


INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

IMF backs US\$17bn lending program; Liquidity down;
 Unscheduled primary auction; UAH trading less volatile

THURSDAY, 24 APRIL, 2014

RESEARCH INSIGHT

Contents

Economics: News & Comments	2
IMF backs US\$17bn lending program	2
Bonds: News & Comments	5
Liquidity declines despite inflows	5
Yields increase	5
Unscheduled primary auction announcement	5
Chart page: Local bond market & Eurobond markets	6
FX: News & Comments	7
UAH trading less volatile	7
Chart page #1: Foreign-exchange market	8
Chart page #2: ICU's UAH trade-weighted indices	9

UX Index (3 months to 24 Apr 2014)



Key market indicators (as of 23 Apr 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	11.5500	-1.70	+40.17
USD/UAH (1Y NDF)	14.1300	-0.91	+50.00
EUR/USD	1.3817	+0.09	+0.54
USD/RUB	35.6775	-0.04	+8.54
KievPRIME O/N (%)	5.24	+19bp	-256bp
KievPRIME 1M (%)	19.30	-8bp	+305bp

BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	-8,900bp	-8,900bp
Ukraine 17, Eurobond (%)	12.36	+49bp	+280bp
Ukraine 22, Eurobond (%)	10.16	+28bp	+81bp
Ukraine 23, Eurobond (%)	9.87	+22bp	+82bp
Ukraine 5Y CDS	1,168bp	+47bp	+351bp

EQUITIES

Stock market indices

UX (Ukraine)	1,142.33	+1.19	+25.53
MSCI World	412.60	-0.20	+0.99
MSCI EM	1,003.79	-0.49	+0.11
RTS (Russia)	1,171.99	-0.58	-18.77
WIG-20 (Poland)	2,453.48	-0.24	+2.19
S&P 500 (USA)	1,875.39	-0.22	+1.46

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

MHPC LI	13.19	72.6% of total ¹
KER PW	3.21	17.7%
FXPO LN	0.98	5.4%

GAINERS: Top 3 stocks (in listed currency)

ZAEN UK	UAH 137.00	+3.79	+51.55
CEEN UK	UAH 6.18	+3.12	+29.55
DOEN UK	UAH 46.98	+2.46	+70.28

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

IMF backs US\$17bn lending program

IMF directors backed the requested two-year US\$17bn lending program yesterday, Bloomberg reported. Authorities set a path for economic changes that would balance Ukraine's unstable economy, remedy monetary and fiscal issues, and revitalize the banking sector through stress-testing and capitalisation. If the first tranche of US\$3bn arrives this week, FX reserves would end this month with surplus funds rather than a US\$1bn decline that would result from external debt repayments.

