


INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

Liquidity up; Yields decline; UAH recovers slightly

THURSDAY, 8 MAY, 2014

RESEARCH INSIGHT

Contents

| | |
|--|----------|
| Bonds: News & Comments | 4 |
| Liquidity continues to recover | 4 |
| Yields decline on positive anticipations | 4 |
| Chart page: Local bond market & Eurobond markets | 5 |
| FX: News & Comments | 6 |
| UAH slightly recovers | 6 |
| Chart page #1: Foreign-exchange market | 7 |
| Chart page #2: ICU's UAH trade-weighted indices | 8 |

UX Index (3 months to 8 May 2014)



Key market indicators (as of 7 May 2014)

| | Last | Daily chg (%) | YTD chg (%) |
|-----------------------------|---------|---------------|-------------|
| FX & MONEY RATES | | | |
| USD/UAH | 11.8000 | +0.00 | +43.20 |
| USD/UAH (1Y NDF) | 14.3000 | -0.17 | +51.80 |
| EUR/USD | 1.3918 | -0.07 | +1.27 |
| USD/RUB | 35.4573 | +0.20 | +7.87 |
| KievPRIME O/N (%) | 5.38 | -12bp | -242bp |
| KievPRIME 1M (%) | 18.13 | -50bp | +188bp |

BONDS: yields and spreads

| | | | |
|--------------------------|---------|----------|----------|
| Ukraine VAT bond (%) | N/A | -8,900bp | -8,900bp |
| Ukraine 17, Eurobond (%) | 13.10 | -127bp | +354bp |
| Ukraine 22, Eurobond (%) | 10.36 | -39bp | +101bp |
| Ukraine 23, Eurobond (%) | 9.97 | -44bp | +93bp |
| Ukraine 5Y CDS | 1,107bp | -144bp | +291bp |

EQUITIES

Stock market indices

| | | | |
|-----------------|----------|-------|--------|
| UX (Ukraine) | 1,097.14 | +2.08 | +20.56 |
| MSCI World | 413.68 | +0.03 | +1.26 |
| MSCI EM | 1,004.50 | +0.06 | +0.18 |
| RTS (Russia) | 1,169.59 | -0.28 | -18.93 |
| WIG-20 (Poland) | 2,389.43 | +0.01 | -0.48 |
| S&P 500 (USA) | 1,878.21 | +0.56 | +1.61 |

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

| | | |
|---------|------|-----------------------------|
| AST PW | 0.39 | 36.0% of total ¹ |
| KER PW | 0.17 | 15.5% |
| AVGR LI | 0.15 | 13.5% |

GAINERS: Top 3 stocks (in listed currency)

| | | | |
|---------|-----------|-------|--------|
| AGL PW | PLN 17.50 | +7.43 | -32.51 |
| CLE PW | PLN 1.33 | +3.91 | +26.67 |
| ENMZ UK | UAH 34.90 | +3.56 | +9.03 |

