

Daily Insight

Liquidity down again; Yields up; Primary auction announcement

TUESDAY, 13 MAY, 2014

RESEARCH INSIGHT

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UX Index (3 months to 13 May 2014)



Key market indicators (as of 12 May 2014)

		Last	Daily	YTD
		chg (%)	chg (%)	chg (%)
FX & MONEY RATES				
USD/UAH	11.7850	+1.12	+43.02	
USD/UAH (1Y NDF)	14.1000	+0.00	+49.68	
EUR/USD	1.3757	-0.01	+0.10	
USD/RUB	35.0888	-0.39	+6.75	
KievPRIME O/N (%)	5.31	-64bp	-249bp	
KievPRIME 1M (%)	18.00	-50bp	+175bp	

BONDS: yields and spreads

Ukraine VAT bond (%)				
Ukraine 17, Eurobond (%)	13.49	+47bp	+393bp	
Ukraine 22, Eurobond (%)	10.58	+27bp	+123bp	
Ukraine 23, Eurobond (%)	10.22	+12bp	+117bp	
Ukraine 5Y CDS	1,178bp	+53bp	+361bp	

EQUITIES

Stock market indices

UX (Ukraine)	1,087.90	-1.89	+19.54	
MSCI World	416.56	+0.71	+1.96	
MSCI EM	1,015.81	+0.88	+1.31	
RTS (Russia)	1,234.31	+0.12	-14.45	
WIG-20 (Poland)	2,412.71	+1.04	+0.49	
S&P 500 (USA)	1,896.65	+0.97	+2.61	

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

MHPC LI	0.96	31.8% of total ¹		
FXPO LN	0.92	30.5%		
KER PW	0.67	22.3%		

GAINERS: Top 3 stocks (in listed currency)

