

# Daily Insight

DTEK operations in 1Q14; Liquidity down;  
Eurobonds rebound

FRIDAY, 16 MAY, 2014

RESEARCH INSIGHT

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**UX Index (3 months to 16 May 2014)**



**Key market indicators (as of 15 May 2014)**

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	11.8250	-0.88	+43.51
USD/UAH (1Y NDF)	14.2000	+0.00	+50.74
EUR/USD	1.3710	-0.04	-0.24
USD/RUB	34.7667	+0.43	+5.77
KievPRIME O/N (%)	5.13	+0bp	-267bp
KievPRIME 1M (%)	18.00	+0bp	+175bp

**BONDS: yields and spreads**

Ukraine VAT bond (%)	N/A	-8,900bp	-8,900bp
Ukraine 17, Eurobond (%)	11.92	-126bp	+236bp
Ukraine 22, Eurobond (%)	10.19	-30bp	+84bp
Ukraine 23, Eurobond (%)	9.83	-30bp	+78bp
Ukraine 5Y CDS	1,140bp	-39bp	+323bp

## EQUITIES

### Stock market indices

UX (Ukraine)	1,073.93	+0.98	+18.01
MSCI World	414.38	-0.69	+1.43
MSCI EM	1,029.10	-0.30	+2.63
RTS (Russia)	1,253.00	-0.64	-13.15
WIG-20 (Poland)	2,395.56	-1.07	-0.23
S&P 500 (USA)	1,870.85	-0.94	+1.22

