


INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

Liquidity up; Yields slightly diverge; UAH down on weak USD; April inflation and effect of depreciation

WEDNESDAY, 7 MAY, 2014

RESEARCH INSIGHT

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UX Index (3 months to 7 May 2014)



Key market indicators (as of 6 May 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	11.8000	+1.35	+43.20
USD/UAH (1Y NDF)	14.3250	+0.88	+52.07
EUR/USD	1.3928	+0.38	+1.35
USD/RUB	35.3861	-0.98	+7.66
KievPRIME O/N (%)	5.50	-20bp	-230bp
KievPRIME 1M (%)	18.63	-47bp	+238bp

BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	-8,900bp	-8,900bp
Ukraine 17, Eurobond (%)	14.37	+19bp	+481bp
Ukraine 22, Eurobond (%)	10.75	-17bp	+140bp
Ukraine 23, Eurobond (%)	10.41	-13bp	+137bp
Ukraine 5Y CDS	1,251bp	-3bp	+434bp

EQUITIES

Stock market indices

UX (Ukraine)	1,074.78	+1.35	+18.10
MSCI World	413.54	-0.30	+1.22
MSCI EM	1,003.93	+0.29	+0.12
RTS (Russia)	1,172.91	+2.58	-18.70
WIG-20 (Poland)	2,389.30	-0.69	-0.49
S&P 500 (USA)	1,867.72	-0.90	+1.05

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

KER PW	1.13	44.9% of total ¹
FXPO LN	0.86	34.1%
MHPC LI	0.12	4.9%

GAINERS: Top 3 stocks (in listed currency)

RPT LN	GBP 8.25	+6.45	-36.54
ZAEN UK	UAH 131.50	+5.28	+45.46
ALMK UK	UAH 0.03	+3.37	-20.90

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

Inflation in April: Currency depreciation takes its toll on prices

Prices in April jumped, being fuelled by the currency depreciation. The consumer price index posted a month-on-month rise of 3.3%, allowing for the year-on-year index to accelerate to 6.9%, up from 3.4% a month ago. The upward shift in prices was quite broad across all sectors. The biggest monthly increase was reported for fruits and vegetables, up 13.5% and 14.3%, respectively, while transport fuel rose 18.1%. Producer prices also rose sizably, up 6.1% for the month, which implied an increase of the year-on-year index to 7.5%, up from 3.9% a month ago. Such an increase in inflation in April caused the real trade-weighted value of the hryvnia to rise; however, the higher inflation has not offset the nominal devaluation of the UAH that has occurred so far this year. The gain in competitiveness that happened thanks to the nominal devaluation of the UAH remains a positive macroeconomic factor for the remainder of this year.

