


INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

Putin comments: Sanctions desired; Liquidity down significantly; Yields up; UAH holds steady

FRIDAY, 25 APRIL, 2014

RESEARCH INSIGHT

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UX Index (3 months to 25 Apr 2014)



Key market indicators (as of 24 Apr 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	11.3000	-2.16	+37.14
USD/UAH (1Y NDF)	14.0000	-0.92	+48.62
EUR/USD	1.3831	+0.10	+0.64
USD/RUB	35.7356	+0.16	+8.72
KievPRIME O/N (%)	5.04	-20bp	-276bp
KievPRIME 1M (%)	19.10	-20bp	+285bp

BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	-8,900bp	-8,900bp
Ukraine 17, Eurobond (%)	12.45	+9bp	+289bp
Ukraine 22, Eurobond (%)	10.30	+13bp	+95bp
Ukraine 23, Eurobond (%)	9.70	-16bp	+66bp
Ukraine 5Y CDS	1,150bp	-18bp	+333bp

EQUITIES

Stock market indices

UX (Ukraine)	1,127.61	-1.29	+23.91
MSCI World	413.05	+0.11	+1.10
MSCI EM	1,004.46	+0.07	+0.18
RTS (Russia)	1,145.66	-2.25	-20.59
WIG-20 (Poland)	2,447.34	-0.25	+1.93
S&P 500 (USA)	1,878.61	+0.17	+1.64

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

MHPC LI	8.49	59.6% of total ¹
KER PW	3.40	23.8%
FXPO LN	1.47	10.3%

GAINERS: Top 3 stocks (in listed currency)

IMC PW	PLN 9.00	+3.45	-25.93
MHPC LI	USD 11.70	+2.72	-31.38
AVDK UK	UAH 3.10	+1.31	+4.73

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

Putin comments: Sanctions desired

The Kremlin toughened its rhetoric on Ukraine, increasing the anticipation of a potential military invasion. While commenting to reporters in St. Petersburg on impending sanctions from the West, Putin said, according to Bloomberg, that the "sanctions are desired". This statement underlines our view of modern day Russia's militaristic strategy. Under the current strain macroeconomic problems, Russia prefers sanctions to be imposed by foreign trade exporters to bolster its domestic consumption. In this light, the current Ukraine-Russia stand-off is a long game unless a black swan event strikes Russia.