MHPC LI	USD 14.20	+5.03	-16.72	
MLK PW	PLN 6.48	+4.52	-48.16	
IMC PW	PLN 9.10	+3.41	-25.10	

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 12-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	-6.4	-12.0	-34.8	0.15	35.6	-27.5	40.2	14.3	0.3	9.2	0.06	1,682	Neg.	Neg.	Neg.	4.2	8.6	17.2	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	5.97 UAH	-1.7	+0.3	+25.1	+46.2	0.51	186.7	240.5	21.7	40.5	43.8	127.1	0.34	294	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	1.18 PLN	-4.1	-22.4	+12.4	-73.4	0.39	17.5	111.8	25.0	4.4	67.5	262.6	1.72	58	Neg.	Neg.	4.4	5.0	14.0	3.9	0.9	1.1	1.0	0.2	39.8
Donbasenergo	DOEN UK	Kiev, UX	40.90 UAH	-1.0	-11.1	+48.2	+102.6	3.47	81.9	122.2	14.2	11.7	6.8	38.8	0.39	258	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	54.50 GBP	+1.4	-8.8	-23.8	-19.3	0.92	157.9	164.4	47.2	74.5	143.9	83.4	0.07	1,523	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	9.13 GBP	+0.0	-13.1	-29.8	-60.3	0.15	49.4	22.5	80.9	39.9	0.5	7.5	0.01	6,750	Neg.	N/A	N/A	1.0	N/A	N/A	0.6	N/A	N/A	0.2	0.0
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.03 UAH	-1.3	-18.7	-18.6	-27.4	0.00	69.0	1,258.5	3.9	2.7	1.4	10.5	0.38	265	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	2.96 UAH	-0.4	-16.1	+0.0	-3.3	0.25	48.9	45.9	4.0	2.0	5.5	15.5	0.81	123	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	-0.1	-10.3	+3.1	+20.0	0.06	246.2	239.1	4.1	10.1	1.3	12.1	0.10	998	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	148.00 GBP	+1.5	-4.2	-20.4	-20.2	2.50	1,469.7	2,130.8	22.4	329.2	916.7	3,113.3	0.43	230	5.6	6.0	7.1	4.2	4.6	5.1	1.3	1.4	1.4	0.9	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.61 UAH	-4.4	-10.9	+15.1	+7.0	0.05	14.1	15.3	9.0	1.3	0.3	1.5	0.17	605	Neg.	0.8	0.7	0.1	0.5	0.4	0.1	0.0	0.0	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	33.00 UAH	-1.2	-13.9	+3.1	+0.9	2.80	29.5	25.1	9.4	2.8	1.0	12.0	0.24	412	5.0	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	1.00 EUR	+1.0	-12.3	-19.4	-37.5	1.38	127.1	154.4	34.0	43.2	7.2	39.5	0.11	894	Neg.	N/A	N/A	Neg.	N/A	N/A	2.4	N/A	N/A	1.1	35.9
Agroliga	AGL PW	Warsaw	17.29 PLN	-0.1	-11.3	-33.3	+12.0	5.69	8.7	9.7	16.7	1.5	10.5	12.2	0.28	363	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	2.30 PLN	+3.1	-14.2	+17.9	-11.5	0.76	16.4	63.7	26.2	4.3	65.0	476.3	3.25	31	2.4	3.3	2.3	4.5	4.9	4.0	0.7	0.9	0.8	0.1	28.0
Astarta Holdin...	AST PW	Warsaw	38.79 PLN	+0.7	-12.0	-42.0	-29.3	12.76	319.1	640.3	31.0	99.0	14.6	173.7	0.16	631	9.0	8.2	4.3	8.5	4.7	5.0	1.3	1.3	1.2	0.9	38.2
Avangard	AVGR LI	London Intl	8.75 USD	+2.0	-8.9	-25.5	-1.7	8.75	558.9	789.8	21.7	121.3	1.9	337.8	0.14	698	2.4	2.8	2.5	2.6	2.9	2.8	1.2	1.1	1.1	0.5	17.8
IMC	IMC PW	Warsaw	9.10 PLN	+3.4	+10.8	-25.1	-31.2	2.99	93.7	219.0	23.9	22.4	10.3	122.5	0.19	531	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	28.60 PLN	-0.9	-8.6	-24.9	-50.7	9.41	749.9	1,773.2	58.8	440.8	670.2	2,974.5	0.54	186	6.7	11.3	4.3	6.1	6.7	5.0	0.6	0.7	0.7	0.6	30.6
MHP	MHPC LI	London Intl	14.20 USD	+5.0	+8.2	-16.7	-22.8	14.20	1,500.5	1,924.5	22.3	334.9	958.2	1,873.3	0.67	148	9.6	5.5	4.9	4.9	3.9	3.6	1.3	1.2	1.1	1.2	19.6
Milkiland	MLK PW	Warsaw	6.48 PLN	+4.5	-15.8	-48.2	-46.5	2.13	66.6	198.5	20.0	13.3	1.6	12.3	0.04	2,307	4.5	7.4	2.4	6.0	3.8	3.4	0.4	0.4	0.4	0.3	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	4.65 EUR	+0.0	-4.3	-13.9	+7.3	6.40	679.8	1,411.6	20.0	136.0	0.0	7.2	0.01	8,167	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	64.00 PLN	-1.5	-7.2	-36.0	-27.3	21.06	126.4	135.2	25.0	31.6	5.2	29.2	0.01	9,397	4.1	5.7	5.6	3.7	4.7	4.2	1.5	1.5	1.2	0.9	8.5
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.15 EUR	+0.0	-38.8	-53.6	-65.3	0.20	10.5	169.8	13.1	1.4	0.0	0.1	0.02	4,101	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	-2.7	+5.3	+58.6	+77.6	0.02	457.2	N/A	3.8	17.5	75.8	63.7	0.36	276	16.9	7.2	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	0.7	28.3
Ukrsofsbank	USCB UK	Kiev, UX	0.16 UAH	-1.2	-5.8	-16.2	+31.8	0.01	241.5	N/A	4.5	10.8	0.8	4.0	0.03	3,782	Neg.	N/A	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 continues to decline

Broader banking sector liquidity declined again yesterday, down UAH1.03bn to UAH40.40bn, as banks' correspondent accounts with the NBU increased UAH0.73bn to UAH30.44bn while total CDs outstanding fell UAH1.76bn to UAH6.30bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH3.66bn.

