


INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

Biden's visit to Kiev; Liquidity up; YTM's increase; UAH drops sizably

WEDNESDAY, 23 APRIL, 2014

RESEARCH INSIGHT

Contents

Economics: News & Comments	2
Biden's visit to Kiev: All talk	2
Russian PM Medvedev's speech to the Duma: Sanctions evaluated	2
Bonds: News & Comments	5
Liquidity rises slightly	5
Yields increase	5
Chart page: Local bond market & Eurobond markets	6
FX: News & Comments	7
UAH drops sizably on heightened security risk	7
Chart page #1: Foreign-exchange market	8
Chart page #2: ICU's UAH trade-weighted indices	9

UX Index (3 months to 23 Apr 2014)



Key market indicators (as of 22 Apr 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	11.7500	+3.98	+42.60
USD/UAH (1Y NDF)	14.2600	+1.49	+51.38
EUR/USD	1.3805	+0.09	+0.45
USD/RUB	35.6912	-0.01	+8.58
KievPRIME O/N (%)	5.05	-45bp	-275bp
KievPRIME 1M (%)	19.38	-32bp	+313bp

BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	-8,900bp	-8,900bp
Ukraine 17, Eurobond (%)	11.87	+5bp	+231bp
Ukraine 22, Eurobond (%)	9.88	-14bp	+53bp
Ukraine 23, Eurobond (%)	9.65	+0bp	+60bp
Ukraine 5Y CDS	1,121bp	-4bp	+304bp

EQUITIES

Stock market indices

UX (Ukraine)	1,128.88	+2.10	+24.05
MSCI World	413.41	+0.49	+1.19
MSCI EM	1,008.72	-0.20	+0.60
RTS (Russia)	1,178.81	-0.77	-18.29
WIG-20 (Poland)	2,459.30	+1.04	+2.43
S&P 500 (USA)	1,879.55	+0.41	+1.69

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

KER PW	5.14	61.9% of total ¹
FXPO LN	1.38	16.6%
MHPC LI	0.47	5.7%

GAINERS: Top 3 stocks (in listed currency)

AGT PW	PLN 2.55	+18.06	+30.77
CLE PW	PLN 1.40	+9.38	+33.33
DOEN UK	UAH 45.85	+8.19	+66.18

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. 3; green- or red-shaded box means gain or loss, respectively, of the index or security.

Sources: Bloomberg, UX, Investment Capital Ukraine LLC.

Economics: News & Comments

Biden's visit to Kiev: All talk

US Vice President Joe Biden's visit to Kiev yesterday was largely symbolic in showing the US's support to Ukraine's government in its escalated fight with the Kremlin. As massive troops are encamped on Ukraine's border, Russian leadership denies that it has sent soldiers into Ukraine, Kiev's internal sources have already identified a number of agitators in Donetsk and other eastern Ukrainian town as members of Russian army special operations squads. Biden met with Ukraine's top politicians, including leaders of Crimean tatars, an ethnic group that represents the core population of the annexed peninsula. Mustafa Dzhemilev, a highly authoritative figure of the Crimean tatars leader not only in Crimea but on the mainland, was reportedly handed a message from Russian authorities yesterday that informed him that he has been banned from entering Russia, i.e. Crimea, for five years. Such a disdainful reaction of Russian authorities to Dzhemilev's decision to attend the meetings with Biden were the consequence of his brave disavowal of Russian authorities' claims to rule the peninsula. While Biden pledged his full support of the political process for the upcoming presidential elections to be held next month, he also was quite blunt about calling them to end political corruption. While politicians have vowed to change their behavior, ultimately corruption continues unchanged. Meanwhile, pro-Kremlin armed squads refuse to accept any form of compromise, particularly the recent Geneva accord, quoting apparent Kremlin propaganda. In late evening, acting president Turchinov called on military and security services personnel to resume anti-terrorist operations that had been suspended by the Geneva accord as a necessary response to the militarist squads in Donetsk that utilized lethal weapons. According to Turchinov, a military airplane that was making a security observation flight over Sloviansk was fired upon by pro-Kremlin military squads. Moreover, two tortured people were found drowned in the Donetsk oblast near Sloviansk, including a pro-Ukrainian activist and a native of the Donetsk oblast who was a member of the city council of Gorlovka, another city similar to Sloviansk. In sum, the stand-off between Ukraine and Russia is deteriorating, and Russia is exploiting the "civil war" rhetoric as a possible excuse to cross the Ukrainian border.

