


INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

Liquidity up; Yields decline; UAH devaluing again

MONDAY, 7 APRIL, 2014

RESEARCH INSIGHT

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UX Index (3 months to 7 Apr 2014)



Key market indicators (as of 4 Apr 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	11.6000	+1.31	+40.78
USD/UAH (1Y NDF)	13.1550	+1.29	+39.65
EUR/USD	1.3705	-0.11	-0.28
USD/RUB	35.2722	-0.86	+7.31
KievPRIME O/N (%)	3.75	+44bp	-405bp
KievPRIME 1M (%)	22.75	+62bp	+650bp
BONDS: yields and spreads			
Ukraine VAT bond (%)	N/A	+74bp	+0bp
Ukraine 17, Eurobond (%)	9.25	+0bp	-31bp
Ukraine 22, Eurobond (%)	8.79	+14bp	-56bp
Ukraine 23, Eurobond (%)	8.51	+4bp	-54bp
Ukraine 5Y CDS	850bp	-25bp	+33bp
EQUITIES			
Stock market indices			
UX (Ukraine)	1,081.83	+1.64	+18.88
MSCI World	411.86	-0.45	+0.81
MSCI EM	1,002.04	+0.19	-0.06
RTS (Russia)	1,233.93	+1.92	-14.47
WIG-20 (Poland)	2,471.50	+0.90	+2.94
S&P 500 (USA)	1,865.09	-1.25	+0.91
MOST ACTIVE: Top 3 stocks by value traded (US\$m)			
KER PW	2.64	35.6% of total ¹	
FXPO LN	1.93	26.1%	
MHPC LI	1.62	21.8%	
GAINERS: Top 3 stocks (in listed currency)			
OVO PW	PLN 74.00	+3.06	-26.00
BAVL UK	UAH 0.17	+2.53	+49.96
DOEN UK	UAH 42.07	+2.48	+52.48
LOSERS: Top 3 stocks (in listed currency)			
FORM UK	UAH 0.48	-3.82	-36.97
SGR PW	PLN 0.89	-3.26	+67.92
CLE PW	PLN 1.54	-2.53	+46.67

