


INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

Liquidity up; Yields increase; Primary auction announcement; Hryvnia steady again

MONDAY, 28 APRIL, 2014

RESEARCH INSIGHT

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UX Index (3 months to 28 Apr 2014)



Key market indicators (as of 25 Apr 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	11.5000	+1.77	+39.56
USD/UAH (1Y NDF)	14.0000	+0.00	+48.62
EUR/USD	1.3834	+0.02	+0.66
USD/RUB	36.0385	+0.85	+9.64
KievPRIME O/N (%)	5.05	+1bp	-275bp
KievPRIME 1M (%)	19.00	-10bp	+275bp

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	1,197bp	+47bp	+381bp

EQUITIES

Stock market indices

UX (Ukraine)	1,124.97	-0.23	+23.62
MSCI World	410.28	-0.67	+0.42
MSCI EM	993.35	-1.11	-0.93
RTS (Russia)	1,119.37	-2.29	-22.41
WIG-20 (Poland)	2,429.80	-0.72	+1.20
S&P 500 (USA)	1,863.40	-0.81	+0.81

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

MHPC LI	6.74	51.3% of total ¹
KER PW	3.87	29.4%
AVGR LI	0.89	6.8%

GAINERS: Top 3 stocks (in listed currency)

AZST UK	UAH 0.69	+1.61	+3.43
AVDK UK	UAH 3.14	+1.42	+6.22
BAVL UK	UAH 0.18	+0.89	+59.03

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 25-Apr-2014)