KyivPrime interest rates slid: the KyivPrime ON interest rate declined 64bp to 5.31%, while the KyivPrime 1M interest rate fell 50bp to 18.00%.

Investment implications: Liquidity declined with some reallocation of funds after CD redemptions. The NBU supported banks' correspondent accounts by decreasing interest rates after reducing CDs outstanding. At today's primary auction, the MoF could increase liquidity to support banks.

Yields increase

During yesterday's trading session, the yield curve moved up significantly to the range of 10.22-15.53% as UKRAIN 6.875% '15 rose 162bp to 15.53%, UKRAIN 9.25% '17 was up 47bp to 13.48%, UKRAIN 7.95% '21 rose 23bp to 11.03%, while UKRAIN 7.80% '22 and UKRAIN 7.50% '23 rose 29bp and 14bp to 10.58% and 10.22%, respectively.

Investment implications: The situation in eastern Ukraine remained tenuous over the weekend, causing Eurobond prices to decline. Because of the current political environment, even successful financings are unlikely to have a positive impact on changing rates.

Primary auction announcement for today

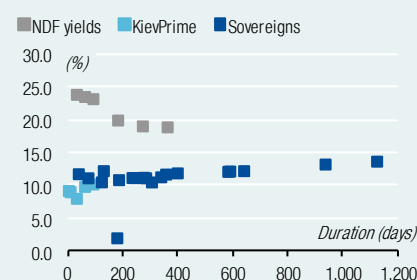
The MoF amended its original scheduled offering of 3-month, 3-year and 5-year bonds by adding a 2-year bond to the roster, all with same day settlements. The MoF sold similar bonds last week and in April, including 3-month bonds at 9.95% (rejecting bids at higher interest rates), while the 3-year and 5-year bonds were sold at 15.0% and 14.3%, respectively. At the same time, the 2-year local currency bond was offered only once at the debut auction in April when it did not see any bids. For details of this auction, please see the table on the next page.

Investment implications: We anticipate domestic QE supported bids for the 2-year, 3-year and 5-year bonds, possibly being focused on the 2-year bond which was added yesterday. The 3-month bond could see market demand, but bids submitted for low volumes at higher rates will most likely be rejected.

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Yield curve of the local bond market

(as of market close on 12 May 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 12 May 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)

MONEY MARKET KIEV PRIME RATES (%)

O/n	5.31	-64bp	-39bp	+193bp	-249bp
1wk	10.00	-10bp	+10bp	-275bp	+20bp
1m	18.00	-50bp	-110bp	-300bp	+175bp
2m	18.25	-15bp	-5bp	+12bp	+185bp
3m	18.13	-7bp	+9bp	+13bp	+213bp

LIQUIDITY WIDE MEASUREMENT (UAHm)

CB acc's ¹	30,444	+2.45	+0.65	-10.61	-6.91
CDs ²	1,670	-87.68	-71.53	-89.22	+9.87
Sovgns ³	5,593	+51.35	+40.22	+24.90	+274.1
Total	37,706	-19.72	-5.97	-30.21	+5.57

HOLDERS OF UAH SOVEREIGN BONDS (UAHm)

C.bank	174,811	+0.00	+0.00	+2.41	+20.68
Banks	86,465	-0.28	+0.95	-5.96	+7.85
Resid's ⁴	10,732	-0.13	+2.68	-1.98	-13.43
Non-res ⁵	16,116	-0.42	+1.42	-6.49	+37.76
Total	288,124	-0.11	+0.46	-0.93	+15.66

NDF IMPLIED YIELDS (%)

3m	26.24	-477bp	-17ppt	+190bp	+14bp
6m	23.48	-250bp	-617bp	+604bp	+10bp
9m	22.67	-174bp	-365bp	+426bp	+866bp
1yr	20.29	-134bp	-280bp	+24bp	+530bp