Alexander Valchyshen, Kiev, +38044 2200120 ext.242

Table 1. Ukrainian stocks (closing prices as of 23-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	9.20 GBP	-5.6	-1.9	-11.3	-32.5	0.15	35.7	27.4	40.2	14.3	35.5	8.4	0.08	1,274	Neg.	Neg.	Neg.	4.2	4.2	8.6	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	6.18 UAH	+3.1	+15.0	+29.6	+54.3	0.53	195.9	250.4	21.7	42.5	117.3	108.2	0.34	292	9.8	5.2	7.7	0.4	3.8	3.4	0.3	0.4	0.3	0.9	12.2
Coal Energy	CLE PW	Warsaw	1.38 PLN	-1.4	-8.0	+31.4	-57.9	0.46	20.5	114.8	25.0	5.1	141.1	326.7	3.26	31	Neg.	Neg.	5.1	5.1	14.3	4.0	0.9	1.1	1.0	0.2	39.8
Donbasenergo	DOEN UK	Kiev, UX	46.98 UAH	+2.5	+16.2	+70.3	+135.7	4.03	95.4	136.2	14.2	13.6	62.6	37.3	0.27	364	35.9	1.3	2.8	0.5	1.0	1.8	0.3	0.2	0.3	1.7	17.8
JKX Oil & Gas	JKX LN	London	56.75 GBP	-1.3	-3.0	-20.6	-14.7	0.95	163.6	170.1	47.2	77.2	19.2	89.5	0.16	614	25.2	12.6	5.9	2.6	2.0	1.9	0.9	0.9	0.8	0.3	5.5
Regal Petroleum	RPT LN	London	9.25 GBP	-9.8	-15.9	-28.8	-61.9	0.16	49.8	23.0	80.9	40.3	17.6	7.3	0.02	4,281	Neg.	N/A	N/A	1.0	N/A	N/A	0.6	N/A	N/A	0.2	0.0
Sadova Group	SGR PW	Warsaw	0.83 PLN	-2.4	+3.7	+56.6	-13.5	0.27	11.8	51.5	25.0	3.0	18.4	110.4	2.95	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	137.00 UAH	+3.8	+16.1	+51.5	+61.4	11.76	150.5	127.6	5.0	7.5	1.2	5.8	0.05	2,030	3.0	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	-0.3	-6.9	-12.1	-21.6	0.00	75.5	1,280.8	3.9	2.9	0.1	10.1	0.45	221	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	3.06 UAH	-1.0	+1.4	+3.4	-3.3	0.26	51.2	48.1	4.0	2.0	0.7	14.6	0.90	111	Neg.	Neg.	1.9	Neg.	1.3	0.7	0.1	0.1	0.1	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.69 UAH	-1.1	+1.2	+3.3	+18.7	0.06	249.8	242.6	4.1	10.2	0.5	11.5	0.12	808	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	153.30 GBP	-1.1	+9.0	-17.5	-9.7	2.57	1,514.7	2,175.8	22.4	339.3	979.1	3,647.9	0.68	147	5.8	6.1	7.4	4.3	4.7	5.2	1.4	1.4	1.4	0.9	35.1
Yenakievo Steel	ENMZ UK	Kiev, UX	34.99 UAH	+0.7	+1.7	+9.3	+4.3	3.00	31.7	27.2	9.4	3.0	0.9	13.1	0.46	217	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	1.06 EUR	-0.9	-7.8	-14.5	-32.9	1.46	135.3	162.7	34.0	46.0	12.1	37.9	0.11	896	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	+0.0	-6.6	-30.8	+24.4	5.92	9.1	10.0	16.7	1.5	0.4	13.3	0.35	285	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	2.47 PLN	-3.1	-17.1	+26.7	+2.9	0.81	17.7	65.0	26.2	4.6	180.0	509.9	6.29	16	2.6	3.7	2.4	4.6	6.9	4.2	0.7	1.0	0.8	0.1	28.0
Astarta Holdin...	AST PW	Warsaw	40.90 PLN	+0.0	-6.2	-38.9	-13.0	13.49	337.2	668.9	31.0	104.6	91.4	184.4	0.17	594	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	9.55 USD	+0.5	+4.6	-18.7	+11.0	9.55	610.0	776.3	21.7	132.4	58.6	331.2	0.22	461	2.6	3.1	2.7	2.8	2.9	2.7	1.2	1.1	1.1	0.5	22.3
IMC	IMC PW	Warsaw	8.70 PLN	-0.2	+3.6	-28.4	-33.8	2.87	89.8	215.0	23.9	21.4	3.9	119.3	0.25	401	3.4	3.1	1.7	4.3	4.0	2.7	1.9	1.1	0.7	0.6	38.7
Kernel Holding...	KER PW	Warsaw	30.27 PLN	+0.7	+7.3	-20.5	-40.1	9.98	795.5	1,818.8	58.8	467.6	3,209.1	2,879.6	0.58	173	7.1	9.8	4.3	6.3	6.6	5.0	0.7	0.8	0.7	0.6	30.6
KSG Agro	KSG PW	Warsaw	4.86 PLN	-5.4	-13.4	-55.2	-44.6	1.60	24.1	145.9	34.4	8.3	4.0	18.3	0.24	409	3.0	2.0	2.0	34.6	5.0	4.0	3.9	2.1	1.4	0.3	29.2
MHP	MHPC LI	London Intl	11.39 USD	-3.5	-13.4	-33.2	-39.4	11.39	1,203.5	2,387.0	22.3	268.6	13,193.8	1,359.7	0.58	172	7.7	5.0	3.8	6.1	4.9	4.4	1.6	1.5	1.4	1.0	47.0
Milkiland	MLK PW	Warsaw	7.25 PLN	-0.8	-5.7	-42.0	-35.3	2.39	74.7	210.6	20.0	14.9	1.7	12.5	0.04	2,548	4.2	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	-14.3	-15.8	+4.7	6.28	667.3	1,399.2	20.0	133.5	0.0	1.7	0.00	91,484	3.8	4.7	7.7	6.1	5.5	5.2	4.0	3.8	3.3	0.7	34.8
Ovostar Union	OVO PW	Warsaw	69.99 PLN	+0.0	+6.5	-30.0	-15.7	23.08	138.5	150.5	25.0	34.6	0.1	33.2	0.06	1,807	5.9	5.3	3.7	5.4	5.4	3.4	2.1	1.8	1.4	1.3	3.7
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.26 EUR	+0.0	-16.1	-18.0	-41.6	0.36	18.6	177.9	13.1	2.4	0.8	0.2	0.01	10,090	Neg.	N/A	N/A	Neg.	N/A	N/A	8.2	N/A	N/A	0.2	44.1
FINANCIAL SERVICES																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.18 UAH	+1.5	+20.3	+61.4	+78.5	0.02	471.5	N/A	3.8	18.0	13.2	60.3	0.32	311	17.2	7.3	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	0.8	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.15 UAH	+0.7	-6.4	-18.3	+25.6	0.01	238.6	N/A	4.5	10.7	0.8	4.2	0.04	2,568	918.1	169.5	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 23-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 declines despite inflows