Company	Bloomberg Ticker	Listing	Share price performance (% change)					Valuation (US\$)			Free float (FF) & Liquidity					P/E			EV/EBITDA			EV/Sales			Ratios		
			Last price	Daily	MoM	YTD	YoY	Last price	Market cap (m)	EV (m)	FF (%)	FF mkt cap (US\$m)	Last day turnover (US\$ 000)	3M avg. turnover (US\$ 000)	FF share traded (%)	FF turnover (days)	2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E	P/B (x)	Debt/Assets (%)
ENERGY																											
Cadogan Petrol...	CAD LN	London	9.13 GBP	+0.0	+2.8	-12.0	-33.6	0.15	35.4	-27.7	40.2	14.2	0.0	8.9	0.09	1,079	Neg.	Neg.	Neg.	4.2	4.3	8.6	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	6.17 UAH	+0.1	+19.9	+29.3	+54.7	0.54	198.1	253.3	21.7	43.0	162.3	113.2	0.34	297	9.8	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	+0.0	-19.6	+24.8	-66.3	0.43	19.4	113.7	25.0	4.8	48.7	303.0	3.25	31	Neg.	Neg.	4.8	5.0	14.2	3.9	0.9	1.1	1.0	0.2	39.8
Donbasenergo	DOEN UK	Kiev, UX	45.02 UAH	-1.2	+16.6	+63.2	+130.8	3.91	92.6	133.9	14.2	13.2	167.9	39.8	0.38	266	34.4	1.3	2.7	0.5	1.0	1.7	0.3	0.2	0.2	1.6	17.8
JKX Oil & Gas	JKX LN	London	56.50 GBP	-0.4	-3.4	-21.0	-16.3	0.95	163.0	169.5	47.2	76.9	19.3	87.9	0.14	739	25.1	12.5	5.9	2.6	1.9	1.9	0.9	0.9	0.8	0.3	5.5
Regal Petroleum	RPT LN	London	9.00 GBP	-0.1	-21.8	-30.8	-65.7	0.15	48.4	21.6	80.9	39.2	2.0	7.4	0.02	4,154	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	0.81 PLN	-1.2	-19.0	+52.8	-19.8	0.27	11.5	51.2	25.0	2.9	17.1	106.4	2.98	34	Neg.	N/A	N/A	7.7	N/A	N/A	1.3	N/A	N/A	0.2	42.4
Zakhidenergo	ZAEN UK	Kiev, PFTS	130.00 UAH	-4.7	+8.3	+43.8	+51.5	11.30	144.6	121.4	5.0	7.2	0.8	5.3	0.04	2,594	2.9	N/A	N/A	0.8	N/A	N/A	0.1	N/A	N/A	3.2	0.0
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.03 UAH	-3.5	-5.3	-15.5	-23.0	0.00	73.5	1,294.2	3.9	2.8	4.5	10.0	0.49	205	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	3.14 UAH	+1.4	+10.2	+6.2	+6.4	0.27	53.3	50.2	4.0	2.1	12.0	15.5	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	0.69 UAH	+1.6	+3.3	+3.4	+21.4	0.06	253.3	246.1	4.1	10.4	6.4	12.1	0.13	750	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	150.80 GBP	-1.9	-1.3	-18.9	-13.7	2.53	1,491.1	2,152.2	22.4	334.0	834.5	3,516.1	0.62	161	5.7	6.0	7.3	4.3	4.6	5.1	1.4	1.4	1.4	0.9	35.1
Yenakievo Steel	ENMZ UK	Kiev, UX	35.00 UAH	-1.2	+5.8	+9.3	+7.7	3.04	32.1	27.6	9.4	3.0	3.0	13.3	0.28	353	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	+0.0	-5.4	-14.5	-35.0	1.47	135.4	162.8	34.0	46.0	3.3	37.0	0.11	938	Neg.	N/A	N/A	Neg.	N/A	N/A	2.5	N/A	N/A	1.1	35.9
Agroliga	AGL PW	Warsaw	17.48 PLN	-1.5	-10.2	-32.6	+10.9	5.75	8.8	9.8	16.7	1.5	2.2	12.8	0.31	324	2.0	N/A	N/A	2.8	N/A	N/A	0.4	N/A	N/A	0.7	5.7
Agroton	AGT PW	Warsaw	2.32 PLN	+0.9	-21.4	+19.0	-2.5	0.76	16.5	63.9	26.2	4.3	87.5	471.9	6.35	16	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	39.80 PLN	-0.5	-5.2	-40.5	-20.4	13.08	327.0	658.9	31.0	101.4	159.7	179.4	0.16	608	9.2	4.1	3.6	7.5	4.5	5.0	1.3	1.2	1.0	0.6	38.9
Avangard	AVGR LI	London Intl	9.00 USD	-2.8	-6.3	-23.4	+5.8	9.00	574.5	740.9	21.7	124.7	889.2	327.4	0.27	374	2.5	2.9	2.6	2.6	2.7	2.6	1.1	1.1	1.0	0.5	22.3
IMC	IMC PW	Warsaw	9.00 PLN	+0.0	+5.9	-25.9	-31.6	2.96	92.6	217.8	23.9	22.1	33.5	124.7	0.27	376	3.5	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	+0.0	+0.9	-23.8	-42.9	9.53	759.5	1,782.8	58.8	446.4	3,867.7	2,846.7	0.65	153	6.8	9.3	4.1	6.1	6.5	4.9	0.6	0.7	0.7	0.6	30.6
KSG Agro	KSG PW	Warsaw	4.75 PLN	-2.9	-19.5	-56.2	-48.1	1.56	23.4	145.3	34.4	8.1	2.0	17.6	0.22	464	2.9	1.9	2.0	34.5	5.0	4.0	3.9	2.1	1.3	0.3	29.2
MHP	MHPC LI	London Intl	11.70 USD	+0.0	-10.0	-31.4	-36.9	11.70	1,236.3	1,660.3	22.3	275.9	6,741.1	1,611.2	0.82	121	7.9	5.1	3.9	4.2	3.4	3.0	1.1	1.1	0.9	1.0	19.6
Milkiland	MLK PW	Warsaw	6.75 PLN	-3.6	-12.3	-46.0	-35.7	2.22	69.3	205.3	20.0	13.9	11.4	11.7	0.05	2,145	3.9	3.3	3.8	5.7	4.6	3.8	0.5	0.5	0.4	0.3	29.9
Mriya Agrohold...	MAYA GF	Frankfurt	5.00 EUR	+0.0	+0.0	-7.4	+13.6	6.91	734.3	1,466.2	20.0	146.9	10.7	2.1	0.00	127,171	4.2	5.2	8.4	6.4	5.7	5.4	4.2	3.9	3.5	0.8	34.8
Ovostar Union	OVO PW	Warsaw	69.00 PLN	+0.0	+0.1	-31.0	-19.3	22.68	136.1	148.1	25.0	34.0	3.3	32.6	0.06	1,787	5.8	5.2	3.7	5.3	5.3	3.3	2.1	1.8	1.4	1.3	3.7
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.16 EUR	+0.0	-49.0	-50.2	-64.9	0.22	11.3	170.6	13.1	1.5	1.4	0.1	0.02	4,168	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	0.18 UAH	+0.9	+20.3	+59.0	+83.8	0.02	470.5	N/A	3.8	18.0	49.0	60.6	0.35	285	17.0	7.2	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	-1.8	-5.3	-20.4	+25.9	0.01	235.3	N/A	4.5	10.5	1.8	4.1	0.04	2,474	894.1	165.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.3	30.9