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Table 1. Ukrainian stocks (closing prices as of 6-May-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	9.50 GBP	+0.0	+4.1	-8.4	-32.7	0.16	37.3	-25.8	40.2	15.0	0.0	9.3	0.07	1,420	Neg.	Neg.	Neg.	3.9	8.1	16.1	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	5.96 UAH	+0.5	+10.9	+24.9	+44.2	0.50	186.5	240.2	21.7	40.5	109.2	119.5	0.37	269	9.4	5.1	7.4	0.4	3.7	3.3	0.3	0.3	0.3	0.9	12.2
Coal Energy	CLE PW	Warsaw	1.22 PLN	+1.7	-17.0	+16.2	-76.2	0.40	18.2	112.5	25.0	4.5	42.2	275.4	1.82	55	Neg.	Neg.	4.5	5.0	14.1	3.9	0.9	1.1	1.0	0.2	39.8
Donbasenergo	DOEN UK	Kiev, UX	40.75 UAH	+3.2	+0.2	+47.7	+100.7	3.45	81.7	121.9	14.2	11.6	5.0	37.7	0.42	241	1.8	2.5	2.5	0.5	1.6	1.4	0.3	0.2	0.2	1.5	17.8
JKX Oil & Gas	JKX LN	London	54.13 GBP	-1.6	-9.0	-24.3	-21.6	0.92	157.8	164.3	47.2	74.5	68.5	81.5	0.10	953	24.3	12.1	5.7	2.5	1.9	1.8	0.9	0.9	0.8	0.3	5.5
Regal Petroleum	RPT LN	London	8.25 GBP	+6.5	-19.5	-36.5	-65.6	0.14	44.9	18.1	80.9	36.3	2.2	6.9	0.02	4,821	Neg.	N/A	N/A	0.8	N/A	N/A	0.5	N/A	N/A	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	131.50 UAH	+5.3	+3.5	+45.5	+54.9	11.14	142.5	119.9	5.0	7.1	0.4	3.6	0.04	2,612	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	+3.4	-13.5	-20.9	-29.7	0.00	67.1	1,256.7	3.9	2.6	3.6	9.8	0.37	269	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	2.98 UAH	-0.2	+0.4	+0.6	-2.3	0.25	49.2	46.1	4.0	2.0	0.8	15.1	0.81	124	Neg.	1.9	0.8	Neg.	0.6	0.4	0.1	0.1	0.0	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.69 UAH	+2.1	-3.8	+2.4	+17.5	0.06	244.4	237.3	4.1	10.0	2.1	11.9	0.12	854	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	145.30 GBP	-0.5	-6.7	-21.8	-17.5	2.47	1,452.2	2,113.3	22.4	325.3	858.1	3,249.7	0.53	189	5.5	5.9	7.1	4.2	4.6	5.0	1.3	1.4	1.4	0.8	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.57 UAH	-18.6	-11.1	+7.5	+0.5	0.05	13.2	14.4	9.0	1.2	0.5	1.2	0.12	835	Neg.	0.8	0.7	0.1	0.4	0.4	0.1	0.0	0.0	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	33.42 UAH	+0.6	-2.5	+4.4	+0.3	2.83	29.9	25.5	9.4	2.8	2.6	11.8	0.28	361	5.1	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	1.02 EUR	+0.0	-15.0	-17.7	-36.3	1.42	131.1	158.7	34.0	44.6	31.7	36.8	0.10	965	Neg.	N/A	N/A	Neg.	N/A	N/A	2.4	N/A	N/A	1.1	35.9
Agroliga	AGL PW	Warsaw	16.25 PLN	+0.3	-18.9	-37.3	+6.2	5.38	8.3	9.2	16.7	1.4	2.2	11.7	0.24	414	1.9	N/A	N/A	2.7	N/A	N/A	0.4	N/A	N/A	0.6	5.7
Agroton	AGT PW	Warsaw	2.19 PLN	+1.9	-21.8	+12.3	-28.4	0.73	15.7	63.1	26.2	4.1	44.1	456.3	3.92	25	2.3	3.1	2.2	4.4	4.9	3.9	0.7	0.9	0.8	0.1	28.0
Astarta Holdin...	AST PW	Warsaw	38.99 PLN	-2.5	-11.4	-41.7	-23.0	12.92	322.9	657.1	31.0	100.2	18.7	178.7	0.16	641	9.0	4.8	3.4	7.5	4.4	4.6	1.3	1.3	1.1	0.6	38.9
Avangard	AVGR LI	London Intl	8.80 USD	-0.8	-7.3	-25.1	+0.6	8.80	562.1	728.4	21.7	122.0	9.9	330.8	0.14	728	2.4	2.8	2.5	2.6	2.7	2.6	1.1	1.1	1.0	0.5	22.3
IMC	IMC PW	Warsaw	9.00 PLN	-1.1	+9.9	-25.9	-30.8	2.98	93.3	218.6	23.9	22.3	14.1	125.1	0.19	514	3.6	3.6	2.0	4.0	3.8	3.1	1.9	1.1	0.9	0.6	38.7
Kernel Holding...	KER PW	Warsaw	27.05 PLN	-0.6	-8.9	-28.9	-52.5	8.96	714.1	1,737.4	58.8	419.7	1,129.6	2,763.1	0.59	169	6.4	8.8	3.9	6.0	6.3	4.8	0.6	0.7	0.6	0.6	30.6
MHP	MHPC LI	London Intl	12.00 USD	-1.2	-9.8	-29.6	-36.8	12.00	1,268.0	1,692.0	22.3	283.0	123.0	1,547.5	0.74	134	8.1	5.3	4.2	4.3	3.5	3.2	1.1	1.1	1.0	1.0	19.6
Milkiland	MLK PW	Warsaw	6.25 PLN	-7.3	-17.2	-50.0	-50.0	2.07	64.7	198.0	20.0	12.9	6.6	11.4	0.03	3,050	4.3	7.1	2.3	6.0	3.7	3.4	0.4	0.4	0.4	0.3	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	4.56 EUR	+0.0	-6.1	-15.6	+5.3	6.35	674.3	1,406.2	20.0	134.9	0.0	7.1	0.01	8,022	3.9	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	67.00 PLN	+1.5	-6.9	-33.0	-28.0	22.20	133.2	142.0	25.0	33.3	9.2	31.7	0.01	9,159	4.4	6.1	5.9	3.9	4.9	4.4	1.6	1.6	1.2	1.0	8.5
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.23 EUR	+0.0	-16.7	-29.0	-49.7	0.31	16.2	175.5	13.1	2.1	0.0	0.2	0.02	5,935	Neg.	N/A	N/A	Neg.	N/A	N/A	8.1	N/A	N/A	0.1	44.1
FINANCIAL SERVICES																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.17 UAH	+1.5	+3.3	+52.5	+66.4	0.01	439.8	N/A	3.8	16.8	29.0	58.2	0.36	280	16.3	6.9	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	0.7	28.3
Ukrrotsbank	USCB UK	Kiev, UX	0.15 UAH	+0.0	-7.1	-19.8	+22.9	0.01	231.1	N/A	4.5	10.4	0.4	4.1	0.03	3,280	900.7	166.2	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 slightly recovers

