


INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

Liquidity up; Yields diverge; Primary auction debut and schedule; UAH weakens on low supply

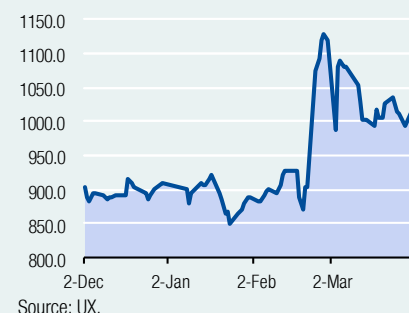
WEDNESDAY, 2 APRIL, 2014

RESEARCH INSIGHT

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UX Index (3 months to 2 Apr 2014)



Key market indicators (as of 1 Apr 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	11.3500	-0.22	+37.74
USD/UAH (1Y NDF)	12.9000	+1.57	+36.94
EUR/USD	1.3793	+0.17	+0.36
USD/RUB	35.0797	-0.27	+6.72
KievPRIME O/N (%)	5.00	-150bp	-280bp
KievPRIME 1M (%)	23.75	+75bp	+750bp
BONDS: yields and spreads			
Ukraine VAT bond (%)	N/A	+74bp	+0bp
Ukraine 17, Eurobond (%)	9.36	-40bp	-19bp
Ukraine 22, Eurobond (%)	8.67	-13bp	-68bp
Ukraine 23, Eurobond (%)	8.43	-3bp	-61bp
Ukraine 5Y CDS	N/A		
EQUITIES			
Stock market indices			
UX (Ukraine)	1,077.76	+5.69	+18.43
MSCI World	413.45	+0.59	+1.20
MSCI EM	1,000.79	+0.62	-0.19
RTS (Russia)	1,235.74	+0.79	-14.35
WIG-20 (Poland)	2,462.77	+0.01	+2.57
S&P 500 (USA)	1,885.52	+0.70	+2.01
MOST ACTIVE: Top 3 stocks by value traded (US\$m)			
KER PW	3.11	42.2% of total ¹	
FXPO LN	1.95	26.4%	
AST PW	0.46	6.2%	
GAINERS: Top 3 stocks (in listed currency)			
BAVL UK	UAH 0.18	+8.88	+55.51
OVO PW	PLN 74.98	+7.11	-25.02
AZST UK	UAH 0.73	+6.91	+8.51
LOSERS: Top 3 stocks (in listed currency)			
RPT LN	GBp 11.00	-2.22	-15.38
SGR PW	PLN 0.91	-2.15	+71.70
AGL PW	PLN 19.00	-2.01	-26.73

