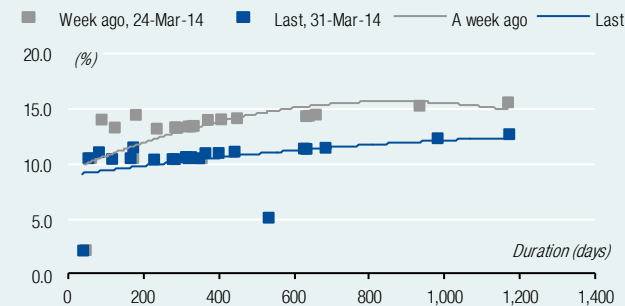
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



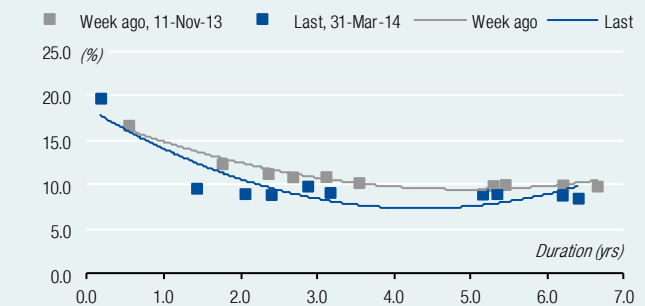
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 31 Mar 2014



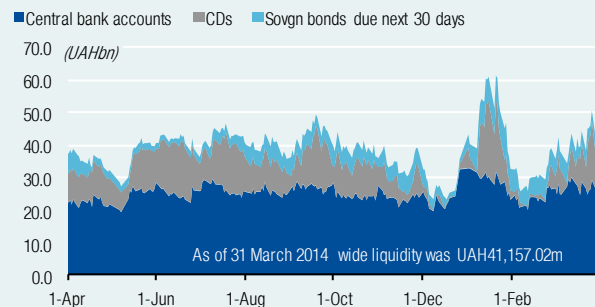
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 31 Mar 2014



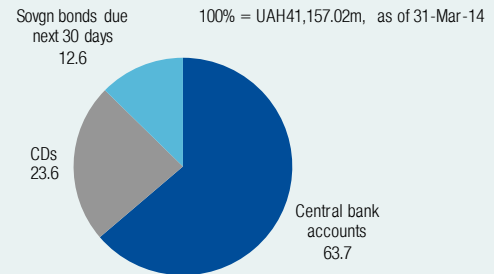
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



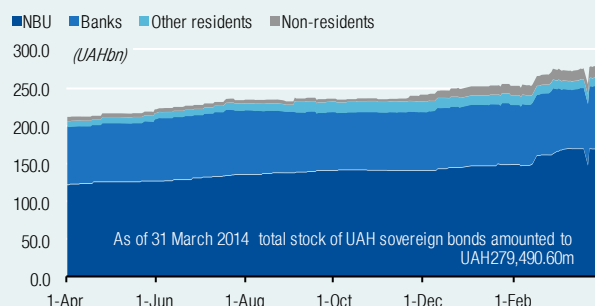
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 31 Mar 2014



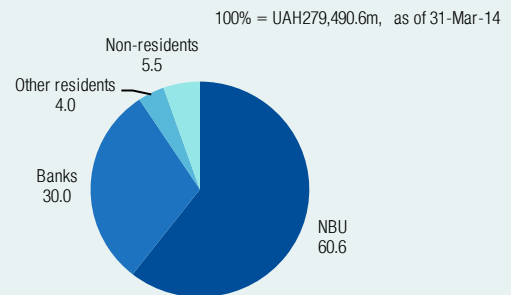
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 31 Mar 2014



