


INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

Liquidity continues to decline; Yields diverge; Military bond issues; DTEK's EBITDA declines; UAH recovers

THURSDAY, 17 APRIL, 2014

RESEARCH INSIGHT

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UX Index (3 months to 17 Apr 2014)



Key market indicators (as of 16 Apr 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	11.3000	-5.04	+37.14
USD/UAH (1Y NDF)	14.2750	-0.52	+51.54
EUR/USD	1.3816	+0.01	+0.53
USD/RUB	35.9947	-0.52	+9.51
KievPRIME O/N (%)	5.00	-40bp	-280bp
KievPRIME 1M (%)	20.00	+0bp	+375bp

BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	-8,900bp	-8,900bp
Ukraine 17, Eurobond (%)	12.28	+0bp	+272bp
Ukraine 22, Eurobond (%)	10.06	-1bp	+71bp
Ukraine 23, Eurobond (%)	9.73	-1bp	+68bp
Ukraine 5Y CDS	1,189bp	+97bp	+372bp

EQUITIES

Stock market indices

UX (Ukraine)	1,086.27	-2.50	+19.37
MSCI World	409.38	+1.01	+0.20
MSCI EM	1,002.50	+0.26	-0.02
RTS (Russia)	1,154.31	+0.99	-19.99
WIG-20 (Poland)	2,395.55	-0.49	-0.23
S&P 500 (USA)	1,862.31	+1.05	+0.75

MOST ACTIVE: Top 3 stocks by value traded (US\$m)

KER PW	2.40	36.0% of total ¹
FXPO LN	2.20	32.9%
MHPC LI	1.06	15.8%

GAINERS: Top 3 stocks (in listed currency)

RPT LN	GBP 10.25	+5.13	-21.15
ALAGR FP	EUR 1.05	+2.94	-15.32
IMC PW	PLN 8.30	+2.34	-31.69

LOSERS: Top 3 stocks (in listed currency)