After falling significantly this Monday, yesterday's liquidity indicators rose slightly, causing broader banking sector liquidity to rise UAH1.46bn to UAH41.14bn. Banks' correspondent accounts with the NBU rose UAH1.05bn to UAH31.30bn, while total CDs outstanding rose a mere UAH0.02bn to UAH5.89bn. Total local currency debt repayments scheduled for the next 30 days rose only UAH0.39bn to UAH3.95bn.

KyivPrime interest rates continued to decline: the KyivPrime ON interest rate slid 20bp to 5.50%, while the KyivPrime 1M interest rate declined a significant 47bp to 18.63%.

Investment implications: Liquidity rose yesterday without significant inflows from the NBU on Monday. This increase could be the result of the beginning of a new month when liquidity normally recovers after month-end tax payments partially due to new budget expenditures. Today, liquidity most likely will not move significantly because yesterday's primary auction attracted a low volume of funds which were not pre-supported by the NBU.

Yields slightly diverge

Ukrainian Eurobonds remained above 10.0% yesterday with insignificant movements. During yesterday's trading session, the long-term end of the yield curve slightly declined while the short-term and mid-term yields were stable or rose. As the close, the yield curve was in the range of 10.42-17.35%, as UKRAIN 6.875% '15 rose 24bp to 17.35%, UKRAIN 9.25% '17 rose 20bp to 14.37%, while UKRAIN 7.95% '21 declined 26bp to 11.57%, while UKRAIN 7.80% '22 and UKRAIN 7.50% '23 slid 17bp and 12bp to 10.76% and 10.42%, respectively.