Russian PM Medvedev's speech to the Duma: Sanctions evaluated

In his address to the Duma (Russia's legislature) yesterday, PM Medvedev reported Russia's 2013 performance results. While Russian media reported that Putin reviewed the results with Medvedev several days ago, the key message of the report was about the challenge to the economy posed by foreign sanctions. Medvedev's stance was that sanctions would strengthen the Russian economy by reviving domestic production as import substitutions unfold. In our view, such a projection is dubious as Russian textile manufacturing, for example, can hardly replace imported textiles. The same is true for other consumer goods sectors. However, this strategy by the Kremlin supports the intermediate process of internal devaluation needed by the Russian economy that lost a substantial amount of external competitiveness (as depicted by the BIS data on REERs). This strategy of eliminating competition and defending local producers (although they are inefficient and noncompetitive) is a more efficient and expedient means of balancing the Russian economy which would otherwise require further devaluation, which would prove both socially painful exercise and unacceptable to the Kremlin. Hence, the Kremlin welcomes the sanctions and its stance on Ukraine would not thaw in the near-term.

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Table 1. Ukrainian stocks (closing prices as of 22-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	9.75 GBP	+6.8	+4.0	-6.0	-27.8	0.16	37.9	-25.2	40.2	15.2	3.9	8.4	0.06	1,606	Neg.	Neg.	Neg.	3.8	3.9	7.9	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	5.99 UAH	+2.4	+13.2	+25.6	+49.4	0.51	189.3	243.7	21.7	41.1	110.8	103.1	0.38	262	9.5	5.1	7.5	0.4	3.7	3.3	0.3	0.3	0.3	0.9	12.2
Coal Energy	CLE PW	Warsaw	1.40 PLN	+9.4	-6.7	+33.3	-48.1	0.46	20.8	115.1	25.0	5.2	244.1	335.1	3.18	31	Neg.	Neg.	5.2	5.1	14.4	4.0	0.9	1.1	1.0	0.2	39.8
Donbasenergo	DOEN UK	Kiev, UX	45.85 UAH	+8.2	+17.9	+66.2	+131.6	3.92	92.8	133.4	14.2	13.2	21.9	36.5	0.27	375	35.0	1.3	2.8	0.5	1.0	1.7	0.3	0.2	0.2	1.6	17.8
JKX Oil & Gas	JKX LN	London	57.50 GBP	-0.9	-2.5	-19.6	-12.9	0.97	166.2	172.7	47.2	78.4	11.7	92.6	0.16	620	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	+0.0	-6.8	-21.2	-57.5	0.17	55.3	28.5	80.9	44.7	10.5	7.8	0.02	5,229	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	0.85 PLN	+4.9	+4.9	+60.4	-11.5	0.28	12.1	51.8	25.0	3.0	62.3	114.3	2.91	34	Neg.	N/A	N/A	7.7	N/A	N/A	1.3	N/A	N/A	0.3	42.4
Zakhidenergo	ZAEN UK	Kiev, PFTS	132.00 UAH	+7.3	+7.1	+46.0	+55.5	11.30	144.5	121.7	5.0	7.2	0.0	5.5	0.05	1,843	2.9	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	0.03 UAH	-0.9	-7.1	-11.9	-21.0	0.00	75.4	1,276.7	3.9	2.9	14.5	10.2	0.48	211	Neg.	N/A	N/A	N/A	N/A	N/A	1.0	N/A	N/A	N/A	64.5