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 16-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	9.38 GBP	+0.0	-8.5	-9.6	-40.5	0.16	36.5	-26.6	40.2	14.7	1.9	9.6	0.06	1,628	Neg.	Neg.	Neg.	4.0	4.1	8.3	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	5.59 UAH	-2.4	+6.8	+17.1	+45.0	0.49	182.4	238.5	21.7	39.6	127.8	96.1	0.40	249	8.8	4.7	7.0	0.4	3.5	3.1	0.3	0.3	0.3	0.8	12.2
Coal Energy	CLE PW	Warsaw	1.33 PLN	-3.6	-13.6	+26.7	-66.8	0.44	19.8	77.7	25.0	4.9	61.4	312.6	3.33	30	Neg.	Neg.	4.9	1.3	9.7	2.7	0.6	0.8	0.7	0.2	7.7
Donbasenergo	DOEN UK	Kiev, UX	41.36 UAH	-4.7	+12.2	+49.9	+119.1	3.66	86.4	128.5	14.2	12.3	25.6	33.9	0.30	332	31.6	1.2	2.5	0.5	1.0	1.6	0.3	0.2	0.2	1.5	17.8
JKX Oil & Gas	JKX LN	London	57.50 GBP	+0.0	-8.7	-19.6	-14.8	0.97	166.2	172.7	47.2	78.5	4.1	91.7	0.17	600	25.6	12.8	6.0	2.6	2.0	1.9	1.0	0.9	0.8	0.3	5.5
Regal Petroleum	RPT LN	London	10.25 GBP	+5.1	-6.8	-21.2	-54.4	0.17	55.3	28.5	80.9	44.8	0.8	7.4	0.02	5,483	Neg.	N/A	N/A	1.3	N/A	N/A	0.8	N/A	N/A	0.2	0.0
Sadova Group	SGR PW	Warsaw	0.80 PLN	-1.2	-3.6	+50.9	-17.5	0.26	11.4	51.1	25.0	2.8	17.3	105.8	3.11	32	Neg.	N/A	N/A	7.6	N/A	N/A	1.3	N/A	N/A	0.2	42.4
Zakhidenergo	ZAEN UK	Kiev, PFTS	122.00 UAH	-2.4	+10.1	+35.0	+62.7	10.78	137.9	114.4	5.0	6.9	0.1	6.4	0.07	1,532	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	0.03 UAH	-2.8	-3.1	-10.1	-17.5	0.00	79.5	1,320.4	3.9	3.1	9.5	10.2	0.42	241	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	3.16 UAH	-3.5	+7.6	+6.6	+3.4	0.28	54.4	51.2	4.0	2.2	19.8	14.7	0.73	138	Neg.	Neg.	2.0	Neg.	1.3	0.7	0.1	0.1	0.1	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.71 UAH	-1.8	+3.2	+5.4	+22.6	0.06	262.4	255.0	4.1	10.8	36.6	11.4	0.12	824	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	150.60 GBP	+1.5	+8.8	-19.0	-4.6	2.54	1,492.2	2,153.3	22.4	334.3	2,195.4	3,648.5	0.76	132	5.7	6.0	7.4	4.3	4.7	5.2	1.4	1.4	1.4	0.9	35.1
Yenakievo Steel	ENMZ UK	Kiev, UX	34.93 UAH	-2.8	+8.5	+9.1	+9.1	3.09	32.6	28.0	9.4	3.1	16.4	13.9	0.49	204	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	1.05 EUR	+2.9	-11.0	-15.3	-34.4	1.45	134.2	161.7	34.0	45.6	101.3	37.9	0.12	844	Neg.	N/A	N/A	Neg.	N/A	N/A	2.5	N/A	N/A	1.1	35.9
Agroliga	AGL PW	Warsaw	18.94 PLN	-1.4	-9.2	-27.0	+28.4	6.26	9.6	10.6	16.7	1.6	7.3	13.8	0.49	204	2.2	N/A	N/A	3.1	N/A	N/A	0.5	N/A	N/A	0.7	5.7
Agroton	AGT PW	Warsaw	2.29 PLN	-1.7	-16.4	+17.4	+9.6	0.76	16.4	63.7	26.2	4.3	174.8	475.0	7.44	13	2.4	3.4	2.2	4.5	6.8	4.1	0.7	0.9	0.8	0.1	28.0
Astarta Holdin...	AST PW	Warsaw	39.10 PLN	-4.6	-4.2	-41.6	-33.7	12.92	322.9	655.2	31.0	100.2	292.0	168.3	0.18	558	5.2	7.4	4.0	7.4	9.0	4.4	1.3	1.7	1.2	0.6	38.9
Avangard	AVGR LI	London Intl	9.70 USD	+0.1	+10.9	-17.4	+18.3	9.70	619.6	785.9	21.7	134.4	5.2	377.8	0.27	368	2.7	3.1	2.8	2.8	2.9	2.8	1.2	1.1	1.1	0.5	22.3
IMC	IMC PW	Warsaw	8.30 PLN	+2.3	-0.5	-31.7	-41.8	2.74	85.8	202.1	23.9	20.5	59.4	110.3	0.26	379	4.6	4.6	3.0	5.5	4.8	3.7	2.7	1.4	1.0	0.7	33.0
Kernel Holding...	KER PW	Warsaw	29.00 PLN	+0.3	+12.5	-23.8	-45.3	9.58	763.4	1,786.7	58.8	448.7	2,403.6	2,584.5	0.63	160	6.9	9.4	4.2	6.1	6.5	4.9	0.6	0.7	0.7	0.6	30.6
KSG Agro	KSG PW	Warsaw	4.52 PLN	-7.2	-18.6	-58.3	-56.3	1.49	22.4	144.3	34.4	7.7	12.5	16.5	0.28	362	2.8	1.9	1.9	34.2	4.9	4.0	3.9	2.1	1.3	0.2	29.2
MHP	MHPC LI	London Intl	12.30 USD	-1.6	-5.4	-27.9	-27.9	12.30	1,299.7	2,500.7	22.3	290.1	1,057.1	1,223.3	0.32	309	8.3	5.0	4.1	6.2	5.1	4.6	1.7	1.6	1.4	1.1	46.2
Milkiland	MLK PW	Warsaw	7.35 PLN	-3.9	+1.5	-41.2	-38.8	2.43	75.9	212.0	20.0	15.2	8.6	14.3	0.05	2,020	4.3	3.7	4.2	5.9	4.8	3.9	0.5	0.5	0.5	0.3	29.9
Mriya Agrohold...	MAYA GF	Frankfurt	4.55 EUR	-7.2	-13.6	-15.8	+2.2	6.29	668.6	1,400.5	20.0	133.7	0.0	1.7	0.00	47,294	3.8	4.7	7.7	6.1	5.5	5.2	4.0	3.8	3.3	0.8	34.8
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	13.25 PLN	+1.1	-8.6	-57.8	-63.2	4.38	40.7	24.7	10.9	4.4	0.0	2.6	0.13	767	3.3	N/A	N/A	1.6	N/A	N/A	0.9	N/A	N/A	0.7	8.3
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.14 EUR	+0.0	-54.8	-55.8	-63.2	0.19	10.0	169.4	13.1	1.3	0.0	0.1	0.02	6,301	Neg.	N/A	N/A	Neg.	N/A	N/A	7.8	N/A	N/A	0.1	44.1
FINANCIAL SERVICES																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.17 UAH	-0.8	+15.3	+47.3	+73.9	0.01	443.1	N/A	3.8	16.9	25.4	53.1	0.29	340	15.7	6.7	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	0.7	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.16 UAH	-0.6	-2.0	-15.7	+36.1	0.01	253.3	N/A	4.5	11.3	12.3	4.3	0.04	2,689	946.9	174.8	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 16-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 continues to decline