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

KER PW	3.10	54.8% of total <sup>1</sup>
FXPO LN	1.48	26.2%
MHPC LI	0.26	4.7%

### GAINERS: Top 3 stocks (in listed currency)

FORM UK	UAH 0.69	+50.00	-9.21
IMC PW	PLN 8.94	+2.64	-26.42
AVGR LI	USD 9.00	+2.57	-23.45

### 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 15-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	9.25 GBP	+0.0	-1.3	-10.8	-34.5	0.16	35.9	-27.2	40.2	14.4	31.8	9.5	0.07	1,481	Neg.	Neg.	Neg.	4.1	8.5	17.0	Neg.	Neg.	Neg.	0.2	0.0	
Centrenergo	CEEN UK	Kiev, UX	5.97 UAH	+1.0	+6.8	+25.1	+49.6	0.51	186.7	240.5	21.7	40.5	137.7	128.7	0.31	319	4.5	7.4	3.1	0.4	3.3	2.0	0.4	0.3	0.3	0.9	12.2	
Coal Energy	CLE PW	Warsaw	1.18 PLN	-2.5	-11.3	+12.4	-74.8	0.39	17.4	111.7	25.0	4.3	25.2	256.9	1.58	63	Neg.	Neg.	4.3	5.0	14.0	3.9	0.9	1.1	1.0	0.2	39.8	
Donbasenergo	DOEN UK	Kiev, UX	41.30 UAH	+1.3	-0.1	+49.7	+106.2	3.50	82.7	123.0	14.2	11.8	127.8	42.8	0.45	223	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	58.75 GBP	+0.4	+2.2	-17.8	-2.1	0.99	169.4	175.9	47.2	80.0	73.4	89.5	0.05	1,978	26.1	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	+0.0	-13.4	-31.7	-62.2	0.15	47.8	21.0	80.9	38.7	0.0	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	
METALLURGY																												
Alchevsky Meta...	ALMK UK	Kiev, UX	0.03 UAH	+0.9	-8.5	-17.8	-25.5	0.00	69.7	1,259.2	3.9	2.7	14.8	10.8	0.35	287	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	3.02 UAH	+2.1	-4.3	+2.0	-1.5	0.26	49.9	46.8	4.0	2.0	2.9	15.9	0.63	158	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	+0.4	-0.7	+4.6	+21.7	0.06	249.7	242.6	4.1	10.2	3.6	12.3	0.09	1,158	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0	
Ferrexpo PLC	FXPO LN	London	148.40 GBP	-0.3	-1.5	-20.1	-17.6	2.49	1,467.0	2,128.2	22.4	328.6	1,478.2	2,947.9	0.39	257	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	0.57 UAH	-7.4	-17.6	+6.6	-2.6	0.05	13.1	14.3	9.0	1.2	9.0	1.5	0.21	480	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	34.44 UAH	+0.4	-1.4	+7.6	+5.2	2.92	30.8	26.4	9.4	2.9	0.6	12.4	0.17	587	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	+0.0	-6.7	-21.0	-38.8	1.34	124.1	151.3	34.0	42.2	20.0	39.3	0.10	972	Neg.	N/A	N/A	Neg.	N/A	N/A	2.3	N/A	N/A	1.0	35.9	