Avdiyivsky Cok...	AVDK UK	Kiev, UX	3.09 UAH	+4.6	+3.1	+4.4	-0.9	0.26	51.6	48.5	4.0	2.1	9.6	14.8	0.89	113	Neg.	Neg.	2.0	Neg.	1.3	0.7	0.1	0.1	0.1	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.70 UAH	+0.0	+0.7	+4.5	+20.5	0.06	251.8	244.7	4.1	10.3	1.7	11.6	0.14	721	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	155.00 GBP	+3.2	+7.8	-16.6	-5.7	2.61	1,535.4	2,196.6	22.4	343.9	1,381.5	3,733.9	0.69	146	5.9	6.2	7.5	4.4	4.7	5.3	1.4	1.4	1.4	0.9	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.75 UAH	+0.0	+5.6	+41.5	+29.8	0.06	17.6	18.8	9.0	1.6	0.0	1.6	0.09	1,140	3.0	1.6	1.0	0.1	0.8	0.6	0.1	0.1	0.0	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	34.73 UAH	-1.2	-0.1	+8.5	+5.1	2.97	31.4	26.9	9.4	2.9	0.0	13.0	0.52	192	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	1.07 EUR	-2.7	-6.1	-13.7	-33.1	1.48	136.7	164.1	34.0	46.5	9.6	38.2	0.11	889	Neg.	N/A	N/A	Neg.	N/A	N/A	2.5	N/A	N/A	1.1	35.9
Agroliga	AGL PW	Warsaw	17.94 PLN	+6.2	-6.6	-30.8	+20.7	5.92	9.1	10.0	16.7	1.5	13.8	13.4	0.37	269	2.1	N/A	N/A	2.9	N/A	N/A	0.5	N/A	N/A	0.7	5.7
Agroton	AGT PW	Warsaw	2.55 PLN	+18.1	-15.6	+30.8	+5.8	0.84	18.2	65.6	26.2	4.8	438.1	530.3	6.22	16	2.7	3.8	2.5	4.6	7.0	4.2	0.7	1.0	0.8	0.1	28.0
Astarta Holdin...	AST PW	Warsaw	40.90 PLN	+3.2	-8.5	-38.9	-16.2	13.50	337.5	669.5	31.0	104.7	162.7	184.5	0.17	601	5.4	8.6	4.3	7.6	9.2	4.5	1.4	1.7	1.2	0.6	38.9
Avangard	AVGR LI	London Intl	9.51 USD	-2.2	-2.1	-19.1	+9.3	9.51	607.1	773.5	21.7	131.7	33.5	328.9	0.22	458	2.6	3.0	2.7	2.8	2.8	2.7	1.2	1.1	1.1	0.5	22.3
IMC	IMC PW	Warsaw	8.72 PLN	+2.6	+3.2	-28.2	-34.1	2.88	90.1	206.3	23.9	21.5	49.0	119.7	0.25	394	4.8	4.8	3.1	5.7	4.9	3.8	2.7	1.4	1.0	0.7	33.0
Kernel Holding...	KER PW	Warsaw	30.05 PLN	+4.3	+4.3	-21.1	-39.8	9.92	790.3	1,813.5	58.8	464.5	5,143.6	2,831.7	0.56	179	7.1	9.7	4.3	6.2	6.6	5.0	0.6	0.8	0.7	0.6	30.6
KSG Agro	KSG PW	Warsaw	5.14 PLN	+6.0	-9.2	-52.6	-43.9	1.70	25.5	147.3	34.4	8.8	12.9	19.4	0.24	419	3.1	2.1	2.1	34.9	5.0	4.1	4.0	2.1	1.4	0.3	29.2
MHP	MHPC LI	London Intl	11.80 USD	-1.7	-8.9	-30.8	-33.0	11.80	1,246.9	2,430.3	22.3	278.3	471.1	1,200.1	0.33	305	8.0	5.2	3.9	6.2	4.9	4.5	1.6	1.6	1.4	1.0	47.0
Milkiland	MLK PW	Warsaw	7.31 PLN	-2.4	-6.6	-41.5	-34.2	2.41	75.4	211.5	20.0	15.1	3.8	12.7	0.04	2,528	4.3	3.6	4.1	5.9	4.8	3.9	0.5	0.5	0.5	0.3	29.9
Mriya Agrohold...	MAYA GF	Frankfurt	4.55 EUR	+0.0	-16.9	-15.8	+4.7	6.29	668.2	1,400.0	20.0	133.6	0.0	1.7	0.00	68,957	3.8	4.7	7.7	6.1	5.5	5.2	4.0	3.8	3.3	0.8	34.8
Ovostar Union	OVO PW	Warsaw	70.00 PLN	+1.4	+4.5	-30.0	-14.6	23.10	138.6	150.7	25.0	34.7	3.7	33.6	0.06	1,772	5.9	5.3	3.7	5.4	5.4	3.4	2.1	1.8	1.4	1.3	3.7
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	13.23 PLN	-0.2	-1.9	-57.9	-63.5	4.37	40.6	24.6	10.9	4.4	1.1	2.7	0.13	759	3.2	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	0.17 EUR	+0.0	-45.2	-46.4	-57.7	0.24	12.2	171.5	13.1	1.6	0.0	0.1	0.01	7,651	Neg.	N/A	N/A	Neg.	N/A	N/A	7.9	N/A	N/A	0.1	44.1
FINANCIAL SERVICES																											
Forum Bank	FORM UK	Kiev, UX	0.73 UAH	+0.0	+192.8	-3.7	+26.2	0.06	37.2	N/A	5.5	2.0	0.2	1.4	0.06	1,742	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.3	18.6
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.18 UAH	+2.7	+19.5	+59.0	+78.4	0.02	463.0	N/A	3.8	17.7	90.2	59.1	0.33	306	17.0	7.2	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	0.8	28.3