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

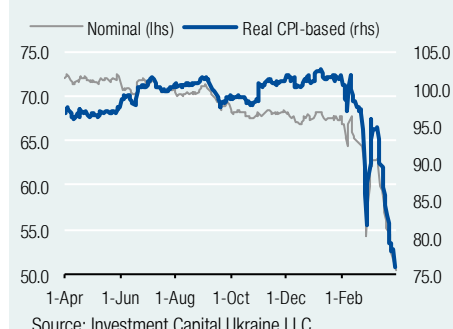
FX: News & Comments

UAH slides further, renewed NBU liquidity support seen as negative

The hryvnia slid again by a quite sizable 2.48% to 11.3750/USD, according to Bloomberg, and pressure continues to mount against the currency. Although Interfax-Ukraine reported that the NBU refrained from intervention, a practice viewed negatively by both the IMF and the market as a whole, the NBU is expected to report a slight contraction of FX reserves in March as a result of the lack of FX borrowings following about US\$0.6bn of external debt repayments. Despite the IMF funds committed to arrive in late April, risk aversion predominates as negative news overwhelms market and business sentiment today. Over the past two weeks, the NBU has twice extended nearly UAH2bn of 180-day loans at a rate of 19.5%. These additional NBU injections of local currency liquidity into several commercial banks have resulted in increasingly negative sentiment. Moreover, the UAH's real rate dropped 3.11% as the Russian ruble has increased in the wake of US-Russia high-ranking diplomatic talks on Russia's demilitarization of Ukraine's borders. Although the market views no additional sanctions as a buy-Russia moment, we see this as a short-term strategy at best as there has been no obvious demilitarization by the Kremlin so far. As a consequence, the RUB and the UAH are expected to weaken further going forward. We believe that the UAH currently is quite undervalued in real (price-adjusted and trade-weighted) terms and that the new lows could be short-lived unless Ukraine elects a populist president (negative for the UAH event) instead of a pro-reform technocrat (positive for the UAH).

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ICU's UAH trade-weighted indices
(Last 12-month history to 1 Apr 2014)



FX market indicators (as of 31 Mar 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	11.3750	+2.48	+6.81	+14.32	+38.05
NBU avg	10.9981	+0.40	+5.99	+13.39	+34.93
Tt vlm ¹	1075.38	+29.31	+41.99	+38.57	-61.62
\$ volume ²	773.94	+25.52	+32.67	+14.63	-64.99
NDF 3M	11.5500	-0.33	+0.43	+8.45	+36.12
NDF 6M	12.0500	-0.37	+0.00	+12.62	+37.24
NDF 1Y	12.7000	+0.61	+0.00	+7.63	+34.82
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	50.437	-3.11	-7.34	-13.13	-25.32
UAH real CPI	75.826	-3.11	-7.34	-13.13	-24.99
UAH real PPI	104.295	-3.11	-7.34	-13.13	-24.86
USD nom'l	80.100	-0.09	+0.21	+0.51	+0.08
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	35.1734	-1.65	-2.62	-1.93	+7.01
EUR/USD	1.3769	+0.12	-0.51	-0.24	+0.19
USD/CNY	6.2171	+0.07	+0.37	+1.17	+2.69
USD/PLN	3.0254	-0.25	-0.33	+0.42	+0.08
USD/TRY	2.1407	-2.31	-4.29	-2.96	-0.35
USD/BYR	9,890.00	+0.10	+0.20	+1.28	+3.67
USD/KZT	182.0800	+0.00	-0.12	-1.27	+18.03
OTHER MAJOR CURRENCIES					
USD/JPY	103.2300	+0.39	+0.97	+1.40	-1.98
GBP/USD	1.6662	+0.14	+0.99	-0.50	+0.63
USD/CHF	0.8846	-0.25	+0.43	+0.49	-0.93
AUD/USD	0.9264	+0.18	+1.43	+3.81	+3.89
USD/CAD	1.1050	-0.10	-1.27	-0.13	+4.02
USD/BRL	2.2719	+0.47	-2.20	-3.09	-3.82
USD/KRW	1,064.70	-0.42	-1.22	-0.27	+1.42
COMMODITIES					
Gold(\$/oz)	1,284.01	-0.87	-1.89	-3.20	+6.50
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	304.67	-0.18	+1.72	+0.74	+8.74

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>).

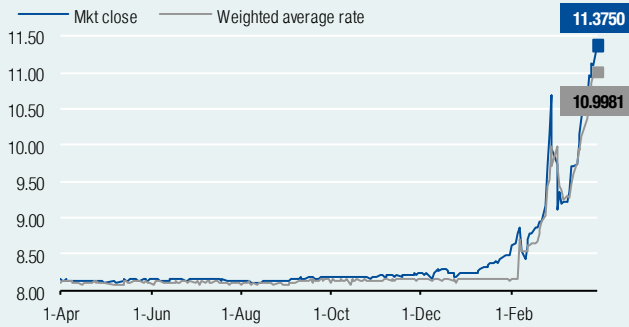
Section on FX market is continued on next page.

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.

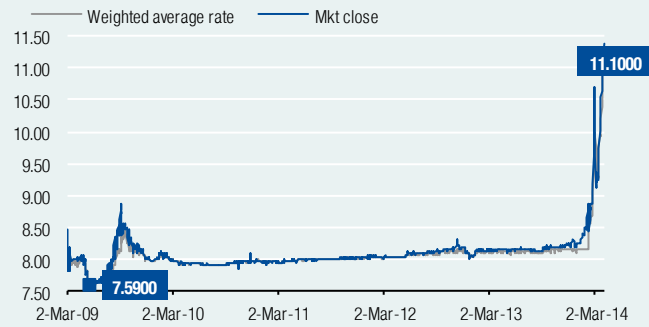
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