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Table 1. Ukrainian stocks (closing prices as of 24-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	-0.8	-1.4	-12.0	-36.5	0.15	35.4	-27.6	40.2	14.2	42.2	9.0	0.09	1,073	Neg.	Neg.	Neg.	4.2	4.3	8.6	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	6.16 UAH	-0.3	+17.6	+29.2	+55.1	0.55	201.4	257.5	21.7	43.7	131.4	112.9	0.33	304	9.7	5.2	7.7	0.5	3.8	3.4	0.3	0.4	0.3	0.9	12.2
Coal Energy	CLE PW	Warsaw	1.31 PLN	-5.1	-11.5	+24.8	-66.1	0.43	19.4	113.7	25.0	4.9	27.3	305.7	3.40	29	Neg.	Neg.	4.9	5.1	14.2	3.9	0.9	1.1	1.0	0.2	39.8
Donbasenergo	DOEN UK	Kiev, UX	45.55 UAH	-3.0	+15.6	+65.1	+132.2	4.03	95.3	137.4	14.2	13.6	76.3	38.4	0.31	324	34.8	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	56.75 GBP	+0.0	-1.7	-20.6	-15.3	0.95	163.8	170.2	47.2	77.3	16.4	88.8	0.16	641	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	9.00 GBP	-2.7	-18.2	-30.8	-65.7	0.15	48.5	21.7	80.9	39.2	1.2	7.3	0.03	3,860	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	0.82 PLN	-1.2	-1.2	+54.7	-22.6	0.27	11.6	51.4	25.0	2.9	11.9	108.2	2.98	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	136.40 UAH	-0.4	+14.8	+50.9	+60.7	12.07	154.4	130.8	5.0	7.7	8.1	6.0	0.04	2,762	3.0	N/A	N/A	0.9	N/A	N/A	0.1	N/A	N/A	3.4	0.0
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.03 UAH	-0.3	-5.9	-12.4	-23.9	0.00	77.6	1,319.9	3.9	3.0	12.4	10.5	0.47	215	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	3.10 UAH	+1.3	+5.1	+4.7	-1.6	0.27	53.5	50.3	4.0	2.1	10.2	15.4	0.90	111	Neg.	Neg.	2.0	Neg.	1.3	0.7	0.1	0.1	0.1	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.68 UAH	-1.4	+0.6	+1.8	+16.8	0.06	253.7	246.3	4.1	10.4	17.6	12.0	0.13	753	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	153.70 GBP	+0.3	+7.2	-17.3	-14.0	2.58	1,520.3	2,181.5	22.4	340.5	1,468.6	3,619.6	0.67	150	5.8	6.1	7.5	4.3	4.7	5.2	1.4	1.4	1.4	0.9	35.1
Yenakievo Steel	ENMZ UK	Kiev, UX	35.44 UAH	+1.3	+5.9	+10.7	+7.5	3.14	33.1	28.5	9.4	3.1	0.2	13.7	0.37	272	5.4	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	+0.0	-6.2	-14.5	-33.8	1.47	135.4	162.8	34.0	46.0	12.4	37.6	0.11	906	Neg.	N/A	N/A	Neg.	N/A	N/A	2.5	N/A	N/A	1.1	35.9
Agroliga	AGL PW	Warsaw	17.75 PLN	-1.1	-7.5	-31.5	+12.5	5.85	9.0	9.9	16.7	1.5	6.5	13.1	0.34	293	2.1	N/A	N/A	2.9	N/A	N/A	0.4	N/A	N/A	0.7	5.7
Agroton	AGT PW	Warsaw	2.30 PLN	-6.9	-22.0	+17.9	-2.5	0.76	16.4	63.8	26.2	4.3	138.7	469.0	6.51	15	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	40.00 PLN	-2.2	-10.5	-40.2	-13.6	13.18	329.5	661.4	31.0	102.2	96.3	178.4	0.17	586	5.3	8.4	4.2	7.5	9.1	4.5	1.3	1.7	1.2	0.6	38.9
Avangard	AVGR LI	London Intl	9.25 USD	-3.1	-7.3	-21.3	+8.8	9.25	590.8	757.2	21.7	128.2	76.4	322.0	0.23	442	2.5	3.0	2.6	2.7	2.8	2.7	1.1	1.1	1.0	0.5	22.3
IMC	IMC PW	Warsaw	9.00 PLN	+3.4	+7.5	-25.9	-31.6	2.97	92.8	218.1	23.9	22.2	98.7	124.7	0.26	383	3.6	3.2	1.7	4.0	4.0	2.7	1.9	1.1	0.7	0.6	38.7
Kernel Holding...	KER PW	Warsaw	29.00 PLN	-4.2	+0.2	-23.8	-42.0	9.55	761.3	1,784.6	58.8	447.5	3,395.9	2,803.3	0.63	160	6.8	9.3	4.2	6.1	6.5	4.9	0.6	0.7	0.7	0.6	30.6
KSG Agro	KSG PW	Warsaw	4.89 PLN	+0.6	-17.3	-54.9	-45.6	1.61	24.2	146.0	34.4	8.3	3.1	18.1	0.21	469	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	11.70 USD	+2.7	-12.0	-31.4	-37.6	11.70	1,236.3	2,419.7	22.3	275.9	8,491.3	1,530.4	0.71	141	7.9	5.1	3.9	6.2	4.9	4.4	1.6	1.6	1.4	1.0	47.0
Milkiland	MLK PW	Warsaw	7.00 PLN	-3.4	-7.9	-44.0	-36.4	2.31	72.1	208.1	20.0	14.4	2.1	12.0	0.04	2,426	4.1	3.5	3.9	5.8	4.7	3.9	0.5	0.5	0.4	0.3	29.9
Mriya Agrohold...	MAYA GF	Frankfurt	4.55 EUR	+0.0	-17.3	-15.8	+4.7	6.29	668.0	1,399.9	20.0	133.6	0.0	1.7	0.00	92,011	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	69.00 PLN	-1.4	+1.5	-31.0	-16.1	22.73	136.4	148.5	25.0	34.1	3.7	32.6	0.06	1,798	5.8	5.3	3.7	5.3	5.3	3.4	2.1	1.8	1.4	1.3	3.7
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.25 EUR	+0.0	-20.3	-22.1	-45.0	0.34	17.7	177.0	13.1	2.3	0.0	0.1	0.01	9,585	Neg.	N/A	N/A	Neg.	N/A	N/A	8.1	N/A	N/A	0.2	44.1
FINANCIAL SERVICES																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.18 UAH	-2.3	+19.6	+57.6	+76.8	0.02	474.6	N/A	3.8	18.1	93.3	61.6	0.34	291	16.8	7.1	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	0.7	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.15 UAH	-0.8	-3.9	-18.9	+25.0	0.01	244.0	N/A	4.5	10.9	0.3	4.3	0.04	2,544	910.9	168.1	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 24-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 significantly