Agroliga	AGL PW	Warsaw	17.86 PLN	+0.1	-5.7	-31.1	+0.3	5.84	9.0	9.9	16.7	1.5	0.1	12.2	0.25	397	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	2.28 PLN	-3.4	-0.4	+16.9	-22.7	0.75	16.2	63.5	26.2	4.2	15.2	463.9	2.79	36	2.4	Neg.	2.3	4.5	6.0	4.0	0.7	0.7	0.8	0.1	28.0	
Astarta Holdin...	AST PW	Warsaw	39.90 PLN	+0.0	+2.0	-40.4	-30.6	13.05	326.2	646.3	31.0	101.2	205.5	179.4	0.17	599	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	9.00 USD	+2.6	-7.3	-23.4	+1.6	9.00	574.5	805.5	21.7	124.7	36.4	351.6	0.10	1,003	2.4	2.9	2.6	2.7	3.0	2.8	1.2	1.2	1.1	0.0	17.8	
IMC	IMC PW	Warsaw	8.94 PLN	+2.6	+7.7	-26.4	-31.0	2.92	91.5	216.7	23.9	21.8	11.5	115.1	0.18	565	3.5	3.5	2.0	4.0	3.8	3.1	1.9	1.1	0.9	0.6	38.7	
Kernel Holding...	KER PW	Warsaw	26.53 PLN	-2.4	-8.5	-30.3	-55.0	8.67	691.2	1,714.5	58.8	406.3	3,097.2	2,773.5	0.58	173	6.2	10.4	4.0	5.9	6.4	4.8	0.6	0.7	0.6	0.5	30.6	
MHP	MHPC LI	London Intl	14.80 USD	-0.7	+20.3	-13.2	-16.0	14.80	1,563.9	2,724.7	22.3	349.1	263.1	1,941.1	0.65	154	10.0	5.8	5.1	7.0	5.6	5.1	1.8	1.8	1.6	2.7	19.6	
Milkiland	MLK PW	Warsaw	6.13 PLN	-0.2	-16.6	-51.0	-47.6	2.00	62.6	194.0	20.0	12.5	1.9	11.6	0.05	2,077	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	4.89 EUR	-4.8	-0.2	-9.4	+12.9	6.71	712.8	1,444.6	20.0	142.6	0.0	7.7	0.01	8,414	4.1	5.0	8.2	6.3	5.6	5.3	4.2	3.9	3.4	0.8	34.8	
Ovostar Union	OVO PW	Warsaw	67.00 PLN	+1.5	-2.9	-33.0	-22.1	21.91	131.4	140.3	25.0	32.9	0.0	30.3	0.01	11,220	4.3	6.5	6.4	3.8	4.8	4.4	1.6	1.6	1.2	1.0	8.5	
CONSTRUCTION																												
TMM	TR61 GF	Xetra	0.14 EUR	-0.7	+0.0	-55.8	-66.4	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	0.69 UAH	+50.0	-5.7	-9.2	+15.2	0.06	34.7	N/A	5.5	1.9	0.8	1.4	0.05	2,112	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.3	18.6	
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.16 UAH	+0.0	-6.3	+38.1	+56.2	0.01	398.0	N/A	3.8	15.2	94.7	58.8	0.47	214	4.6	Neg.	14.2	N/A	N/A	N/A	N/A	N/A	N/A	0.7	28.3	
Ukrasotsbank	USCB UK	Kiev, UX	0.15 UAH	-1.0	-5.1	-20.0	+24.3	0.01	230.6	N/A	4.5	10.3	0.1	3.6	0.03	3,961	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 declines significantly after debt redemption