Primary auction results

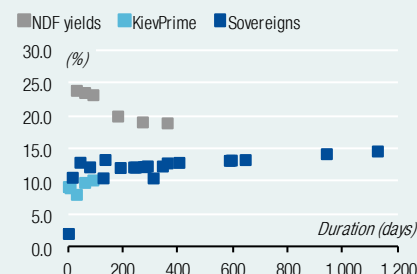
At May's debut primary auction yesterday, the MoF offered an additional 3-month bond denominated in local currency as a last minute change to the list of offerings. The 3-year bond received a routine single bid at the same 15% interest rate as last week but for a significantly lower amount of UAH100.0m. At the same time, the 3-month bond continued to attract several bids, part of which reflected the current situation and market interest rates. The MoF accepted only one bid for UAH150.0m (par value) of the 3-month bonds at 9.95%, the same as last week, while other bids were submitted with interest rates of up to 20.0%, or 400bp higher than last week.

Investment implications: UAH246.60m of proceeds could cover the majority of UAH293.21m in local currency debt repayments scheduled for this week. At the same time, the MoF received UAH146.60m from 3-month bond sales, which could cover UAH120m of FX-denominated debt repayments. With the purchasing date on this bond set for yesterday, could be specially to receive funds to pay for FX and make the FX-denominated debt repayment immediately.

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Yield curve of the local bond market

(as of market close on 6 May 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 6 May 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
0/n	5.50	-20bp	+30bp	+175bp	-230bp
1wk	9.88	-2bp	-52bp	-537bp	+8bp
1m	18.63	-47bp	-37bp	-412bp	+238bp
2m	18.13	-17bp	-7bp	+0bp	+173bp
3m	18.00	-4bp	+0bp	+0bp	+200bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	31,301	+3.48	-1.78	-2.53	-4.28
CDs ²	10,371	+76.83	-37.34	-40.10	+582.3
Sovgns ³	3,989	+0.00	-29.06	-17.75	+166.8
Total	45,661	+13.86	-15.51	-15.88	+27.84
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	174,810	+0.00	-0.22	+2.42	+20.68
Banks	85,644	+0.00	+1.26	+0.56	+6.83
Resid's ⁴	10,451	+0.00	-2.94	-5.32	-15.69
Non-res ⁵	15,889	-0.01	+0.32	+2.17	+35.81
Total	286,794	+0.00	+0.15	+1.54	+15.12
NDF IMPLIED YIELDS (%)					
3m	33.35	-10ppt	-19ppt	+26bp	+21bp
6m	25.32	-432bp	-880bp	+15bp	+12bp
9m	22.75	-356bp	-426bp	+11bp	+874bp
1yr	22.06	-103bp	-113bp	+802bp	+707bp
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	+0bp	-89ppt
EUROBONDS USD SOVEREIGN BOND YIELDS (%)					
CDS 5yr	1,251	-3bp	+69bp	+401bp	+434bp
Jun '16	15.76	-10bp	+181bp	+710bp	+687bp
Jul '17	14.37	+19bp	+216bp	+514bp	+481bp
Sep '20	11.75	-12bp	+105bp	+290bp	+255bp
Sep '21	11.55	-27bp	+90bp	+275bp	+233bp
Sep '22	10.75	-17bp	+40bp	+204bp	+140bp
Feb '23	10.41	-13bp	+35bp	+198bp	+137bp