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 4-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	+0.0	-13.1	-12.0	-36.0	0.15	35.0	-28.1	40.2	14.1	15.1	9.5	0.06	1,728	Neg.	Neg.	Neg.	4.3	4.3	8.8	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	5.53 UAH	+1.4	-2.5	+16.0	+41.0	0.49	181.6	238.0	21.7	39.4	228.7	79.5	0.33	303	8.7	4.8	7.1	0.4	3.6	3.2	0.3	0.3	0.3	0.8	12.2
Coal Energy	CLE PW	Warsaw	1.54 PLN	-2.5	+5.5	+46.7	-72.5	0.51	22.8	80.7	25.0	5.7	174.1	408.7	6.96	14	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	42.07 UAH	+2.5	+0.9	+52.5	+114.9	3.74	88.4	130.7	14.2	12.6	28.9	32.5	0.25	393	32.1	2.0	2.7	0.5	1.6	1.7	0.3	0.2	0.2	1.5	17.8
JKX Oil & Gas	JKX LN	London	61.50 GBP	+1.7	+4.2	-14.0	-17.2	1.02	175.0	181.5	47.2	82.6	136.8	86.5	0.15	674	26.9	8.5	5.4	2.7	1.9	N/A	1.0	1.0	0.9	0.4	5.5
Regal Petroleum	RPT LN	London	10.75 GBP	+0.0	-8.5	-17.3	-53.3	0.18	57.1	30.3	80.9	46.2	22.3	7.6	0.02	5,988	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	0.89 PLN	-3.3	+20.3	+67.9	-41.1	0.29	12.6	52.4	25.0	3.2	47.7	124.9	4.74	21	Neg.	N/A	N/A	7.8	N/A	N/A	1.3	N/A	N/A	0.3	42.4
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	+0.8	-7.2	-4.4	-17.0	0.00	85.0	1,332.8	3.9	3.3	7.2	10.9	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	3.02 UAH	+1.5	+0.3	+2.1	+0.3	0.27	52.4	49.2	4.0	2.1	4.9	12.8	0.54	186	Neg.	Neg.	2.8	Neg.	1.5	0.9	0.1	0.1	0.1	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.74 UAH	+0.7	+3.5	+9.7	+23.5	0.07	274.7	267.2	4.1	11.3	2.6	10.2	0.09	1,094	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	162.10 GBP	+1.4	+17.7	-12.8	+7.2	2.69	1,581.5	2,242.7	22.4	354.3	1,931.3	3,911.6	0.84	119	6.0	6.5	8.1	4.5	5.0	5.5	1.4	1.4	1.5	0.9	35.1
Yenakievo Steel	ENMZ UK	Kiev, UX	35.89 UAH	+1.8	-0.6	+12.1	+6.0	3.19	33.7	29.0	9.4	3.2	12.3	13.5	0.38	264	5.5	Neg.	N/A	Neg.	Neg.	N/A	0.0	0.0	N/A	0.9	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	1.21 EUR	-2.4	+0.8	-2.4	-28.4	1.66	153.2	180.3	34.0	52.1	43.7	37.4	0.07	1,379	Neg.	N/A	N/A	Neg.	N/A	N/A	2.8	N/A	N/A	1.3	35.9
Agroliga	AGL PW	Warsaw	20.14 PLN	+0.2	-12.0	-22.3	+14.4	6.63	10.2	11.1	16.7	1.7	1.2	15.4	0.89	113	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	2.91 PLN	+1.0	-31.2	+49.2	-65.3	0.96	20.7	68.1	26.2	5.4	146.5	635.8	15.95	6	3.1	4.3	2.8	4.8	7.3	4.4	0.8	1.0	0.8	0.2	28.0
Astarta Holdin...	AST PW	Warsaw	46.50 PLN	-1.1	+4.7	-30.5	-27.1	15.30	382.4	711.4	31.0	118.6	109.3	196.5	0.20	503	6.2	8.8	4.6	8.1	8.7	4.7	1.5	1.7	1.3	0.7	38.9
Avangard	AVGR LI	London Intl	9.80 USD	+0.0	+13.3	-16.6	+27.3	9.80	625.9	792.3	21.7	135.8	89.6	392.9	0.22	458	2.8	2.8	3.2	2.8	2.7	2.9	1.3	1.1	1.1	0.5	22.3
IMC	IMC PW	Warsaw	8.94 PLN	+1.4	+5.8	-26.4	-36.1	2.94	92.0	208.3	23.9	22.0	4.9	114.3	0.41	243	4.9	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	31.22 PLN	-0.1	+17.8	-18.0	-47.3	10.27	818.3	1,841.6	58.8	481.0	2,637.6	2,645.4	0.63	158	7.4	10.0	4.5	6.3	6.7	5.1	0.7	0.8	0.7	0.6	30.6
KSG Agro	KSG PW	Warsaw	5.85 PLN	-2.3	-6.7	-46.1	-54.3	1.92	28.9	150.8	34.4	9.9	19.6	20.2	0.23	438	3.6	2.4	2.4	35.8	5.1	4.2	4.1	2.2	1.4	0.3	29.2
MHP	MHPC LI	London Intl	13.44 USD	+0.7	-3.2	-21.2	-17.2	13.44	1,420.2	2,621.2	22.3	317.0	1,615.2	1,267.6	0.31	318	9.1	5.4	4.4	6.5	5.3	4.8	1.8	1.7	1.5	1.2	46.2
Milkiland	MLK PW	Warsaw	8.05 PLN	+0.9	-0.2	-35.6	-42.0	2.65	82.8	217.6	20.0	16.6	2.4	15.9	0.06	1,578	4.7	4.6	4.6	6.1	5.4	4.3	0.6	0.5	0.4	0.4	29.9
Mriya Agrohold...	MAYA GF	Frankfurt	4.86 EUR	+0.0	-8.7	-10.1	+5.4	6.66	707.3	1,439.2	20.0	141.5	0.0	1.9	0.00	34,985	4.1	4.4	4.7	6.2	5.4	5.8	4.1	3.8	3.4	0.8	34.8
Ovostar Union	OVO PW	Warsaw	74.00 PLN	+3.1	+8.8	-26.0	-20.9	24.34	146.1	158.1	25.0	36.5	14.6	37.6	0.11	930	6.2	5.6	3.9	5.7	5.7	3.6	2.2	1.9	1.4	1.4	3.7
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	13.25 PLN	+0.1	-53.5	-57.8	-63.2	4.36	40.5	24.5	10.9	4.4	0.1	2.2	0.14	691	3.2	N/A	N/A	1.6	N/A	N/A	0.8	N/A	N/A	0.7	8.3
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.31 EUR	+0.0	+0.0	-2.2	-33.2	0.42	22.0	181.3	13.1	2.9	0.0	0.1	N/A	N/A	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	0.48 UAH	-3.8	-40.6	-37.0	-26.1	0.04	25.3	N/A	5.5	1.4	0.1	0.7	0.07	1,374	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	+2.5	+8.5	+50.0	+79.2	0.02	453.5	N/A	3.8	17.3	107.6	49.0	0.25	401	16.0	9.2	4.9	N/A	N/A	N/A	N/A	N/A	N/A	0.7	28.3
UkrSotsbank	USCB UK	Kiev, UX	0.17 UAH	+0.7	-7.0	-9.3	+47.4	0.02	274.1	N/A	4.5	12.3	1.8	4.0	0.02	4,092	1,018.8	188.0	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 4-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 slightly