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	1,178	+53bp	-76bp	+153bp	+361bp
Jun '16	14.51	+66bp	-136bp	+402bp	+562bp
Jul '17	13.49	+47bp	-69bp	+325bp	+393bp
Sep '20	10.96	+27bp	-91bp	+141bp	+177bp
Sep '21	11.02	+22bp	-81bp	+131bp	+180bp
Sep '22	10.58	+27bp	-35bp	+110bp	+123bp
Feb '23	10.22	+12bp	-32bp	+107bp	+117bp

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 13 May, 2014

ISIN	Type of placement	Bond type	Currency	Tenor (days)	Maturity	Coupon rate (%)	Volume outstanding (UAHm)
UA4000180442	Re-opening	Zero-coupon	UAH	77	30-Jul-14	N/M	170.00
	Primary	Coupon-bearing, bullet	UAH	714	27-Apr-16	N/A	0.00
UA4000180541	Re-opening	Coupon-bearing, bullet	UAH	1085	3-May-17	15.00	100.00
UA4000180426	Re-opening	Coupon-bearing, bullet	UAH	1792	10-Apr-19	14.30	74.73

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

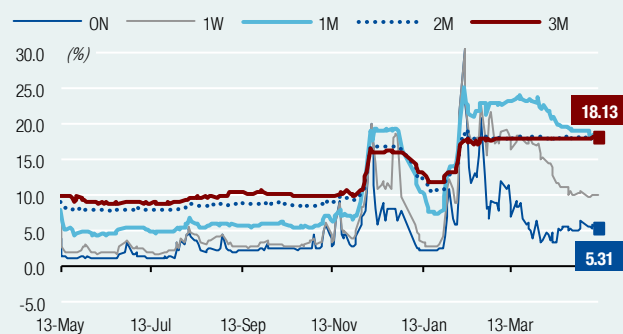


Chart 2. UAH NDF implied yields (%), last 12-month period



Chart 3. UAH sovereign yield curve (%) as of 12 May 2014

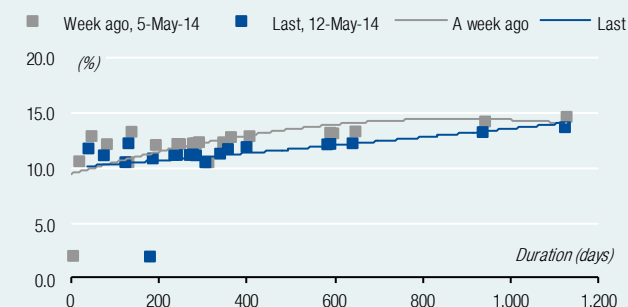


Chart 4. USD sovereign yield curve (%) as of 12 May 2014



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

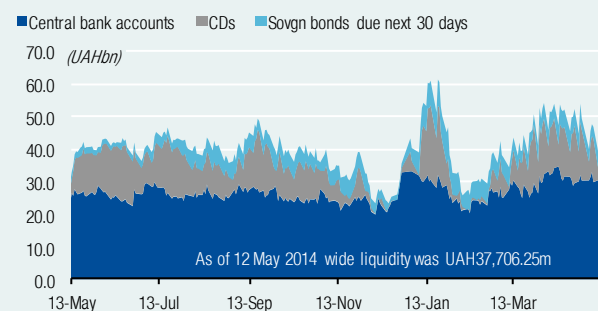


Chart 6. Breakdown of liquidity pool (%) as of 12 May 2014

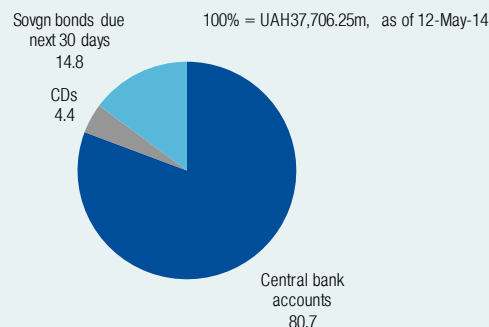


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

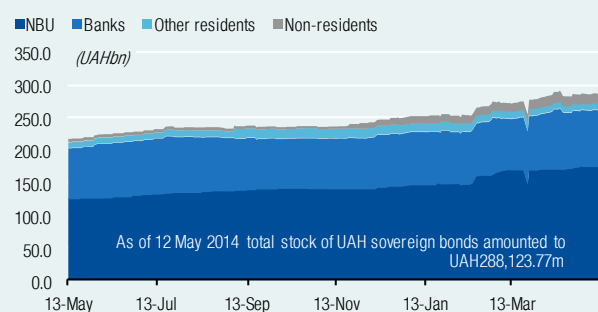
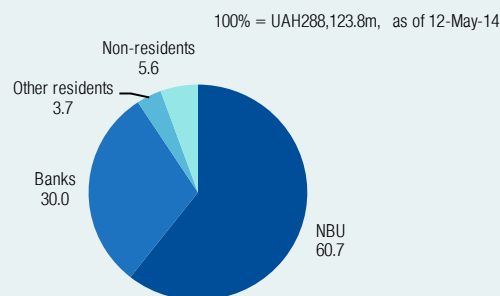


Chart 8. Domestic sovereign debt (%) as of 12 May 2014



FX: News & Comments

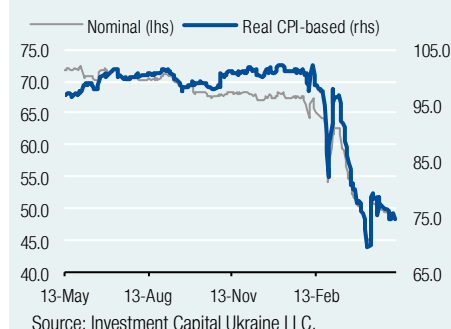
EU provides lending, UAH gets some verbal support by officials

