Daily Insight

Liquidity update; Yields down; UAH kept stable

INVESTMENT CAPITAL UKRAINE
INVESTMENT BANKING

THURSDAY, 3 APRIL, 2014

RESEARCH INSIGHT

Contents

UX Index (3 months to 3 Apr 2014)

Source: UX.

Key market indicators (as of 2 Apr 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	11.3450	-0.04	+37.68
USD/UAH (1Y NDF)	12.9240	+0.19	+37.20
EUR/USD	1.3767	-0.19	+0.17
USD/RUB	35.4180	+0.96	+7.75
KievPRIME O/N (%)	3.60	-140bp	-420bp
KievPRIME 1M (%)	22.40	-135bp	+615bp
BONDS: yields and spreads			
Ukraine VAT bond (%)	N/A	+74bp	+0bp
Ukraine 17, Eurobond (%)	9.25	-12bp	-31bp
Ukraine 22, Eurobond (%)	8.65	-2bp	-70bp
Ukraine 23, Eurobond (%)	8.46	+3bp	-58bp
Ukraine 5Y CDS	N/A		
EQUITIES			
Stock market indices			
UX (Ukraine)	1,076.21	-0.14	+18.26
MSCI World	414.46	+0.24	+1.45
MSCI EM	1,004.97	+0.42	+0.23
RTS (Russia)	1,222.47	-1.07	-15.27
WIG-20 (Poland)	2,473.45	+0.43	+3.02
S&P 500 (USA)	1,890.90	+0.29	+2.30
MOST ACTIVE: Top 3 stocks by value traded (US$m)			
KER PW	6.40	62.5% of total[1]	
FXPO LN	1.48	14.5%	
AST PW	0.58	5.7%	
GAINERS: Top 3 stocks (in listed currency)			
FORM UK	UAH 0.50	+16.36	-34.47
MLK PW	PLN 8.59	+8.73	-31.28
AST PW	PLN 48.22	+7.16	-27.92
LOSERS: Top 3 stocks (in listed currency)			
AVGR LI	USD 10.00	-2.44	-14.89
CLE PW	PLN 1.65	-2.37	+57.14
RPT LN	GBp 10.75	-2.27	-17.31

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 2-Apr-2014)