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 7-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 | 9.13 GBP | +0.0 | +0.0 | -12.0 | -37.1 | 0.15 | 35.8 | -27.3 | 40.2 | 14.4 | 1.2 | 9.4 | 0.08 | 1,290 | Neg. | Neg. | Neg. | 4.1 | 8.5 | 17.1 | Neg. | Neg. | Neg. | 0.2 | 0.0 |
| Centrenerg | CEEN UK | Kiev, UX | 6.06 UAH | +1.4 | +9.9 | +27.1 | +48.2 | 0.52 | 190.7 | 244.8 | 21.7 | 41.4 | 63.5 | 124.1 | 0.36 | 281 | 9.6 | 5.1 | 7.6 | 0.4 | 3.8 | 3.3 | 0.3 | 0.4 | 0.3 | 0.9 | 12.2 |
| Coal Energy | CLE PW | Warsaw | 1.33 PLN | +3.9 | -9.5 | +26.7 | -74.0 | 0.44 | 19.9 | 114.2 | 25.0 | 5.0 | 50.9 | 300.8 | 1.59 | 63 | Neg. | Neg. | 5.0 | 5.1 | 14.3 | 3.9 | 0.9 | 1.1 | 1.0 | 0.2 | 39.8 |
| Donbasenergo | DOEN UK | Kiev, UX | 41.80 UAH | +1.5 | -2.1 | +51.5 | +106.7 | 3.56 | 84.2 | 124.7 | 14.2 | 12.0 | 0.3 | 39.0 | 0.40 | 250 | 1.9 | 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 | 53.75 GBP | +0.0 | -10.2 | -24.8 | -22.1 | 0.91 | 156.5 | 163.0 | 47.2 | 73.9 | 25.8 | 80.7 | 0.10 | 1,019 | 24.1 | 12.0 | 5.6 | 2.5 | 1.9 | 1.8 | 0.9 | 0.9 | 0.8 | 0.3 | 5.5 |
| Regal Petroleum | RPT LN | London | 8.88 GBP | +0.0 | -13.4 | -31.7 | -63.0 | 0.15 | 48.3 | 21.4 | 80.9 | 39.0 | 0.3 | 7.3 | 0.02 | 6,015 | Neg. | N/A | N/A | 1.0 | N/A | N/A | 0.6 | N/A | N/A | 0.2 | 0.0 |
| Zakhidenergo | ZAEN UK | Kiev, PFTS | 128.50 UAH | +0.0 | -0.2 | +42.1 | +57.7 | 10.95 | 140.1 | 117.3 | 5.0 | 7.0 | 0.1 | 3.6 | 0.04 | 2,547 | 2.8 | 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 | +0.3 | -14.3 | -20.1 | -28.7 | 0.00 | 68.1 | 1,264.3 | 3.9 | 2.6 | 0.4 | 10.3 | 0.39 | 255 | 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 | 3.04 UAH | +1.8 | -0.4 | +2.6 | +0.9 | 0.26 | 50.5 | 47.4 | 4.0 | 2.0 | 0.0 | 15.6 | 0.81 | 124 | Neg. | 1.9 | 0.8 | Neg. | 0.7 | 0.4 | 0.1 | 0.1 | 0.0 | 0.1 | 0.0 |
| Azovstal | AZST UK | Kiev, UX | 0.71 UAH | +2.2 | -1.4 | +5.8 | +22.2 | 0.06 | 254.0 | 246.9 | 4.1 | 10.4 | 0.1 | 12.3 | 0.11 | 890 | Neg. | Neg. | N/A | Neg. | Neg. | N/A | 0.1 | 0.1 | N/A | 0.2 | 0.0 |
| Ferrexpo PLC | FXPO LN | London | 148.20 GBP | +1.6 | -4.6 | -20.3 | -22.1 | 2.51 | 1,479.5 | 2,140.6 | 22.4 | 331.4 | 84.8 | 3,300.3 | 0.50 | 199 | 5.6 | 6.0 | 7.2 | 4.3 | 4.6 | 5.1 | 1.4 | 1.4 | 1.4 | 0.9 | 35.1 |
| Yasynivsky Cok... | YASK UK | Kiev, UX | 0.67 UAH | +0.0 | +5.0 | +27.0 | +18.1 | 0.06 | 15.7 | 16.9 | 9.0 | 1.4 | 3.7 | 1.5 | 0.11 | 947 | Neg. | 0.9 | 0.8 | 0.1 | 0.5 | 0.5 | 0.1 | 0.0 | 0.0 | 0.1 | 0.1 |
| Yenakievo Steel | ENMZ UK | Kiev, UX | 34.90 UAH | +3.6 | +0.1 | +9.0 | +5.8 | 2.97 | 31.4 | 26.9 | 9.4 | 2.9 | 0.0 | 12.5 | 0.26 | 391 | 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 | 0.99 EUR | -2.0 | -16.8 | -20.2 | -38.1 | 1.38 | 127.3 | 154.9 | 34.0 | 43.3 | 13.7 | 39.2 | 0.13 | 789 | Neg. | N/A | N/A | Neg. | N/A | N/A | 2.3 | N/A | N/A | 1.1 | 35.9 |
| Agroliga | AGL PW | Warsaw | 17.50 PLN | +7.4 | -11.4 | -32.5 | +18.2 | 5.82 | 8.9 | 9.9 | 16.7 | 1.5 | 7.4 | 12.5 | 0.22 | 450 | 2.0 | N/A | N/A | 2.9 | N/A | N/A | 0.4 | N/A | N/A | 0.7 | 5.7 |