Banks' correspondent accounts with the NBU fell UAH2.30bn to UAH30.80bn yesterday while total CDs outstanding rose only UAH0.43bn to UAH8.24bn. As a result, broader banking sector liquidity declined UAH1.87bn to UAH45.04bn, as total local currency debt repayments scheduled for the next 30 days remained steady at UAH6.00bn.

KyivPrime interest rates diverged: the KyivPrime ON interest rate slid 40bp to 5.00% while the KyivPrime 1M interest rate remained steady at 20.00% for the third consecutive day.

Investment implications: As the NBU issued UAH0.57bn of new loans to banking system on Tuesday, offsetting some of the outflows, liquidity could have fallen further. As banks purchased a lower volume of new government bonds than it distributed in debt repayments yesterday, we do not anticipate the liquidity will increase after yesterday's deals.

Yields diverge

Because of the tensions in Eastern Ukraine, Ukrainian Eurobonds continued to decline yesterday, excluding only a few which remained stable or increased in value. The yield curve moved to the range of 9.49-13.65%, as UKRAIN 6.875% '15 increased 22bp to 13.65%, UKRAIN 6.75% '17 rose 10bp to 11.28%, UKRAIN 7.75% '20 and UKRAIN 7.80% '22 remained steady at 10.53% and 10.0% respectively, while UKRAIN 9.25% '17 declined 20bp to 12.09%, UKRAIN 7.95% '21 was down 17bp to 10.45% and UKRAIN 7.50% '23 slid 5bp to 9.49%.

Investment implications: The situation in Eastern Ukraine appears to guide market anticipation while other news has little impact on investor sentiment.

Military bond issues

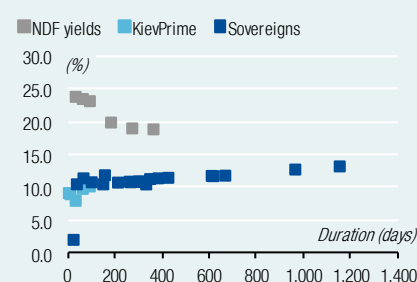
Ukraine's Cabinet of Ministers adopted new resolutions at the beginning of April which were published yesterday. These documents authorize the MoF to issue new "military bonds" in two formats - UAH1.0bn in standard government bonds and UAH100.0m in retail bearer bonds. All bonds will have a UAH1,000 par value and a 7.0% coupon rate. Coupon payments will be semiannual.

Investment implications: As the coupon rate is too low for banks, this issue appears to be appropriate only for state-owned banks unless the NBU provides additional incentives to compensate for below-market interest rates. The retail bearer bonds could attract patriotic consumers who aim to support the Ukrainian army. As the issuances are not very large, sales should be relatively easy to fulfill.

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Yield curve of the local bond market