Table 1. Ukrainian stocks (closing prices as of 25-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 slightly recovers

After falling significantly on Thursday, last Friday banking sector liquidity slightly recovered as it received new inflows from the NBU. Broader banking sector liquidity rose UAH1.67bn to UAH44.34bn as banks' correspondent accounts with the NBU increased UAH0.80bn to UAH29.36bn and total CDs outstanding rose UAH0.87bn to UAH10.00bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH4.98bn.

KyivPrime interest rates slightly diverged last Friday: the KyivPrime ON interest rate rose just 1bp to 5.05% while the KyivPrime 1M interest rate continued to decline, moving down 10bp to 19.00%.

Investment implications: The NBU issued UAH0.92bn of a new 89-day loan to only one bank, decreasing the volume of ON loans by only UAH0.01bn to UAH0.09bn. Although funds deposited for FX purchases could increase before the end of this month, we could see a renewed decline of liquidity due to outflows to the state budget as month-end tax payments are completed.

Yields increase

Despite the recent announcement of the approved IMF loan, increased anticipations of a Russian invasion of eastern Ukraine continued to have a negative impact on the Eurobond market. As a result, the yield curve moved to the range of 9.82-14.84%, where only UKRAIN 7.50% '23 remained below 10.0%. The YTM of UKRAIN 6.875% '15 was up 45bp to 14.84%, UKRAIN 9.25% '17 rose 26bp to 12.87%, and UKRAIN 7.95% '21 was up 23bp to 10.79%, while UKRAIN 7.80% '22 and UKRAIN 7.50% '23 rose 15bp and 14bp to 10.39% and 9.82%, respectively.

Investment implications: Although the approved IMF loan could increase positive anticipations this week of Ukraine's ability to fulfill its debt repayments scheduled in May, the real results most likely will not be reflected in the market until receipt of the promised funds.

Primary auction announcement

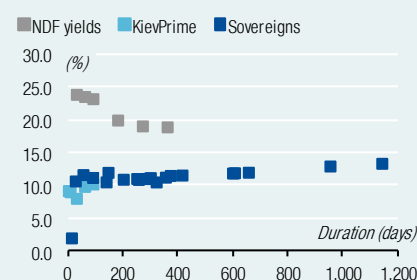
For the last auction in April, the MoF once more decided not to offer the originally scheduled bonds. The 9-month local currency bond was replaced with 3-month and 3-year local currency bonds, while the 4-month FX-denominated bonds will be offered as scheduled. For details of this auction, please see the next page.

Investment implications: The MoF could repeat last week's auction procedure and raise a large portion of demand via domestic QE, most likely for the 3-year bond and possibly for other bonds as well.