Liquidity slightly rose last Friday, most likely due to the slight increase in NBU loans on Wednesday and Thursday. Broader banking sector liquidity rose UAH1.37bn to UAH45.03bn as banks' correspondent accounts with the NBU rose UAH2.34bn to UAH32.12bn while total CDs outstanding declined UAH0.97bn to UAH8.18bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH4.74bn.

Despite the increase in liquidity, KyivPrime interest rates rose: the KyivPrime ON interest rate rose 44bp to 3.75% and the KyivPrime 1M interest rate rose 62bp to 22.75%.

Investment implications: The NBU issued about UAH0.72bn in loans and UAH0.97bn in CD redemptions, which caused a significant increase in banks' correspondent accounts with the NBU. An increase in deposits for planned FX purchases could be realized as well this week.

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Yields decline

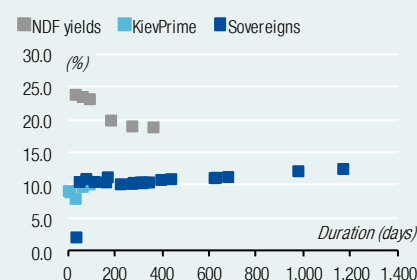
YTM of Ukrainian Eurobonds declined last Friday. At the close, the yield curve moved to the range of 8.28-9.29% as UKRAIN 6.875% '15 declined 9bp to 8.83%, UKRAIN 9.25% '17 slid 5bp to 9.29%, UKRAIN 7.95% '21 declined 5bp to 8.78%, while UKRAIN 7.80% '22 and UKRAIN 7.50% '23 declined 9bp and 4bp to 8.67% and 8.28%, respectively. The 5-year CDS declined to 850bp.

Investment implications: YTM of Eurobonds declined less precipitously and corrected by the end of last week as no concrete support has been issued yet. At the same time, Ukraine has enough time to receive the promised financial support prior to scheduled debt repayments.