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 1-Apr-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	9.13 GBP	+2.8	-18.9	-12.0	-34.2	0.15	35.1	-28.0	40.2	14.1	3.8	9.7	0.06	1,735	Neg.	Neg.	Neg.	4.2	4.3	8.8	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	5.40 UAH	+3.5	-3.1	+13.3	+33.7	0.48	175.8	231.7	21.7	38.2	127.4	71.9	0.31	322	8.5	7.6	5.3	0.4	4.3	2.9	0.3	0.4	0.3	0.8	12.2
Coal Energy	CLE PW	Warsaw	1.69 PLN	+2.4	-7.1	+61.0	-72.7	0.56	25.2	83.1	25.0	6.3	185.1	457.3	6.51	15	Neg.	Neg.	N/A	1.4	11.4	N/A	0.7	0.9	N/A	0.2	7.7
Donbasenergo	DOEN UK	Kiev, UX	41.39 UAH	+4.5	+2.0	+50.0	+107.6	3.65	86.2	128.1	14.2	12.3	133.2	31.7	0.31	327	31.6	3.5	4.6	0.5	2.5	2.2	0.3	0.3	0.2	1.5	17.8
JKX Oil & Gas	JKX LN	London	61.00 GBP	-0.8	-0.8	-14.7	-21.3	1.01	174.2	180.7	47.2	82.2	71.8	78.4	0.12	828	26.8	5.0	N/A	2.7	1.9	N/A	1.0	0.9	N/A	0.4	5.5
Regal Petroleum	RPT LN	London	11.00 GBP	-2.2	-6.4	-15.4	-54.2	0.18	58.7	31.8	80.9	47.4	46.3	7.3	0.02	6,021	Neg.	N/A	N/A	1.4	N/A	N/A	0.9	N/A	N/A	0.2	0.0
Sadova Group	SGR PW	Warsaw	0.91 PLN	-2.2	-3.2	+71.7	-44.8	0.30	13.0	52.7	25.0	3.2	129.4	128.2	4.71	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	127.00 UAH	+3.7	+0.0	+40.5	+51.2	11.19	143.1	119.6	5.0	7.2	1.5	6.7	0.05	1,940	2.8	N/A	N/A	0.8	N/A	N/A	0.1	N/A	N/A	1.0	0.0
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	+3.1	-13.6	-4.7	-18.1	0.00	84.0	1,321.0	3.9	3.3	40.0	10.5	0.38	261	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	3.09 UAH	+4.0	-4.1	+4.2	+1.5	0.27	53.0	49.8	4.0	2.1	20.6	13.1	0.72	139	Neg.	Neg.	2.8	Neg.	1.6	1.0	0.1	0.1	0.1	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.73 UAH	+6.9	-7.2	+8.5	+18.8	0.06	269.3	261.9	4.1	11.0	23.1	10.2	0.13	781	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	155.80 GBP	+0.8	+4.7	-16.2	-3.1	2.59	1,525.0	2,186.2	22.4	341.6	1,948.4	3,805.5	1.00	100	5.8	6.3	7.8	4.4	4.8	5.3	1.4	1.4	1.4	0.9	35.1
Yenakievo Steel	ENMZ UK	Kiev, UX	35.50 UAH	+6.4	-4.5	+10.9	+5.4	3.13	33.0	28.4	9.4	3.1	27.9	13.4	0.39	255	5.4	Neg.	N/A	Neg.	Neg.	N/A	0.0	0.0	N/A	0.8	0.0
FOOD AND AGRIBUSINESS																											
Agroliga	AGL PW	Warsaw	19.00 PLN	-2.0	-26.8	-26.7	+10.2	6.29	9.7	10.6	16.7	1.6	6.1	15.1	1.12	89	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	3.08 PLN	+5.1	-42.4	+57.9	-62.4	1.02	22.1	69.4	26.2	5.8	407.0	680.4	19.24	5	3.3	4.6	3.0	4.9	7.4	4.5	0.8	1.0	0.8	0.2	28.0
Astarta Holdin...	AST PW	Warsaw	45.00 PLN	+2.3	-16.7	-32.7	-28.3	14.89	372.4	703.8	31.0	115.5	457.6	189.1	0.19	539	6.0	8.5	4.2	8.0	8.6	4.5	1.4	1.7	1.2	0.7	38.9
Avangard	AVGR LI	London Intl	10.25 USD	+5.7	+2.6	-12.8	+25.8	10.25	654.7	821.0	21.7	142.1	162.5	412.7	0.42	241	2.9	2.9	3.3	2.9	2.8	3.1	1.3	1.2	1.2	0.6	22.3
IMC	IMC PW	Warsaw	8.81 PLN	+2.4	-5.6	-27.5	-40.1	2.92	91.3	207.5	23.9	21.8	72.6	112.8	0.45	221	4.9	4.9	3.2	5.7	5.0	3.8	2.8	1.4	1.0	0.7	33.0
Kernel Holding...	KER PW	Warsaw	31.00 PLN	+5.9	-3.4	-18.6	-48.5	10.26	817.6	1,840.8	58.8	480.5	3,114.6	2,554.3	0.63	159	7.3	8.8	4.5	6.3	6.6	5.1	0.7	0.8	0.7	0.6	30.6
KSG Agro	KSG PW	Warsaw	5.99 PLN	+1.7	-25.6	-44.8	-52.3	1.98	29.8	151.6	34.4	10.2	45.3	20.4	0.23	438	3.7	2.5	2.5	36.0	5.2	4.2	4.1	2.2	1.4	0.3	29.2
MHP	MHPC LI	London Intl	13.50 USD	+2.7	-6.3	-20.8	-23.5	13.50	1,426.5	2,627.5	22.3	318.4	218.8	1,263.5	0.35	289	4.8	8.1	6.3	5.6	6.3	5.4	1.9	1.8	1.7	1.2	45.8
Milkiland	MLK PW	Warsaw	7.90 PLN	+0.0	-20.9	-36.8	-44.6	2.61	81.7	217.5	20.0	16.3	17.5	15.1	0.07	1,367	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	5.10 EUR	+4.1	-12.9	-5.6	+10.6	7.04	748.3	1,480.1	20.0	149.7	0.0	2.6	0.00	35,465	4.3	4.7	4.9	6.4	5.5	6.0	4.3	3.9	3.5	0.8	34.8
Ovostar Union	OVO PW	Warsaw	74.98 PLN	+7.1	+5.6	-25.0	-22.9	24.82	148.9	161.0	25.0	37.2	30.8	41.4	0.11	918	6.3	5.7	4.0	5.8	5.8	3.6	2.3	2.0	1.5	1.4	3.7
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	13.40 PLN	-0.7	-53.5	-57.3	-62.5	4.44	41.2	25.2	10.9	4.5	5.4	1.4	0.08	1,235	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	-40.0	0.43	22.2	181.5	13.1	2.9	0.0	0.1	0.00	125,569	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	0.18 UAH	+8.9	+11.7	+55.5	+100.6	0.02	466.2	N/A	3.8	17.8	77.3	48.8	0.25	408	16.6	9.5	5.1	N/A	N/A	N/A	N/A	N/A	N/A	0.7	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.17 UAH	+1.0	-13.8	-11.4	+42.1	0.01	265.5	N/A	4.5	11.9	10.5	4.0	0.05	2,217	995.4	183.7	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 1-Apr-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 increases