(as of market close on 16 Apr 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 16 Apr 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
0/n	5.00	-40bp	+130bp	-200bp	-280bp
1wk	11.18	-66bp	-332bp	-530bp	+138bp
1m	20.00	+0bp	-160bp	-338bp	+375bp
2m	18.13	-17bp	-17bp	+0bp	+173bp
3m	18.00	-4bp	-4bp	+0bp	+200bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	30,805	-6.94	-4.36	+1.91	-5.80
CDs ²	7,811	-46.55	-47.00	-17.64	+413.9
Sovgns ³	5,382	-11.92	+20.19	+36.34	+260.0
Total	43,998	-18.26	-14.44	+0.78	+23.18
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	170,690	+0.00	+0.00	+0.59	+17.84
Banks	90,941	-2.76	+3.75	+15.69	+13.44
Resid's ⁴	10,918	-0.71	+1.50	-2.56	-11.93
Non-res ⁵	16,964	-3.91	+4.73	+24.57	+45.00
Total	289,513	-1.14	+1.48	+6.00	+16.22
NDF IMPLIED YIELDS (%)					
3m	51.15	+965bp	+34bp	-432bp	+39bp
6m	32.65	+796bp	+21bp	-11ppt	+19bp
9m	26.71	+488bp	+14bp	-471bp	+13bp
1yr	27.02	+577bp	+14bp	-49bp	+12bp
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	-89ppt	+0bp	-89ppt	-89ppt
EUROBONDS USD SOVEREIGN BOND YIELDS (%)					
CDS 5yr	1,189	+97bp	+211bp	-57bp	+372bp
Jun '16	12.58	+44bp	+174bp	-190bp	+369bp
Jul '17	12.28	+0bp	+170bp	-176bp	+272bp
Sep '20	10.31	+0bp	+51bp	-122bp	+111bp
Sep '21	10.32	+0bp	+35bp	-118bp	+110bp
Sep '22	10.06	-1bp	+32bp	-83bp	+71bp
Feb '23	9.73	-1bp	+37bp	-78bp	+68bp

Notes: [1] banks' account balance at NBU; [2] certificates of deposits issued by NBU; [3] UAH sovereign bonds due next 30 days; [4] residents; [5] non-residents; [6] VAT bond.

Sources: Bloomberg, Investment Capital Ukraine LLC.

DTEK's EBITDA declines 12% in 2013

According to its 2013 audited financial results released yesterday, DTEK's EBITDA declined 11.7% in 2013. The company's revenues increased 12.4% to UAH98.2bn, while net profit dropped 44% YoY to UAH3.3bn. Management stated the company will focus on ensuring its stable operations, improving efficiency, and concentrating investments in the most promising areas, which include gas production and the reconstruction of power units.

Investment implications: DTEK's declining profitability came as a result of a one-off income from the heat tariff compensation difference for previous periods recognized earlier in 2012. Also, DTEK's costs outpaced its revenue growth as rising coal production and trading costs diminished the profit margin amidst weak domestic and global coal prices combined with lower demand for electricity in Ukraine. The company faces a challenging 2014, particularly as we expect Ukrainian demand for electricity and coal to decline further while the export markets for coal and electricity remain feeble.

Table 2. DTEK Eurobond quotation as of market close, 16 April 2014

Issuer	Moody's/S&P/Fitch	Ccy	Volume	Coupon rate (%)	Maturity	Price (%)	YTW (%)	Spread (bp)
DTEK	Caa2/--/CCC	USD	500m	9.50	28-Apr-15	89.625	22.387	2,213
DTEK	Caa2/--/CCC	USD	750m	7.875	04-Apr-18	81.375	14.195	1,256

Source: Bloomberg

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Chart page: Local bond market & Eurobond markets