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Yield curve of the local bond market

(as of market close on 4 Apr 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 4 Apr 2014)

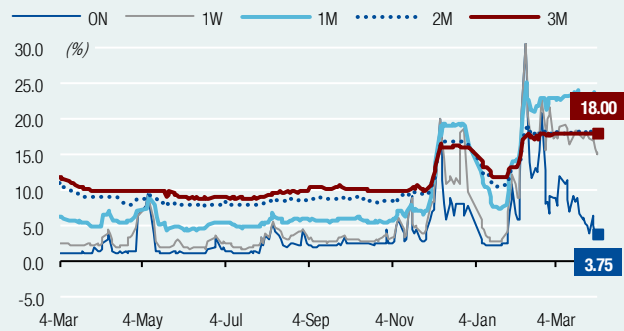
	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
0/n	3.75	+44bp	-21bp	-513bp	-405bp
1wk	15.25	+25bp	-205bp	-240bp	+545bp
1m	22.75	+62bp	-55bp	-25bp	+650bp
2m	18.13	-12bp	-17bp	+0bp	+173bp
3m	18.00	+0bp	-4bp	+0bp	+200bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	32,115	+7.85	+9.34	+28.64	-1.79
CDs ²	17,315	-4.18	-5.19	+113.3	+1,039.1
Sovgns ³	4,849	+0.00	+52.59	-12.87	+224.4
Total	54,279	+3.00	+6.82	+40.44	+51.97
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	170,684	+0.00	+0.73	+2.54	+17.83
Banks	85,169	-0.08	+2.29	+1.79	+6.24
Resid's ⁴	11,038	-0.11	-0.39	-2.75	-10.96
Non-res ⁵	15,551	-0.14	+2.86	+9.31	+32.93
Total	282,442	-0.04	+1.27	+2.45	+13.38
NDF IMPLIED YIELDS (%)					
3m	7.11	-317bp	-11ppt	-66ppt	-503bp
6m	10.44	-153bp	-779bp	-39ppt	-296bp
9m	11.94	-192bp	-250bp	-24ppt	-207bp
1yr	14.04	-3bp	-32bp	-17ppt	-95bp
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	850	-25bp	-40bp	-334bp	+33bp
Jun '16	8.70	+0bp	-10bp	-231bp	-19bp
Jul '17	9.25	+0bp	-91bp	-239bp	-31bp
Sep '20	8.89	+0bp	-20bp	-136bp	-30bp
Sep '21	8.90	+0bp	-17bp	-144bp	-32bp
Sep '22	8.79	+14bp	-10bp	-111bp	-56bp
Feb '23	8.51	+4bp	-15bp	-101bp	-54bp

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.

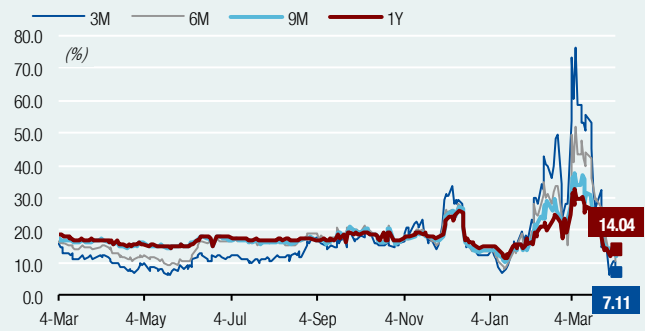
Chart page: Local bond market & Eurobond markets

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



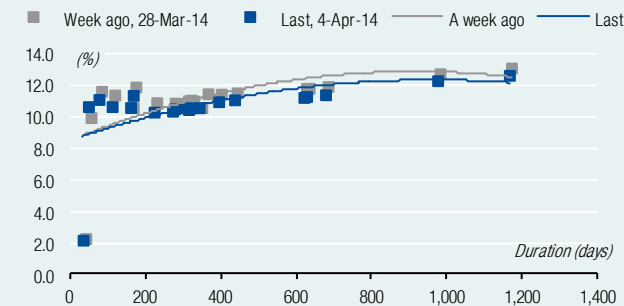
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



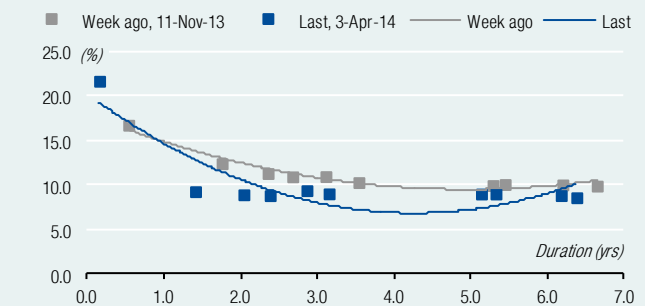
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 4 Apr 2014



