INVESTMENT CAPITAL UKRAINE
INVESTMENT BANKING

Daily Insight

Liquidity up; Yields down; New Eurobond coming; UAH weakens, real TWI down on stronger RUB

THURSDAY, 15 MAY, 2014

RESEARCH INSIGHT

Contents

UX Index (3 months to 15 May 2014)

Source: UX.

Key market indicators (as of 14 May 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	11.9300	+0.76	+44.78
USD/UAH (1Y NDF)	14.2000	+0.71	+50.74
EUR/USD	1.3715	+0.08	-0.20
USD/RUB	34.6180	-0.64	+5.32
KievPRIME O/N (%)	5.13	-12bp	-267bp
KievPRIME 1M (%)	18.00	+0bp	+175bp
BONDS: yields and spreads			
Ukraine VAT bond (%)	N/A	-8,900bp	-8,900bp
Ukraine 17, Eurobond (%)	13.18	-27bp	+362bp
Ukraine 22, Eurobond (%)	10.49	-5bp	+114bp
Ukraine 23, Eurobond (%)	10.13	-5bp	+108bp
Ukraine 5Y CDS	1,179bp	+26bp	+362bp
EQUITIES			
Stock market indices			
UX (Ukraine)	1,063.50	+1.03	+16.86
MSCI World	417.26	-0.06	+2.13
MSCI EM	1,032.24	+0.96	+2.95
RTS (Russia)	1,261.01	+0.54	-12.60
WIG-20 (Poland)	2,421.49	+0.34	+0.85
S&P 500 (USA)	1,888.53	-0.47	+2.17
MOST ACTIVE: Top 3 stocks by value traded (US$m)			
KER PW	2.85	64.5% of total[1]	
FXPO LN	0.62	14.1%	
MHPC LI	0.45	10.3%	
GAINERS: Top 3 stocks (in listed currency)			
FORM UK	UAH 0.46	+15.00	-39.47
ENMZ UK	UAH 34.29	+4.64	+7.12
CLE PW	PLN 1.21	+3.42	+15.24
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 14-May-2014)