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

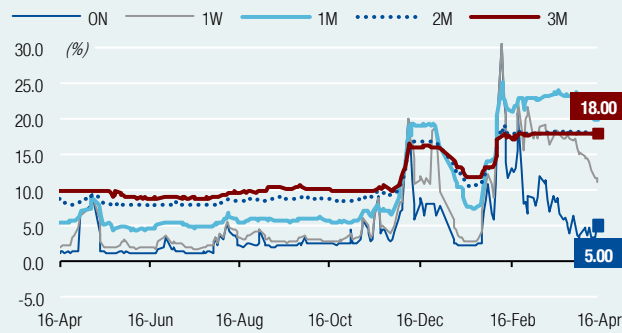


Chart 2. UAH NDF implied yields (%), last 12-month period



Chart 3. UAH sovereign yield curve (%) as of 16 Apr 2014

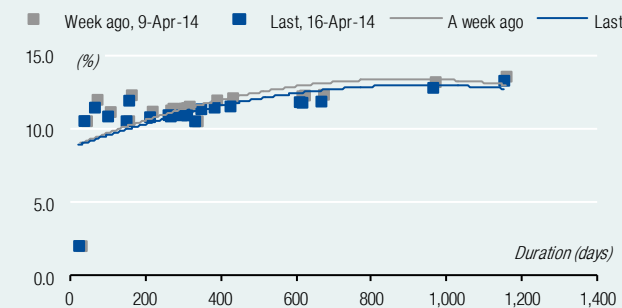


Chart 4. USD sovereign yield curve (%) as of 16 Apr 2014

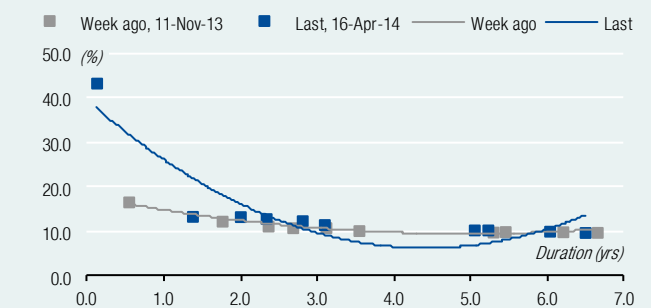


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

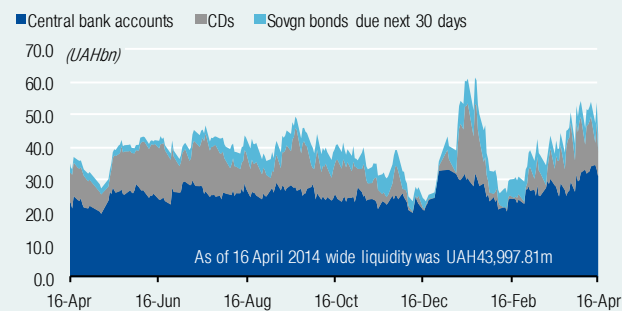


Chart 6. Breakdown of liquidity pool (%) as of 16 Apr 2014

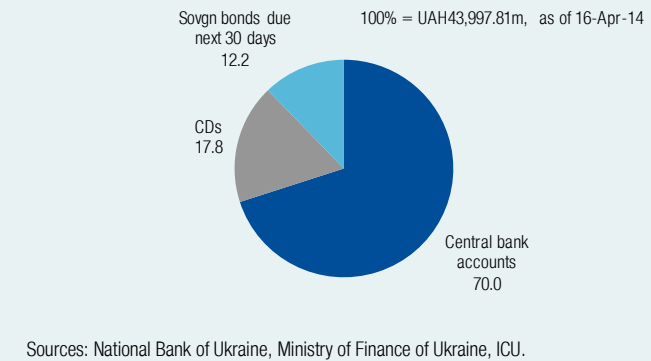


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

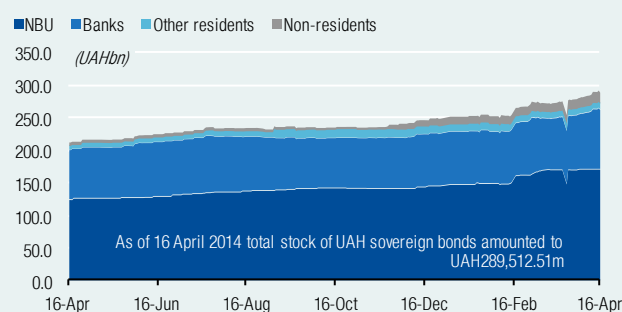
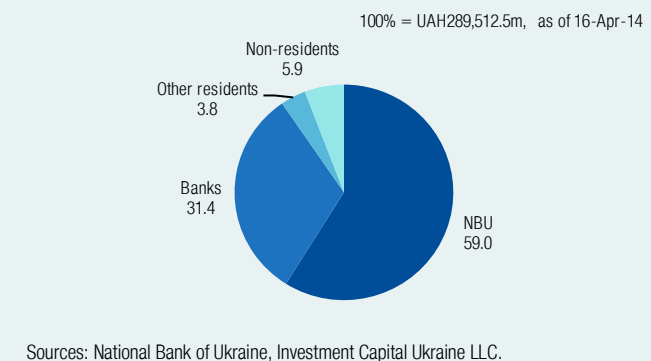


Chart 8. Domestic sovereign debt (%) as of 16 Apr 2014



FX: News & Comments

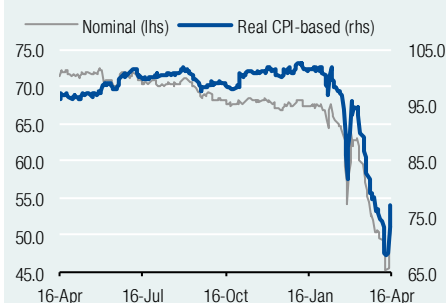
UAH recovers after NBU moves

After increasing the interbank interest rate, the NBU sanctioned 14 banks for alleged FX market manipulation by threatening to revoke their banking licenses. This appears to have calmed the interbank FX market to the extent that depositors at bank branches were eager to sell US dollars for UAH. Yesterday, the USD/UAH rate rose 5.04% on the US\$0.30bn in volume. The UAH's real trade-weighted value rose 5.13%.