Table 1. Ukrainian stocks (closing prices as of 22-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 (%)		
Ukrsotsbank	USCB UK	Kiev, UX	0.15 UAH	-2.4	-0.5	-18.9	+27.3	0.01	236.1	N/A	4.5	10.6	0.0	4.1	0.04	2,458	911.5	168.2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.3	30.9

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 rises slightly

Broader banking sector liquidity rose UAH0.71bn yesterday to UAH45.48bn, as banks' correspondent accounts with the NBU declined UAH0.09bn to UAH31.38bn and total CDs outstanding slid only UAH0.32bn to UAH7.70bn. Total local currency debt repayments scheduled for the next 30 days rose UAH1.12bn to UAH6.418bn.

KyivPrime interest rates declined: KyivPrime ON interest rate declined 45bp to 5.05% while the KyivPrime 1M interest rate slid 32bp to 19.38%.

Investment implications: Liquidity declined despite significant inflows from the NBU via bond purchases. However, the broader indicator shows that the increase was only due to higher future debt repayments which will be repaid in a month.

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Yields increase

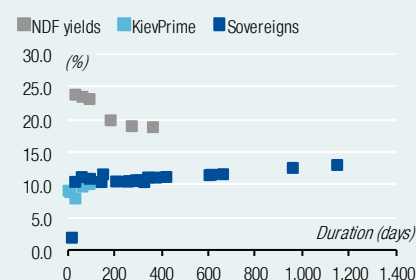
The yield curve of Ukrainian Eurobonds moved to the range of 9.54-13.05%, as UKRAIN 6.875% '15 rose 1bp to 1305%, UKRAIN 9.25% '17 rose 40bp to 12.20%, UKRAIN 7.95% '21 was up 11bp to 10.39%, while UKRAIN 7.80% '22 and UKRAIN 7.50% '23 rose 19bp and 23bp to 10.10% and 9.54%, respectively. The 5-year CDS slid yesterday to 1,121bp.

Investment implications: Yields continued to be volatile and investors view Ukrainian Eurobonds as very risky without new external financing of the state budget. The situation looks like investors merely adjusted their portfolios to replace one Eurobond with another.

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Yield curve of the local bond market

(as of market close on 22 Apr 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 22 Apr 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
O/n	5.05	-45bp	-35bp	-175bp	-275bp
1wk	10.13	-97bp	-171bp	-759bp	+33bp
1m	19.38	-32bp	-62bp	-432bp	+313bp
2m	18.13	-7bp	-17bp	-17bp	+173bp
3m	18.00	+0bp	-4bp	-4bp	+200bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	31,378	-0.29	-5.21	+8.51	-4.05
CDs ²	660	-91.85	-95.48	-94.43	-56.58
Sovgns ³	6,547	+21.65	+7.15	+76.97	+337.9
Total	38,585	-14.16	-28.32	-13.21	+8.03
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	172,147	+0.86	+0.85	+1.45	+18.84
Banks	84,984	-1.82	-9.13	+4.68	+6.01
Resid's ⁴	10,749	+0.01	-2.24	-2.27	-13.29
Non-res ⁵	15,673	-0.18	-11.22	+9.15	+33.97
Total	283,554	-0.05	-3.18	+2.65	+13.82
NDF IMPLIED YIELDS (%)					
3m	44.59	-419bp	+309bp	+18bp	+32bp
6m	25.18	-386bp	+49bp	-503bp	+12bp
9m	21.51	-345bp	-32bp	-41bp	+750bp
1yr	22.03	+29bp	+78bp	+192bp	+704bp
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	1,121	-4bp	+29bp	-62bp	+304bp
Jun '16	12.61	+24bp	+47bp	-51bp	+372bp
Jul '17	11.87	+5bp	-40bp	-125bp	+231bp
Sep '20	10.24	-6bp	-7bp	-43bp	+104bp
Sep '21	10.24	-4bp	-8bp	-42bp	+102bp
Sep '22	9.88	-14bp	-19bp	-31bp	+53bp
Feb '23	9.65	+0bp	-9bp	-31bp	+60bp