Broader banking sector liquidity fell UAH2.27bn to UAH42.66bn after banks' correspondent accounts with the NBU declined UAH1.87bn to UAH28.56bn yesterday while total CDs outstanding rose UAH1.02bn to UAH9.13bn. Total local currency debt repayments scheduled for the next 30 days fell UAH1.43bn to UAH4.98bn.

KyivPrime interest rates slightly declined by 20bp: the KyivPrime ON interest rate slid to 5.04%, while the KyivPrime 1M interest rate fell to 19.10%.

Investment implications: Banking sector liquidity significantly declined yesterday mostly due to new government bond purchases. While the MoF repaid UAH1.43bn in local currency to bondholders, banks purchased UAH4.0bn in new bonds at Tuesday's primary auction. Also, the NBU absorbed some liquidity by issuing UAH1.02bn in new CDs. These outflows were partially compensated by the NBU issuing UAH2.00bn in loans, but this inflow did not offset all outflows, and the real decline in liquidity amounted to UAH1.60bn yesterday.

Yields increase

Prices of Ukrainian Eurobonds closed mostly below 90 and yields once more rose on higher anticipation of a Russian invasion of eastern Ukraine. The yield curve moved to the range of 9.68-14.39%, where only UKRAIN 7.50% '23 remained below 10.0%. YTM's rose, as UKRAIN 6.875% '15 was up 66bp to 14.39%, UKRAIN 9.25% '17 rose 51bp to 12.61%, UKRAIN 7.95% '21 was up 12bp to 10.56%, while UKRAIN 7.80% '22 and UKRAIN 7.50% '23 rose 15bp and 9bp to 10.25% and 9.68%, respectively.

Auction results

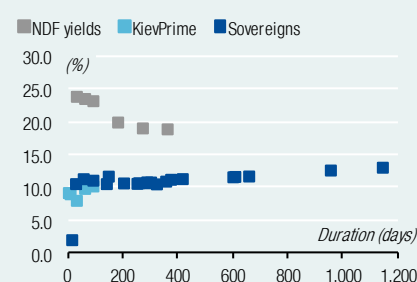
Following Tuesday's auction that raised UAH4.0bn, yesterday's unscheduled primary auction provided the state budget with insufficient proceeds as it disappointingly received only one bid. The sole bid was for UAH74.73m (par value) at 14.30%, just 5bp above the usual interest rate for 5-year bonds sold during the period from last year to January and February of this year. In March, the MoF sold similar bonds at 11.50%, but bids changed dramatically after that. Compared with Tuesday's auction, the MoF decreased the cost of borrowings and increased the bond's maturity.