| Agroton | AGT PW | Warsaw | 2.43 PLN | -0.8 | -10.0 | +24.6 | -15.0 | 0.81 | 17.5 | 64.8 | 26.2 | 4.6 | 82.4 | 509.9 | 3.60 | 28 | 2.6 | 3.5 | 2.5 | 4.6 | 5.0 | 4.1 | 0.7 | 1.0 | 0.8 | 0.1 | 28.0 |
| Astarta Holdin... | AST PW | Warsaw | 38.00 PLN | +0.0 | -11.6 | -43.2 | -26.6 | 12.63 | 315.8 | 650.0 | 31.0 | 97.9 | 392.6 | 176.8 | 0.17 | 574 | 8.8 | 4.7 | 3.3 | 7.4 | 4.4 | 4.5 | 1.3 | 1.2 | 1.1 | 0.6 | 38.9 |
| Avangard | AVGR LI | London Intl | 8.75 USD | +0.0 | -8.9 | -25.5 | +1.7 | 8.75 | 558.9 | 725.2 | 21.7 | 121.3 | 147.8 | 331.3 | 0.14 | 711 | 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 | 8.95 PLN | +0.0 | +11.5 | -26.3 | -31.2 | 2.97 | 93.1 | 218.4 | 23.9 | 22.2 | 24.2 | 123.7 | 0.20 | 500 | 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 | 28.65 PLN | +2.3 | -4.8 | -24.7 | -49.5 | 9.52 | 758.8 | 1,782.1 | 58.8 | 446.0 | 169.4 | 2,990.5 | 0.58 | 174 | 6.8 | 9.3 | 4.1 | 6.1 | 6.5 | 4.9 | 0.6 | 0.7 | 0.7 | 0.6 | 30.6 |
| MHP | MHPC LI | London Intl | 12.70 USD | +1.8 | -2.8 | -25.5 | -32.6 | 12.70 | 1,342.0 | 1,766.0 | 22.3 | 299.5 | 6.4 | 1,618.0 | 0.70 | 143 | 8.6 | 4.9 | 4.4 | 4.5 | 3.6 | 3.3 | 1.2 | 1.1 | 1.0 | 1.1 | 19.6 |
| Milkiland | MLK PW | Warsaw | 6.40 PLN | +0.0 | -17.4 | -48.8 | -47.2 | 2.13 | 66.5 | 199.9 | 20.0 | 13.3 | 0.2 | 12.3 | 0.05 | 2,185 | 4.4 | 7.3 | 2.4 | 6.0 | 3.7 | 3.4 | 0.4 | 0.4 | 0.4 | 0.3 | 30.8 |
| Mriya Agrohold... | MAYA GF | Frankfurt | 4.58 EUR | -2.6 | -5.7 | -15.2 | +5.7 | 6.38 | 677.6 | 1,409.5 | 20.0 | 135.5 | 0.0 | 7.2 | 0.01 | 8,044 | 3.9 | 4.8 | 7.8 | 6.1 | 5.5 | 5.2 | 4.1 | 3.8 | 3.3 | 0.8 | 34.8 |
| Ovostar Union | OVO PW | Warsaw | 69.95 PLN | +0.0 | -1.3 | -30.1 | -24.0 | 23.25 | 139.5 | 148.3 | 25.0 | 34.9 | 9.7 | 32.9 | 0.01 | 10,360 | 4.6 | 6.3 | 6.2 | 4.0 | 5.1 | 4.6 | 1.7 | 1.6 | 1.3 | 1.0 | 8.5 |
| TRANSPORTATION | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| KDM Shipping | KDM PW | Warsaw | 10.99 PLN | +0.0 | -15.5 | -65.0 | -70.2 | 3.65 | 34.0 | 18.0 | 10.9 | 3.7 | 0.2 | 2.3 | 0.04 | 2,625 | 2.7 | N/A | N/A | 1.2 | N/A | N/A | 0.6 | N/A | N/A | 0.6 | 8.3 |
| CONSTRUCTION | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TMM | TR61 GF | Xetra | 0.18 EUR | -1.1 | -27.1 | -43.2 | -58.0 | 0.25 | 13.0 | 172.3 | 13.1 | 1.7 | 0.0 | 0.1 | 0.02 | 4,366 | Neg. | N/A | N/A | Neg. | N/A | N/A | 7.9 | N/A | N/A | 0.1 | 44.1 |
| FINANCIAL SERVICES | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Raiffeisen Ban... | BAVL UK | Kiev, UX | 0.19 UAH | +0.1 | +9.4 | +64.8 | +83.6 | 0.02 | 477.7 | N/A | 3.8 | 18.2 | 5.1 | 64.9 | 0.33 | 303 | 17.6 | 7.5 | Neg. | N/A | N/A | N/A | N/A | N/A | N/A | 0.8 | 28.3 |
| Ukrsotsbank | USCB UK | Kiev, UX | 0.16 UAH | +0.0 | -5.1 | -16.0 | +31.1 | 0.01 | 243.5 | N/A | 4.5 | 10.9 | 1.3 | 4.3 | 0.03 | 3,470 | Neg. | N/A | 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 7-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) |