Broader banking sector liquidity fell UAH2.77bn to UAH40.07bn yesterday after the MoF repaid UAH1.64bn in principal and interest repayments on Wednesday. Total local currency debt repayments scheduled for the next 30 days fell to UAH3.91bn. Banks' correspondent accounts with the NBU also fell UAH1.42bn to UAH28.56bn yesterday, while total CDs outstanding rose only UAH0.29bn to UAH7.60bn.

KyivPrime interest rates remained steady at 5.13% and 18.00% for ON and 1M funds, respectively.

**Investment implications:** As the MoF refinanced its debt repayments, liquidity should decline less significantly. However, there could be payments to the NBU on earlier issued loans or on bonds that were in the NBU portfolio.

## Eurobonds rebound

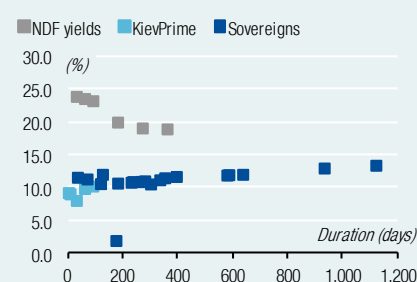
Yesterday's offering of 5-year US-backed Eurobonds at a 28bp spread to the benchmark resulted in increased demand for Ukrainian Eurobonds. As Ukraine also published new positive statistics on the trade balance, prices of Ukrainian Eurobonds rose yesterday, causing the yield curve to move to the range of 9.82-14.84% as UKRAIN 6.875% '15 declined 145bp to 14.84%, UKRAIN 9.25% '17 declined 125bp to 10.95%, UKRAIN 7.95% '21 declined 51bp to 10.38%, UKRAIN 7.80% '22 slid 29bp to 10.18% while UKRAIN 7.50% '23 decline below 10.0%, 30bp to 9.82%.

**Investment implications:** Beyond the US-backed guarantee, the issuance of Eurobonds at a low spread, similar to the standard premium that Ukraine normally ascribes for each new issue, was important for investors. As the political and economic situation in Ukraine stabilizes, we could see significantly larger price increases of Eurobonds.

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### Yield curve of the local bond market

(as of market close on 15 May 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

### Bond market indicators (as of 15 May 2014)

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

#### MONEY MARKET KIEV PRIME RATES (%)

O/n	5.13	+0bp	-82bp	-27bp	-267bp
1wk	9.94	-6bp	-16bp	-190bp	+14bp
1m	18.00	+0bp	-50bp	-200bp	+175bp
2m	18.13	+0bp	-27bp	-17bp	+173bp
3m	18.13	+0bp	-7bp	+9bp	+213bp

#### LIQUIDITY WIDE MEASUREMENT (UAHm)

CB acc's <sup>1</sup>	28,556	-4.75	-3.90	-13.74	-12.68
CDs <sup>2</sup>	13,740	+3.00	+1.33	-5.99	+803.9
Sovgns <sup>3</sup>	3,960	+0.00	+7.17	-35.19	+164.9
<b>Total</b>	<b>46,256</b>	<b>-2.16</b>	<b>-1.52</b>	<b>-14.07</b>	<b>+29.51</b>