Company	Bloomberg Ticker	Listing	Last price	Share price performance (% change): Daily	MoM	YTD	YoY	Valuation (US$): Last price	Market cap (m)	EV (m)	Free float (FF) & Liquidity: FF (%)	FF mkt cap (US$m)	Last day turnover (US$ 000)	3M avg. turnover (US$ 000)	FF share traded (%)	FF turnover (days)	P/E: 2010	2011E	2012E	EV/EBITDA: 2010	2011E	2012E	EV/Sales: 2010	2011E	2012E	Ratios: P/B (x)	Debt/ Assets (%)
ENERGY																											
Cadogan Petrol...	CAD LN	London	**9.13 GBp**	+0.0	-6.4	-12.0	-35.4	0.15	35.1	-28.0	40.2	14.1	1.1	9.6	0.06	1,724	Neg.	Neg.	Neg.	4.2	4.3	8.7	Neg.	Neg.	Neg.	0.2	0.0
Centrenergo	CEEN UK	Kiev, UX	**5.39 UAH**	-0.1	+9.9	+13.1	+34.2	0.48	175.6	231.6	21.7	38.1	127.3	72.7	0.32	317	8.5	4.7	6.9	0.4	3.6	3.2	0.3	0.3	0.3	0.8	12.2
Coal Energy	CLE PW	Warsaw	**1.65 PLN**	-2.4	+16.2	+57.1	-72.6	0.54	24.5	82.4	25.0	6.1	188.0	441.0	6.56	15	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	**41.61 UAH**	+0.5	+16.9	+50.8	+113.4	3.67	86.7	128.6	14.2	12.3	6.9	31.5	0.29	348	31.8	1.9	2.7	0.5	1.6	1.7	0.3	0.2	0.2	1.5	17.8
JKX Oil & Gas	JKX LN	London	**60.63 GBp**	-0.6	+9.2	-15.2	-21.3	1.01	173.3	179.8	47.2	81.8	117.1	78.6	0.12	801	26.7	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	**10.75 GBp**	-2.3	+1.2	-17.3	-55.2	0.18	57.4	30.6	80.9	46.4	0.0	7.4	0.02	5,213	Neg.	N/A	N/A	1.4	N/A	N/A	0.8	N/A	N/A	0.2	0.0
Sadova Group	SGR PW	Warsaw	**0.91 PLN**	+0.0	+24.7	+71.7	-42.4	0.30	12.9	52.7	25.0	3.2	123.6	127.7	4.69	21	Neg.	N/A	N/A	7.9	N/A	N/A	1.3	N/A	N/A	0.3	42.4
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	**0.04 UAH**	-0.3	-4.2	-4.9	-16.5	0.00	83.8	1,321.2	3.9	3.2	29.4	10.8	0.35	286	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	**3.08 UAH**	-0.3	+5.6	+4.0	+1.3	0.27	52.9	49.7	4.0	2.1	7.5	13.0	0.70	144	Neg.	Neg.	2.8	Neg.	1.6	1.0	0.1	0.1	0.1	0.1	0.0
Azovstal	AZST UK	Kiev, UX	**0.74 UAH**	+1.7	+8.7	+10.3	+25.0	0.07	273.8	266.5	4.1	11.2	2.7	10.2	0.11	919	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	**158.10 GBp**	+1.5	+14.9	-14.9	+0.8	2.63	1,549.1	2,210.3	22.4	347.0	1,483.0	3,828.9	0.95	105	5.9	6.4	8.0	4.4	4.9	5.4	1.4	1.4	1.4	0.9	35.1
Yenakievo Steel	ENMZ UK	Kiev, UX	**35.00 UAH**	-1.4	+2.3	+9.3	+5.4	3.09	32.5	28.0	9.4	3.0	2.5	13.1	0.39	253	5.3	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	**1.20 EUR**	+7.1	+1.7	-3.2	-28.1	1.65	152.5	179.8	34.0	51.9	86.4	34.9	0.07	1,487	Neg.	N/A	N/A	Neg.	N/A	N/A	2.8	N/A	N/A	1.3	35.9
Agroliga	AGL PW	Warsaw	**20.16 PLN**	+6.1	-4.0	-22.3	+16.9	6.65	10.2	11.2	16.7	1.7	4.8	15.8	1.05	95	2.4	N/A	N/A	3.2	N/A	N/A	0.5	N/A	N/A	0.8	5.7
Agroton	AGT PW	Warsaw	**3.13 PLN**	+1.6	-25.7	+60.5	-62.0	1.03	22.4	69.7	26.2	5.9	365.2	684.1	17.97	6	3.3	4.7	3.0	4.9	7.5	4.5	0.8	1.0	0.9	0.2	28.0
Astarta Holdin...	AST PW	Warsaw	**48.22 PLN**	+7.2	+2.6	-27.9	-23.2	15.91	397.7	728.0	31.0	123.4	578.9	207.9	0.19	530	6.4	9.1	4.8	8.3	8.9	4.7	1.5	1.7	1.3	0.7	38.9
Avangard	AVGR LI	London Intl	**10.00 USD**	-2.4	+19.0	-14.9	+26.6	10.00	638.7	805.1	21.7	138.6	178.9	399.1	0.25	402	2.8	2.8	3.2	2.9	2.7	3.0	1.3	1.2	1.2	0.6	22.3
IMC	IMC PW	Warsaw	**8.99 PLN**	+2.0	+12.4	-26.0	-35.8	2.97	92.8	209.1	23.9	22.2	141.1	115.1	0.47	215	5.0	4.9	3.2	5.7	5.0	3.9	2.8	1.4	1.0	0.7	33.0
Kernel Holding...	KER PW	Warsaw	**31.20 PLN**	+0.6	+22.4	-18.0	-47.6	10.29	820.2	1,843.4	58.8	482.0	6,398.5	2,622.3	0.66	152	7.4	10.1	4.5	6.3	6.7	5.1	0.7	0.8	0.7	0.6	30.6
KSG Agro	KSG PW	Warsaw	**5.99 PLN**	+0.0	-3.1	-44.8	-52.1	1.98	29.7	151.5	34.4	10.2	29.3	20.5	0.22	447	3.7	2.5	2.5	35.9	5.2	4.2	4.1	2.2	1.4	0.3	29.2
MHP	MHPC LI	London Intl	**13.40 USD**	-0.7	+0.8	-21.4	-23.4	13.40	1,415.9	2,616.9	22.3	316.0	213.1	1,237.9	0.32	313	9.1	5.3	4.4	6.5	5.3	4.8	1.7	1.7	1.5	1.2	46.2
Milkiland	MLK PW	Warsaw	**8.59 PLN**	+8.7	+1.1	-31.3	-38.0	2.83	88.6	223.9	20.0	17.7	38.0	16.7	0.07	1,353	5.0	5.0	4.9	6.2	5.5	4.5	0.6	0.5	0.4	0.4	29.9
Mriya Agrohold...	MAYA GF	Frankfurt	**5.10 EUR**	+0.0	+24.7	-5.6	+10.6	7.02	745.7	1,477.6	20.0	149.1	0.0	2.6	0.00	36,681	4.3	4.7	4.9	6.4	5.5	6.0	4.2	3.9	3.4	0.8	34.8
Ovostar Union	OVO PW	Warsaw	**76.74 PLN**	+2.3	+29.2	-23.3	-20.5	25.32	151.9	164.0	25.0	38.0	27.2	42.0	0.11	927	6.5	5.9	4.1	5.9	5.9	3.7	2.3	2.0	1.5	1.4	3.7
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	**13.49 PLN**	+0.7	-53.2	-57.0	-62.0	4.45	41.4	25.4	10.9	4.5	42.9	2.1	0.13	785	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	+3.3	-2.2	-40.5	0.43	22.1	181.4	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																											
Forum Bank	FORM UK	Kiev, UX	**0.50 UAH**	+16.4	-28.9	-34.5	-23.3	0.04	26.1	N/A	5.5	1.4	0.0	0.7	0.07	1,403	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.2	18.6
Raiffeisen Ban...	BAVL UK	Kiev, UX	**0.17 UAH**	-2.2	+25.1	+52.2	+92.2	0.02	456.3	N/A	3.8	17.4	38.5	47.6	0.23	432	16.2	9.3	5.0	N/A	N/A	N/A	N/A	N/A	N/A	0.7	28.3
Ukrsotsbank	USCB UK	Kiev, UX	**0.17 UAH**	+4.0	-2.5	-7.9	+46.5	0.02	276.1	N/A	4.5	12.4	0.3	4.1	0.02	4,305	1,035.0	191.0	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 2-Apr-2014)