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 continues to recover

Yesterday's liquidity indicators continued to increase, causing broader banking sector liquidity to rise UAH2.22bn to UAH43.36bn, as banks' correspondent accounts with the NBU increased UAH1.56bn to UAH32.87bn and total CDs outstanding rose a mere UAH0.66bn to UAH6.54bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH3.95bn.

KyivPrime interest rates continued to decline: the KyivPrime ON interest rate slid 12bp to 5.38%, while the KyivPrime 1M interest rate declined a significant 50bp to 18.13%.

Investment implications: Liquidity continued to increase while the NBU also absorbed some funds via CDs. Tuesday's bond purchases did not have an impact on liquidity. We could see a new increase in liquidity today.

Yields decline on positive anticipations

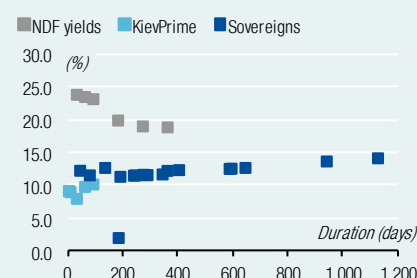
Ukrainian Eurobond prices rose on higher positive anticipation following the receipt of the IMF tranche by the Ukrainian government. During yesterday's trading session, the yield curve moved down significantly to the range of 9.96-17.55% as only UKRAIN 6.875% '15 rose 21bp to 17.55%, while UKRAIN 9.25% '17 declined 128bp to 13.09%, UKRAIN 7.95% '21 slid 66bp to 10.91%, UKRAIN 7.80% '22 and UKRAIN 7.50% '23 slid 41bp and 46bp to 10.35% and 9.96%, respectively.

Investment implications: Despite other news that could have an impact on market sentiment, the most important are the receipt of the debut IMF tranche and possible improvements of the situation in eastern Ukraine. Putin's request yesterday to hold a referendum later than this weekend could postpone any volatility that would arise from announced plans of a Russian invasion. This news could increase demand for Ukrainian Eurobonds, thus causing them to rise significantly over the next few days.

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Yield curve of the local bond market

(as of market close on 7 May 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 7 May 2014)

| | Last | Daily chg (%) | Weekly chg (%) | MoM chg (%) | YTD chg (%) |
|---|----------------|---------------|----------------|--------------|---------------|
| MONEY MARKET KIEV PRIME RATES (%) | | | | | |
| 0/n | 5.38 | -12bp | -102bp | +63bp | -242bp |
| 1wk | 10.00 | +12bp | -60bp | -475bp | +20bp |
| 1m | 18.13 | -50bp | -107bp | -387bp | +188bp |
| 2m | 18.13 | +0bp | +3bp | +0bp | +173bp |
| 3m | 18.00 | +0bp | -4bp | +0bp | +200bp |
| LIQUIDITY WIDE MEASUREMENT (UAHm) | | | | | |
| CB acc's ¹ | 32,865 | +5.00 | +8.81 | -0.68 | +0.50 |
| CDs ² | 11,214 | +8.13 | -28.66 | +44.87 | +637.8 |
| Sovgns ³ | 3,695 | -7.35 | +2.63 | -28.14 | +147.2 |
| Total | 47,775 | +4.63 | -3.53 | +3.92 | +33.76 |
| HOLDERS OF UAH SOVEREIGN BONDS (UAHm) | | | | | |
| C.bank | 174,810 | +0.00 | -0.22 | +2.42 | +20.68 |
| Banks | 85,834 | +0.22 | -0.64 | -1.10 | +7.07 |
| Resid's ⁴ | 10,714 | +2.52 | -0.68 | -3.63 | -13.57 |
| Non-res ⁵ | 15,970 | +0.51 | +0.45 | -0.12 | +36.51 |
| Total | 287,329 | +0.19 | -0.32 | +0.97 | +15.34 |
| NDF IMPLIED YIELDS (%) | | | | | |
| 3m | 38.45 | +510bp | -758bp | +24bp | +26bp |
| 6m | 23.19 | -213bp | -386bp | +12bp | +979bp |
| 9m | 23.04 | +28bp | -328bp | +983bp | +903bp |
| 1yr | 21.85 | -21bp | -124bp | +912bp | +686bp |
| 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 | 1,107 | -144bp | -91bp | +148bp | +291bp |
| Jun '16 | 13.62 | -215bp | -34bp | +383bp | +473bp |
| Jul '17 | 13.10 | -127bp | +90bp | +279bp | +354bp |
| Sep '20 | 10.81 | -94bp | +11bp | +132bp | +161bp |
| Sep '21 | 10.91 | -65bp | +25bp | +137bp | +169bp |
| Sep '22 | 10.36 | -39bp | +1bp | +102bp | +101bp |
| Feb '23 | 9.97 | -44bp | -9bp | +101bp | +93bp |