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Yield curve of the local bond market

(as of market close on 25 Apr 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 25 Apr 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
0/n	5.05	+1bp	-45bp	-117bp	-275bp
1wk	10.13	+9bp	-97bp	-727bp	+33bp
1m	19.00	-10bp	-70bp	-438bp	+275bp
2m	18.13	+3bp	-7bp	+0bp	+173bp
3m	18.00	+0bp	+0bp	+0bp	+200bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	29,360	+2.80	-6.70	+17.72	-10.22
CDs ²	17,955	+9.50	+16.22	+19.28	+1,081.3
Sovgns ³	5,113	+0.00	-5.00	-0.41	+242.0
Total	52,427	+4.71	+0.25	+16.17	+46.79
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	173,685	+0.89	+1.76	+2.35	+19.91
Banks	86,753	-2.27	+0.22	+5.61	+8.21
Resid's ⁴	10,681	-0.10	-0.62	-4.93	-13.84
Non-res ⁵	15,861	-0.94	+1.01	+8.11	+35.58
Total	286,980	-0.22	+1.16	+3.32	+15.20
NDF IMPLIED YIELDS (%)					
3m	45.56	-11ppt	-322bp	+31bp	+33bp
6m	32.53	-413bp	+349bp	+11bp	+19bp
9m	25.09	-229bp	+13bp	+776bp	+11bp
1yr	22.41	-217bp	+67bp	+588bp	+742bp
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	1,197	+47bp	+67bp	+25bp	+381bp
Jun '16	13.95	+35bp	+137bp	+271bp	+506bp
Jul '17	12.45	+9bp	+17bp	+54bp	+289bp
Sep '20	10.30	-27bp	+0bp	+22bp	+110bp
Sep '21	10.35	-22bp	+7bp	+23bp	+113bp
Sep '22	10.30	+13bp	+24bp	+66bp	+95bp
Feb '23	9.70	-16bp	-2bp	+30bp	+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.

Table 2. Details of the auction announced for 29 April 2014

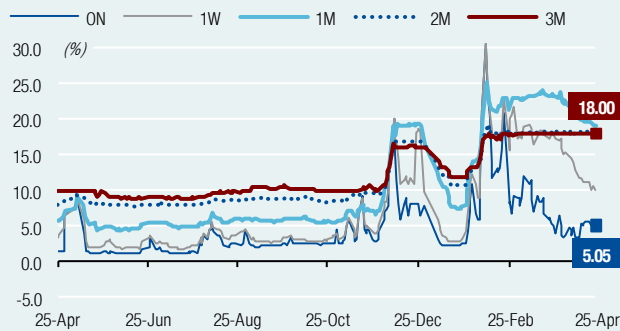
ISIN	Type of placement	Bond type	Currency	Tenor (days)	Maturity	Coupon rate (%)	Volume outstanding (UAHm)
	Primary	Zero-coupon	UAH	91	30-Jul-14	N/M	0.00
	Primary	Coupon-bearing, bullet	UAH	1092	26-Apr-17	N/A	0.00
	Primary	Zero-coupon	USD	119	27-Aug-14	N/M	0.00

Notes: N/A - not available; N/M not meaningful.

Sources: Ministry of Finance of Ukraine, Investment Capital Ukraine LLC.

Chart page: Local bond market & Eurobond markets

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



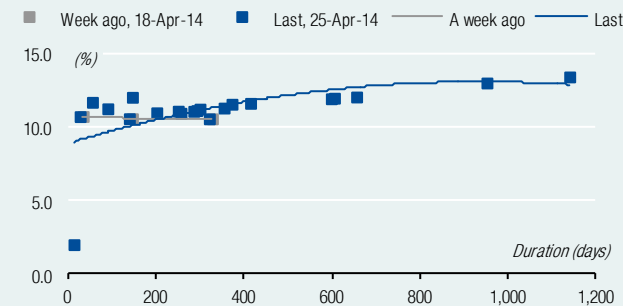
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