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ICU's UAH trade-weighted indices

(Last 12-month history to 17 Apr 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 16 Apr 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	11.3000	-5.04	-7.00	+16.49	+37.14
NBU avg	11.3961	-7.99	-4.06	+18.70	+39.82
Ttt vlm ¹	393.55	-5.61	+7.12	-57.02	-85.96
\$ volume ²	300.32	-4.89	+9.03	-57.99	-86.42
NDF 3M	12.7350	-2.97	+0.67	+15.40	+50.09
NDF 6M	13.1250	-1.69	+2.00	+11.23	+49.49
NDF 1Y	14.2750	-0.52	+4.44	+16.06	+51.54
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	51.150	+5.13	+8.22	-14.60	-24.27
UAH real CPI	76.898	+5.13	+8.22	-14.60	-23.93
UAH real PPI	105.769	+5.13	+8.22	-14.60	-23.79
USD nom'l	79.803	+0.00	+0.40	+0.45	-0.29
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	35.9947	-0.52	+0.96	-1.74	+9.51
EUR/USD	1.3816	+0.01	-0.28	-0.70	+0.53
USD/CNY	6.2220	+0.02	+0.35	+1.17	+2.77
USD/PLN	3.0317	+0.00	+0.89	-0.19	+0.29
USD/TRY	2.1366	-0.27	+1.56	-3.44	-0.54
USD/BYR	9,968.00	+0.08	+0.59	+1.30	+4.49
USD/KZT	182.0400	-0.01	+0.00	-0.38	+18.00
OTHER MAJOR CURRENCIES					
USD/JPY	102.2300	+0.30	+0.23	+0.86	-2.92
GBP/USD	1.6797	+0.40	+0.02	+0.90	+1.45
USD/CHF	0.8818	+0.19	+0.25	+1.08	-1.24
AUD/USD	0.9371	+0.10	-0.21	+3.80	+5.09
USD/CAD	1.1011	+0.30	+1.21	-0.85	+3.65
USD/BRL	2.2434	+0.48	+2.58	-4.40	-5.03
USD/KRW	1,037.75	-0.28	-0.36	-3.27	-1.15
COMMODITIES					
Gold(\$/oz)	1,302.55	-0.01	-0.70	-5.82	+8.04
WTI crude ³	103.76	+0.01	+0.15	+4.92	+5.43
Brent crd ³	109.47	+0.64	+1.99	+1.01	-1.22
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	309.72	+0.16	+0.06	+2.26	+10.55

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)

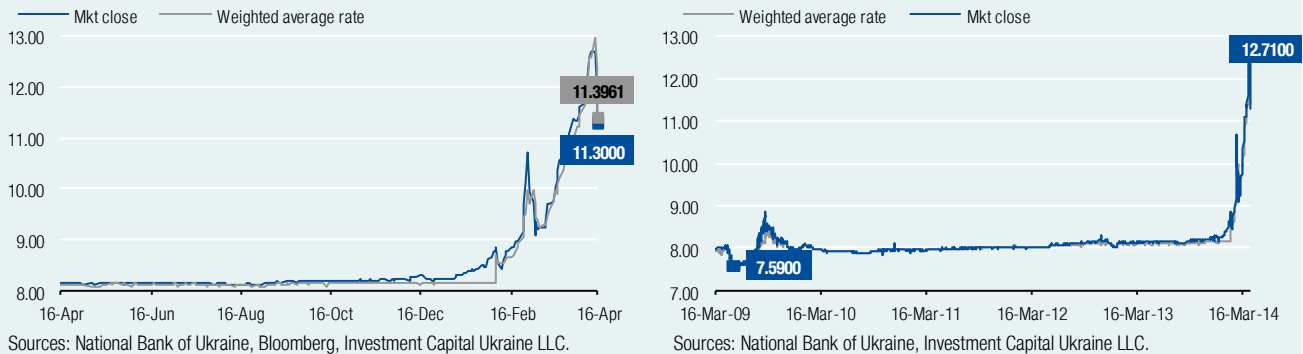


Chart 10. NDF market rates USD/UAH: last 12-month and 5-year periods (UAH per USD, left and right respectively)