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

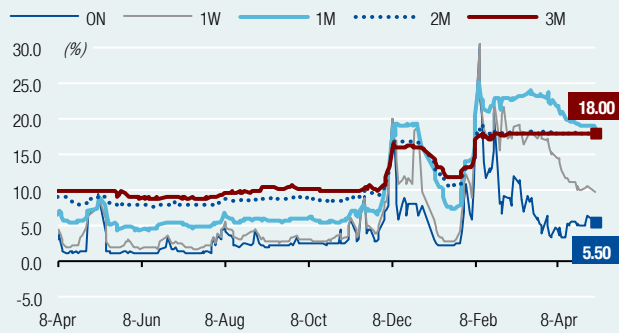


Chart 2. UAH NDF implied yields (%), last 12-month period

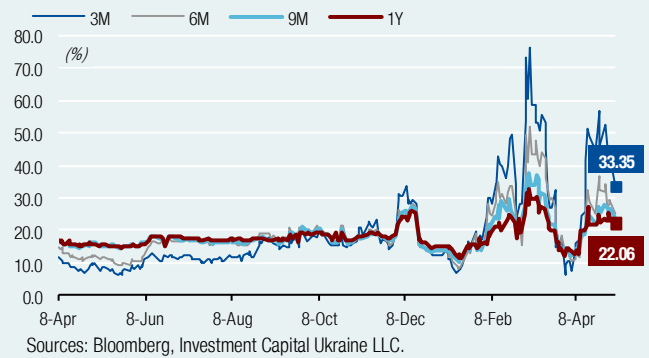


Chart 3. UAH sovereign yield curve (%) as of 6 May 2014

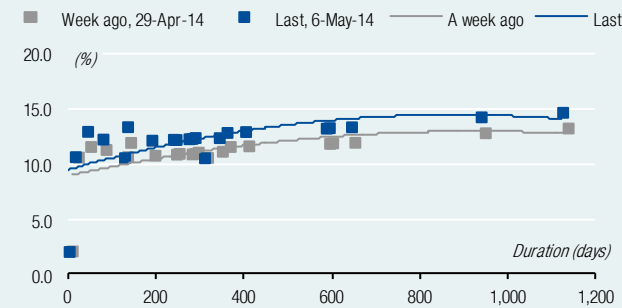


Chart 4. USD sovereign yield curve (%) as of 6 May 2014

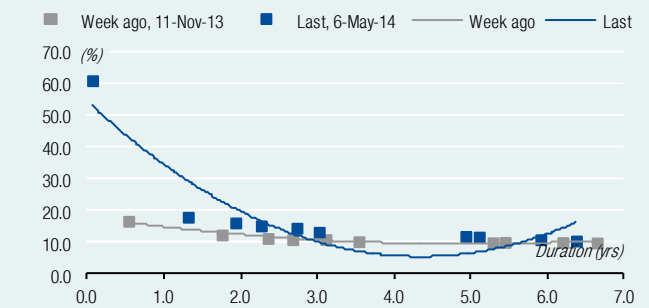


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

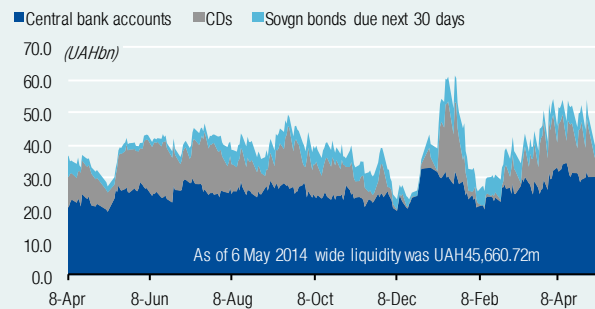


Chart 6. Breakdown of liquidity pool (%) as of 6 May 2014

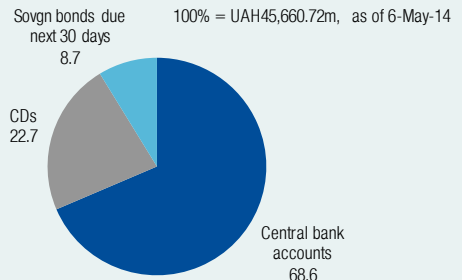


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

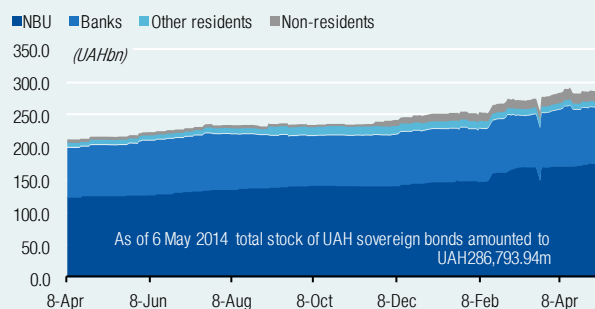
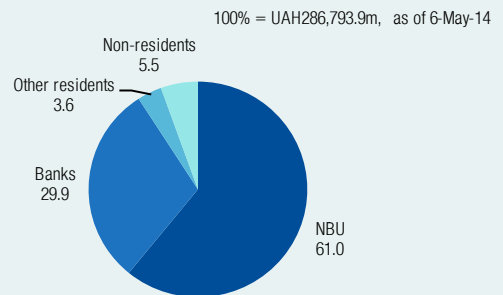


Chart 8. Domestic sovereign debt (%) as of 6 May 2014



FX: News & Comments

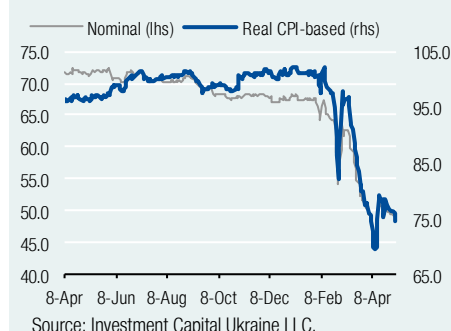
UAH slides, its real TWI decline powered by weak USD

The US dollar weakened as many major currencies gained. The USD index dropped nearly 0.5% as forecasts for the Eurozone supported the EUR and other currencies. This allowed the RUB to rise 0.98% to close at 35.3861/USD, as the Polish zloty and the Turkish lira both increased 0.54% and 0.50%, respectively, and the Chinese renmibi increased 0.29%. The UAH's real trade-weighted index posted a 1.85% drop yesterday which was magnified by the UAH's and the USD's weakness.

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ICU's UAH trade-weighted indices