#### HOLDERS OF UAH SOVEREIGN BONDS (UAHm)

C.bank	174,812	+0.00	+0.00	+2.41	+20.68
Banks	88,211	+1.77	+1.74	-5.68	+10.03
Resid's <sup>4</sup>	10,707	-0.33	-0.36	-2.62	-13.63
Non-res <sup>5</sup>	16,316	+0.85	+0.82	-7.58	+39.47
<b>Total</b>	<b>290,045</b>	<b>+0.57</b>	<b>+0.55</b>	<b>-0.96</b>	<b>+16.43</b>

#### NDF IMPLIED YIELDS (%)

3m	24.79	+459bp	-19ppt	-17ppt	+13bp
6m	22.72	+197bp	-325bp	-197bp	+932bp
9m	21.57	+137bp	-284bp	-26bp	+756bp
1yr	20.73	+106bp	-91bp	-52bp	+574bp

#### LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)

Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	N/A	+320bp	+0bp	+0bp	-676bp
Aug '15 <sup>6</sup>	N/A	-89ppt	+0bp	+0bp	-89ppt

#### EUROBONDS USD SOVEREIGN BOND YIELDS (%)

CDS 5yr	1,140	-39bp	-5bp	+48bp	+323bp
Jun '16	12.62	-160bp	-99bp	+48bp	+373bp
Jul '17	11.92	-126bp	-118bp	-36bp	+236bp
Sep '20	10.39	-73bp	-42bp	+8bp	+120bp
Sep '21	10.39	-54bp	-52bp	+7bp	+117bp
Sep '22	10.19	-30bp	-17bp	+12bp	+84bp
Feb '23	9.83	-30bp	-15bp	+9bp	+78bp

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.

## DTEK increases coal output, reduces electricity production in 1Q14

DTEK increased its production of coal by 1.7% YoY to 10.4mt and reduced its electricity production by 3.1% YoY to 12.9TWh, according to its 1Q14 operating results released on Wednesday. The company transmitted 14.8TWh of electricity via grids (-4% YoY) and produced 165.9MMcm of natural gas.

Management stated that although the company was expecting an economic recession in Ukraine in the near future, it remains committed to its strategic investment projects and modernization of production assets.

DTEK increased its coal exports 68.1% YoY to 1.17mt amidst weak coal demand in Europe and China and benchmark energy coal prices that fell 9% YoY in 1Q14. At the same time, electricity exports declined 6.2% YoY to 2.1TWh as European electricity prices fell 12% YoY.

Domestic sales of electricity declined 2.3% YoY to 12.7TWh due to lower industrial consumption. The company's domestic coal sales increased 9.2% to 0.31mt due to rising shipments of coking coal.

***Investment implications: DTEK's declining volumes of both electricity production and sales closely tracked the negative trend in domestic electricity consumption. The negative impact of Ukraine's weak demand on coal output was offset by the company's significant international marketing efforts, with the largest effect from expansion into India, Turkey and the UK. Ukraine's weak economy - exacerbated by political instability in the eastern oblasts - should pose higher risks for DTEK's production volumes in 2Q14.***

**Table 2. DTEK Eurobond quote as of market close, 15 May 2014**

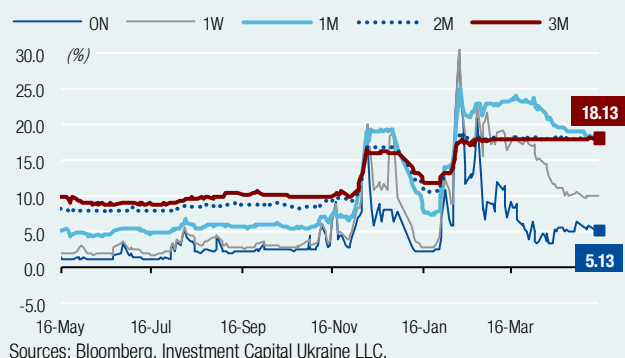
Issuer	Moody's/S&P/Fitch	Ccy	Volume	Coupon rate (%)	Maturity	Price (%)	YTW (%)	Spread (bp)
DTEK	Caa2/--/CCC	USD	500m	9.50	28-Apr-15	91.375	20.614	2,037
DTEK	Caa2/--/CCC	USD	750m	7.875	04-Apr-18	81.25	14.25	1,272