Although the NBU received significant inflows yesterday, banking sector liquidity declined. Banks' correspondent accounts with the NBU fell UAH0.95bn to UAH30.42bn yesterday while total CDs outstanding rose a mere UAH0.41bn to UAH8.11bn. These two movements caused broader banking sector liquidity to slide UAH0.55bn to UAH44.64bn while total local currency debt repayments scheduled for the next 30 days remained steady at UAH6.41bn.

KyivPrime interest rates slightly diverged: the KyivPrime ON interest rate rose 19bp to 5.24% while the KyivPrime 1M interest rate slid 8bp to 19.30%.

Investment implications: *As month-end tax payments normally put pressure on liquidity during the last ten days of each month, there is high demand for short-term liquidity. Yesterday's indicators declined despite significant inflows from the NBU which issued UAH1.6bn of 178-day loans to three banks. The MoF's new borrowings at Tuesday's auction should have an impact on today's indicators, particularly as the bonds were purchased yesterday. We anticipate that liquidity will decline more significantly today, but the NBU could slightly offset these outflows.*

Yields increase

Prices of Ukrainian Eurobonds continued to decline yesterday, once more causing yields to increase above 10.0%. The yield curve moved to the range of 9.59-13.73%, where only UKRAIN 7.50% '23 remained below 10.0%. The YTM's of UKRAIN 6.875% '15 rose 67bp to 13.73%, UKRAIN 7.95% '21 was up 6bp to 10.45%, UKRAIN 7.50% '23 rose 5bp to 9.59%, while UKRAIN 7.80% '22 remained steady at 10.10% and UKRAIN 9.25% '17 slid 9bp to 12.11%.

Investment implications: *Risks of problems with debt repayments in early May on IMF loans caused a new wave of yield increases yesterday. This could be a result of the IMF agenda for the following weeks excluding any discussion of the recently submitted request for new loans to Ukraine. As approval of the IMF loans is still pending, particularly as the scheduled repayment date comes closer, the large borrowings at the primary market could be to collect funds for this repayment.*

Unscheduled primary auction announcement

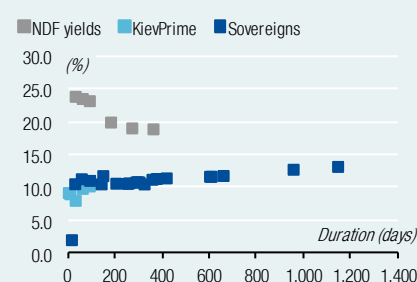
The MoF decided to hold an additional auction today, offering only one bond with a 5-year maturity. The extra financing most likely is needed to collect funds for domestic and external debt repayments scheduled at the end of April and beginning of May.