Investment implications: Whenever an unscheduled auction elicits low proceeds, the MoF needs funds. On the one hand, the auction could be held to collect funds for future debt repayments scheduled the following week or month. Domestic borrowings are in fact scheduled next week and the second half of May, and external debt repayments have to be repaid at the beginning of May. The MoF appears to be preparing for these repayments in the event that the new IMF loan is not received prior to the due date. On the other hand, unscheduled auctions that elicit large proceeds occur when there are immediate refinancing needs.

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Yield curve of the local bond market

(as of market close on 24 Apr 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 24 Apr 2014)

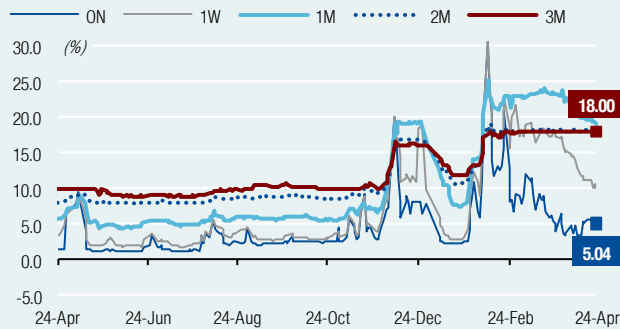
	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
0/n	5.04	-20bp	-16bp	-96bp	-276bp
1wk	10.04	-46bp	-116bp	-729bp	+24bp
1m	19.10	-20bp	-70bp	-423bp	+285bp
2m	18.10	-20bp	-10bp	-23bp	+170bp
3m	18.00	-4bp	+0bp	+0bp	+200bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	28,559	-6.13	-5.35	+6.74	-12.67
CDs ²	15,628	+9.00	-3.54	+140.1	+928.2
Sovgns ³	5,113	+0.00	-5.00	-0.41	+242.0
Total	49,300	-1.15	-4.75	+28.39	+38.03
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	N/A	N/A	N/A	N/A	N/A
Banks	N/A	N/A	N/A	N/A	N/A
Resid's ⁴	N/A	N/A	N/A	N/A	N/A
Non-res ⁵	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A
NDF IMPLIED YIELDS (%)					
3m	57.01	+714bp	+823bp	+25bp	+45bp
6m	36.65	+546bp	+762bp	+10bp	+23bp
9m	27.38	+388bp	+242bp	+565bp	+13bp
1yr	24.57	+157bp	+284bp	+465bp	+959bp
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	1,150	-18bp	+22bp	-25bp	+333bp
Jun '16	13.95	+35bp	+137bp	+112bp	+506bp
Jul '17	12.45	+9bp	+17bp	-46bp	+289bp
Sep '20	10.30	-27bp	+0bp	-16bp	+110bp
Sep '21	10.35	-22bp	+7bp	-15bp	+113bp
Sep '22	10.30	+13bp	+24bp	+28bp	+95bp
Feb '23	9.70	-16bp	-2bp	-7bp	+66bp

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.

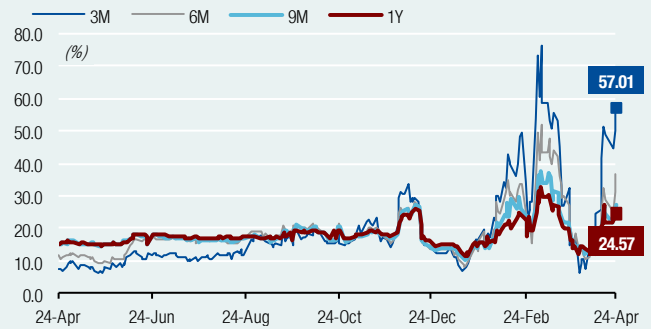
Chart page: Local bond market & Eurobond markets