Source: Bloomberg

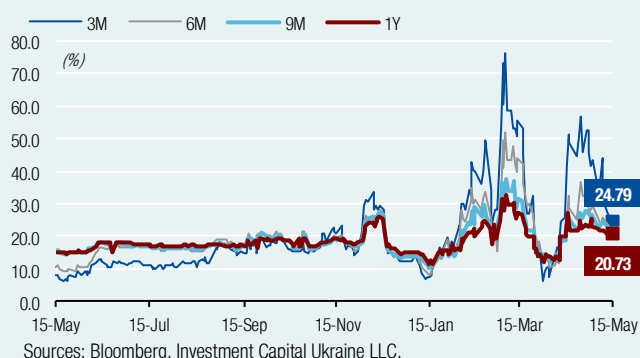
**Alexander Martynenko, Kiev, +38044 2200120 ext.245**

## Chart page: Local bond market & Eurobond markets

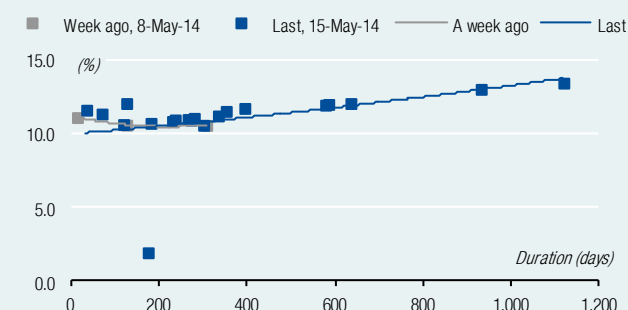
**Chart 1. Kiev Prime rates (%), last 12-month period**



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



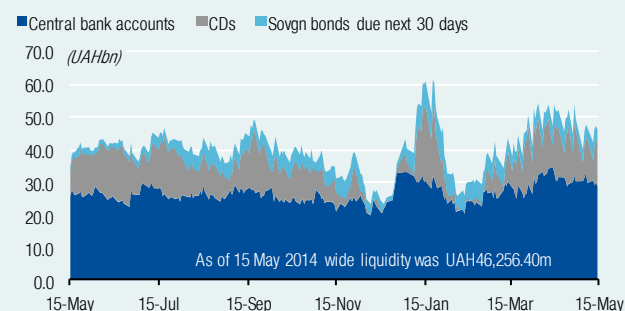
**Chart 3. UAH sovereign yield curve (%) as of 15 May 2014**



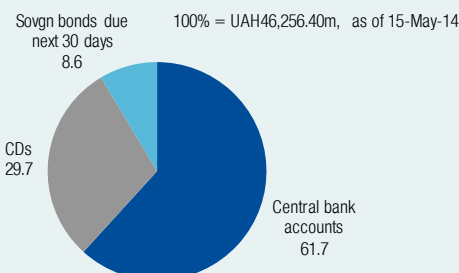
**Chart 4. USD sovereign yield curve (%) as of 15 May 2014**



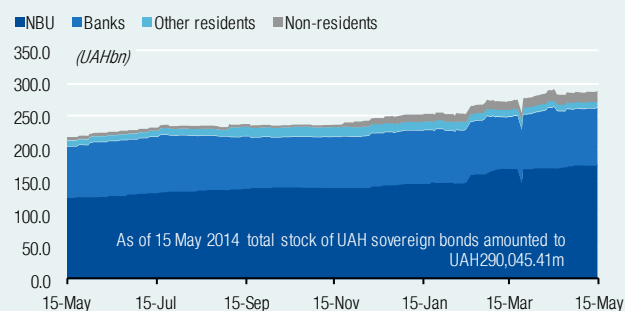
**Chart 5. Banking sector liquidity (UAHbn), last 12-month period**