(Last 12-month history to 7 May 2014)



FX market indicators (as of 6 May 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	11.8000	+1.35	+2.16	+1.72	+43.20
NBU avg	11.4696	+0.61	+0.54	+0.25	+40.72
Ttl vlm ¹	391.33	-21.24	+6.35	-22.11	-86.03
\$ volume ²	233.80	-31.32	-9.04	-39.72	-89.42
NDF 3M	12.7750	-1.16	-2.11	+8.26	+50.56
NDF 6M	13.2750	-0.19	-1.67	+8.90	+51.20
NDF 1Y	14.3250	+0.88	+1.24	+8.89	+52.07
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	48.304	-1.85	-2.75	-2.02	-28.48
UAH real CPI	74.479	-1.85	-2.75	-2.02	-26.31
UAH real PPI	103.168	-1.85	-2.75	-2.02	-25.66
USD nom'l	79.093	-0.49	-0.90	-1.65	-1.18
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	35.3861	-0.98	-0.74	+0.32	+7.66
EUR/USD	1.3928	+0.38	+0.84	+1.63	+1.35
USD/CNY	6.2265	-0.29	-0.50	+0.23	+2.84
USD/PLN	3.0137	-0.54	-0.75	-0.78	-0.31
USD/TRY	2.0897	-0.50	-1.44	-1.12	-2.72
USD/BYR	10,015.00	+0.15	+0.25	+1.06	+4.98
USD/KZT	182.0500	+0.00	-0.01	-0.02	+18.01
OTHER MAJOR CURRENCIES					
USD/JPY	101.6800	-0.45	-0.94	-1.56	-3.45
GBP/USD	1.6975	+0.65	+0.88	+2.41	+2.52
USD/CHF	0.8743	-0.40	-1.04	-2.00	-2.08
AUD/USD	0.9351	+0.83	+0.90	+0.63	+4.87
USD/CAD	1.0895	-0.55	-0.45	-0.78	+2.56
USD/BRL	2.2294	-0.66	-0.30	-0.29	-5.62
USD/KRW	1,024.96	-0.42	-0.54	-2.72	-2.37
COMMODITIES					
Gold(\$/oz)	1,308.04	-0.17	+0.94	+0.34	+8.49
WTI crude ³	99.50	+0.02	-1.76	-1.62	+1.10
Brent crd ³	107.20	-0.13	-2.02	+1.10	-3.27
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	307.28	+0.01	-1.47	+0.80	+9.68