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



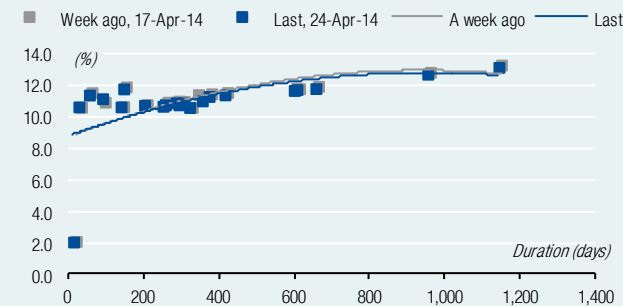
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



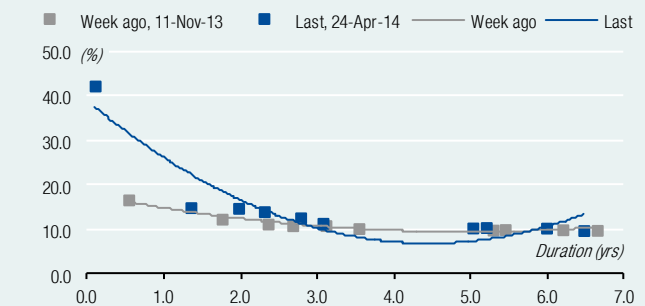
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 24 Apr 2014



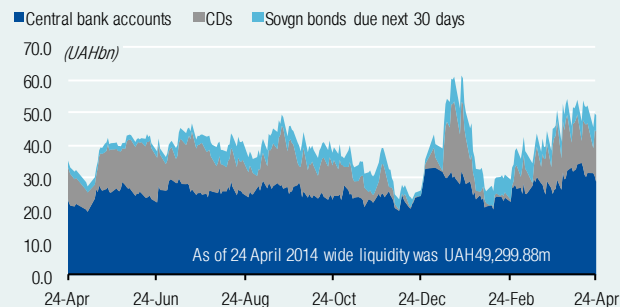
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 24 Apr 2014



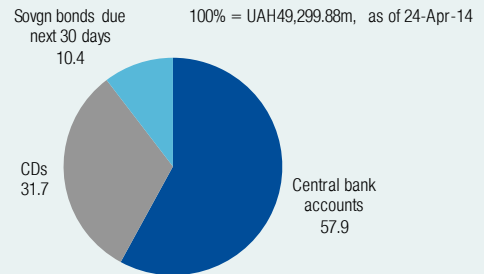
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



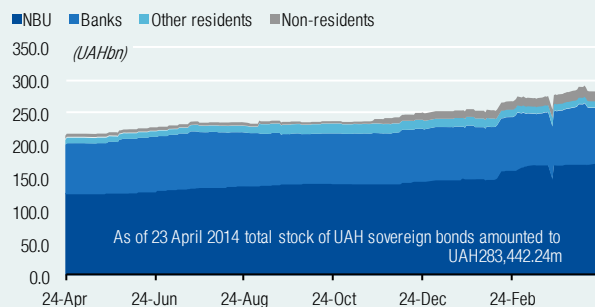
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 24 Apr 2014



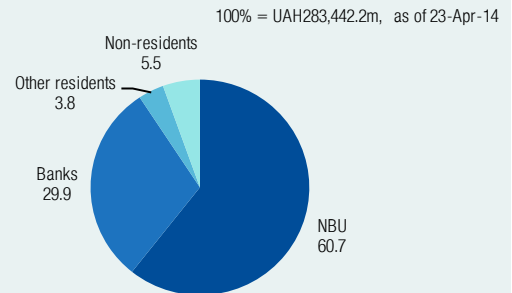
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 24 Apr 2014



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

FX: News & Comments

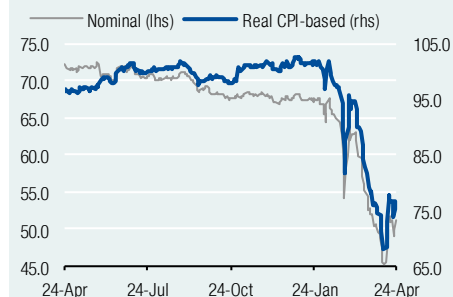
UAH holds steady, its real rate up on RUB