Company	Bloomberg Ticker	Listing	Last price	Share price performance (% change) Daily	MoM	YTD	YoY	Valuation (US$) Last price	Market cap (m)	EV (m)	Free float (FF) & Liquidity FF (%)	FF mkt cap (US$m)	Last day turnover (US$ 000)	3M avg. turnover (US$ 000)	FF share traded (%)	FF turnover (days)	P/E 2010	P/E 2011E	P/E 2012E	EV/EBITDA 2010	EV/EBITDA 2011E	EV/EBITDA 2012E	EV/Sales 2010	EV/Sales 2011E	EV/Sales 2012E	Ratios P/B (x)	Debt/ Assets (%)
ENERGY																											
Cadogan Petrol...	CAD LN	London	**9.25 GBp**	+0.0	-1.3	-10.8	-34.5	0.16	35.8	-27.2	40.2	14.4	0.0	9.1	0.06	1,751	Neg.	Neg.	Neg.	4.1	8.5	17.0	Neg.	Neg.	Neg.	0.2	0.0
Centrenergo	CEEN UK	Kiev, UX	**5.91 UAH**	+0.1	+3.3	+23.9	+47.5	0.50	185.0	238.7	21.7	40.2	44.7	126.7	0.31	319	4.5	7.4	3.0	0.4	3.3	2.0	0.4	0.3	0.3	0.9	12.2
Coal Energy	CLE PW	Warsaw	**1.21 PLN**	+3.4	-12.3	+15.2	-72.3	0.40	17.8	112.1	25.0	4.5	27.9	264.4	1.58	63	Neg.	Neg.	4.5	5.0	14.0	3.9	0.9	1.1	1.0	0.2	39.8
Donbasenergo	DOEN UK	Kiev, UX	**40.79 UAH**	+1.7	-6.0	+47.8	+104.0	3.46	81.7	122.0	14.2	11.6	39.8	40.4	0.41	243	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	**58.50 GBp**	+0.9	+1.7	-18.2	-13.0	0.98	168.4	174.9	47.2	79.5	24.2	88.5	0.06	1,696	25.9	13.0	6.1	2.6	2.0	2.0	1.0	0.9	0.8	0.3	5.5
Regal Petroleum	RPT LN	London	**8.88 GBp**	+1.4	-9.0	-31.7	-61.4	0.15	47.7	20.9	80.9	38.6	0.9	7.0	0.01	6,746	Neg.	N/A	N/A	0.9	N/A	N/A	0.6	N/A	N/A	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	**135.60 UAH**	+2.0	+8.5	+50.0	+58.2	11.49	147.0	124.4	5.0	7.3	0.2	3.5	0.01	6,981	3.0	N/A	N/A	0.8	N/A	N/A	0.1	N/A	N/A	3.3	0.0
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	**0.03 UAH**	+1.3	-11.9	-18.6	-26.7	0.00	69.0	1,258.5	3.9	2.7	2.3	10.4	0.37	273	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**	-0.1	-9.6	-0.1	-3.1	0.25	48.9	45.8	4.0	2.0	1.0	15.6	0.71	140	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	**0.70 UAH**	+2.6	-2.9	+4.2	+20.6	0.06	248.6	241.6	4.1	10.2	1.4	12.2	0.09	1,118	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	**148.80 GBp**	+1.0	+0.3	-19.9	-16.7	2.49	1,468.3	2,129.5	22.4	328.9	623.7	3,009.0	0.40	248	5.6	5.9	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**	-3.2	-11.1	+15.1	+5.2	0.05	14.1	15.3	9.0	1.3	0.1	1.5	0.16	617	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	**34.29 UAH**	+4.6	-4.6	+7.1	+6.1	2.91	30.7	26.2	9.4	2.9	2.9	12.3	0.20	509	5.2	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	**0.98 EUR**	-3.9	-3.9	-21.0	-38.8	1.34	124.1	151.3	34.0	42.2	57.3	39.1	0.12	851	Neg.	N/A	N/A	Neg.	N/A	N/A	2.3	N/A	N/A	1.0	35.9
Agroliga	AGL PW	Warsaw	**17.85 PLN**	+3.3	-7.0	-31.2	-4.0	5.85	9.0	9.9	16.7	1.5	0.3	12.3	0.26	387	2.1	N/A	N/A	2.9	N/A	N/A	0.5	N/A	N/A	0.7	5.7
Agroton	AGT PW	Warsaw	**2.36 PLN**	+3.1	+1.3	+21.0	-17.2	0.77	16.7	64.1	26.2	4.4	20.0	482.8	3.04	33	2.5	Neg.	2.4	4.5	6.1	4.0	0.7	0.7	0.8	0.1	28.0
Astarta Holdin...	AST PW	Warsaw	**39.90 PLN**	+1.3	-2.7	-40.4	-28.4	13.07	326.7	646.9	31.0	101.3	94.6	176.8	0.16	636	9.3	8.7	4.5	8.5	4.9	5.2	1.3	1.3	1.2	0.9	38.2
Avangard	AVGR LI	London Intl	**8.77 USD**	-0.2	-9.5	-25.4	-0.3	8.77	560.2	791.1	21.7	121.6	35.7	342.3	0.10	989	2.4	2.8	2.5	2.6	2.9	2.8	1.2	1.1	1.1	0.0	17.8
IMC	IMC PW	Warsaw	**8.71 PLN**	-3.0	+7.4	-28.3	-32.7	2.85	89.3	214.5	23.9	21.3	30.6	112.9	0.19	516	3.4	3.4	1.9	4.0	3.8	3.0	1.9	1.1	0.9	0.6	38.7
Kernel Holding...	KER PW	Warsaw	**27.19 PLN**	-4.2	-5.9	-28.6	-55.2	8.90	709.5	1,732.8	58.8	417.0	2,847.5	2,820.1	0.58	172	6.4	10.7	4.1	6.0	6.5	4.9	0.6	0.7	0.6	0.5	30.6
MHP	MHPC LI	London Intl	**14.90 USD**	+1.4	+19.2	-12.6	-17.2	14.90	1,574.4	2,735.3	22.3	351.4	453.9	1,971.8	0.65	154	10.1	5.8	5.2	7.0	5.6	5.2	1.8	1.8	1.6	2.7	19.6
Milkiland	MLK PW	Warsaw	**6.14 PLN**	-0.2	-19.7	-50.9	-45.9	2.01	62.8	194.2	20.0	12.6	1.4	11.6	0.05	2,104	4.2	7.0	2.3	5.9	3.7	3.4	0.4	0.4	0.4	0.3	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	**5.14 EUR**	+0.0	+4.8	-4.9	+18.6	7.05	748.6	1,480.5	20.0	149.7	7.0	8.1	0.01	8,835	4.3	5.3	8.6	6.4	5.8	5.5	4.3	4.0	3.5	0.8	34.8
Ovostar Union	OVO PW	Warsaw	**66.00 PLN**	+0.0	-4.3	-34.0	-23.3	21.61	129.7	138.5	25.0	32.4	2.6	29.9	0.01	10,780	4.2	5.9	5.8	3.8	4.8	4.3	1.5	1.5	1.2	1.0	8.5
CONSTRUCTION																											
TMM	TR61 GF	Xetra	**0.14 EUR**	-0.7	-6.7	-55.8	-65.6	0.19	9.9	169.3	13.1	1.3	0.0	0.1	0.02	4,140	Neg.	N/A	N/A	Neg.	N/A	N/A	7.8	N/A	N/A	0.1	44.1
FINANCIAL SERVICES																											
Forum Bank	FORM UK	Kiev, UX	**0.46 UAH**	+15.0	-37.2	-39.5	-23.2	0.04	23.1	N/A	5.5	1.3	0.4	0.9	0.07	1,461	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.2	18.6
Raiffeisen Ban...	BAVL UK	Kiev, UX	**0.16 UAH**	+0.1	-7.0	+38.1	+58.6	0.01	398.0	N/A	3.8	15.2	95.7	57.9	0.46	219	4.6	Neg.	14.2	N/A	N/A	N/A	N/A	N/A	N/A	0.7	28.3
Ukrsotsbank	USCB UK	Kiev, UX	**0.15 UAH**	+1.0	-4.6	-19.2	+25.3	0.01	232.9	N/A	4.5	10.4	0.4	3.7	0.03	3,848	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 14-May-2014)