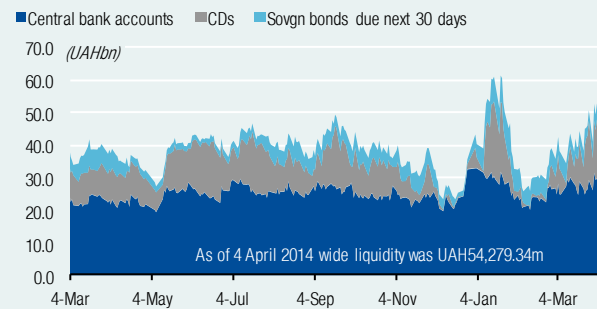
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



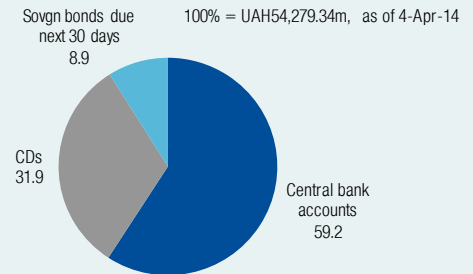
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



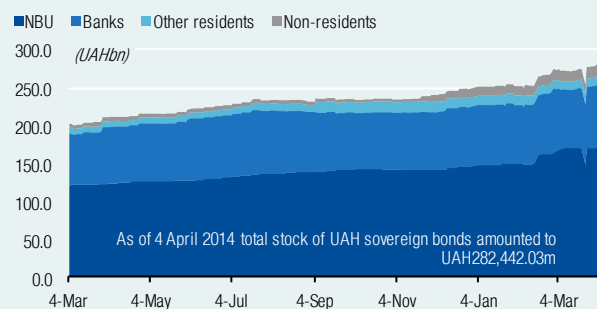
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 4 Apr 2014



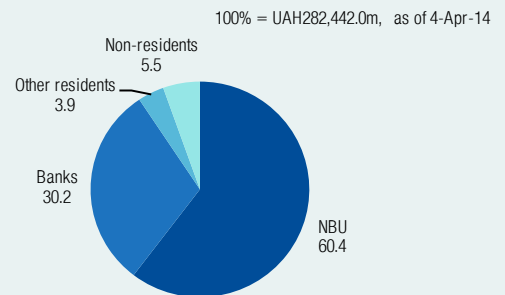
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 4 Apr 2014



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

FX: News & Comments

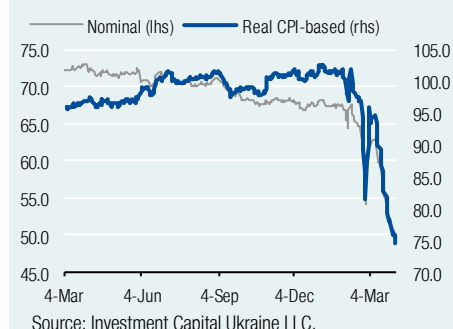
UAH begins to fall again

The FX market was quite shaky last Friday as market players adjusted to the new reality of the NBU's strategy of non-intervention amidst an acutely poor macroeconomic environment. As a matter of fact, Moody's cut the sovereign rating to Caa3 at the end of the week as evidence of its global skepticism. The FX rate fluctuated 1.31% on Friday, underscoring that the market has been stretched under the weight of new financial conditions on US\$0.39 million in trading volume. Moreover, as a result of the strength of the RUB 0.86% and the EUR's 0.11% drop - the hryvnia's real trade-weighted value decreased 1.63%.