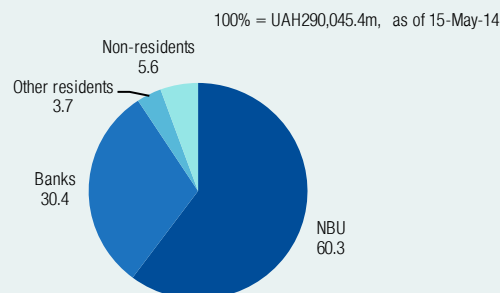
**Chart 6. Breakdown of liquidity pool (%) as of 15 May 2014**



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



**Chart 8. Domestic sovereign debt (%) as of 15 May 2014**



# FX: News & Comments

## UAH recovers on US-backed US\$1bn sovereign bond, its real TWI up on USD rally

Key economic statistics data swayed the market yesterday. In particular, the EU member states issued their official 1Q14 real GDP statistics. Germany proved solid growth of +0.8% MoM, which was up 2.3% YoY from 1.4% YoY in the previous quarter. Other large EU economies like France, the Netherlands and Italy posted weak numbers. France was flat MoM, the Netherlands declined 1.4%, and Italy declined 0.1% from the previous quarter. Yesterday's inflation statistics also showed that economic activity faltered in the EU and improved in the United States where CPI increase was increased 0.3% MoM, with YoY inflation up 2.0%. Inflation in the EU remained subdued, as expected, albeit up slightly from the previous month, up 0.8% YoY in April from 0.6% YoY in March. In the Eurozone, it increased to 0.7% from 0.5% over the same period. This portion of macroeconomic data pushed the FX market to re-price the USD higher versus other major currencies including the Euro, the PLN and the RUB. The USD index ended the day 0.09% down yesterday but stayed above 80 points threshold, while over the past week it increased nearly 1%. Coupled with UAH recovery in the domestic FX market as a result of the US guaranteed US\$1bn sovereign Eurobond placement, the hryvnia's real trade-weighted value rose 1.15%, erasing a portion of the year-to-date depreciation of this indicator. If this rebound continues, now a reasonable assumption, there is a risk that the UAH's real value could recover quite quickly even if the UAH's nominal rate remains unchanged from its current weak value. This would put additional pressure on the UAH's nominal rate to decline, i.e. to regain competitiveness.

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**ICU's UAH trade-weighted indices**  
(Last 12-month history to 16 May 2014)



### FX market indicators (as of 15 May 2014)

		Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)						
Spot mkt	11.8250	-0.88	+1.46	-0.63	+43.51	
NBU avg	11.6630	-0.86	+0.60	-5.83	+43.09	
Ttl vlm <sup>1</sup>	381.30	+15.90	+9.28	-8.55	-86.39	
\$ volume <sup>2</sup>	263.75	+19.45	-0.26	-16.47	-88.07	
NDF 3M	12.5500	+0.20	-2.90	-4.38	+47.91	
NDF 6M	13.1500	+0.00	+0.00	-1.50	+49.77	
NDF 1Y	14.2000	+0.00	+0.71	-1.05	+50.74	
TRADE-WEIGHTED INDICES (TWIs, points)						
UAH nom'l	48.177	+1.15	-1.26	-0.51	-28.67	
UAH real CPI	74.283	+1.15	-1.26	-0.51	-26.50	
UAH real PPI	102.897	+1.15	-1.26	-0.51	-25.86	
USD nom'l	80.003	-0.09	+0.81	+0.25	-0.04	
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs						
USD/RUB	34.7667	+0.43	-0.75	-3.92	+5.77	
EUR/USD	1.3710	-0.04	-0.94	-0.76	-0.24	
USD/CNY	6.2296	+0.01	+0.03	+0.14	+2.90	
USD/PLN	3.0586	+0.12	+1.29	+0.89	+1.18	
USD/TRY	2.0984	+1.34	+1.20	-2.05	-2.32	
USD/BYR	10,045.00	-0.15	+0.30	+0.85	+5.29	
USD/KZT	182.0700	-0.01	+0.01	+0.01	+18.02	
OTHER MAJOR CURRENCIES						
USD/JPY	101.5800	-0.31	-0.08	-0.33	-3.54	
GBP/USD	1.6790	+0.14	-0.84	+0.36	+1.41	
USD/CHF	0.8910	+0.13	+1.23	+1.24	-0.21	
AUD/USD	0.9356	-0.23	-0.20	-0.06	+4.92	
USD/CAD	1.0885	-0.04	+0.50	-0.85	+2.47	
USD/BRL	2.2196	+0.79	+0.21	-0.59	-6.03	
USD/KRW	1,025.25	-0.25	+0.24	-1.49	-2.34	
COMMODITIES						
Gold(\$/oz)	1,296.17	-0.75	+0.53	-0.50	+7.51	
WTI crude <sup>3</sup>	101.50	-0.85	+1.24	-2.17	+3.13	
Brent crd <sup>3</sup>	109.70	+0.13	+1.89	+0.86	-1.01	
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00	
TR/J CRB <sup>4</sup>	307.08	-0.29	+0.31	-0.70	+9.60	