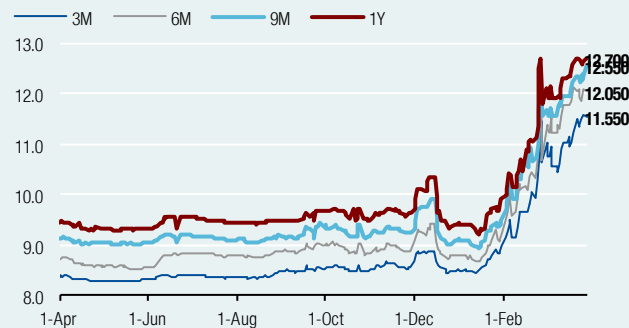


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)

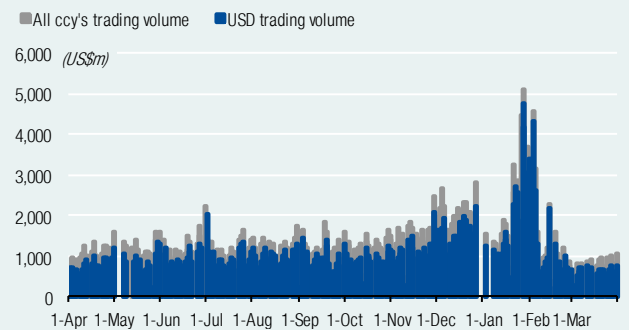


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

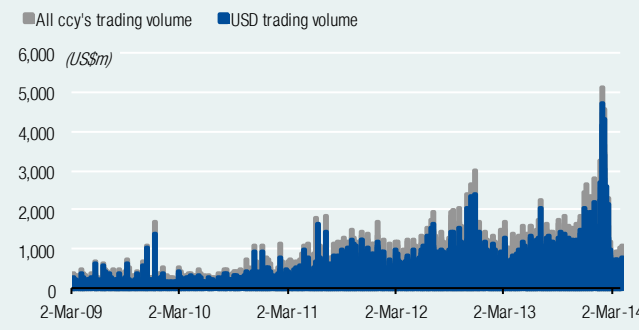


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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)



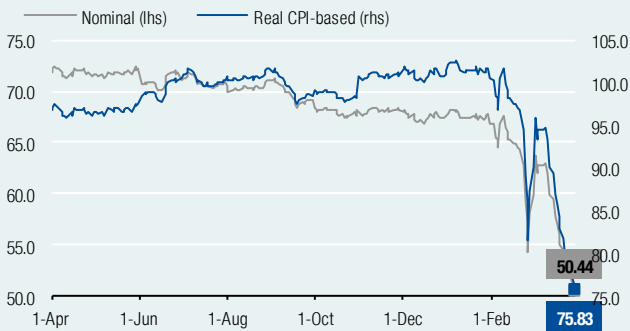
Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

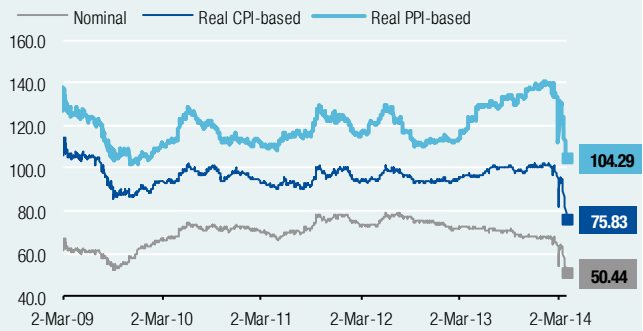
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



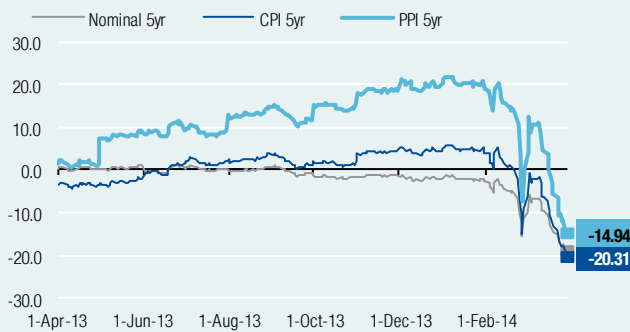
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

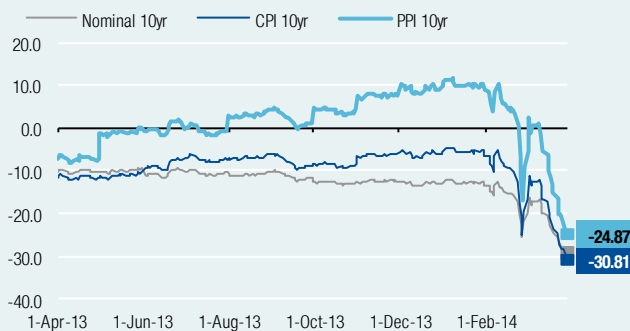


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.



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.

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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