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

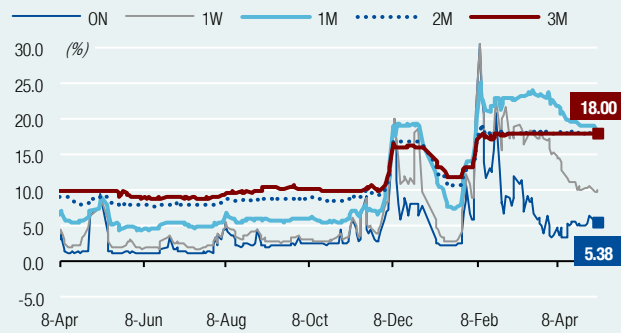


Chart 2. UAH NDF implied yields (%), last 12-month period

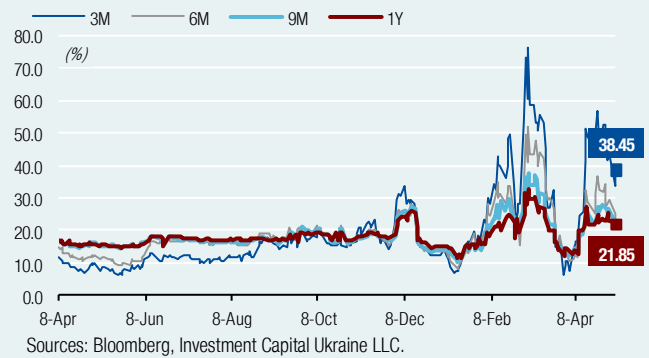


Chart 3. UAH sovereign yield curve (%) as of 7 May 2014

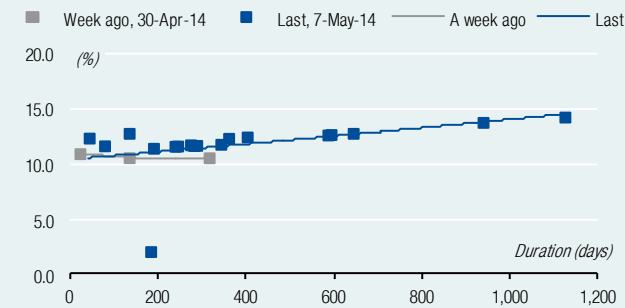


Chart 4. USD sovereign yield curve (%) as of 7 May 2014

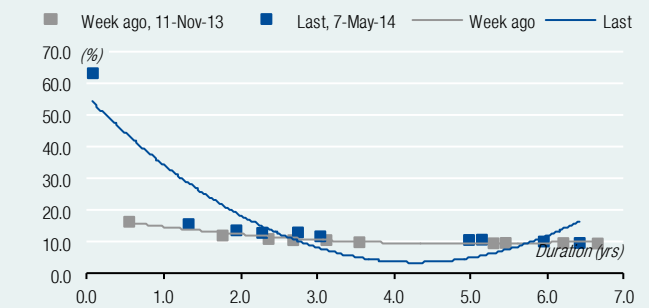


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

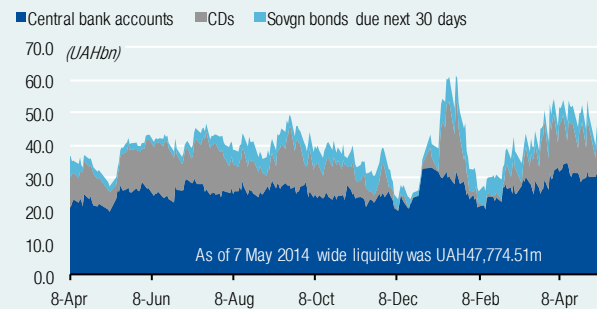


Chart 6. Breakdown of liquidity pool (%) as of 7 May 2014

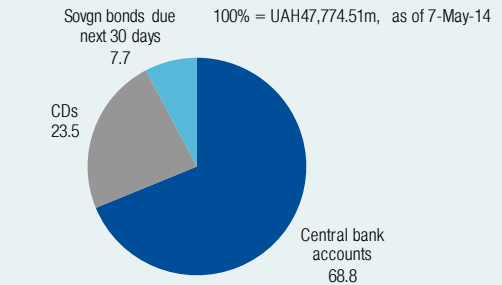


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

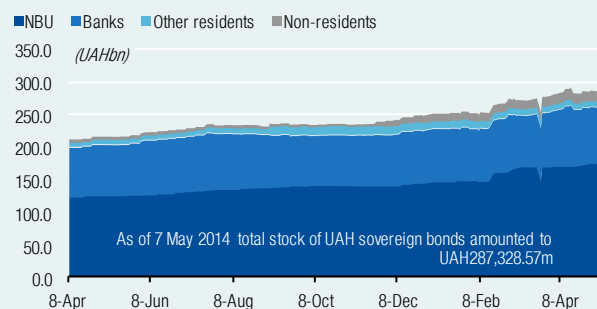
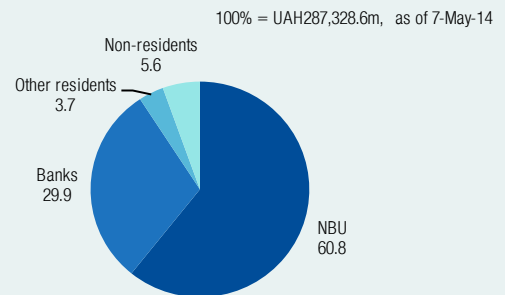


Chart 8. Domestic sovereign debt (%) as of 7 May 2014



FX: News & Comments

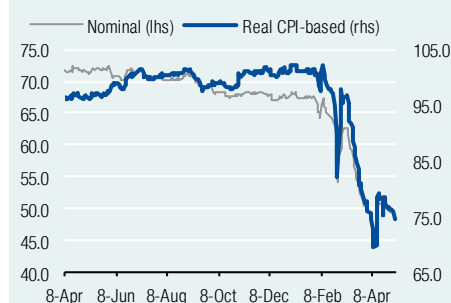
UAH slightly recovers

The UAH slightly recovered yesterday however its FX rate closed flat at 11.8/USD on US\$0.3bn in trading. Interfax-Ukraine reported that the NBU did not participate in the market and quotes slid to UAH11.75-11.95/USD. At the same time, the NBU increased its official UAH/USD exchange rate to UAH11.6514/USD. The UAH's real trade-weighted value added 0.10%.

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ICU's UAH trade-weighted indices

(Last 12-month history to 8 May 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 7 May 2014)

| | Last | Daily | Weekly | MoM | YTD |
|---|-----------|---------|---------|---------|---------|
| | chg (%) | chg (%) | chg (%) | chg (%) | chg (%) |
| USD/UAH MARKET (HRYVNIA per US DOLLAR) | | | | | |
| Spot mkt | 11.8000 | +0.00 | +1.72 | +0.85 | +43.20 |
| NBU avg | 11.6514 | +1.58 | +2.19 | +0.00 | +42.95 |