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

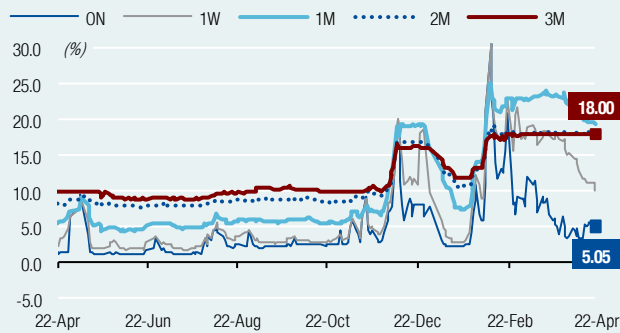


Chart 2. UAH NDF implied yields (%), last 12-month period



Chart 3. UAH sovereign yield curve (%) as of 22 Apr 2014

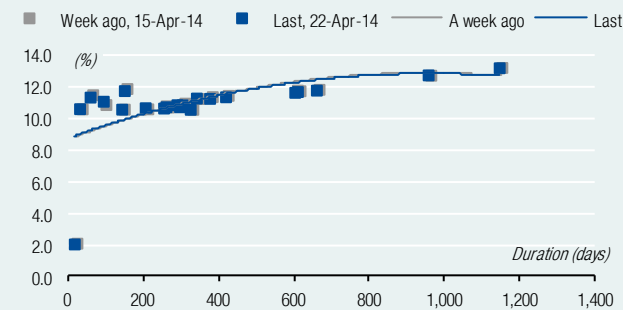


Chart 4. USD sovereign yield curve (%) as of 22 Apr 2014

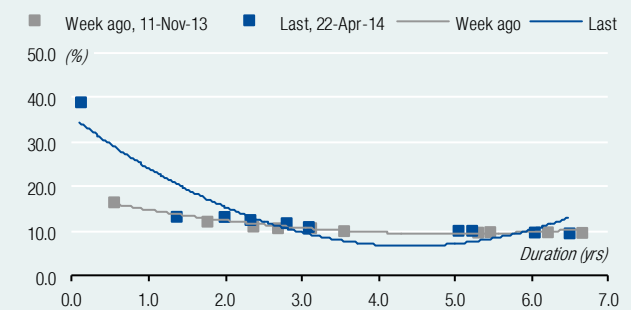


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

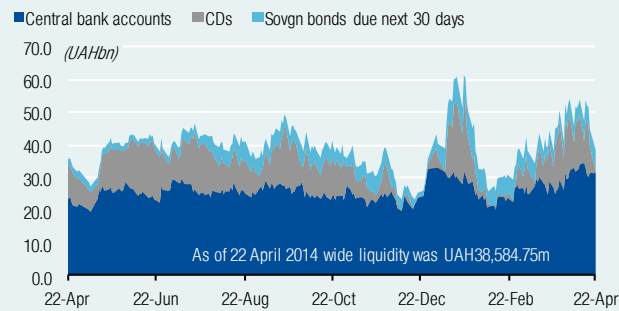


Chart 6. Breakdown of liquidity pool (%) as of 22 Apr 2014

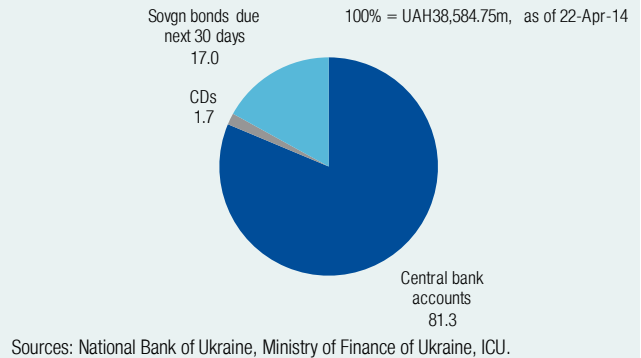


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

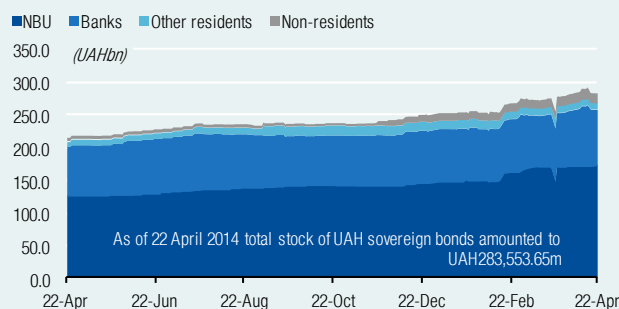
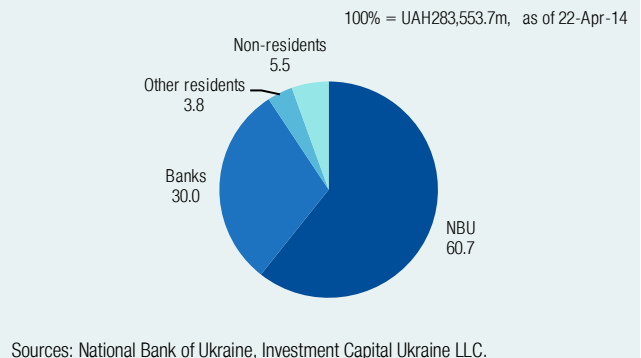


Chart 8. Domestic sovereign debt (%) as of 22 Apr 2014



FX: News & Comments

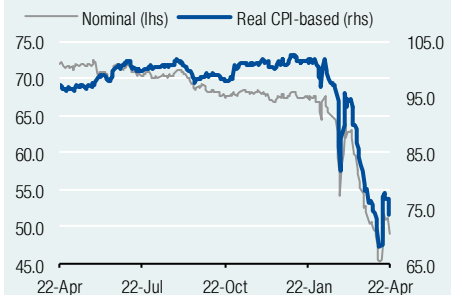
UAH drops sizably on heightened security risk

The hryvnia dropped a quite sizable 3.98% yesterday to close at 11.7500/USD on US\$0.22bn in trading, primarily as a market reaction to the deterioration of the Ukraine-Russia stand-off in the Donestk oblast, the current epicenter of a pro-Kremlin militarist secret squad sent to undermine Ukraine's authorities. The UAH's real TWI was down 3.82% on Tuesday, extending the year-to-date decline to 27.00%.

Alexander Valchyshen, Kiev, +38044 2200120 ext.242

ICU's UAH trade-weighted indices