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>).

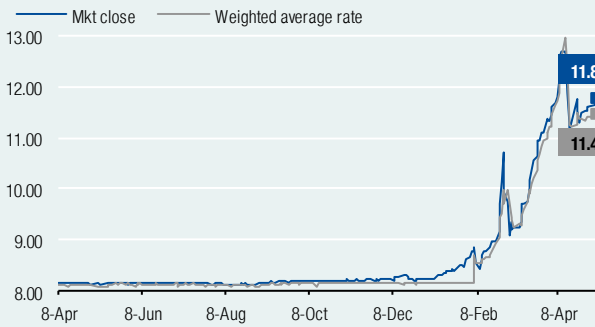
Section on FX market is continued on next page.

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.

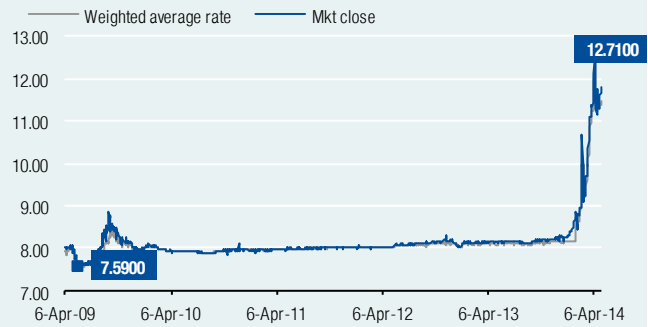
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

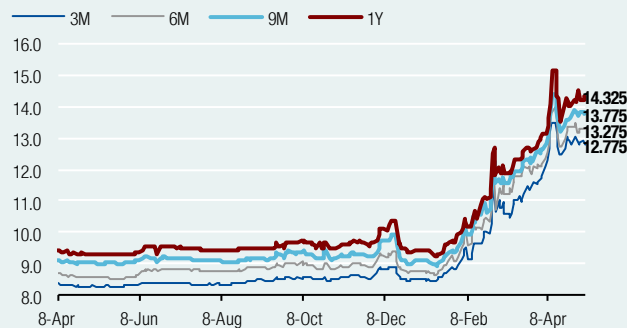


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

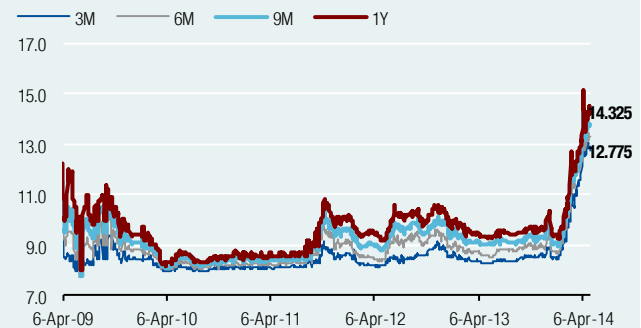


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

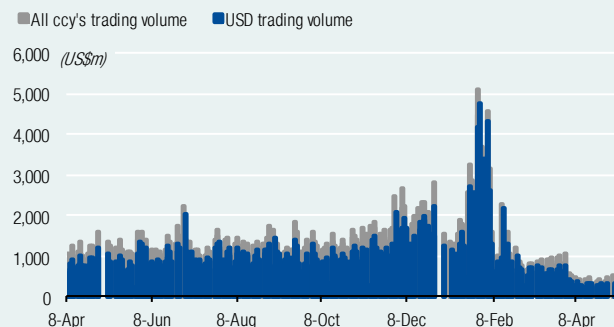


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.