Broader banking sector liquidity rose UAH3.88bn to UAH43.00bn yesterday, starting April with high liquidity. Banks' correspondent accounts with the NBU increased UAH5.39bn to UAH31.63bn while total CDs outstanding fell UAH3.44bn to UAH6.29bn. Total local currency debt repayments scheduled for the next 30 days rose UAH1.93bn to UAH5.09bn.

KyivPrime interest rates diverged: the KyivPrime ON interest rate fell 150bp to 5.00% while the KyivPrime 1M interest rate rose 75bp to 23.75%.

Investment implications: Liquidity significantly rose yesterday as the MoF most likely accelerated its budget expenditures at the end of the month. At the same time, significant reallocation of funds from CDs to banks' correspondent accounts with the NBU occurred on Monday, most likely due to lower bids for FX purchases.

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Yields decline slightly

Ukrainian Eurobonds were mostly stable yesterday, with slightly lower yields on a majority of the bonds. At the close, the yield curve adjusted to the range of 8.17-9.56% as UKRAIN 6.875% '15 declined 57bp to 8.91%, UKRAIN 9.25% '17 slid 27bp to 9.56%, UKRAIN 7.95% '21 declined 15bp to 8.83%, while UKRAIN 7.80% '22 and UKRAIN 7.50% '23 slid 13bp and 6bp to 8.72% and 8.17%, respectively.

Investment implications: Due to the lack of the official information about new loans and grants for Ukraine, excluding any promised funding, the markets are predominately focused on IMF debt repayments scheduled in a month. As a result, risks remains high as Ukraine has no FX inflows.