The hryvnia stayed remained yesterday as the USD/UAH rate increased just 2.16% to close at 11.30/USD on trading volume of US\$0.29bn. Meanwhile, the UAH's real trade-weighted value rose by 2.24% on the back of the RUB's weakness which fell on the fear of more sanctions against the Russian economy. The Kremlin stepped up its militarist rhetoric to Kiev officials whose position toughened on the pro-Kremlin militarist squads that have created aggressive enclaves in towns like Slovyansk. Yesterday, Ukraine's security forces continued their anti-terrorist operations in the Donetsk oblast's hot spots besieged by pro-Kremlin militarist groups, many of whom were identified by bloggers from images made in the area as Russian citizens.

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ICU's UAH trade-weighted indices

(Last 12-month history to 25 Apr 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 24 Apr 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	11.3000	-2.16	+1.35	+6.10	+37.14
NBU avg	11.3846	-1.11	+1.18	+9.72	+39.68
Tt vlm ¹	387.16	-2.56	-15.54	-48.88	-86.18
\$ volume ²	294.47	+4.70	-12.93	-49.52	-86.68
NDF 3M	12.9000	-0.62	+3.20	+12.17	+52.03
NDF 6M	13.3500	+0.14	+4.71	+10.79	+52.05
NDF 1Y	14.0000	-0.92	+3.70	+10.24	+48.62
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	51.052	+2.24	-1.11	-6.21	-24.41
UAH real CPI	76.752	+2.24	-1.11	-6.21	-24.07
UAH real PPI	105.568	+2.24	-1.11	-6.21	-23.94
USD nom'l	79.799	-0.07	-0.04	-0.17	-0.29
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	35.7356	+0.16	+0.35	-1.07	+8.72
EUR/USD	1.3831	+0.10	+0.12	-0.06	+0.64
USD/CNY	6.2504	+0.20	+0.51	+0.91	+3.24
USD/PLN	3.0339	+0.09	+0.21	-0.05	+0.36
USD/TRY	2.1356	-0.70	+0.42	-4.52	-0.59
USD/BYR	9,980.00	+0.00	+0.20	+1.11	+4.61
USD/KZT	182.0300	-0.01	-0.01	-0.15	+17.99
OTHER MAJOR CURRENCIES					
USD/JPY	102.3200	-0.21	-0.07	+0.08	-2.84
GBP/USD	1.6802	+0.12	+0.05	+1.84	+1.48
USD/CHF	0.8816	-0.20	-0.18	+0.09	-1.27
AUD/USD	0.9264	-0.29	-0.71	+1.43	+3.89
USD/CAD	1.1021	-0.10	+0.16	-1.53	+3.75
USD/BRL	2.2140	-0.36	-1.01	-4.69	-6.27
USD/KRW	1,039.25	-0.05	+0.03	-3.58	-1.00
COMMODITIES					
Gold(\$/oz)	1,293.36	+0.74	-0.14	-1.18	+7.27
WTI crude ³	102.24	+0.49	-1.98	+2.14	+3.88
Brent crd ³	110.26	+1.14	+0.50	+3.70	-0.51
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	312.19	+0.26	+0.23	+4.23	+11.43

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)