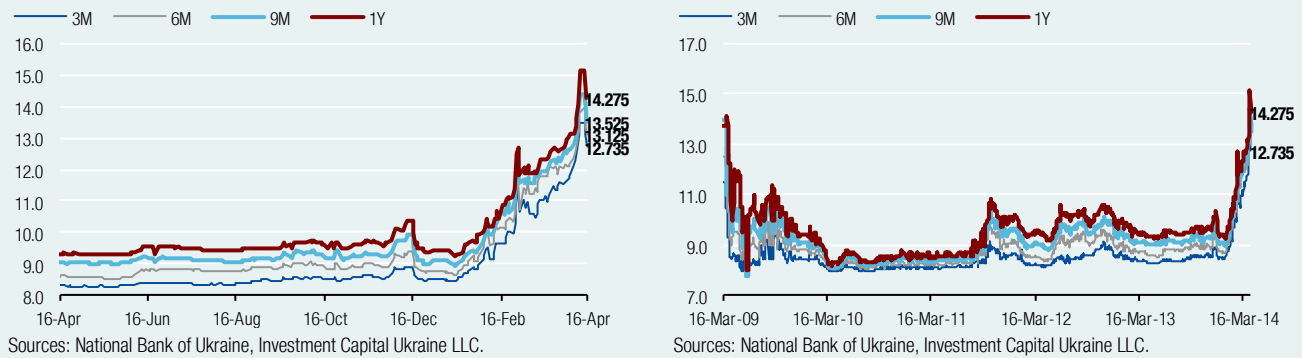


Chart 11. Trading volume: last 12-month and 5-year periods (US\$m, left and right respectively)

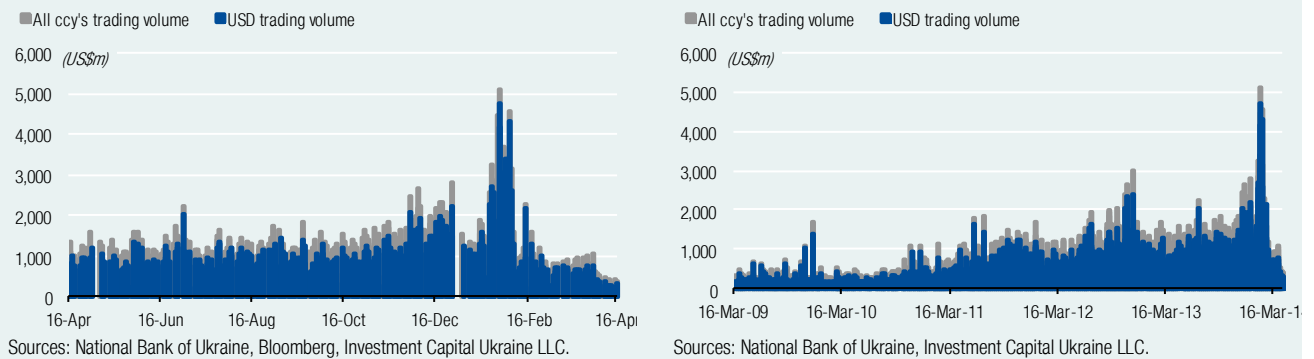


Chart 12. 30D MA* ratio of FX market turnover to merchandise trade: last 12m and 5yr periods (% , left and right respectively)