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Primary auction results

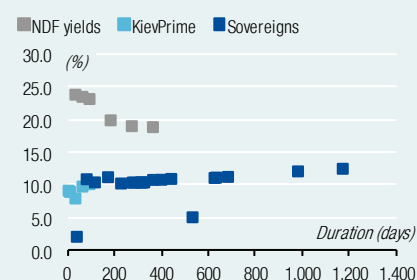
Yesterday's scheduled auction was the first of this month. Having significantly changed the list of offered bonds yesterday, the MoF offered 6-month and 2-year local currency bonds and 3-month USD-denominated bonds, but sold only UAH0.287bn in 6-month bonds at 12.75%.

Investment implications: Of the four bids received yesterday, three were small indicative at higher rates amounting to a paltry UAH0.03bn, while the fourth bid, for a high volume at a lower rate, was accepted, providing the state budget with UAH0.287bn of funds.

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Yield curve of the local bond market

(as of market close on 1 Apr 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 1 Apr 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
0/n	5.00	-150bp	-122bp	-434bp	-280bp
1wk	17.25	+25bp	-15bp	-439bp	+745bp
1m	23.75	+75bp	+37bp	+71bp	+750bp
2m	18.38	+18bp	+25bp	+38bp	+198bp
3m	18.05	+5bp	+5bp	+30bp	+205bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	31,625	+20.56	+26.80	+19.11	-3.29
CDs ²	15,969	+64.19	+6.09	+115.4	+950.6
Sovgns ³	5,200	+0.00	+1.28	-0.30	+247.8
Total	52,794	+28.27	+16.99	+34.75	+47.81
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	170,283	+0.50	+0.35	+4.50	+17.56
Banks	84,303	+0.64	+2.63	-3.09	+5.16
Resid's ⁴	11,012	-0.28	-1.98	-4.20	-11.17
Non-res ⁵	15,290	+0.33	+4.21	+7.52	+30.70
Total	280,888	+0.50	+1.13	+1.90	+12.75
NDF IMPLIED YIELDS (%)					
3m	9.03	+266bp	-544bp	-19ppt	-312bp
6m	14.38	+223bp	-665bp	-99bp	+97bp
9m	14.50	+32bp	-283bp	-757bp	+49bp
1yr	14.29	+201bp	-224bp	-496bp	-70bp
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	8.67	-4bp	-258bp	-261bp	-22bp
Jul '17	9.36	-40bp	-255bp	-239bp	-19bp
Sep '20	8.72	-17bp	-135bp	-141bp	-48bp
Sep '21	8.74	-20bp	-137bp	-147bp	-48bp
Sep '22	8.67	-13bp	-97bp	-114bp	-68bp
Feb '23	8.43	-3bp	-97bp	-105bp	-61bp

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.

Primary auction schedule for April

In its April primary auctions schedule announced yesterday, the MoF will hold five auctions this month every Tuesday. Most notably, the MoF significantly changed the list of offered bonds, most likely in an initiative to create a viable environment to meet market demand, offering bonds with maturities no longer than two years. A one-time offering of a 2-year bond was included in the schedule just for yesterday's debut auction. Through the end of the month, the MoF will offer zero-coupon bonds with maturities up to 12 months (see the table below).

The new schedule shows that the MoF will gradually ease its dependence on domestic QE and allow rates to approach market demand. At the same time, short-term borrowings could be used to finance the state budget until promised external financing is received, as occurred yesterday (see comment above).

Table 2. Primary auction schedule for April, 2014

	1-Apr	8-Apr	15-Apr	22-Apr	29-Apr
zero-coupon bonds	6m	3m, 12m	9m	3m, 12m	9m
ordinary coupon-bearing bonds	2y	-	-	-	-
FX-denominated bonds	3m	4m	3m	-	4m

Notes: *m - month, y - year

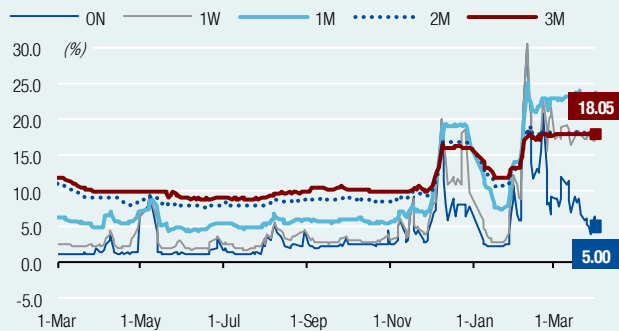
Sources: Ministry of Finance of Ukraine, Investment Capital Ukraine LLC.