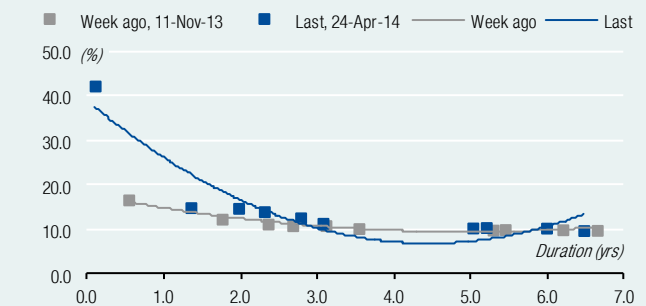
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 25 Apr 2014



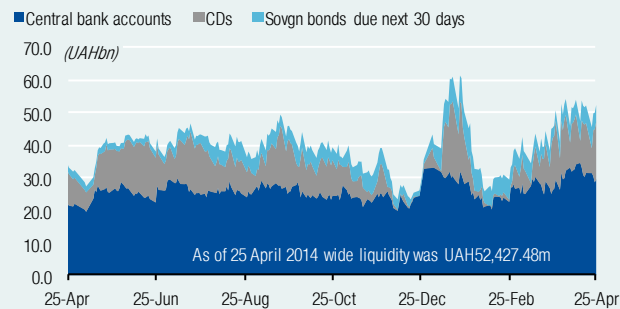
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 25 Apr 2014



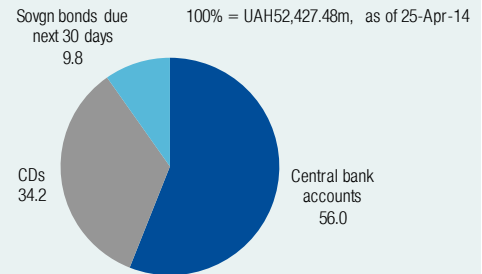
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



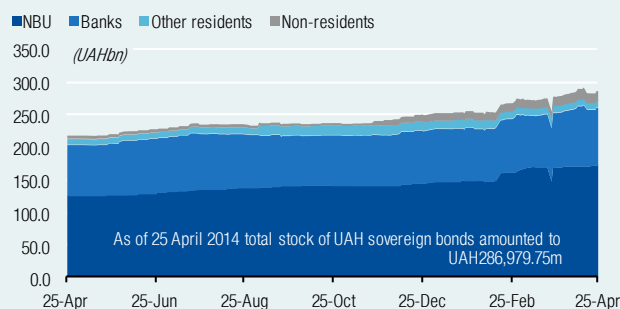
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 25 Apr 2014



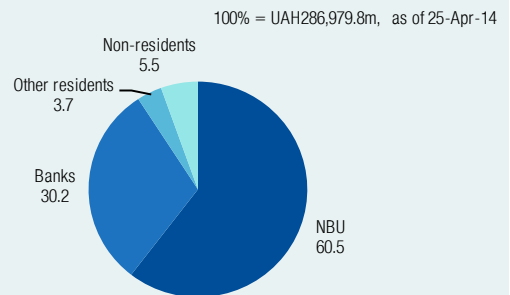
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 25 Apr 2014



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

FX: News & Comments

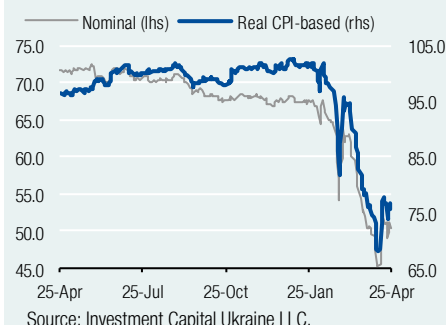
Hryvnia steady again amidst the looming risk of a Russian invasion

Last Friday, the UAH held steady once again, down 1.77% versus the US dollar on US\$0.34bn in trading, despite the steady deterioration of the Ukraine-Russia stand-off over several enclaves in the Donetsk oblast being seized by pro-Kremlin military squads widely believed to be choreographed by Moscow. The increased risk of a mainland invasion by the Russian army, which is currently posted one kilometer from Ukraine's border, should weigh on the UAH this week.