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ICU's UAH trade-weighted indices

(Last 12-month history to 7 Apr 2014)



FX market indicators (as of 4 Apr 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	11.6000	+1.31	+4.50	+27.47	+40.78
NBU avg	11.4410	+1.94	+4.44	+17.66	+40.37
Ttt vlm ¹	502.44	-8.08	-39.58	-23.92	-82.07
\$ volume ²	387.84	-11.91	-37.10	-24.69	-82.46
NDF 3M	11.8000	+0.53	+1.83	+9.77	+39.07
NDF 6M	12.1900	+0.58	+0.79	+7.64	+38.84
NDF 1Y	13.1550	+1.29	+4.21	+10.55	+39.65
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	49.532	-1.63	-4.85	-22.28	-26.66
UAH real CPI	74.465	-1.63	-4.85	-22.28	-26.33
UAH real PPI	102.423	-1.63	-4.85	-22.28	-26.21
USD nom'l	80.423	-0.06	+0.31	+0.32	+0.48
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	35.2722	-0.86	-1.37	-2.30	+7.31
EUR/USD	1.3705	-0.11	-0.34	-0.28	-0.28
USD/CNY	6.2123	+0.01	+0.00	+1.13	+2.61
USD/PLN	3.0375	+0.06	+0.15	-0.22	+0.48
USD/TRY	2.1134	-0.90	-3.55	-4.20	-1.62
USD/BYR	9,910.00	-0.05	+0.30	+1.23	+3.88
USD/KZT	182.0800	+0.01	+0.00	+0.10	+18.03
OTHER MAJOR CURRENCIES					
USD/JPY	103.2900	-0.62	+0.45	+1.06	-1.92
GBP/USD	1.6575	-0.14	-0.38	-0.53	+0.11
USD/CHF	0.8921	+0.13	+0.60	+0.54	-0.09
AUD/USD	0.9292	+0.65	+0.49	+3.82	+4.21
USD/CAD	1.0981	-0.49	-0.72	-1.00	+3.37
USD/BRL	2.2358	-1.92	-1.12	-4.63	-5.35
USD/KRW	1,053.65	-0.40	-1.45	-1.85	+0.37
COMMODITIES					
Gold(\$/oz)	1,303.64	+1.31	+0.65	-2.30	+8.13
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	304.84	+0.57	-0.12	-0.46	+8.81

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>).

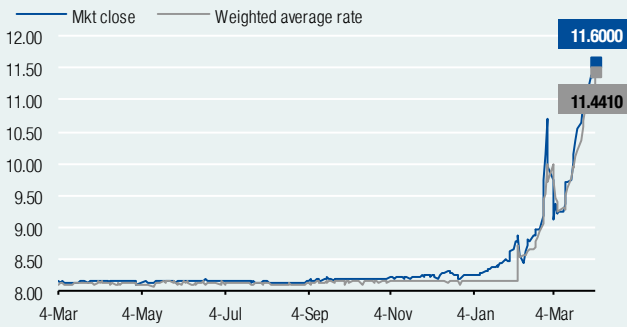
Section on FX market is continued on next page.

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.

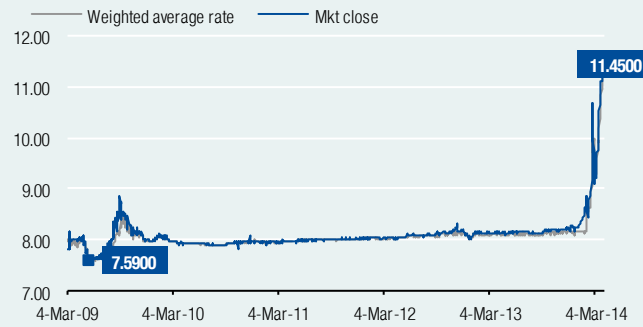
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

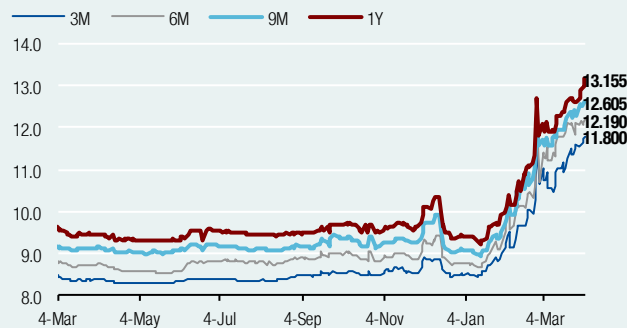


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)