The MoF could continue its practice of changing this schedule and holding unscheduled auctions.

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Chart page: Local bond market & Eurobond markets

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



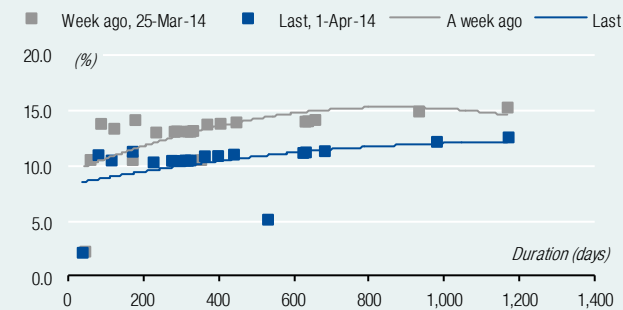
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



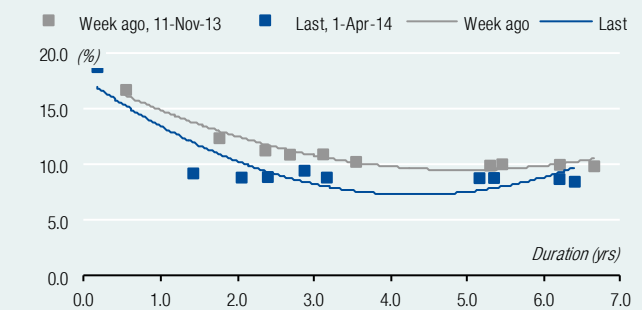
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 1 Apr 2014



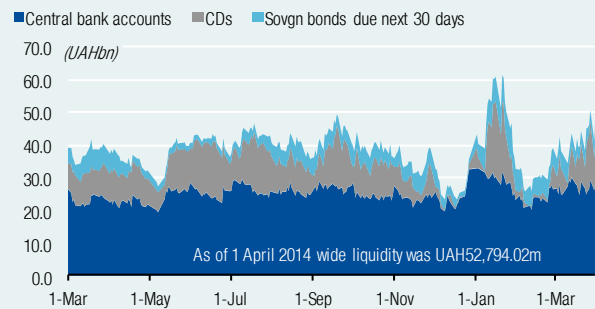
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 1 Apr 2014



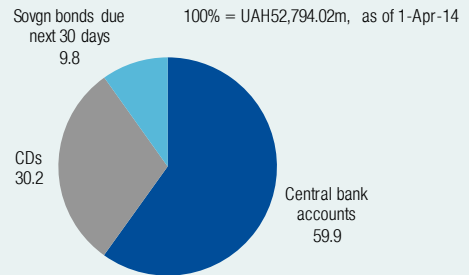
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



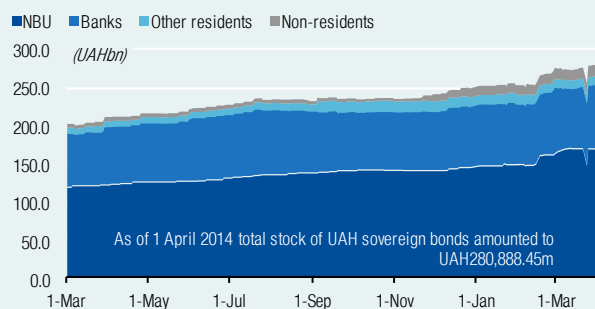
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 1 Apr 2014