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ICU's UAH trade-weighted indices

(Last 12-month history to 28 Apr 2014)



FX market indicators (as of 25 Apr 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	11.5000	+1.77	+1.77	+4.93	+39.56
NBU avg	11.3832	-0.01	+1.39	+7.63	+39.66
Ttl vlm ¹	442.49	+14.29	+8.96	-53.11	-84.21
\$ volume ²	338.64	+15.00	+4.38	-50.47	-84.68
NDF 3M	12.8000	-0.78	+2.40	+12.78	+50.85
NDF 6M	13.3500	+0.00	+4.71	+10.38	+52.05
NDF 1Y	14.0000	+0.00	+3.70	+10.24	+48.62
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	50.320	-1.44	-1.19	-4.35	-25.50
UAH real CPI	75.650	-1.44	-1.19	-4.35	-25.16
UAH real PPI	104.052	-1.44	-1.19	-4.35	-25.03
USD nom'l	79.749	-0.06	-0.12	-0.24	-0.36
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	36.0385	+0.85	+1.31	+1.23	+9.64
EUR/USD	1.3834	+0.02	+0.15	+0.06	+0.66
USD/CNY	6.2527	+0.04	+0.46	+0.84	+3.28
USD/PLN	3.0442	+0.34	+0.54	+0.48	+0.70
USD/TRY	2.1341	-0.07	+0.21	-3.73	-0.66
USD/BYR	10,000.00	+0.20	+0.45	+1.37	+4.82
USD/KZT	182.0500	+0.01	-0.01	-0.13	+18.01
OTHER MAJOR CURRENCIES					
USD/JPY	102.1600	-0.16	-0.26	-0.10	-2.99
GBP/USD	1.6803	+0.01	+0.05	+1.66	+1.49
USD/CHF	0.8818	+0.02	-0.19	-0.10	-1.24
AUD/USD	0.9281	+0.18	-0.56	+1.25	+4.08
USD/CAD	1.1039	+0.16	+0.14	-1.15	+3.92
USD/BRL	2.2436	+1.34	+0.31	-2.93	-5.02
USD/KRW	1,041.38	+0.20	+0.37	-3.53	-0.80
COMMODITIES					
Gold(\$/oz)	1,303.20	+0.76	+0.69	-0.61	+8.09
WTI crude ³	100.90	-1.31	-3.26	+1.37	+2.52
Brent crd ³	109.39	-0.79	-0.29	+2.63	-1.29
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	310.69	-0.48	-0.25	+3.28	+10.89

Readers may follow the ICU trade-weighted indices of the local-currency, the hryvnia (UAH), on the ICU website ([download history](#)) and Bloomberg (type: ALLX UTWI <GO>).

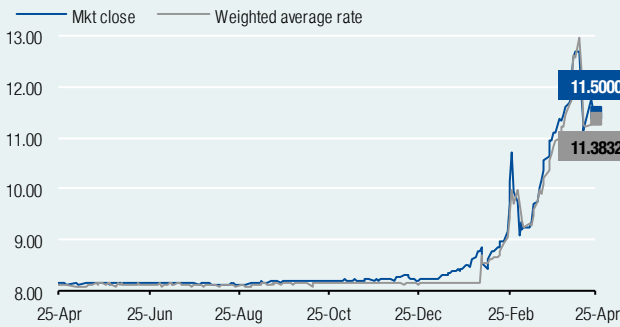
Section on FX market is continued on next page.

Notes: [1] trading volume in all foreign currencies (US\$m); [2] trading volume in the pair USD/UAH (US\$m); [3] crude oil price (USD per barrel); [4] the Thomson Reuters/Jefferies CRB Index. A green-/red-shaded box means gain or loss, respectively, of the investment into the asset. Currencies are gaining when their exchange rates strengthen versus USD.