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)



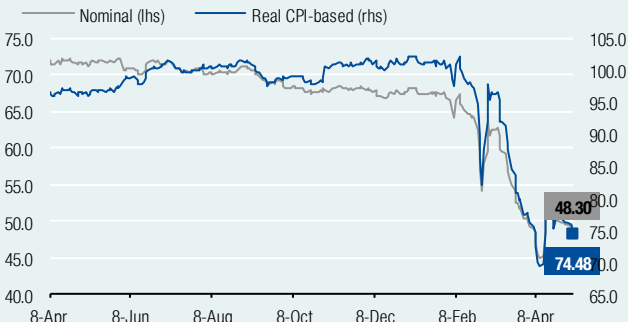
Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

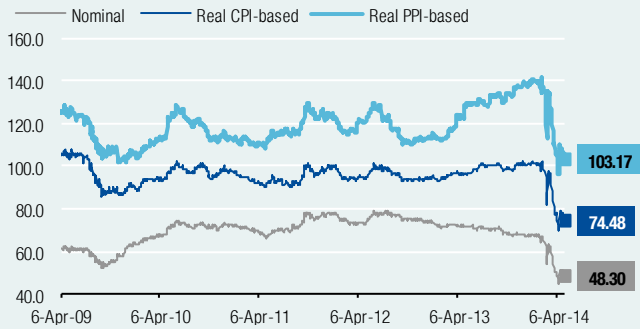
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

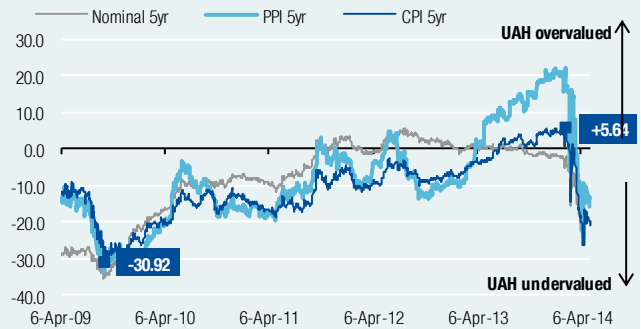


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

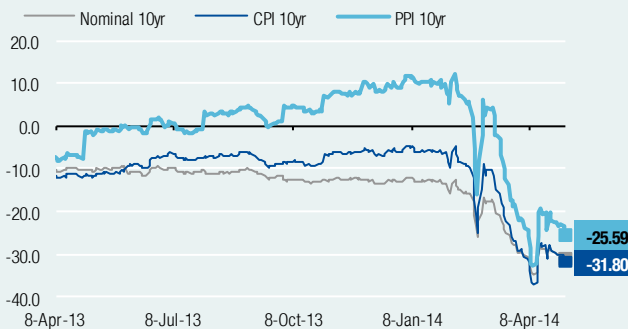


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

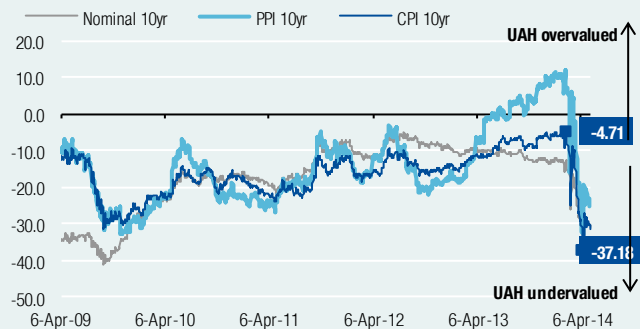


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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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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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