			Share price performance (% change)					Valuation (US$)			Free float (FF) & Liquidity						P/E			EV/EBITDA			EV/Sales			Ratios	
Company	Bloomberg Ticker	Listing	Last price	Daily	MoM	YTD	YoY	Last price	Market cap (m)	EV (m)	FF (%)	FF mkt cap (US$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 (%)

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

Broader banking sector liquidity rose a mere UAH0.51bn to UAH43.51bn yesterday, as banks' correspondent accounts with the NBU declined UAH2.15bn to UAH29.47bn while total CDs outstanding rose a slightly higher UAH2.66bn to UAH8.95bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH5.09bn.

KyivPrime interest rates declined: the KyivPrime ON interest rate fell 140bp to 3.60% while the KyivPrime 1M interest rate declined 135bp to 22.40%.

Investment implications: Yesterday's reallocation was once more due to an increase in ON CDs purchased by banks on Tuesday likely from increased client funds deposited for FX. Yesterday's auction proceeds will have no significant impact because they will be used for debt interest repayments. We do not anticipate significant changes in broader banking sector liquidity today.

Taras Kotovych, Kiev, +38044 2200120 ext.244

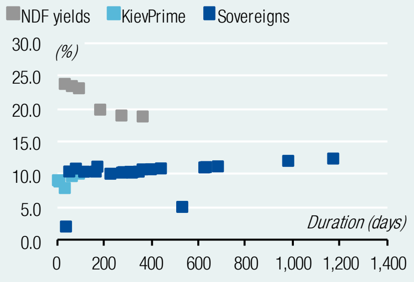
Yields decline further

Prices of some Ukrainian Eurobonds continued to increase yesterday, causing YTMs to decline further. At the close, the yield curve moved to the range of 8.20-9.29% as UKRAIN 6.875% '15 slid 18bp to 8.73%, UKRAIN 6.25% '16 declined 39bp to 8.40, UKRAIN 9.25% '17 slid 27bp to 9.29%, while UKRAIN 7.75% '20 rose 11bp to 8.89%, UKRAIN 7.80% '22 and UKRAIN 7.50% '23 rose 2bp to 8.74% and 8.20%, respectively.