			Share price performance (% change)					Valuation (US$)			Free float (FF) & Liquidity						P/E			EV/EBITDA			EV/Sales			Ratios	
Company	Bloomberg Ticker	Listing	Last price	Daily	MoM	YTD	YoY	Last price	Market cap (m)	EV (m)	FF (%)	FF mkt cap (US$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 (%)

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 increases slightly

Banks' correspondent accounts with the NBU rose UAH1.04bn to UAH29.98bn yesterday, while total CDs outstanding slid UAH0.37bn to UAH7.31bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH5.55bn. As a result, broader banking sector liquidity rose UAH0.67bn to UAH42.84bn.

KyivPrime interest rates once more slightly diverged: the KyivPrime ON interest rate continued to decline, down 12bp to 5.13%, while the KyivPrime 1M interest rate remained steady at 18.00% for the third consecutive day.

Investment implications: Liquidity slightly rose without significant inflows from the NBU. The NBU decreased CDs outstanding, but at the same time also decreased the volume of ON loans from UAH0.35bn on Monday to UAH0.15bnon Tuesday. We expect no significant changes in liquidity today after yesterday's new bond purchases and debt repayments. The broader liquidity indicator should decline.

Yields decline slightly

Prices of Ukrainian Eurobonds mostly rose yesterday on news of new agreements with the EU and yesterday's resolution of the new issuance. During yesterday's trading session, the yield curve moved to the range of 10.12-16.29 as UKRAIN 6.875% '15 slid 18bp to 16.29%, UKRAIN 9.25% '17 declined 29bp to 13.16%, UKRAIN 7.95% '21 slid 8bp to 10.90%, while UKRAIN 7.80% '22 and UKRAIN 7.50% '23 slid 6bp to 10.48% and 10.12%, respectively. Only UKRAIN 7.75% '20 moved in opposite direction up 3bp to 10.95%, likely due some sell-off deals prior to new guaranteed issue (see comment below).

New Eurobond issue is coming

The Cabinet of Ministers of Ukraine published its resolution yesterday to issue a new US-guaranteed Eurobond per the agreement signed a month ago. The planned US$1.0bn offering will have a 5-year maturity and coupon rate no higher than 2.9%. Final conditions will be set after pricing.