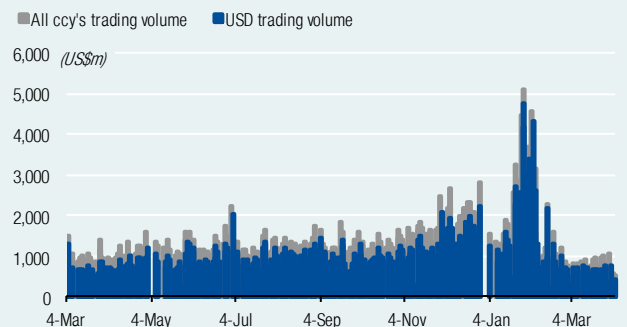


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.



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)



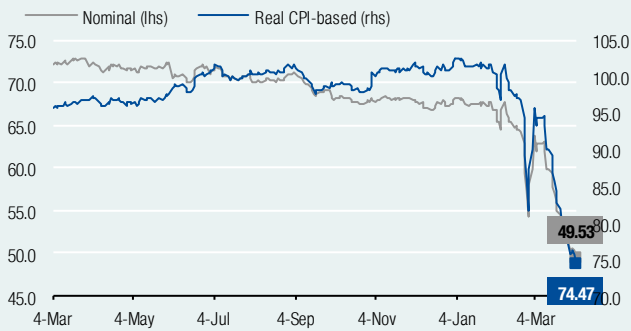
Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

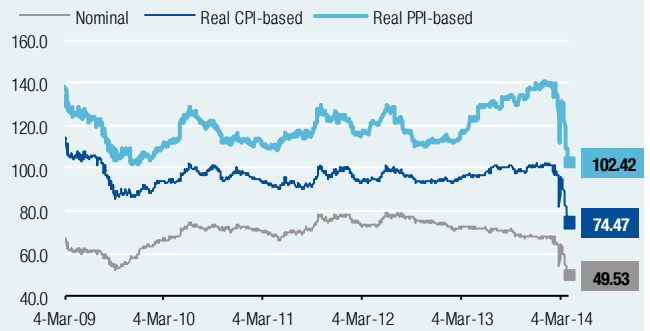
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



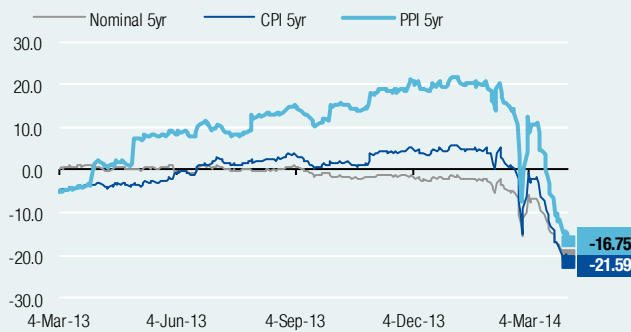
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

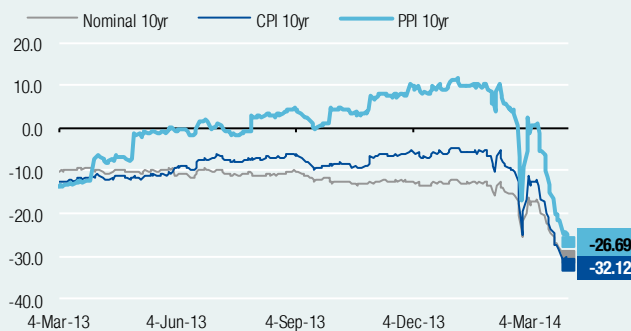


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.



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.

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

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

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

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

DEBT RATING DEFINITIONS

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Hold: Forecasted 12-month total return is in line with or modestly deviates from relevant benchmark

Sell: Forecasted 12-month total return significantly less than that of relevant benchmark



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