After receiving the first tranche of more than US\$3bn from the IMF, the EU to provide lending. Tomorrow, EU officials agreed to sign a sizable lending package with Ukraine's government. PM Yatsenyuk advertised this event as a deal done yesterday, in an apparent attempt to inhale confidence into the UAH, a victim of bearish selling over the past few months. Also, Ukraine's finance minister announced his forecast for the upgraded annual FX rate target (11/USD). In the recent past, official verbal interventions resulted more in failure than success, and this one will likely have little (or no) success at the FX market.

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ICU's UAH trade-weighted indices

(Last 12-month history to 13 May 2014)



FX market indicators (as of 12 May 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	11.7850	+1.12	+1.22	-7.28	+43.02
NBU avg	11.6054	+0.10	+1.80	-7.67	+42.38
Ttl vlm ¹	N/A	N/A	N/A	N/A	N/A
\$ volume ²	N/A	N/A	N/A	N/A	N/A
NDF 3M	12.5500	+0.00	-2.90	-6.86	+47.91
NDF 6M	13.1500	+0.00	-1.13	-4.71	+49.77
NDF 1Y	14.1000	+0.00	-0.70	-7.08	+49.68
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	48.401	-1.19	-1.65	+7.61	-28.34
UAH real CPI	74.627	-1.19	-1.65	+7.61	-26.16
UAH real PPI	103.374	-1.19	-1.65	+7.61	-25.52
USD nom'l	79.901	+0.00	+0.52	+0.57	-0.17
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	35.0888	-0.39	-1.81	-1.56	+6.75
EUR/USD	1.3757	-0.01	-0.85	-0.92	+0.10
USD/CNY	6.2369	+0.15	-0.12	+0.43	+3.02
USD/PLN	3.0395	-0.01	+0.31	+0.96	+0.55
USD/TRY	2.0808	+0.19	-0.92	-1.55	-3.14
USD/BYR	10,030.00	+0.15	+0.30	+0.91	+5.14
USD/KZT	182.0400	-0.02	-0.01	+0.03	+18.00
OTHER MAJOR CURRENCIES					
USD/JPY	102.1300	+0.27	-0.01	+0.50	-3.02
GBP/USD	1.6868	+0.10	+0.01	+0.81	+1.88
USD/CHF	0.8878	+0.16	+1.14	+1.34	-0.57
AUD/USD	0.9362	+0.00	+0.95	-0.37	+4.99
USD/CAD	1.0896	-0.02	-0.54	-0.77	+2.57
USD/BRL	2.2144	+0.07	-1.33	-0.19	-6.25
USD/KRW	1,024.50	+0.00	-0.47	-1.05	-2.41
COMMODITIES					
Gold(\$/oz)	1,295.83	+0.55	-1.10	-1.71	+7.48
WTI crude ³	100.59	+0.60	+1.12	-3.04	+2.20
Brent crd ³	108.20	+0.49	+0.80	+1.59	-2.36
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	305.51	+0.31	-0.56	-1.25	+9.04