(Last 12-month history to 23 Apr 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 22 Apr 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	11.7500	+3.98	-1.26	+11.37	+42.60
NBU avg	11.2475	+0.18	-9.19	+10.31	+37.99
Ttl vlm ¹	338.97	-16.53	-18.70	-64.08	-87.90
\$ volume ²	215.99	-33.42	-31.59	-68.03	-90.23
NDF 3M	13.0500	+3.28	-0.57	+16.00	+53.80
NDF 6M	13.2100	+1.80	-1.05	+8.95	+50.46
NDF 1Y	14.2600	+1.49	-0.63	+13.17	+51.38
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	49.086	-3.82	+0.89	-10.90	-27.32
UAH real CPI	73.795	-3.82	+0.89	-10.90	-27.00
UAH real PPI	101.500	-3.82	+0.89	-10.90	-26.87
USD nom'l	79.905	-0.05	+0.13	-0.25	-0.16
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	35.6912	-0.01	-1.36	-1.52	+8.58
EUR/USD	1.3805	+0.09	-0.07	+0.08	+0.45
USD/CNY	6.2370	+0.15	+0.26	+0.18	+3.02
USD/PLN	3.0354	+0.18	+0.12	-0.23	+0.41
USD/TRY	2.1414	+0.35	-0.05	-4.15	-0.32
USD/BYR	9,973.00	-0.07	+0.13	+1.09	+4.54
USD/KZT	182.0500	+0.00	+0.00	-0.14	+18.01
OTHER MAJOR CURRENCIES					
USD/JPY	102.6200	+0.00	+0.69	+0.36	-2.55
GBP/USD	1.6824	+0.19	+0.56	+2.05	+1.61
USD/CHF	0.8850	-0.01	+0.56	+0.24	-0.88
AUD/USD	0.9367	+0.42	+0.05	+3.15	+5.05
USD/CAD	1.1026	+0.15	+0.44	-1.74	+3.79
USD/BRL	2.2377	+0.04	+0.22	-3.76	-5.27
USD/KRW	1,037.64	-0.14	-0.29	-3.96	-1.16
COMMODITIES					
Gold(\$/oz)	1,283.79	-0.47	-1.45	-3.81	+6.48
WTI crude ³	102.13	-2.15	-1.56	+2.17	+3.77
Brent crd ³	109.41	-0.52	+0.59	+2.33	-1.27
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	311.21	+0.21	+0.64	+3.94	+11.08