Investment implications: New Eurobonds are needed for Ukraine to receive financing not only from the EU or the IMF, but also from the market to show real support from the US. On the other hand, Ukraine needs significant financing to solve problems while avoiding new repayment peaks. 2019 has few scheduled debt repayments. Total principal repayments scheduled for 2019 are now UAH45.74bn, less than half of repayments scheduled this year or in 2015. This Eurobond will not have impact on yields of other bonds, but will show that all offered financing or other support for Ukraine could be real and Ukraine will meet all debt repayments.

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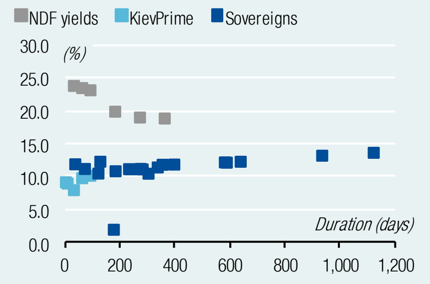
Yield curve of the local bond market

(as of market close on 14 May 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 14 May 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
O/n	5.13	-12bp	-25bp	+175bp	-267bp
1wk	10.00	+0bp	+0bp	-180bp	+20bp
1m	18.00	+0bp	-13bp	-200bp	+175bp
2m	18.13	-12bp	+0bp	+0bp	+173bp
3m	18.13	+0bp	+13bp	+13bp	+213bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's[1]	29,979	+3.61	-8.78	-13.17	-8.33
CDs[2]	13,340	+8.33	+18.96	+95.49	+777.6
Sovgns[3]	3,960	-29.19	+7.17	-35.19	+164.9
Total	**47,279**	+0.93	-1.04	-0.38	+32.37
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	174,811	+0.00	+0.00	+2.41	+20.68
Banks	86,675	+0.20	+0.98	-5.53	+8.12
Resid's[4]	10,742	+0.06	+0.26	-1.81	-13.35
Non-res[5]	16,178	+0.30	+1.30	-5.82	+38.29
Total	**288,406**	+0.08	+0.38	-0.74	+15.77
NDF IMPLIED YIELDS (%)					
3m	20.20	-66bp	-18ppt	-522bp	+806bp
6m	20.76	+2bp	-244bp	+55bp	+735bp
9m	20.21	-4bp	-283bp	+180bp	+620bp
1yr	19.67	-6bp	-218bp	-38bp	+468bp
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	1,179	+26bp	+71bp	+128bp	+362bp
Jun '16	14.22	-26bp	+61bp	+283bp	+533bp
Jul '17	13.18	-27bp	+8bp	+154bp	+362bp
Sep '20	11.12	+20bp	+32bp	+83bp	+193bp
Sep '21	10.93	-5bp	+2bp	+63bp	+171bp
Sep '22	10.49	-5bp	+13bp	+43bp	+114bp
Feb '23	10.13	-5bp	+15bp	+40bp	+108bp

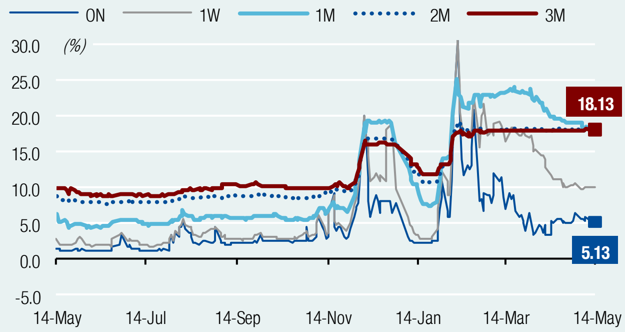
Notes: [1] banks' account balance at NBU; [2] certificates of deposits issued by NBU; [3] UAH sovereign bonds due next 30 days; [4] residents; [5] non-residents; [6] VAT bond.

Sources: Bloomberg, Investment Capital Ukraine LLC.

Section on Bond market is continued on next page.