Investment implications: *This auction will likely collect significant demand, again supported by domestic QE.*

Taras Kotovych, Kiev, +38044 2200120 ext.244

Yield curve of the local bond market

(as of market close on 23 Apr 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 23 Apr 2014)

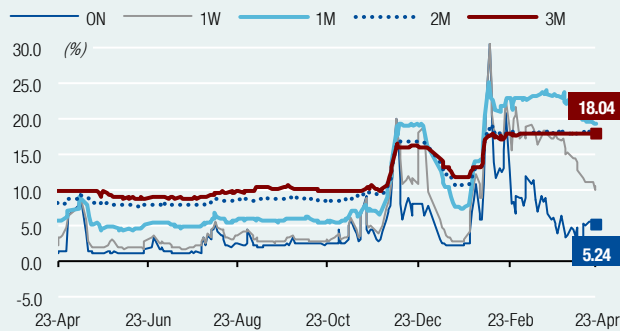
	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
0/n	5.24	+19bp	+24bp	-156bp	-256bp
1wk	10.50	+37bp	-68bp	-722bp	+70bp
1m	19.30	-8bp	-70bp	-440bp	+305bp
2m	18.30	+17bp	+17bp	+0bp	+190bp
3m	18.04	+4bp	+4bp	+0bp	+204bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	30,425	-3.04	-1.23	+5.21	-6.96
CDs ²	14,338	+86.26	-10.48	+21.08	+843.3
Sovgns ³	5,113	-21.91	-5.00	+38.20	+242.0
Total	49,875	+9.32	-4.46	+12.18	+39.64
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	172,147	+0.00	+0.85	+1.45	+18.84
Banks	84,787	-0.23	-6.77	+4.44	+5.76
Resid's ⁴	10,811	+0.58	-0.98	-1.71	-12.79
Non-res ⁵	15,696	+0.15	-7.47	+9.31	+34.17
Total	283,442	-0.04	-2.10	+2.61	+13.78
NDF IMPLIED YIELDS (%)					
3m	49.88	+528bp	-128bp	+23bp	+38bp
6m	31.19	+601bp	-147bp	+98bp	+18bp
9m	23.50	+199bp	-321bp	+157bp	+949bp
1yr	23.01	+98bp	-401bp	+290bp	+802bp
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	1,168	+47bp	-21bp	-15bp	+351bp
Jun '16	13.60	+99bp	+103bp	+76bp	+472bp
Jul '17	12.36	+49bp	+8bp	-56bp	+280bp
Sep '20	10.57	+34bp	+26bp	+9bp	+138bp
Sep '21	10.57	+33bp	+25bp	+5bp	+135bp
Sep '22	10.16	+28bp	+10bp	+12bp	+81bp
Feb '23	9.87	+22bp	+14bp	+6bp	+82bp

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.

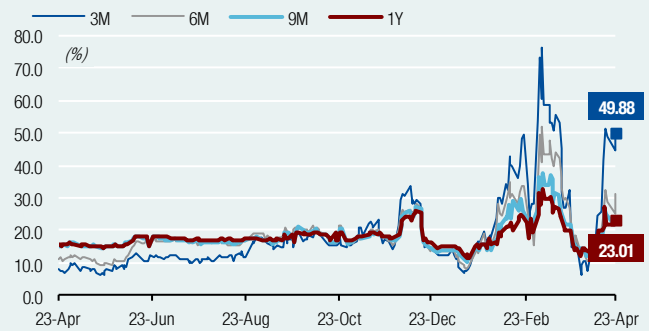
Chart page: Local bond market & Eurobond markets

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



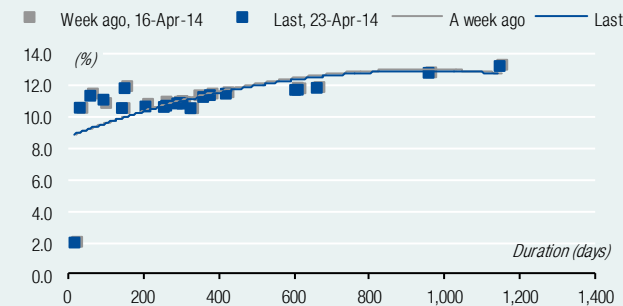
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