| Ttl vlm ¹ | 394.55 | +0.82 | -18.12 | +10.29 | -85.92 |
| \$ volume ² | 300.99 | +28.74 | -12.86 | +11.23 | -86.39 |
| NDF 3M | 12.9250 | +1.17 | +0.00 | +6.78 | +52.33 |
| NDF 6M | 13.1500 | -0.94 | +0.00 | +6.61 | +49.77 |
| NDF 1Y | 14.3000 | -0.17 | +0.70 | +9.03 | +51.80 |
| TRADE-WEIGHTED INDICES (TWIs, points) | | | | | |
| UAH nom'l | 48.352 | +0.10 | -2.10 | -1.35 | -28.41 |
| UAH real CPI | 74.552 | +0.10 | -2.10 | -1.35 | -26.24 |
| UAH real PPI | 103.270 | +0.10 | -2.10 | -1.35 | -25.59 |
| USD nom'l | 79.136 | +0.05 | -0.43 | -1.37 | -1.12 |
| FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs | | | | | |
| USD/RUB | 35.4573 | +0.20 | -0.58 | -0.51 | +7.87 |
| EUR/USD | 1.3918 | -0.07 | +0.37 | +1.28 | +1.27 |
| USD/CNY | 6.2282 | +0.03 | -0.50 | +0.24 | +2.87 |
| USD/PLN | 3.0184 | +0.16 | -0.44 | -0.53 | -0.15 |
| USD/TRY | 2.0922 | +0.12 | -0.96 | -0.87 | -2.61 |
| USD/BYR | 10,003.00 | -0.12 | +0.13 | +0.89 | +4.85 |
| USD/KZT | 182.0500 | +0.00 | -0.01 | +0.01 | +18.01 |
| OTHER MAJOR CURRENCIES | | | | | |
| USD/JPY | 101.4700 | -0.21 | -0.75 | -1.58 | -3.65 |
| GBP/USD | 1.6979 | +0.02 | +0.63 | +2.23 | +2.55 |
| USD/CHF | 0.8744 | +0.01 | -0.68 | -1.52 | -2.07 |
| AUD/USD | 0.9340 | -0.12 | +0.57 | +0.76 | +4.74 |
| USD/CAD | 1.0881 | -0.13 | -0.74 | -0.86 | +2.43 |
| USD/BRL | 2.2167 | -0.57 | -0.70 | -0.10 | -6.16 |
| USD/KRW | 1,022.75 | -0.22 | -1.01 | -3.10 | -2.58 |
| COMMODITIES | | | | | |
| Gold(\$/oz) | 1,311.83 | +0.29 | +1.57 | +1.12 | +8.81 |
| WTI crude ³ | N/A | -100.0 | -100.0 | -100.0 | -100.0 |
| Brent crd ³ | 107.31 | +0.10 | -1.23 | +1.76 | -3.17 |
| Urals crd ³ | N/A | +0.00 | +0.00 | +0.00 | +0.00 |
| TR/J CRB ⁴ | 307.00 | -0.09 | -0.82 | +0.87 | +9.58 |