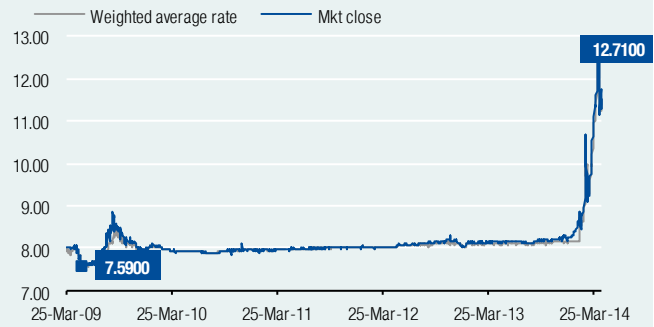
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart page #1: Foreign-exchange market

Chart 9. Spot market rates USD/UAH: last 12-month and 5-year periods (UAH per USD, left and right respectively)

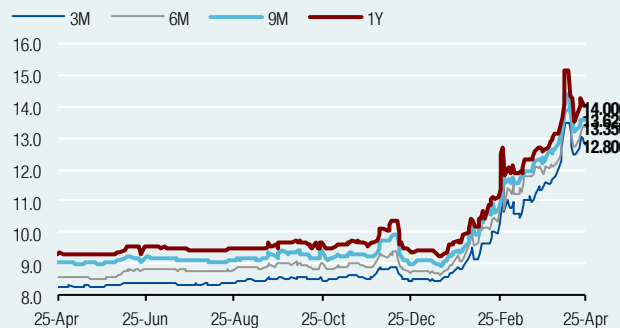


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

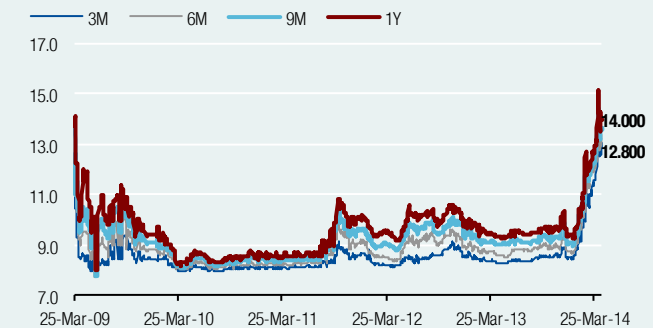


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

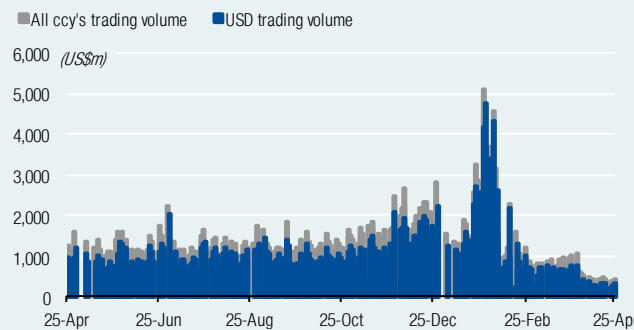


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

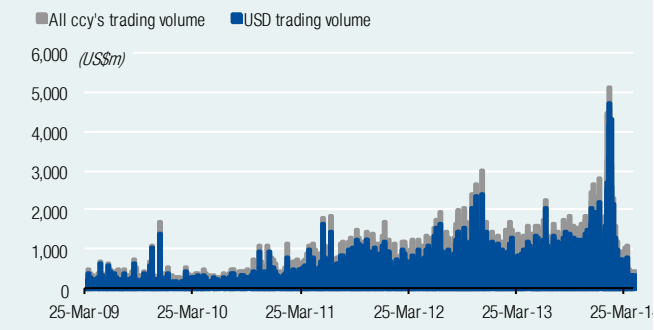


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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



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



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

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



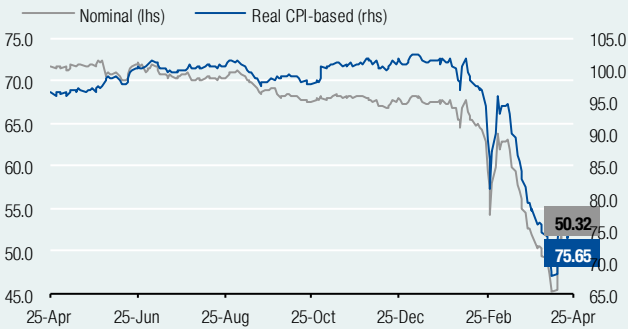
Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