Investment implications: Prices of Eurobonds rose likely on the same positive anticipations of financial support. Prices gradually climbed to 100, as UKRAIN 9.25% '17 reached par value during yesterday's trading session, while the remainder of bonds with lower coupon rates are trending in this direction. Yields mostly declined below 9.0%, excluding UKRAIN 7.95% '14 and UKRAIN 9.25% '17, but Ukrainian risks remain high and spreads have tightened slowly.

Taras Kotovych, Kiev, +38044 2200120 ext.244

Yield curve of the local bond market
(as of market close on 2 Apr 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 2 Apr 2014)

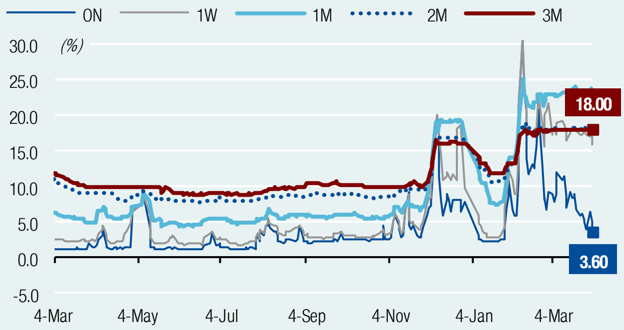
	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
O/n	3.60	-140bp	-178bp	-574bp	-420bp
1wk	16.00	-125bp	-172bp	-564bp	+620bp
1m	22.40	-135bp	-120bp	-64bp	+615bp
2m	18.20	-18bp	-10bp	+20bp	+180bp
3m	18.00	-5bp	-4bp	+25bp	+200bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's[1]	29,472	-6.81	+12.55	+11.00	-9.88
CDs[2]	15,190	-4.88	-5.51	+104.9	+899.3
Sovgns[3]	4,849	-6.74	+52.59	-7.02	+224.4
Total	**49,511**	-6.22	+8.96	+26.37	+38.62
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	170,684	+0.24	+0.58	+4.75	+17.83
Banks	84,377	+0.09	+1.56	-3.00	+5.25
Resid's[4]	11,024	+0.11	-2.41	-4.10	-11.07
Non-res[5]	15,415	+0.82	+4.16	+8.41	+31.77
Total	**281,500**	+0.22	+0.94	+2.12	+13.00
NDF IMPLIED YIELDS (%)					
3m	10.34	+131bp	-547bp	-18ppt	-181bp
6m	13.37	-101bp	-522bp	-200bp	-4bp
9m	13.94	-56bp	-201bp	-813bp	-7bp
1yr	14.55	+26bp	-163bp	-470bp	-44bp
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	8.70	+3bp	-203bp	-219bp	-19bp
Jul '17	9.25	-12bp	-239bp	-211bp	-31bp
Sep '20	8.89	+17bp	-74bp	-97bp	-31bp
Sep '21	8.90	+16bp	-87bp	-109bp	-32bp
Sep '22	8.65	-2bp	-74bp	-103bp	-70bp
Feb '23	8.46	+3bp	-79bp	-89bp	-58bp

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.

Section on Bond market is continued on next page.

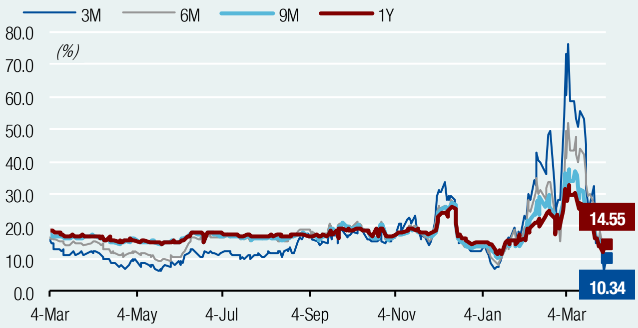
Chart page: Local bond market & Eurobond markets

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



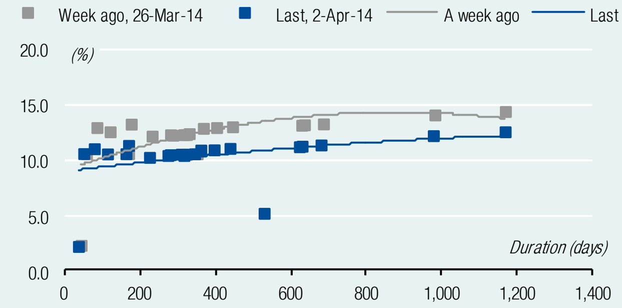
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