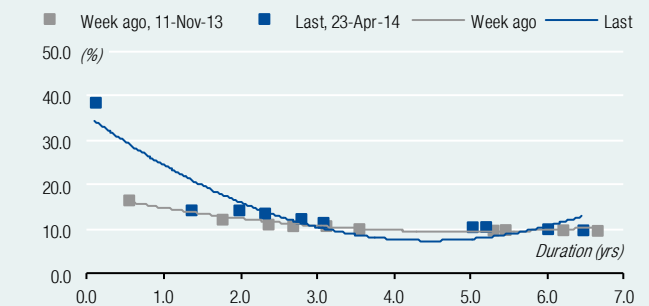
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 23 Apr 2014



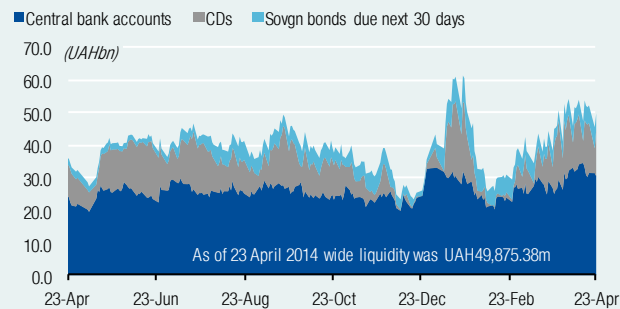
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 23 Apr 2014



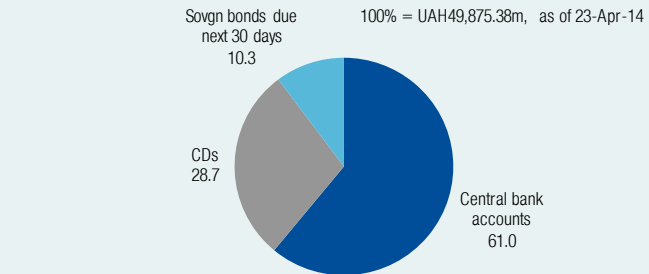
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



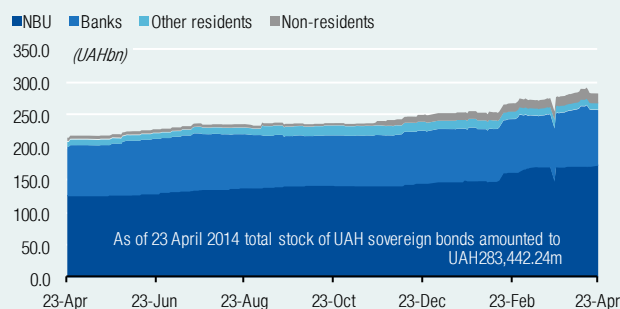
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 23 Apr 2014



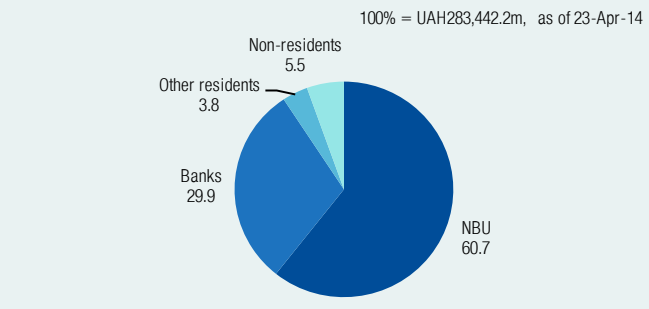
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 23 Apr 2014



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

FX: News & Comments

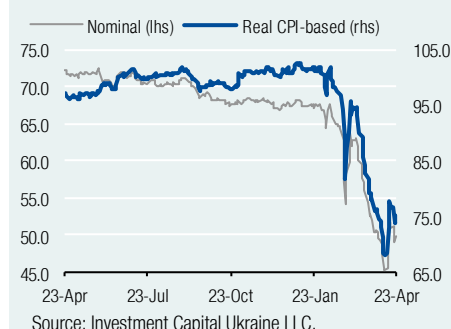
UAH trading less volatile

Despite ongoing geopolitical tension between Ukraine and Russia, volatility did not prevail as the UAH rose 1.70% to close at 11.55/USD on US\$0.28bn of trading. The hryvnia's real TWI added 1.73%. The IMF's positive decision should provide support to the otherwise weak UAH.