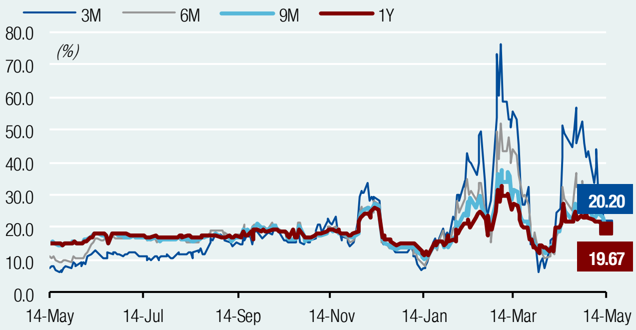
Chart page: Local bond market & Eurobond markets

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



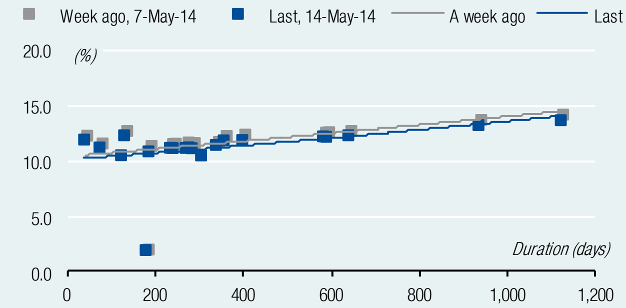
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



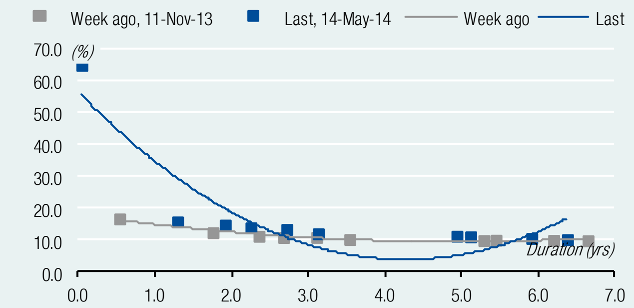
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 14 May 2014



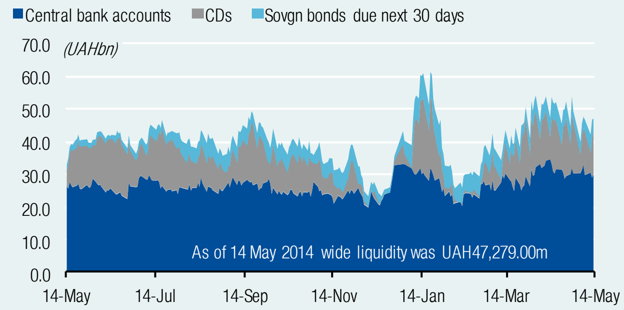
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 14 May 2014



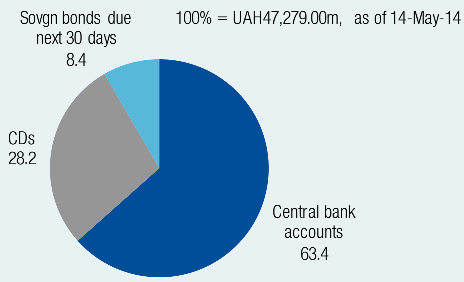
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



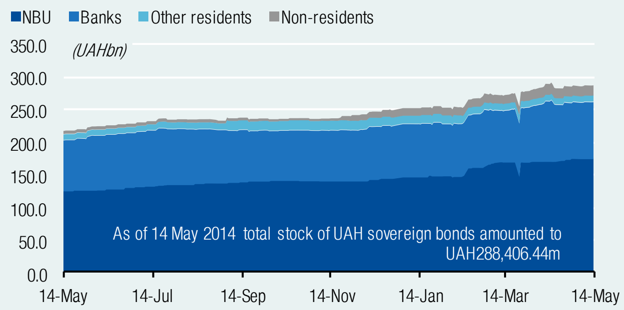
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 14 May 2014



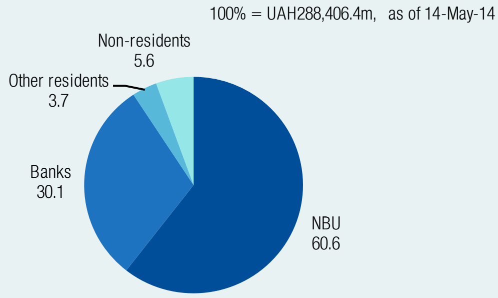
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 14 May 2014



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

FX: News & Comments

UAH extends its slide, real TWI lower on stronger RUB

The hryvnia weakened 0.76% to close near the 12/USD threshold. The NBU reportedly did not intervene, as expected, in accordance with the freshly launched two-year program with the IMF. FX market sentiment remains weak despite the official first attempt at talks between officials and the establishment of Ukraine's regions, including that of Donbass where enclaves of pro-Kremlin militarists wreaked havoc to near civil crisis as Ukraine's army faces increasing fatalities. At the same time, global FX market sentiment remains favorable as major central banks should maintain ultra-low rates beyond this year to bolster both bond prices and currencies versus US dollar. Thus, the Russian ruble added 0.64% yesterday as the EUR was up 0.08% for the day. The UAH's real TWI went down 0.98%.