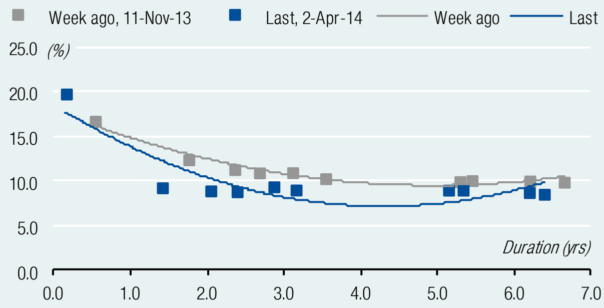
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 2 Apr 2014



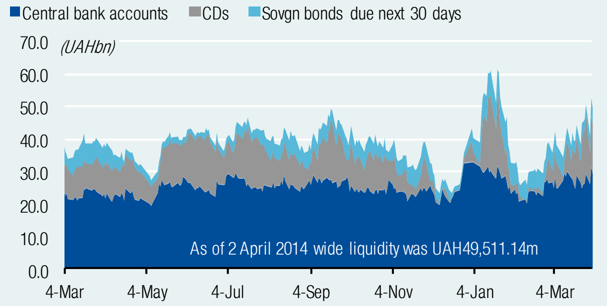
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 2 Apr 2014



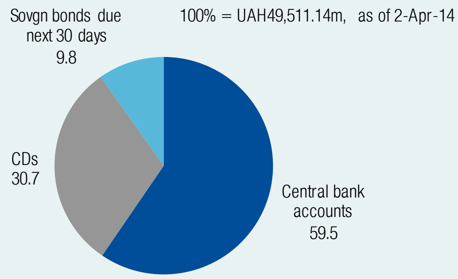
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



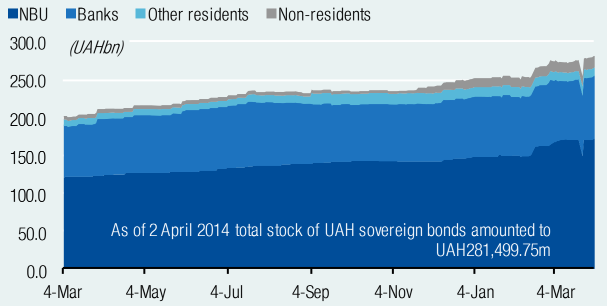
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 2 Apr 2014



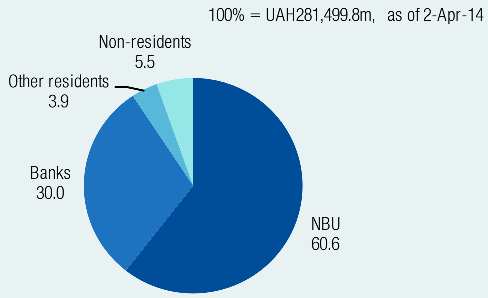
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 2 Apr 2014



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

FX: News & Comments

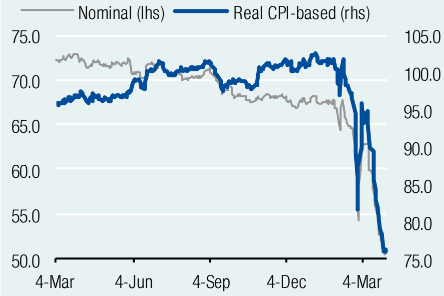
UAH kept stable at 11.35/USD, trading shallow

Interfax-Ukraine reported that FX trading was nearly at a standstill as banks awaited more clarity from the NBU on tax initiatives recently adopted by Parliament, particularly a 0.5% tax on FX purchases. The volume of interbank FX market transactions was US$0.27bn yesterday, down 32.94% from the previous day. Meanwhile, the UAH's real trade-weighted index rose 0.40% as the RUB declined yesterday.