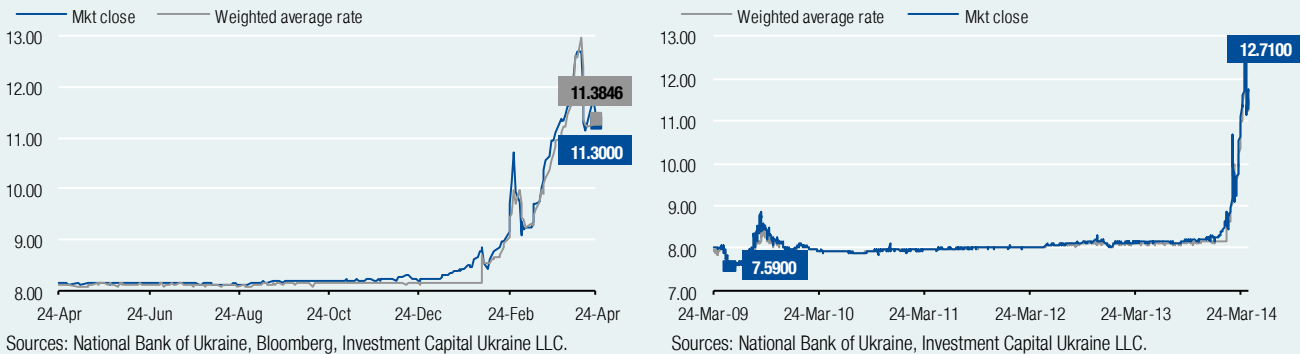


Chart 10. NDF market rates USD/UAH: last 12-month and 5-year periods (UAH per USD, left and right respectively)

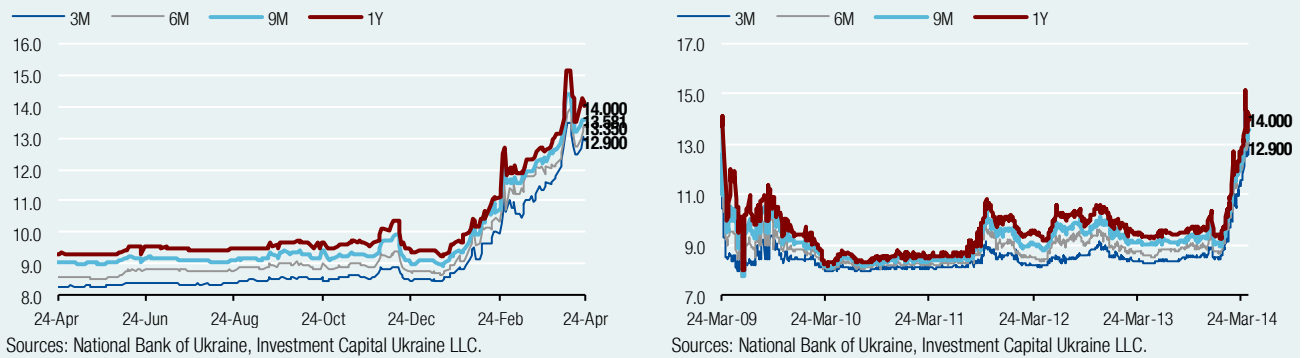


Chart 11. Trading volume: last 12-month and 5-year periods (US\$m, left and right respectively)

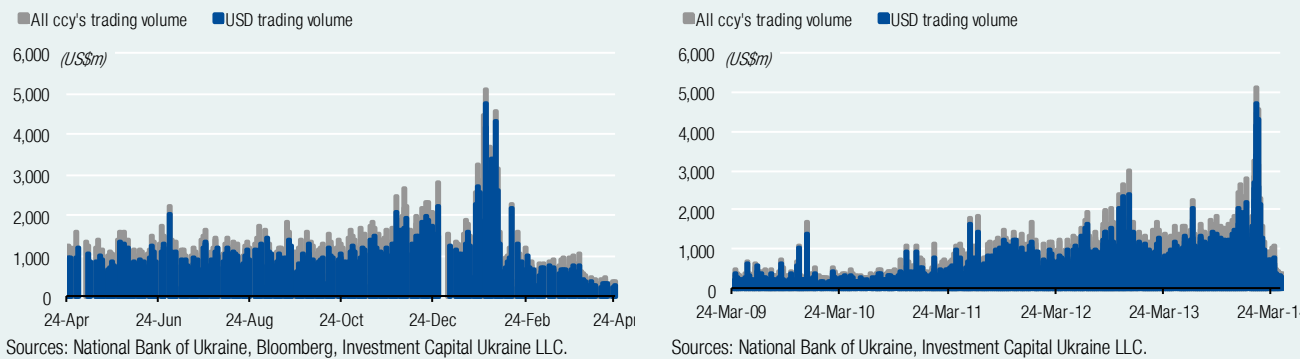


Chart 12. 30D MA* ratio of FX market turnover to merchandise trade: last 12m and 5yr periods (% , left and right respectively)