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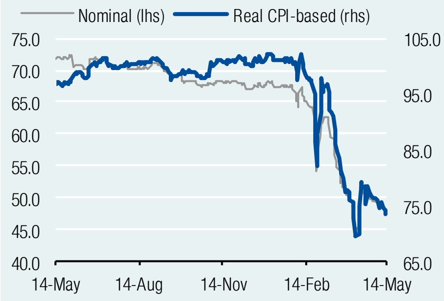
ICU's UAH trade-weighted indices

(Last 12-month history to 15 May 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 14 May 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	11.9300	+0.76	+1.10	-6.14	+44.78
NBU avg	11.7645	+1.01	+0.97	-9.34	+44.34
Ttl vlm[1]	328.99	-15.87	-16.62	-2.34	-88.26
$ volume[2]	220.80	-5.44	-26.64	-7.73	-90.01
NDF 3M	12.5250	+0.60	-3.09	-7.29	+47.61
NDF 6M	13.1500	+0.77	+0.00	-5.90	+49.77
NDF 1Y	14.2000	+0.71	-0.70	-6.43	+50.74
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	47.632	-0.98	-1.49	+5.41	-29.48
UAH real CPI	73.442	-0.98	-1.49	+5.41	-27.34
UAH real PPI	101.732	-0.98	-1.49	+5.41	-26.70
USD nom'l	80.073	-0.09	+1.18	+0.58	+0.05
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	34.6180	-0.64	-2.37	-3.86	+5.32
EUR/USD	1.3715	+0.08	-1.46	-0.90	-0.20
USD/CNY	6.2287	+0.00	+0.01	+0.27	+2.88
USD/PLN	3.0549	+0.06	+1.21	+1.00	+1.06
USD/TRY	2.0707	+0.12	-1.03	-2.56	-3.61
USD/BYR	10,060.00	+0.10	+0.57	+1.41	+5.45
USD/KZT	182.0800	+0.01	+0.02	+0.03	+18.03
OTHER MAJOR CURRENCIES					
USD/JPY	101.9000	-0.35	+0.42	+0.30	-3.24
GBP/USD	1.6767	-0.35	-1.25	+0.20	+1.27
USD/CHF	0.8898	-0.04	+1.76	+1.38	-0.35
AUD/USD	0.9378	+0.19	+0.41	-0.10	+5.17
USD/CAD	1.0889	-0.14	+0.07	-0.86	+2.50
USD/BRL	2.2023	-0.57	-0.65	-0.53	-6.77
USD/KRW	1,027.80	+0.55	+0.49	-1.07	-2.10
COMMIDITIES					
Gold($/oz)	1,305.95	+0.95	-0.45	-1.67	+8.32
WTI crude[3]	102.37	+0.66	+0.00	-1.61	+4.01
Brent crd[3]	109.56	+0.65	+2.10	+1.07	-1.14
Urals crd[3]	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB[4]	307.96	+0.39	+0.31	-1.01	+9.92

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.

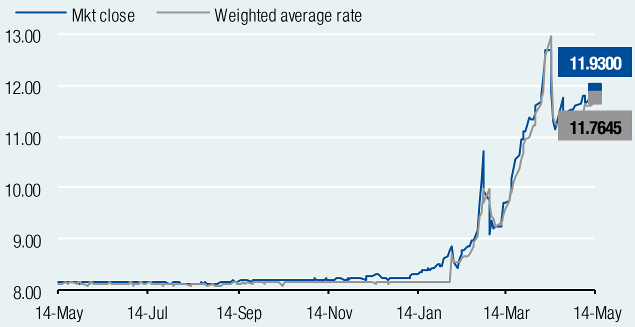
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