Alexander Valchyshen, Kiev, +38044 2200120 ext.242

ICU's UAH trade-weighted indices

(Last 12-month history to 3 Apr 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 2 Apr 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	11.3450	-0.04	+3.62	+14.02	+37.68
NBU avg	11.2416	+1.22	+5.34	+15.90	+37.92
Ttl vlm[1]	362.88	-39.63	-58.34	-53.24	-87.05
$ volume[2]	265.78	-32.94	-59.73	-60.63	-87.98
NDF 3M	11.6318	+0.27	+2.26	+9.22	+37.09
NDF 6M	12.0873	-0.52	+1.15	+12.97	+37.67
NDF 1Y	12.9240	+0.19	+2.17	+9.53	+37.20
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	50.669	+0.40	-3.77	-12.73	-24.98
UAH real CPI	76.176	+0.40	-3.77	-12.73	-24.64
UAH real PPI	104.775	+0.40	-3.77	-12.73	-24.51
USD nom'l	80.215	+0.15	+0.23	+0.66	+0.22
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	35.4180	+0.96	-0.31	-1.24	+7.75
EUR/USD	1.3767	-0.19	-0.10	-0.25	+0.17
USD/CNY	6.2055	-0.02	-0.05	+0.98	+2.50
USD/PLN	3.0263	+0.04	-0.25	+0.45	+0.11
USD/TRY	2.1281	-0.44	-2.90	-3.54	-0.94
USD/BYR	9,898.00	+0.03	+0.18	+1.36	+3.75
USD/KZT	182.0300	-0.05	-0.02	-1.30	+17.99
OTHER MAJOR CURRENCIES					
USD/JPY	103.8800	+0.22	+1.80	+2.04	-1.36
GBP/USD	1.6626	-0.02	+0.26	-0.71	+0.42
USD/CHF	0.8866	+0.35	+0.18	+0.72	-0.71
AUD/USD	0.9248	+0.01	+0.24	+3.63	+3.71
USD/CAD	1.1033	+0.08	-0.62	-0.28	+3.86
USD/BRL	2.2689	+0.31	-1.48	-3.22	-3.95
USD/KRW	1,056.60	-0.20	-1.70	-1.03	+0.65
COMMIDITIES					
Gold($/oz)	1,289.86	+0.85	-1.12	-2.76	+6.98
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]	301.30	-0.19	+0.04	-0.37	+7.54

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.

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>).

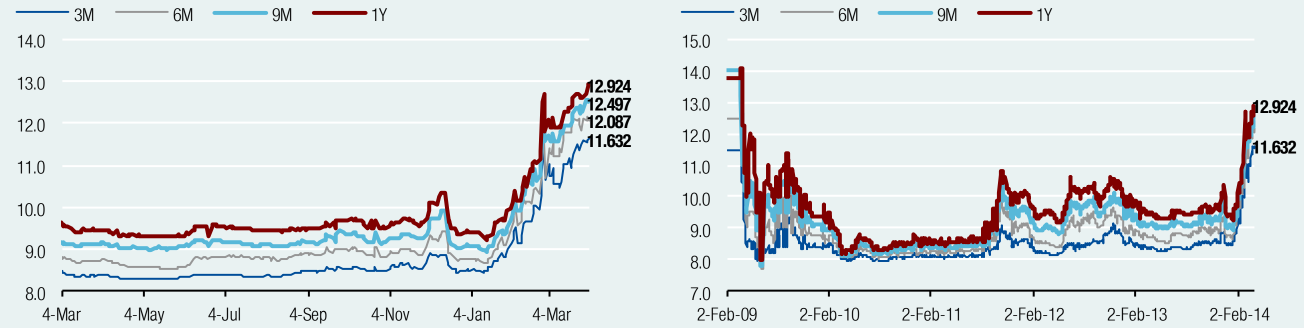
Section on FX market is continued on next page.

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)