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)

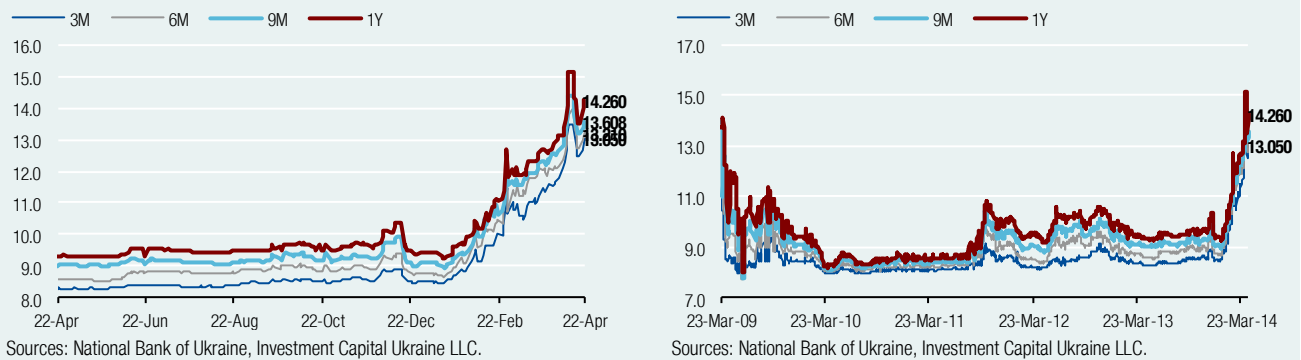


Chart 11. Trading volume: last 12-month and 5-year periods (US\$m, left and right respectively)

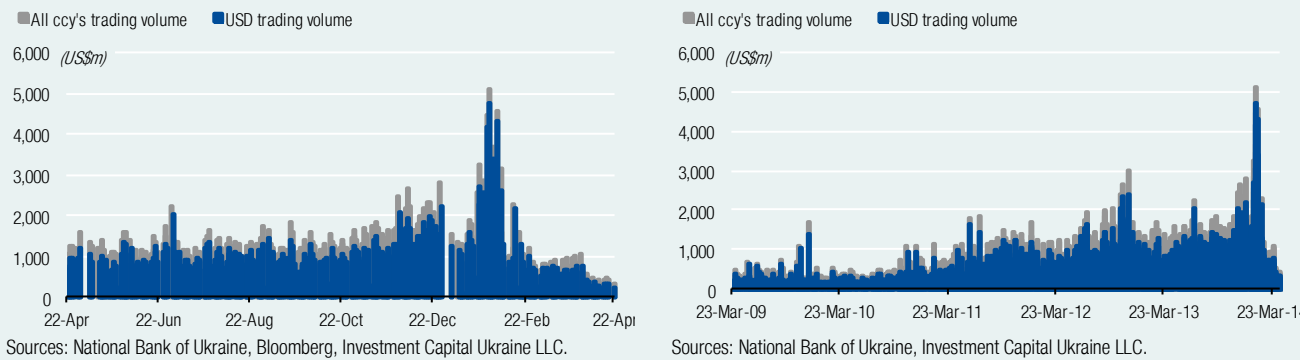


Chart 12. 30D MA* ratio of FX market turnover to merchandise trade: last 12m and 5yr periods (% , left and right respectively)

