


INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

 Liquidity up; Eurobonds rebound further;
 Metinvest reports 1Q14

WEDNESDAY, 21 MAY, 2014

RESEARCH INSIGHT

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UX Index (3 months to 21 May 2014)



Key market indicators (as of 20 May 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	11.9500	+0.00	+45.02
USD/UAH (1Y NDF)	14.3500	+0.70	+52.34
EUR/USD	1.3702	-0.05	-0.30
USD/RUB	34.5215	-0.07	+5.03
KievPRIME O/N (%)	5.00	+0bp	-280bp
KievPRIME 1M (%)	17.50	-20bp	+125bp

BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	-8,900bp	-8,900bp
Ukraine 17, Eurobond (%)	10.95	-8bp	+139bp
Ukraine 22, Eurobond (%)	9.63	-10bp	+29bp
Ukraine 23, Eurobond (%)	9.30	-10bp	+26bp
Ukraine 5Y CDS	1,034bp	-30bp	+217bp

EQUITIES

Stock market indices

UX (Ukraine)	1,120.30	+0.19	+23.10
MSCI World	413.47	-0.47	+1.20
MSCI EM	1,029.91	-0.53	+2.71
RTS (Russia)	1,298.64	+0.67	-9.99
WIG-20 (Poland)	2,410.16	+0.42	+0.38
S&P 500 (USA)	1,872.83	-0.65	+1.32

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

KER PW	1.91	52.1% of total ¹
FXPO LN	1.23	33.5%
MHPC LI	0.11	3.0%

GAINERS: Top 3 stocks (in listed currency)