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.

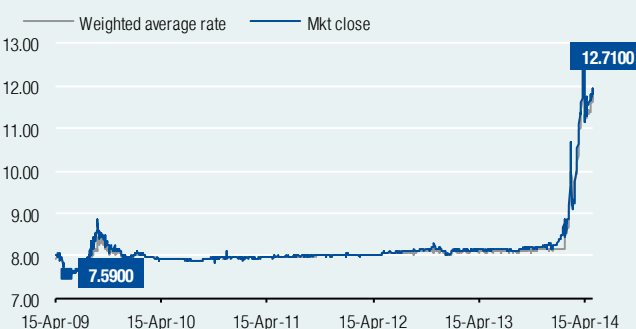
Sources: Bloomberg, Investment Capital Ukraine LLC.

## 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)**

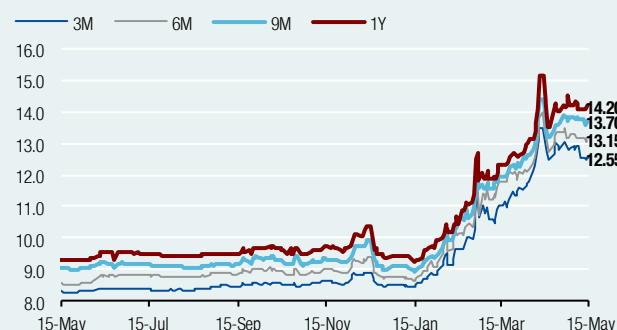


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

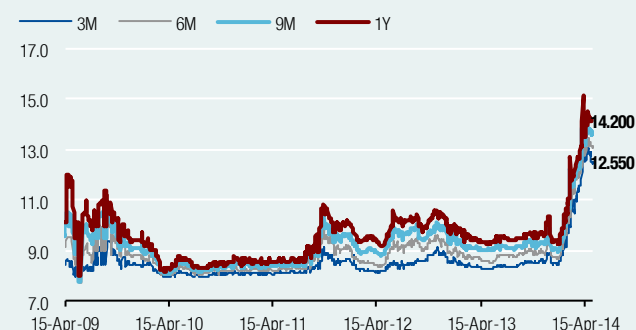


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

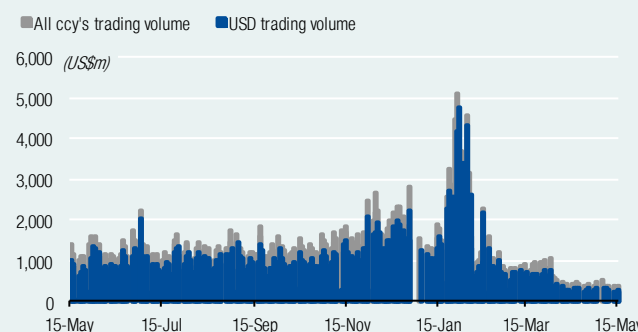


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

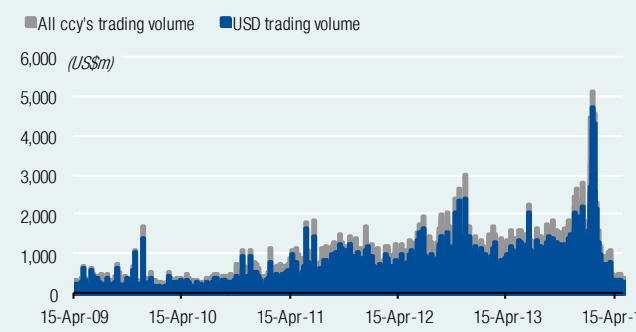


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

**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.

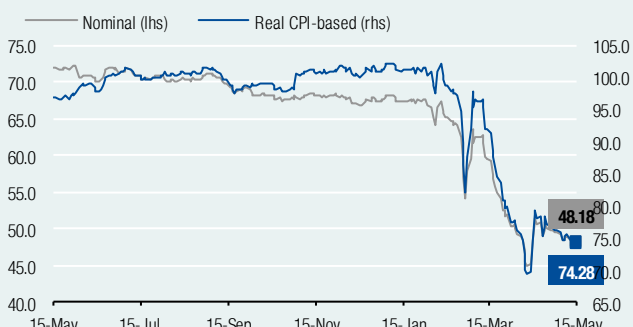




## Chart page #2: ICU's UAH trade-weighted indices

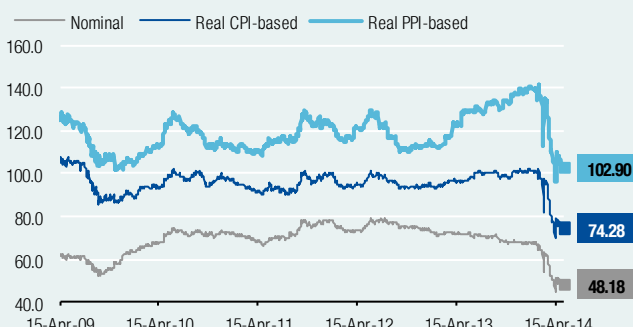
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

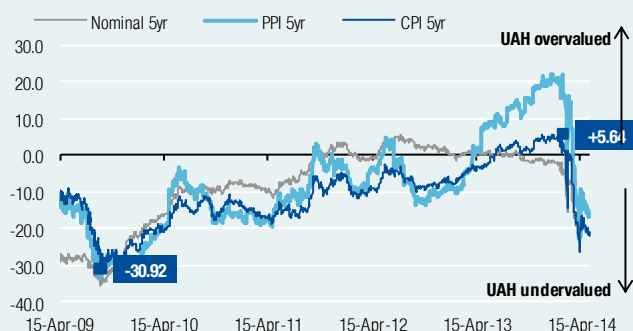


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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.

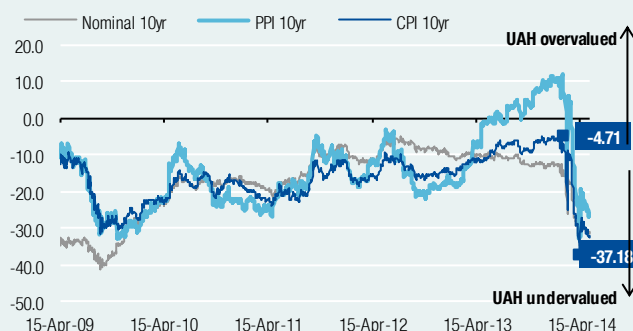


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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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**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

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

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