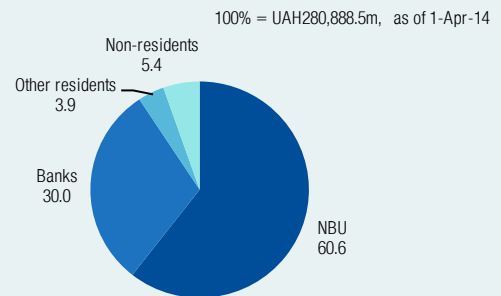
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 1 Apr 2014



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

FX: News & Comments

UAH weakens on low supply

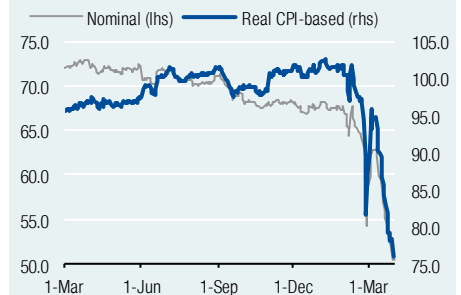
According to Interfax-Ukraine the hryvnia continued to weaken to UAH11.4250/USD yesterday as a result of an insufficient supply of the currency. Interfax-Ukraine reported that although quotes rose to UAH11.35-11.50/USD, the NBU did not intervene to provide support. But according to Bloomberg the UAH rose 0.22% yesterday to close at 11.3500/USD on US\$0.40bn in trading, down 48.79% from the day before. The NBU increased the official exchange rate to UAH11.1062/USD. Meanwhile, the UAH's real rate rose 0.06%.

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ICU's UAH trade-weighted indices

(Last 12-month history to 2 Apr 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 1 Apr 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	11.3500	-0.22	+3.56	+14.07	+37.74
NBU avg	11.1062	+0.98	+5.02	+14.50	+36.26
Tt vlm ¹	601.09	-44.10	-36.31	-22.54	-78.55
\$ volume ²	396.31	-48.79	-42.04	-41.30	-82.07
NDF 3M	11.6000	+0.43	+2.20	+8.92	+36.71
NDF 6M	12.1500	+0.83	+0.45	+13.55	+38.38
NDF 1Y	12.9000	+1.57	+1.57	+9.32	+36.94
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	50.467	+0.06	-4.07	-13.08	-25.28
UAH real CPI	75.871	+0.06	-4.07	-13.08	-24.94
UAH real PPI	104.356	+0.06	-4.07	-13.08	-24.81
USD nom'l	80.094	-0.01	+0.19	+0.51	+0.07
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	35.0797	-0.27	-1.46	-2.19	+6.72
EUR/USD	1.3793	+0.17	-0.24	-0.07	+0.36
USD/CNY	6.2068	-0.17	+0.10	+1.00	+2.52
USD/PLN	3.0250	-0.01	-0.16	+0.41	+0.07
USD/TRY	2.1376	-0.14	-3.57	-3.11	-0.49
USD/BYR	9,895.00	+0.05	+0.30	+1.33	+3.72
USD/KZT	182.1200	+0.02	-0.09	-1.25	+18.05
OTHER MAJOR CURRENCIES					
USD/JPY	103.6500	+0.41	+1.36	+1.82	-1.58
GBP/USD	1.6630	-0.19	+0.61	-0.69	+0.44
USD/CHF	0.8835	-0.12	+0.09	+0.36	-1.05
AUD/USD	0.9247	-0.18	+0.88	+3.62	+3.70
USD/CAD	1.1024	-0.24	-1.28	-0.36	+3.77
USD/BRL	2.2619	-0.44	-2.14	-3.51	-4.24
USD/KRW	1,058.70	-0.56	-1.93	-0.83	+0.85
COMMODITIES					
Gold(\$/oz)	1,278.95	-0.39	-2.46	-3.58	+6.08
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	301.86	-0.92	+0.34	-0.19	+7.74

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>).