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>).

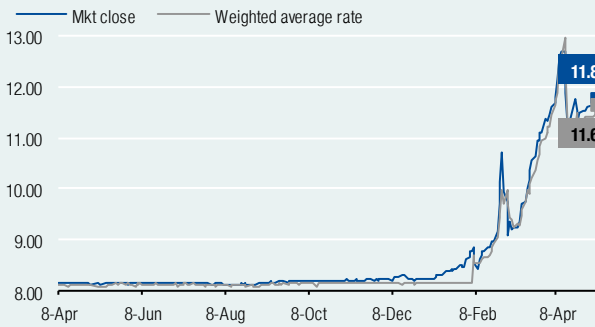
Section on FX market is continued on next page.

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.

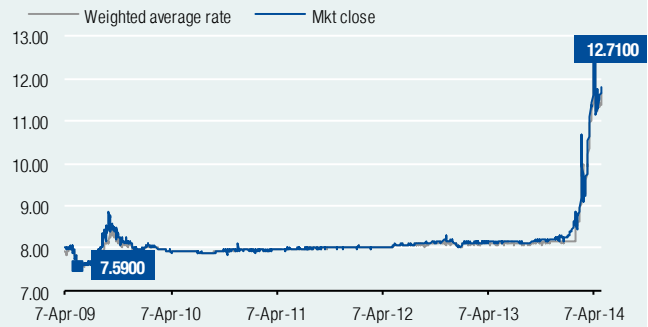
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