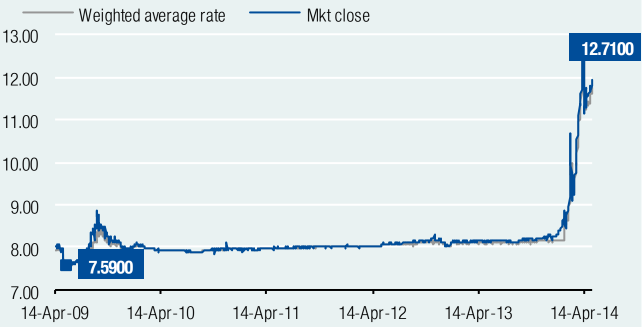
Section on FX market is continued on next page.

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)

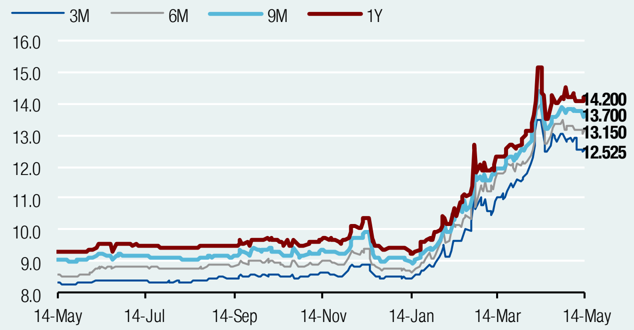


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

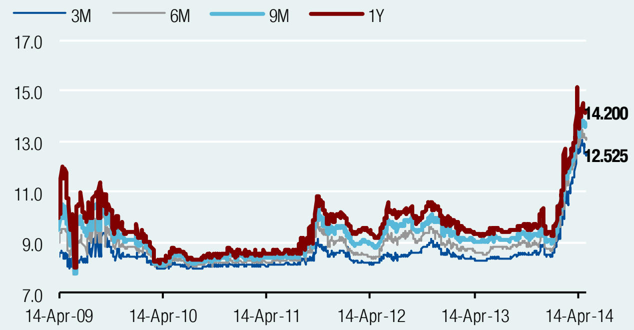


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

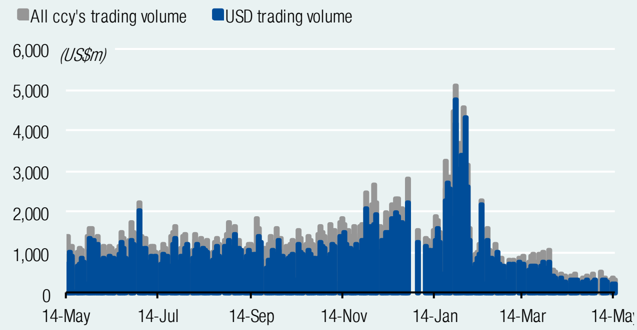


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

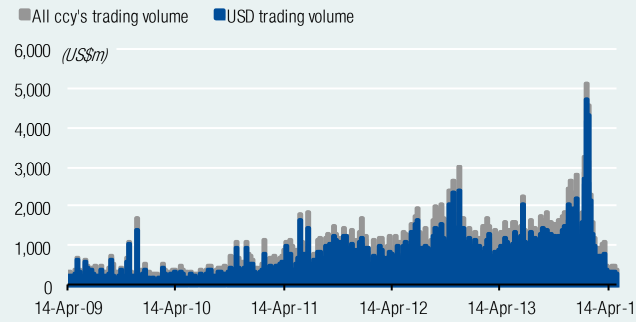


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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.

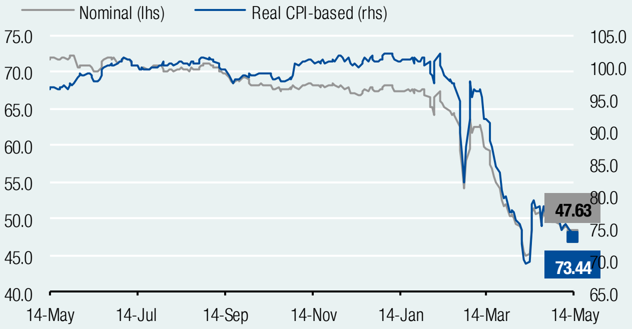
Chart 12. 30D MA* ratio of FX market turnover to merchandise trade: last 12m and 5yr periods (%, left and right respectively)