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)

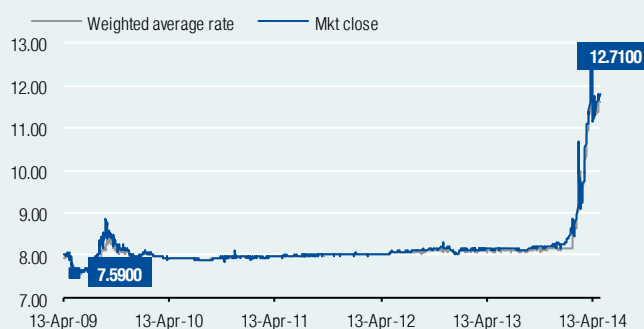


Chart 10. NDF market rates USD/UAH: last 12-month and 5-year periods (UAH per USD, left and right respectively)

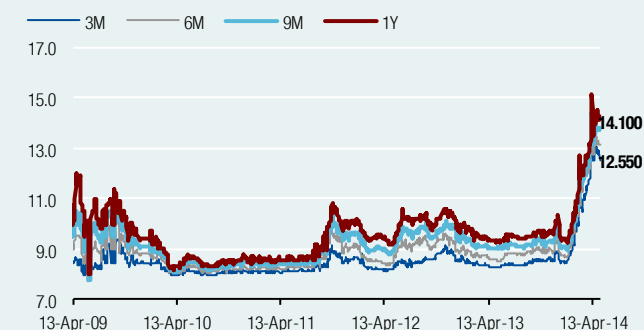
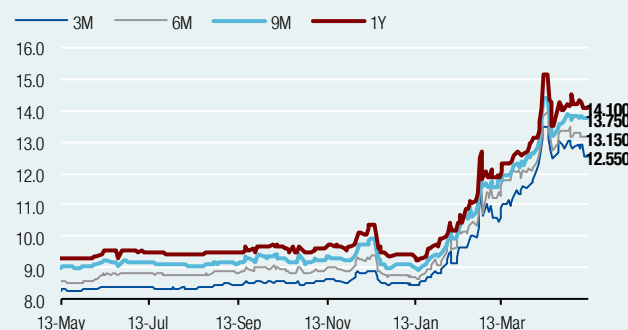


Chart 11. Trading volume: last 12-month and 5-year periods (US\$m, left and right respectively)

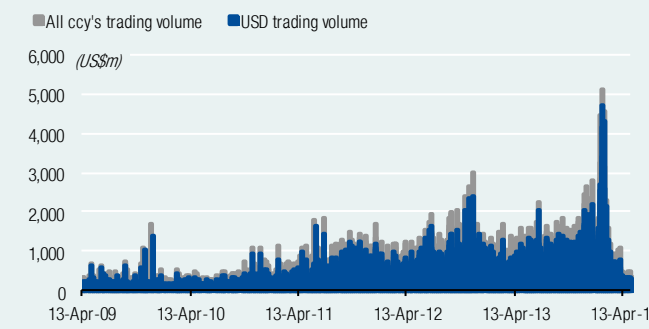
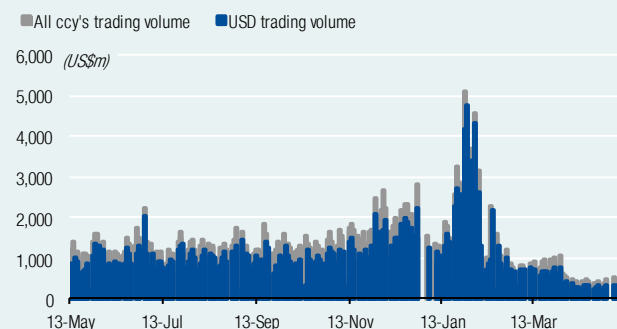