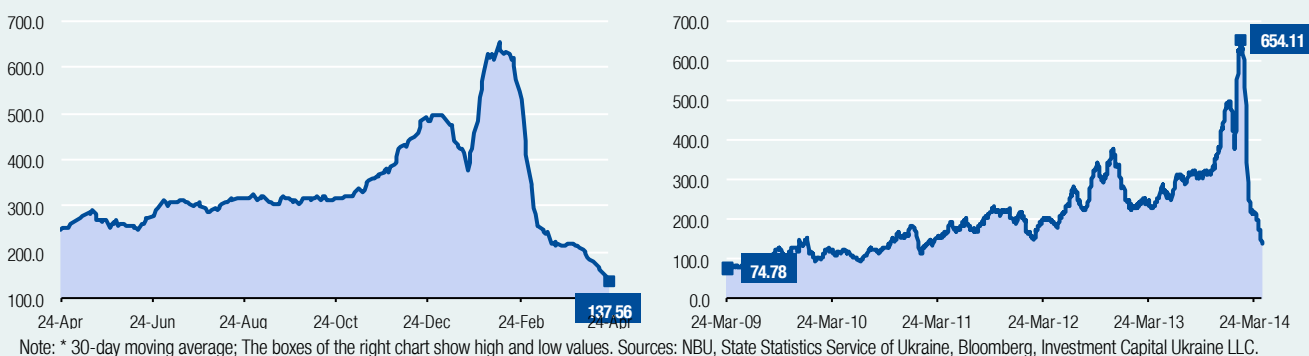
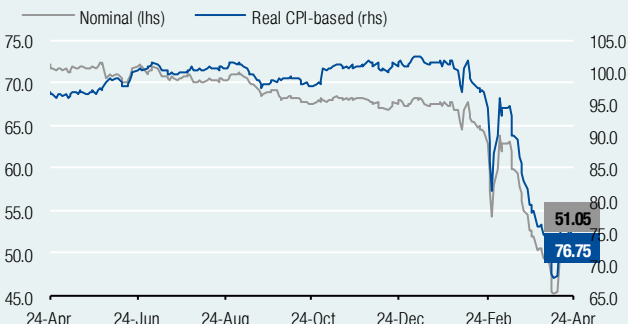


Chart page #2: ICU's UAH trade-weighted indices

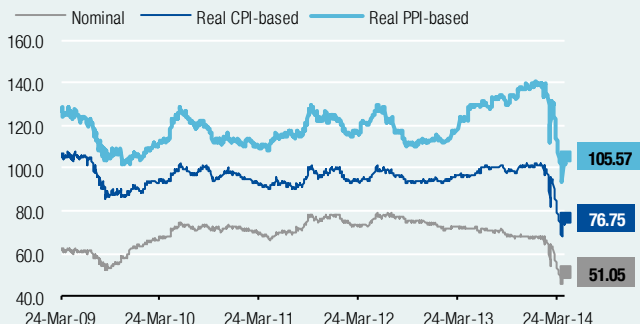
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

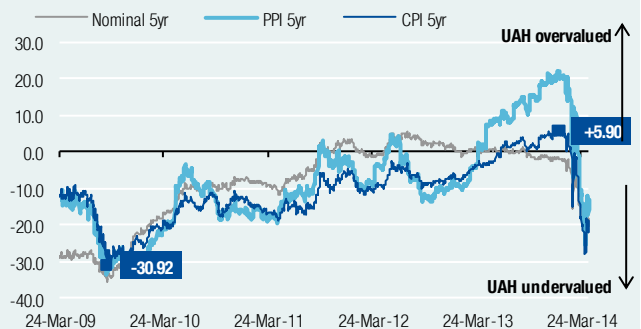


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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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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



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