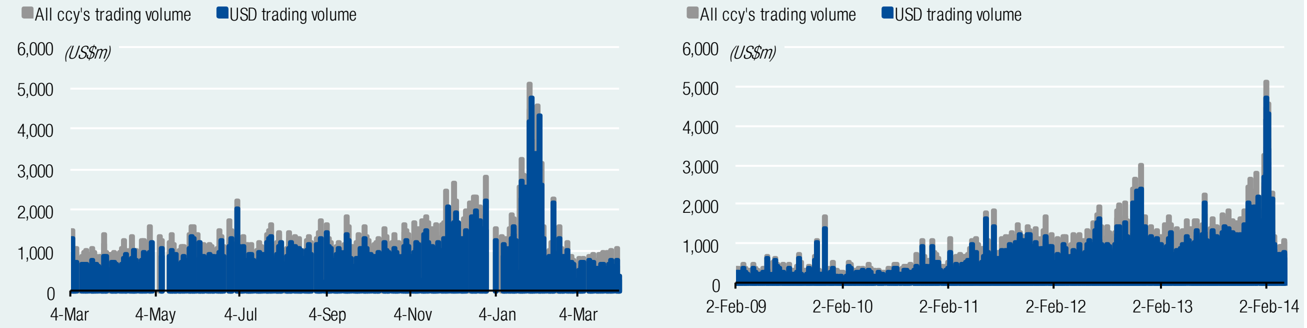
Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC. Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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



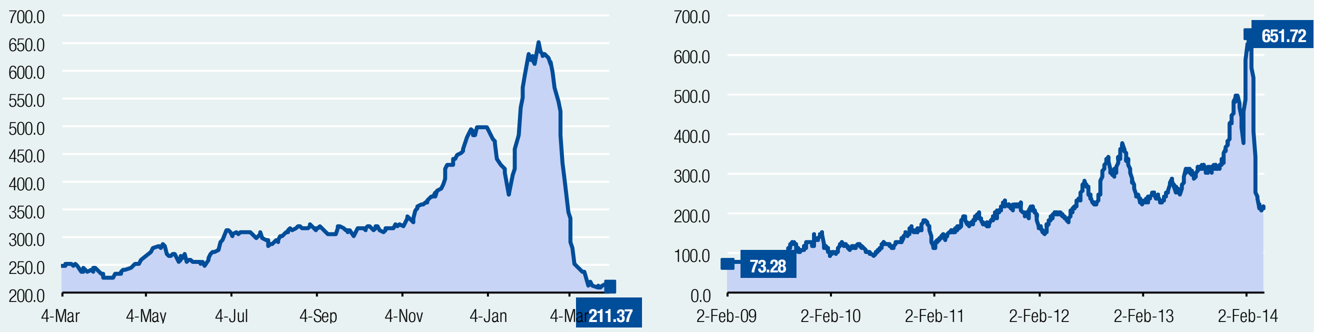
Sources: National Bank of Ukraine, Investment Capital Ukraine LLC. Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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)

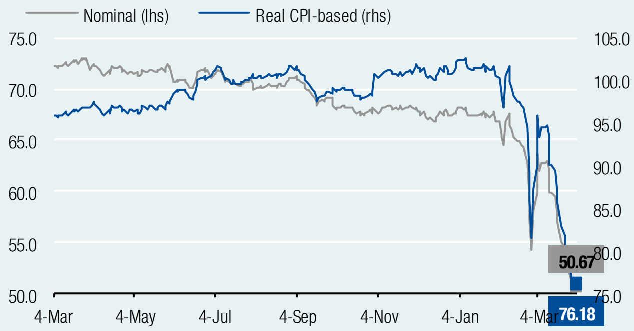


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

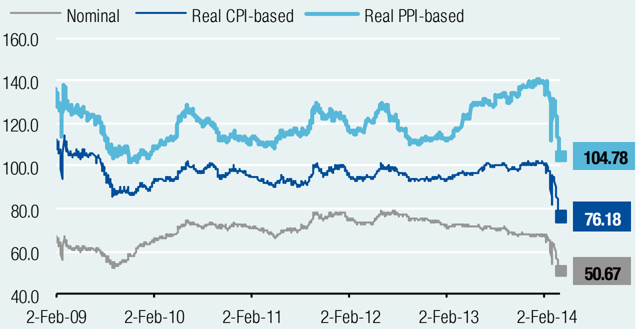
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the *Quarterly Report* "Keep the music playing" dated 31 January 2013 and, then, updated, in the *Quarterly Report* "Muddling through no more" dated 14 August 2013.