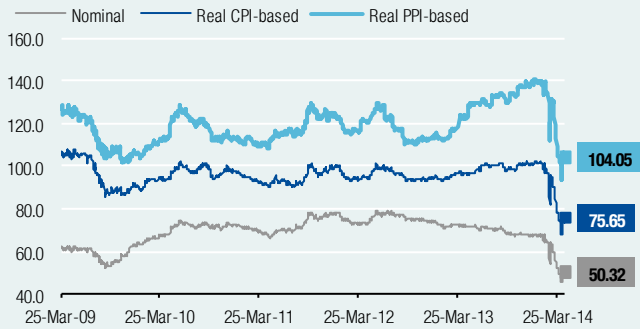
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



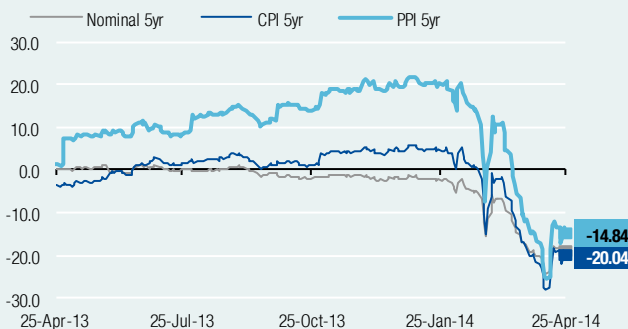
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

Chart 14. Nominal, CPI- and PPI-based TWIs of UAH, history of last 5-year period

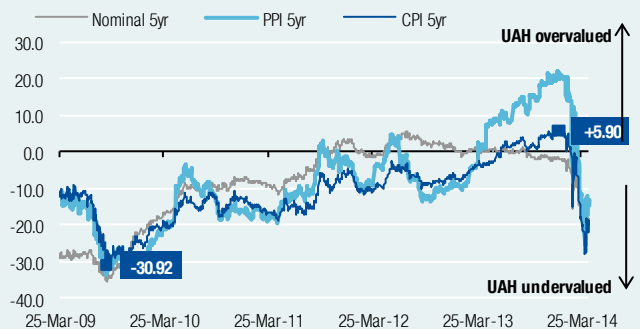


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

Chart 15. Deviation of UAH trade-weighted indices from their 5-year moving averages: last 12-month and 5-year periods (% , left and right respectively)

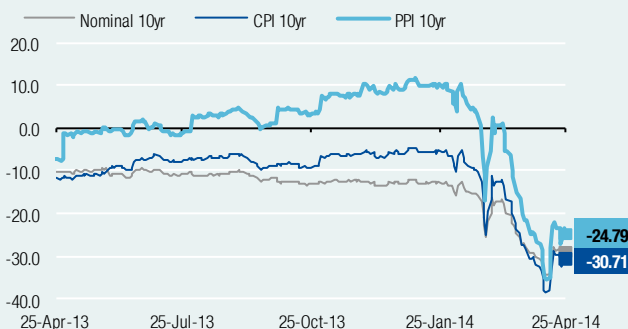


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

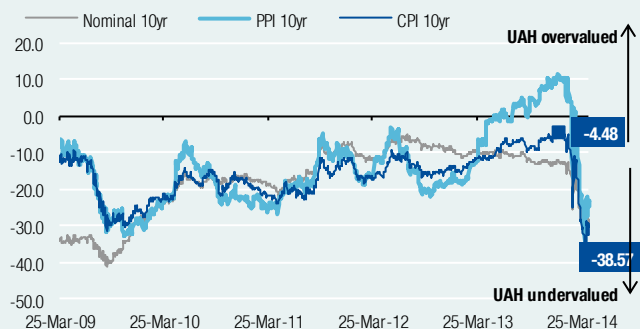


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

Chart 16. Deviation of UAH trade-weighted indices from their 10-year moving averages: last 12-month and 5-year periods (% , left and right respectively)



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



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

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Disclosures

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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.

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

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



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