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

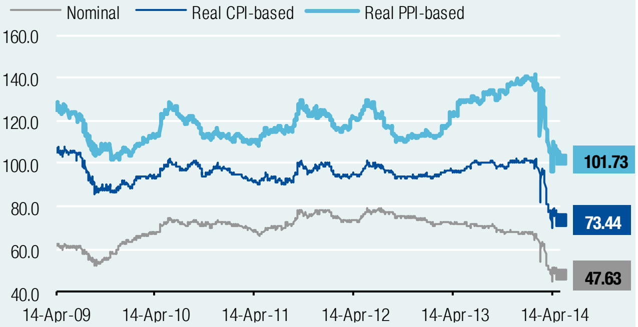
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the *Quarterly Report* "Keep the music playing" dated 31 January 2013 and, then, updated, in the *Quarterly Report* "Muddling through no more" dated 14 August 2013.

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



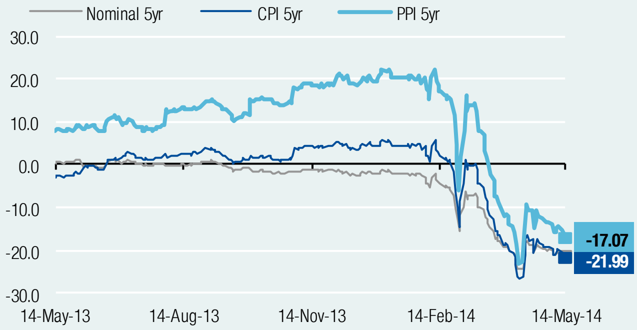
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

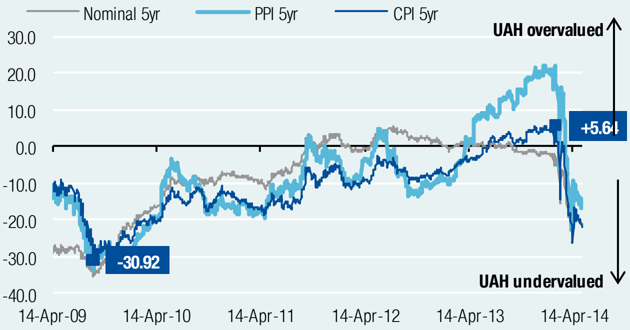


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

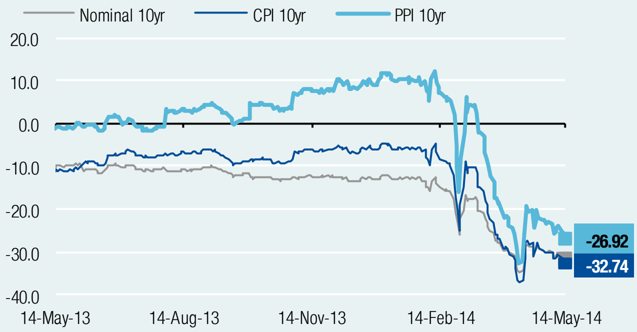


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

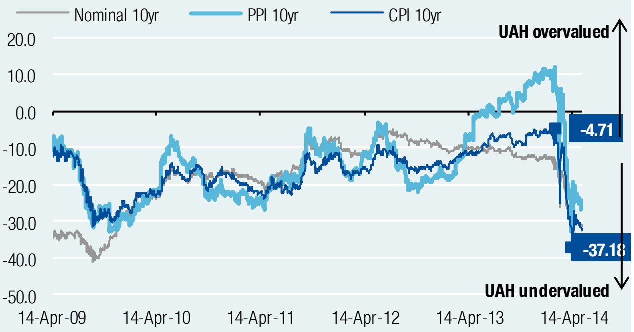


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

Chart 16. Deviation of UAH trade-weighted indices from their <u>10-year moving averages</u>: 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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EQUITY RATING DEFINITIONS

Buy: Forecasted 12-month total return greater than 20%

Hold: Forecasted 12-month total return 0% to 20%

Sell: Forecasted 12-month total return less than 0%

Note: total return is share price appreciation to a target price in relative terms plus forecasted dividend yield.

DEBT RATING DEFINITIONS

Buy: Forecasted 12-month total return significantly greater than that of relevant benchmark

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

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

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