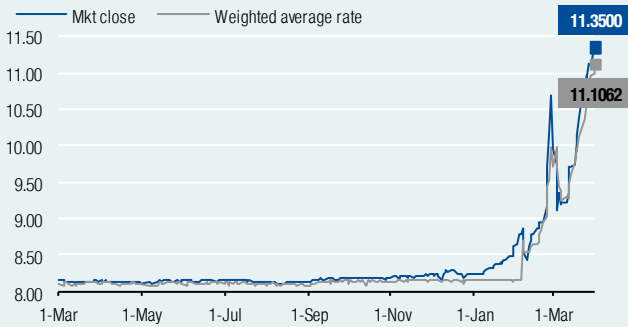
Section on FX market is continued on next page.

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.

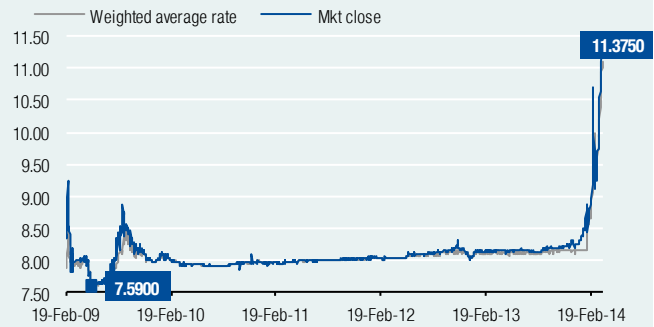
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

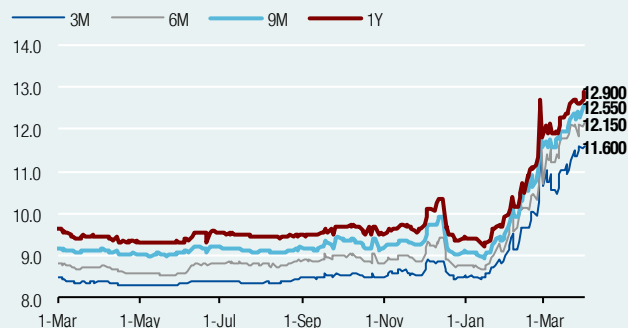


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

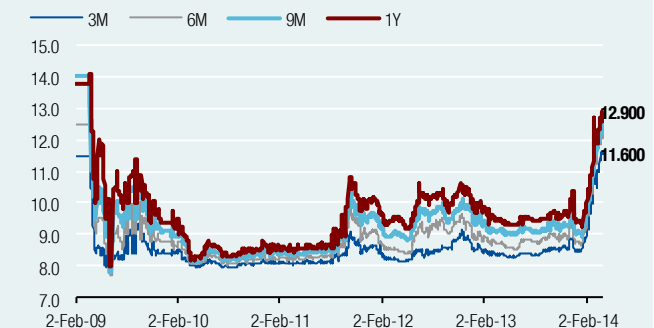


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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.

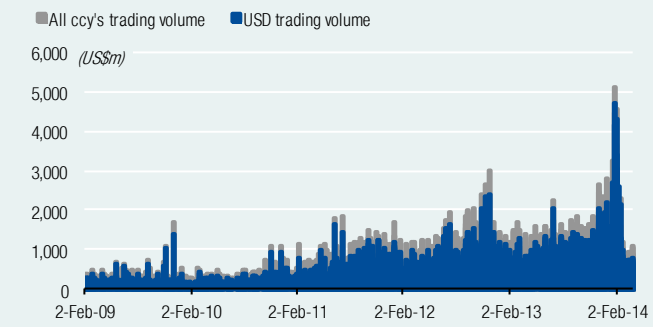


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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)



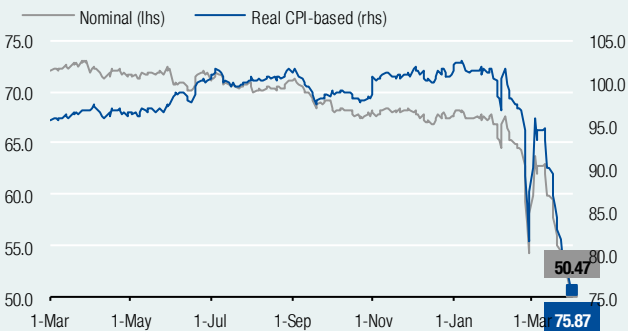
Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