Alexander Valchyshen, Kiev, +38044 2200120 ext.242

ICU's UAH trade-weighted indices

(Last 12-month history to 24 Apr 2014)



FX market indicators (as of 23 Apr 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	11.5500	-1.70	+2.21	+9.48	+40.17
NBU avg	11.5129	+2.36	+1.02	+12.91	+41.25
Tt vlm ¹	397.34	+17.22	+0.96	-57.89	-85.82
\$ volume ²	281.25	+30.21	-6.35	-58.36	-87.28
NDF 3M	12.9800	-0.54	+1.92	+15.38	+52.98
NDF 6M	13.3310	+0.92	+1.57	+9.95	+51.83
NDF 1Y	14.1300	-0.91	-1.02	+12.14	+50.00
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	49.935	+1.73	-2.37	-9.36	-26.06
UAH real CPI	75.072	+1.73	-2.37	-9.36	-25.73
UAH real PPI	103.258	+1.73	-2.37	-9.36	-25.60
USD nom'l	79.855	-0.06	+0.07	-0.31	-0.22
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	35.6775	-0.04	-0.88	-1.56	+8.54
EUR/USD	1.3817	+0.09	+0.01	+0.17	+0.54
USD/CNY	6.2380	+0.02	+0.26	+0.20	+3.03
USD/PLN	3.0312	-0.14	-0.02	-0.37	+0.27
USD/TRY	2.1506	+0.43	+0.66	-3.73	+0.11
USD/BYR	9,980.00	+0.07	+0.12	+1.17	+4.61
USD/KZT	182.0500	+0.00	+0.01	-0.14	+18.01
OTHER MAJOR CURRENCIES					
USD/JPY	102.5400	-0.08	+0.30	+0.28	-2.63
GBP/USD	1.6782	-0.25	-0.09	+1.80	+1.36
USD/CHF	0.8834	-0.18	+0.18	+0.06	-1.06
AUD/USD	0.9291	-0.81	-0.85	+2.31	+4.19
USD/CAD	1.1032	+0.05	+0.19	-1.68	+3.85
USD/BRL	2.2219	-0.71	-0.96	-4.44	-5.94
USD/KRW	1,039.75	+0.20	+0.19	-3.76	-0.96
COMMODITIES					
Gold(\$/oz)	1,283.90	+0.01	-1.43	-3.81	+6.49
WTI crude ³	101.74	-0.38	-1.95	+1.78	+3.37
Brent crd ³	109.02	-0.36	-0.41	+1.96	-1.62
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	311.37	+0.05	+0.53	+4.00	+11.14

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)