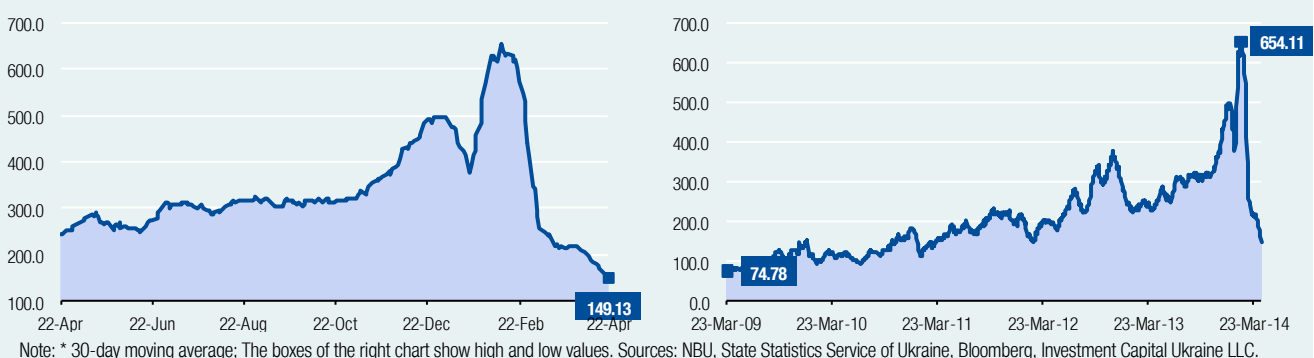
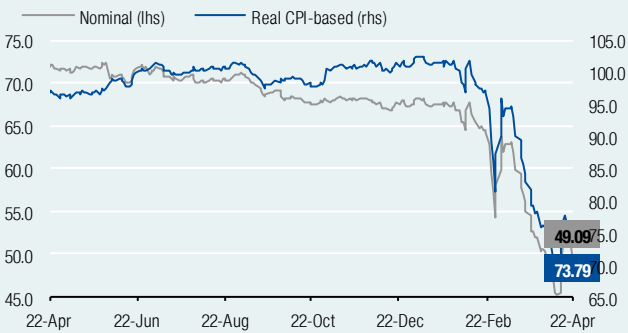


Chart page #2: ICU's UAH trade-weighted indices

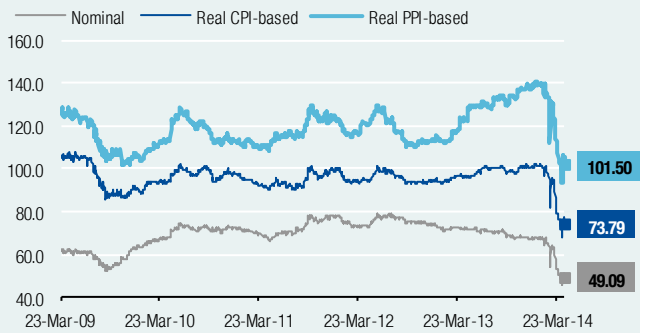
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

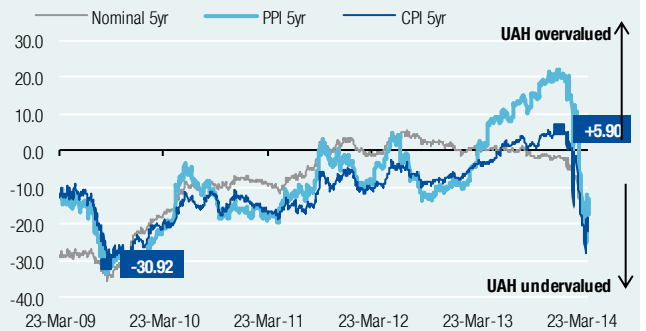


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

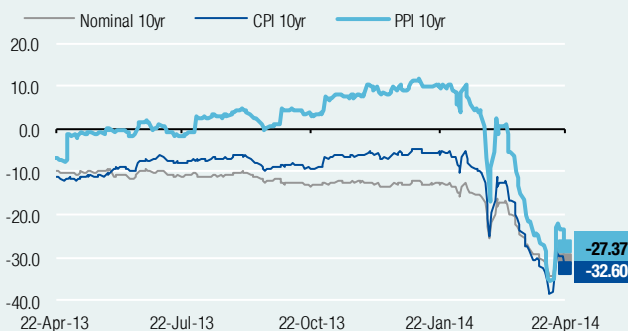


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

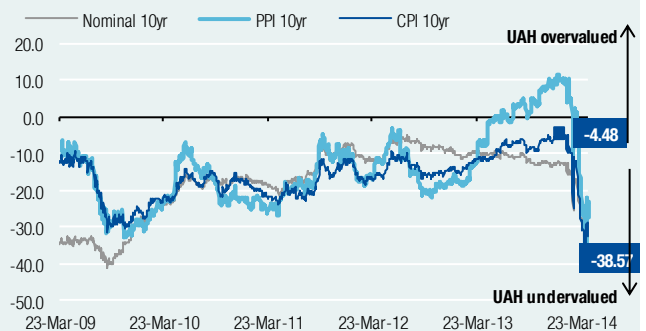


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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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