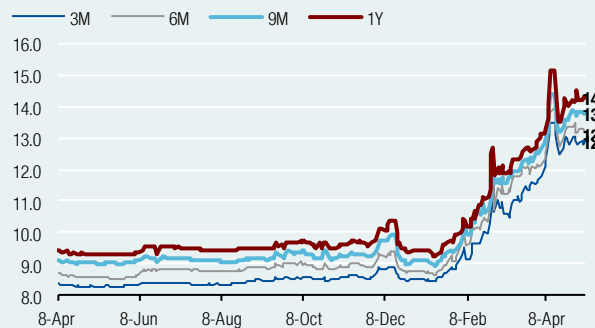


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

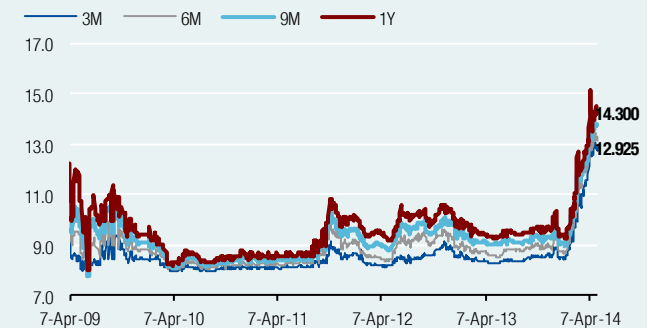


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

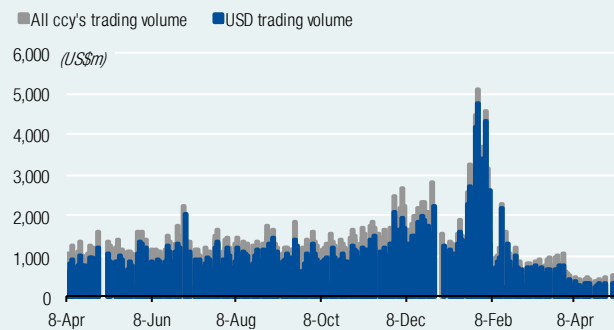


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

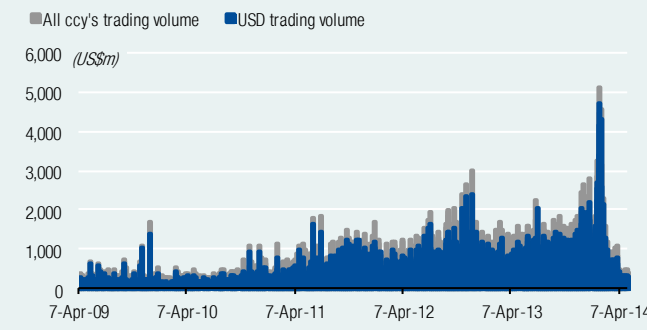


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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)



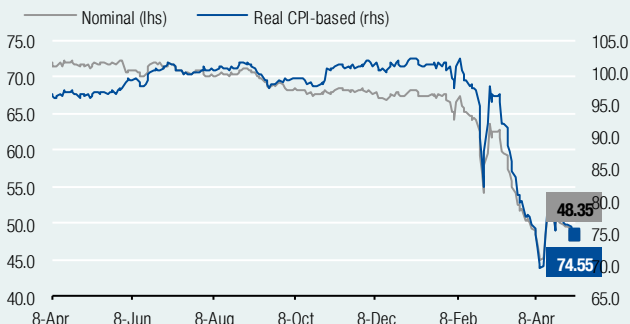
Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

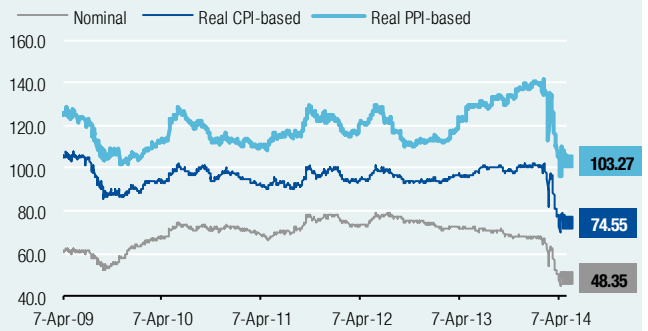
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

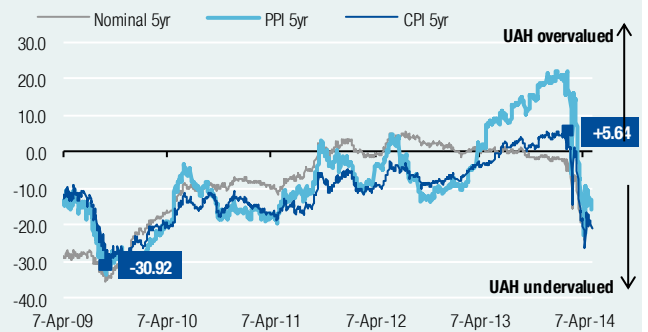


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

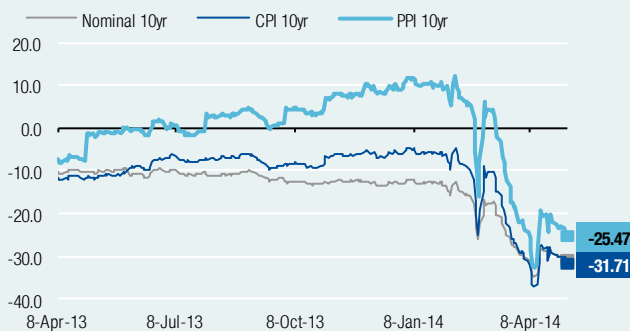


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.



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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