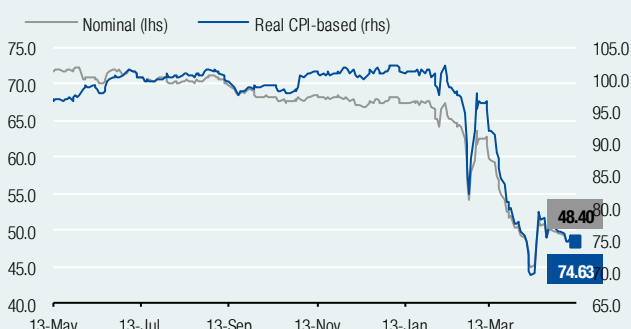
Chart 12. 30D MA* ratio of FX market turnover to merchandise trade: last 12m and 5yr periods (% , left and right respectively)



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

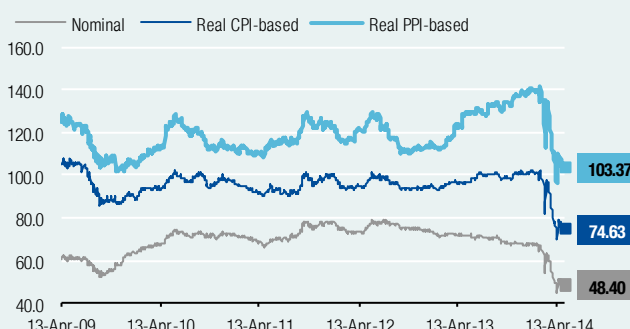
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

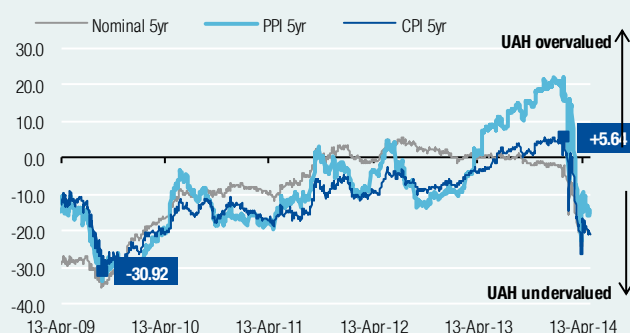


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

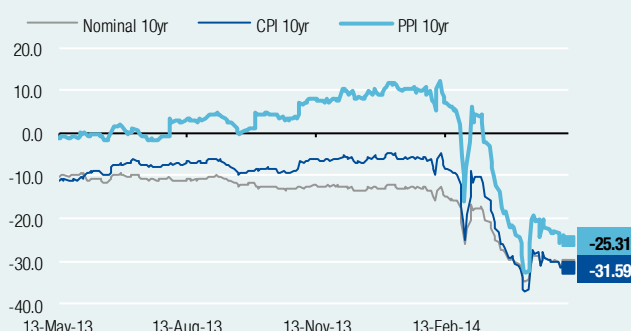


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

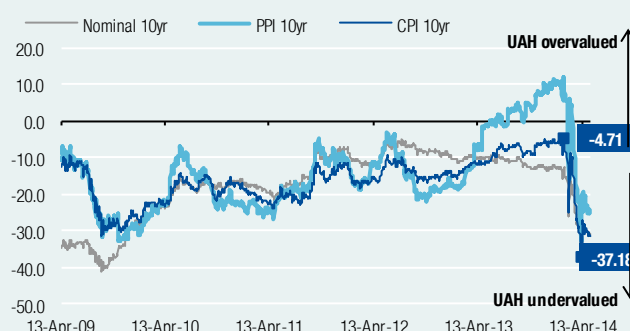


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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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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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