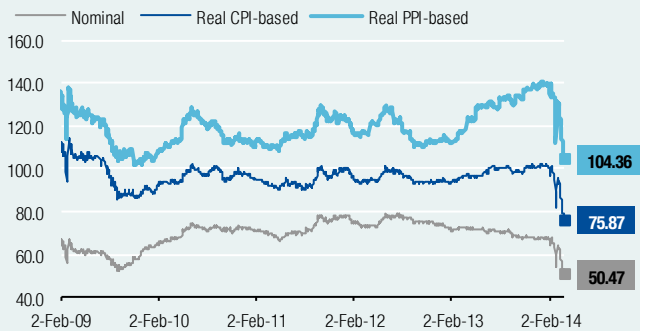
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



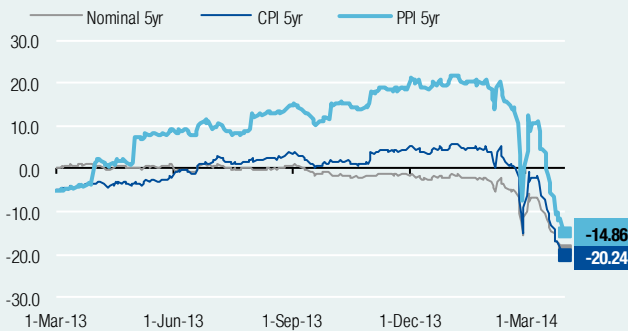
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

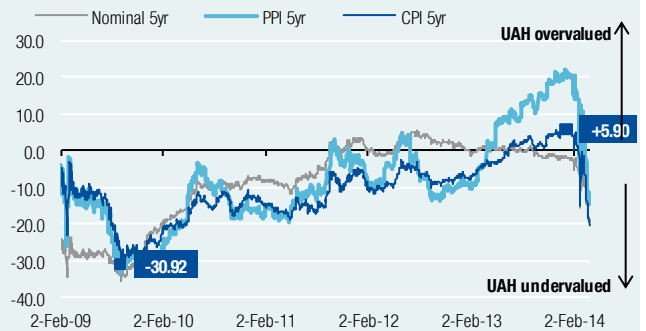


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

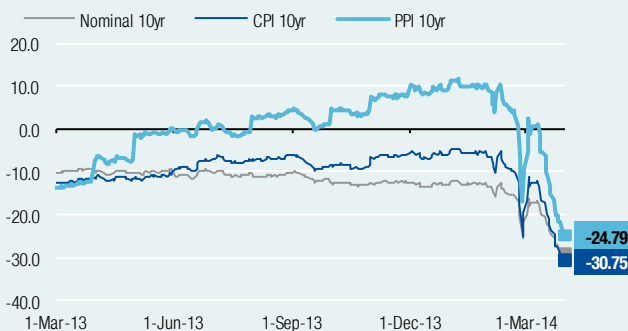


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

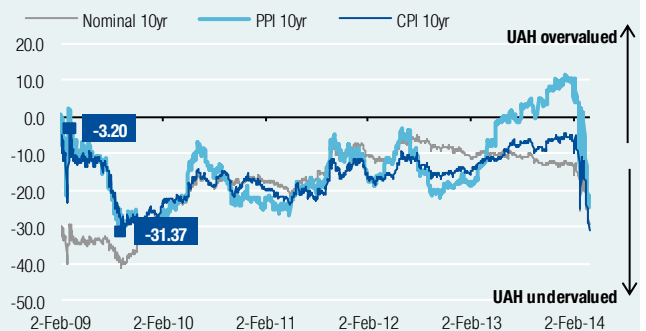


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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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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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