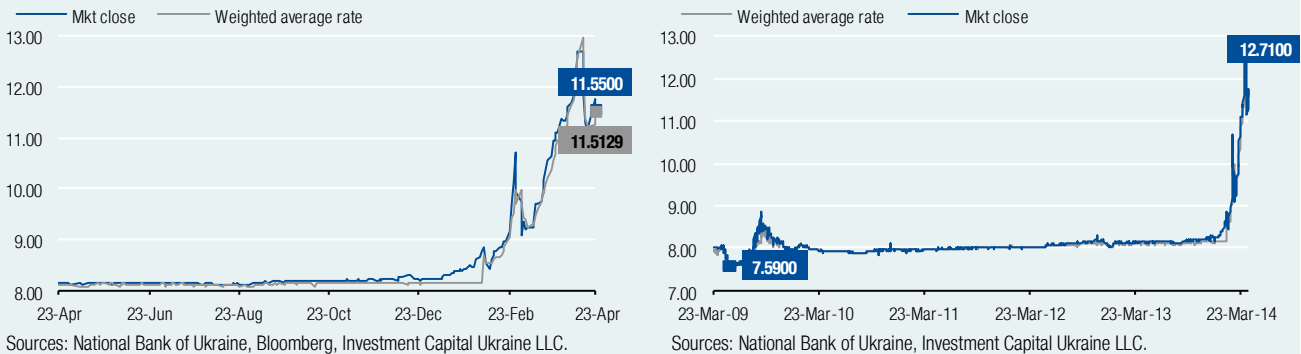


Chart 10. NDF market rates USD/UAH: last 12-month and 5-year periods (UAH per USD, left and right respectively)

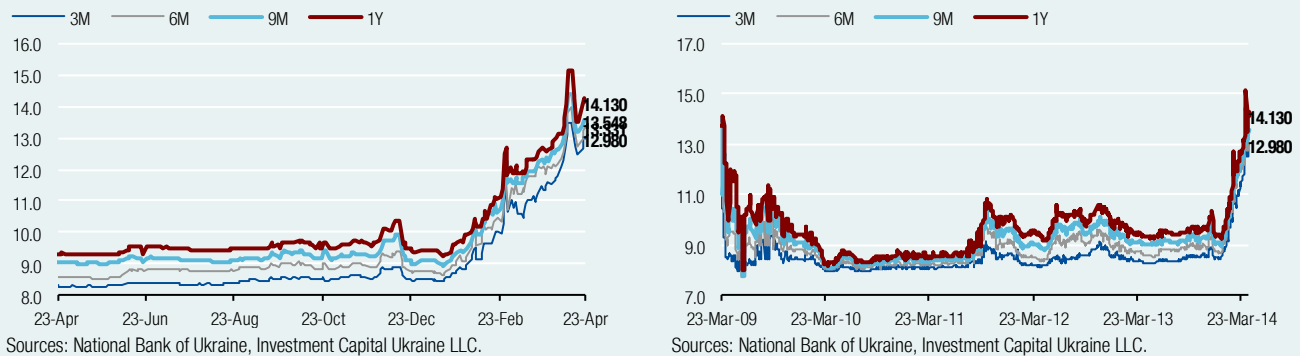


Chart 11. Trading volume: last 12-month and 5-year periods (US\$m, left and right respectively)

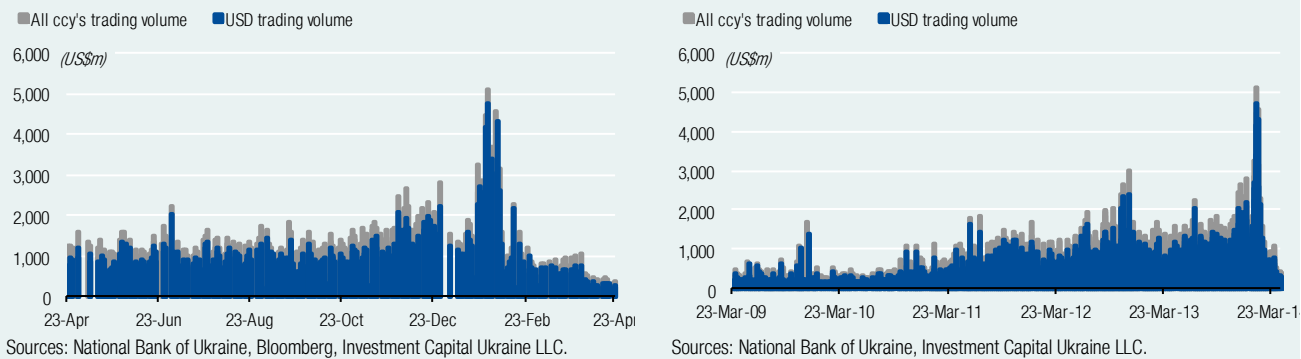


Chart 12. 30D MA* ratio of FX market turnover to merchandise trade: last 12m and 5yr periods (% , left and right respectively)