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



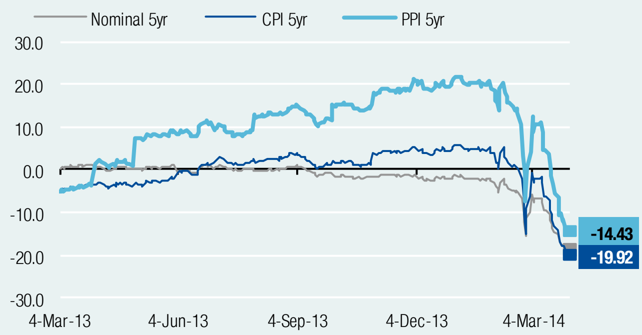
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

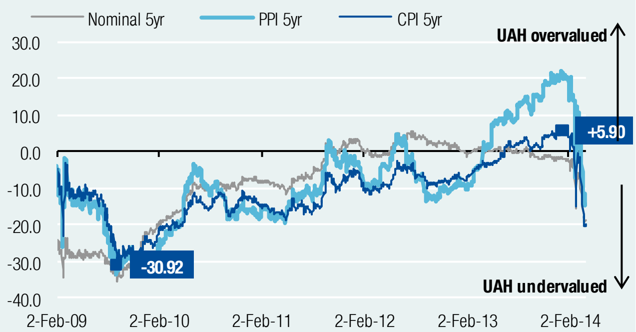


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

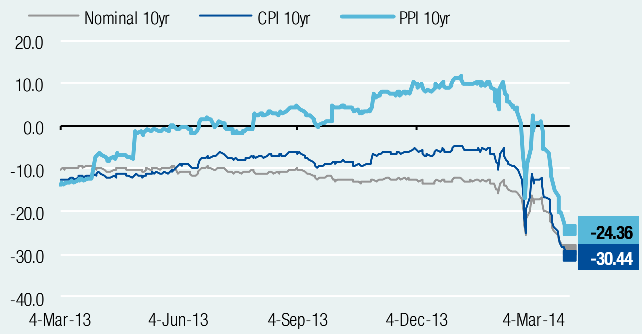


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

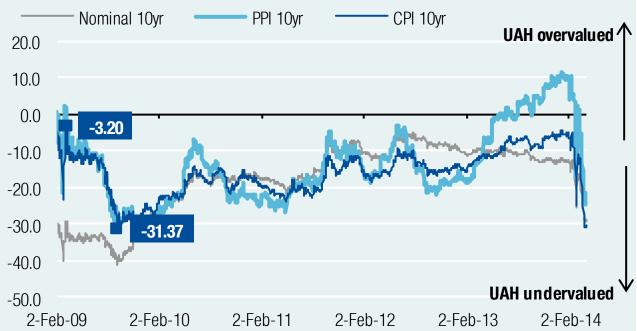


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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.

This page is intentionally left blank

Disclosures

ANALYST CERTIFICATION

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

Office 44, 11th floor, LEONARDO Business Centre
19-21 Bogdan Khmelnytsky Street
Kiev, 01030 Ukraine
Phone/Fax +38 044 2200120

CHAIRMAN OF THE BOARD OF DIRECTORS

Valeria Gontareva
valeria.gontareva@icu.ua

CORPORATE FINANCE TEL. +38 044 2200120

Makar Paseniuk, Managing Director
makar.paseniuk@icu.ua

Volodymyr Demchyshyn, Director
volodymyr.demchyshyn@icu.ua

Ruslan Kilmukhametov, Director
ruslan.kilmukhametov@icu.ua

SALES AND TRADING TEL. +38 044 2201621

Konstantin Stetsenko, Managing Director
konstantin.stetsenko@icu.ua

Sergiy Byelyayev, Fixed-Income Trading
sergiy.byelyayev@icu.ua

Vitaliy Sivach, Fixed-Income & FX Trading
vitaliy.sivach@icu.ua

Vlad Sinani, Director,
Strategy and Corporate Development
vlad.sinani@icu.ua

Julia Pecheritsa,
Ukraine and CIS International Sales
julia.pecheritsa@icu.ua

Yevgeniya Gryshchenko,
Fixed-Income Sales
yevgeniya.gryshchenko@icu.ua

RESEARCH DEPARTMENT TEL. +38 044 2200120

Alexander Valchyshen
Head of Research
alexander.valchyshen@icu.ua

Alexander Martynenko
Head of corporate research
alexander.martynenko@icu.ua

Bogdan Vorotilin
Financial analyst (Food & Agribusiness)
bogdan.vorotilin@icu.ua

Taras Kotovych
Senior financial analyst (Sovereign debt)
taras.kotovych@icu.ua

Mykhaylo Demkiv
Financial analyst (Banks)
mykhaylo.demkiv@icu.ua

Lee Daniels, Rolfe Haas
Editors