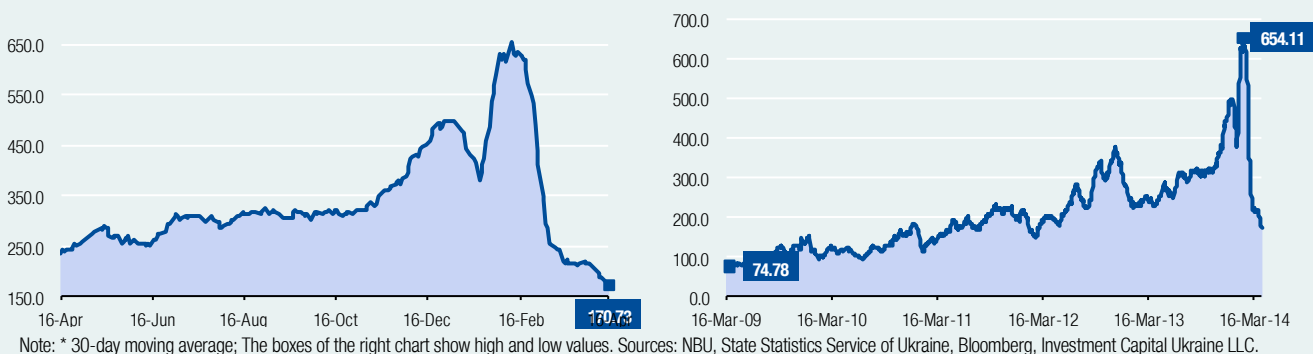
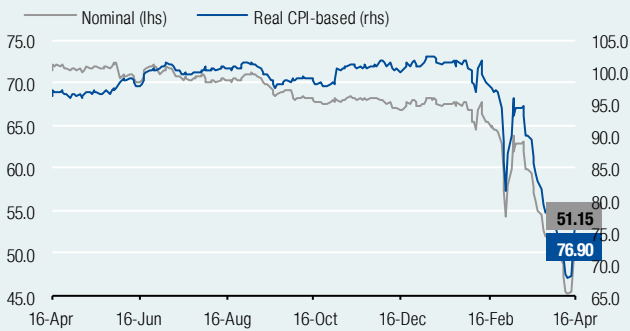


Chart page #2: ICU's UAH trade-weighted indices

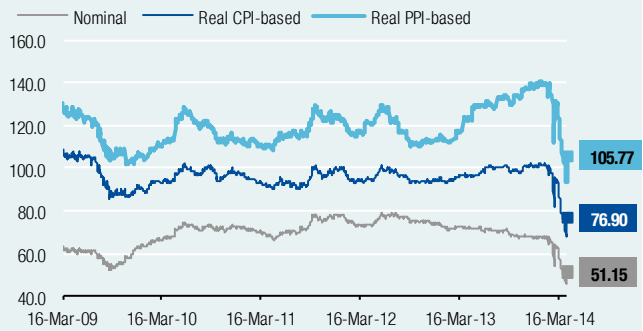
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



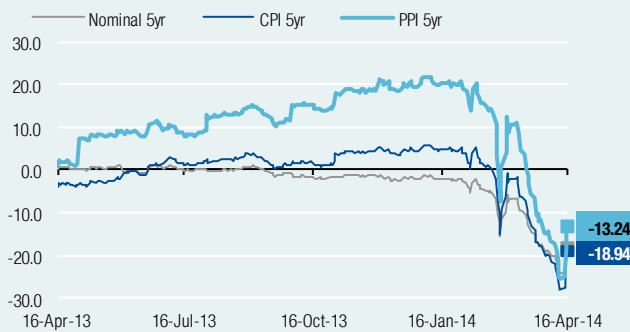
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

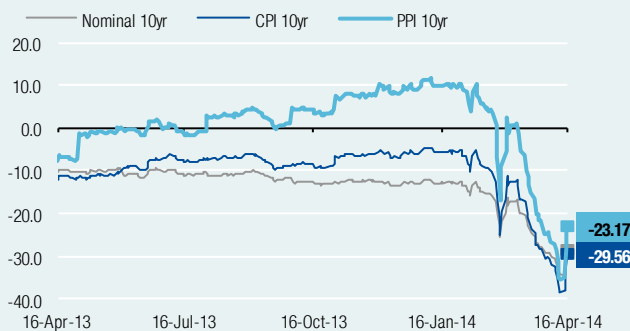


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

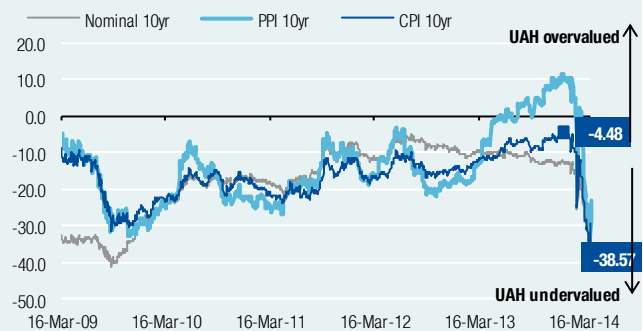


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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

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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