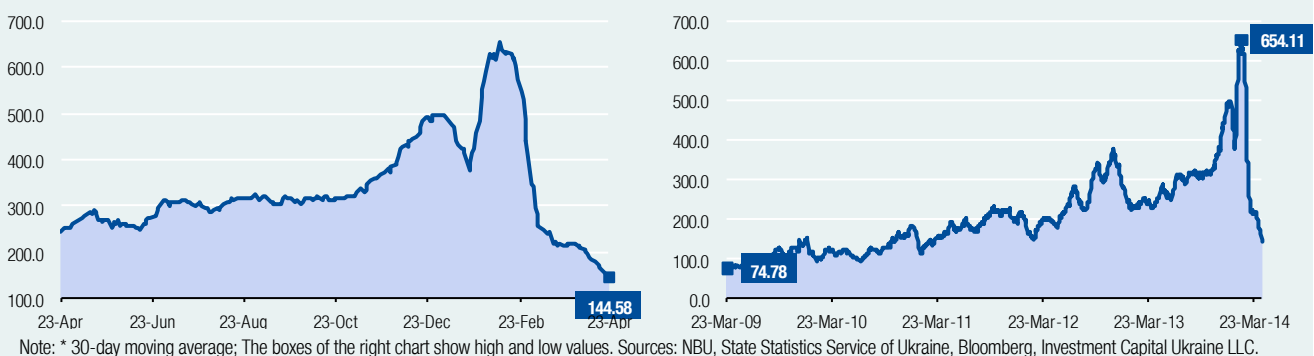
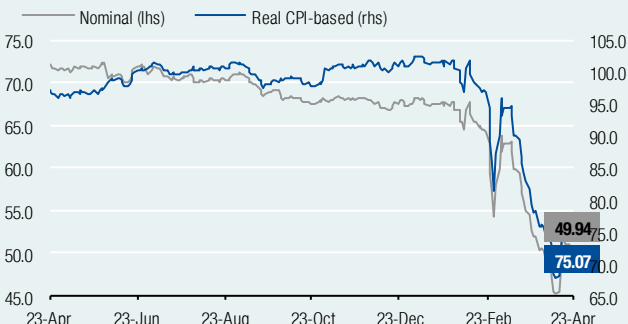


Chart page #2: ICU's UAH trade-weighted indices

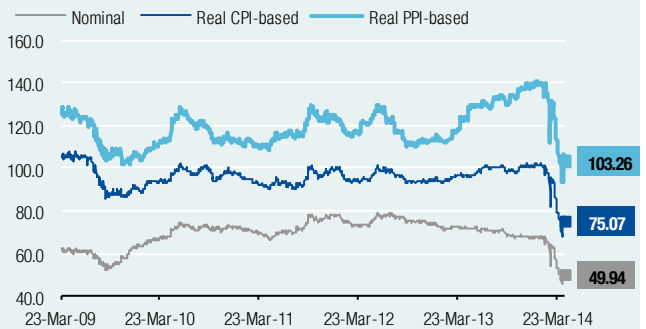
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



INVESTMENT CAPITAL UKRAINE
INVESTMENT BANKING

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

Investment Capital Ukraine LLC is regulated by Securities and Stock Market State Commission of Ukraine (license numbers: dealer activity AE 263019, broker activity AE 263018, underwriting activity AE 263020 dated 11 April 2013).

DISCLAIMER

This research publication has been prepared by Investment Capital Ukraine LLC solely for information purposes for its clients. It does not constitute an investment advice or an offer or solicitation for the purchase or sale of any financial instrument. While reasonable care has been taken to ensure that the information contained herein is not untrue or misleading at the time of publication, Investment Capital Ukraine makes no representation that it is accurate or complete. The information contained herein is subject to change without notice. Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of Investment Capital Ukraine LLC. All rights are reserved. Any investments referred to herein may involve significant risk, are not necessarily available in all jurisdictions, may be illiquid and may not be suitable for all investors. The value of, or income from, any investments referred to herein may fluctuate and/or be affected by changes in exchange rates. Past performance is not indicative of future results. Investors should make their own investigations and investment decisions without relying on this report. Only investors with sufficient knowledge and experience in financial matters to evaluate the merits and risks should consider an investment in any issuer or market discussed herein and other persons should not take any action on the basis of this report.



Additional information is available upon request.