CAD LN	GBp 9.13	+7.35	-12.05
CLE PW	PLN 1.27	+4.10	+20.95
JKX LN	GBp 59.88	+0.63	-16.26

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 20-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	+7.4	+0.0	-12.0	-35.4	0.15	35.5	-27.6	40.2	14.3	7.6	9.5	0.06	1,656	Neg.	Neg.	Neg.	4.2	8.6	17.2	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	6.33 UAH	+0.0	+8.2	+32.8	+47.3	0.53	196.2	249.4	21.7	42.6	91.3	139.2	0.30	336	4.8	7.9	3.2	0.4	3.4	2.1	0.4	0.3	0.3	1.0	12.2
Coal Energy	CLE PW	Warsaw	1.27 PLN	+4.1	-0.8	+21.0	-74.5	0.42	18.7	113.0	25.0	4.7	31.5	251.9	1.34	75	Neg.	Neg.	4.7	5.0	14.1	3.9	0.9	1.1	1.0	0.2	39.8
Donbasenergo	DOEN UK	Kiev, UX	43.53 UAH	+0.0	+2.7	+57.8	+109.3	3.65	86.3	126.2	14.2	12.3	46.1	46.3	0.43	232	1.9	2.6	2.6	0.5	1.7	1.5	0.3	0.2	0.2	1.6	17.8
JKX Oil & Gas	JKX LN	London	59.88 GBP	+0.6	+3.2	-16.3	+1.9	1.01	173.2	179.7	47.2	81.7	22.1	92.9	0.05	1,848	26.6	13.3	6.2	2.7	2.1	2.0	1.0	1.0	0.8	0.4	5.5
Regal Petroleum	RPT LN	London	8.88 GBP	+0.0	-13.4	-31.7	-61.0	0.15	47.9	21.1	80.9	38.8	0.0	6.9	0.01	7,282	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	137.00 UAH	+0.0	+11.4	+51.5	+59.9	11.49	146.9	124.6	5.0	7.3	0.2	2.9	0.01	7,081	3.0	N/A	N/A	0.8	N/A	N/A	0.1	N/A	N/A	3.4	0.0
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.03 UAH	+0.0	-7.5	-17.8	-27.7	0.00	69.0	1,246.1	3.9	2.7	5.0	10.6	0.30	328	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	3.07 UAH	+0.0	+3.9	+3.7	-2.8	0.26	50.2	47.2	4.0	2.0	4.5	16.3	0.36	278	Neg.	2.0	0.8	Neg.	0.7	0.4	0.1	0.1	0.0	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.72 UAH	+0.0	+2.1	+6.7	+21.4	0.06	252.1	245.0	4.1	10.3	8.5	12.5	0.05	1,839	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	135.00 GBP	-2.7	-10.1	-27.4	-28.4	2.27	1,338.4	1,999.5	22.4	299.8	1,230.0	2,586.3	0.36	278	5.1	5.5	6.4	4.0	4.4	4.7	1.3	1.3	1.3	0.8	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.62 UAH	+0.0	-18.0	+16.0	+4.1	0.05	14.1	15.3	9.0	1.3	1.1	1.9	0.20	494	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	34.08 UAH	+0.0	-3.0	+6.5	+1.0	2.86	30.2	25.8	9.4	2.8	0.9	12.0	0.12	861	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	0.97 EUR	-2.0	-11.8	-21.8	-39.0	1.33	122.8	149.9	34.0	41.7	14.6	39.0	0.08	1,204	Neg.	N/A	N/A	Neg.	N/A	N/A	2.3	N/A	N/A	1.0	35.9
Agroliga	AGL PW	Warsaw	17.70 PLN	+0.0	+4.7	-31.7	+2.3	5.79	8.9	9.8	16.7	1.5	0.1	10.6	0.23	429	2.1	N/A	N/A	2.8	N/A	N/A	0.4	N/A	N/A	0.7	5.7
Agroton	AGT PW	Warsaw	2.32 PLN	-1.3	+7.4	+19.0	-20.3	0.76	16.4	63.8	26.2	4.3	23.1	431.7	2.27	44	2.4	Neg.	2.3	4.5	6.1	4.0	0.7	0.7	0.8	0.1	28.0
Astarta Holdin...	AST PW	Warsaw	39.74 PLN	+0.6	+0.2	-40.6	-30.7	13.00	325.0	645.0	31.0	100.8	2.7	173.1	0.13	741	9.2	8.6	4.5	8.5	4.9	5.2	1.3	1.3	1.2	0.9	38.2
Avangard	AVGR LI	London Intl	8.70 USD	-1.7	-10.5	-26.0	-6.4	8.70	555.7	786.6	21.7	120.6	10.1	329.9	0.09	1,094	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	8.65 PLN	+0.6	+1.8	-28.8	-28.2	2.83	88.6	213.8	23.9	21.2	52.9	88.8	0.16	640	3.4	3.4	1.9	4.0	3.7	3.0	1.9	1.1	0.9	0.6	38.7
Kernel Holding...	KER PW	Warsaw	26.68 PLN	-2.3	-7.4	-29.9	-55.2	8.73	695.5	1,718.8	58.8	408.8	1,914.9	2,823.5	0.56	177	6.3	10.5	4.0	5.9	6.5	4.8	0.6	0.7	0.6	0.5	30.6
MHP	MHPC LI	London Intl	14.30 USD	+0.3	+19.2	-16.1	-24.7	14.30	1,511.0	2,671.9	22.3	337.3	110.5	1,787.3	0.63	160	9.7	5.6	4.9	6.8	5.5	5.0	1.8	1.7	1.5	2.6	19.6
Milkiland	MLK PW	Warsaw	5.55 PLN	+0.0	-25.9	-55.6	-48.4	1.82	56.7	188.0	20.0	11.3	1.6	10.1	0.05	1,877	3.8	6.4	2.0	5.7	3.6	3.3	0.4	0.4	0.4	0.2	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	4.81 EUR	+0.0	+5.8	-10.9	+14.7	6.59	700.3	1,432.1	20.0	140.1	0.0	7.4	0.01	8,224	4.0	4.9	8.0	6.2	5.6	5.3	4.1	3.8	3.4	0.8	34.8
Ovostar Union	OVO PW	Warsaw	68.50 PLN	+0.0	-0.7	-31.5	-19.9	22.41	134.5	143.3	25.0	33.6	0.0	29.5	0.01	9,013	4.4	6.7	6.6	3.9	4.9	4.5	1.6	1.6	1.3	1.0	8.5
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	10.50 PLN	+0.0	-20.8	-66.5	-70.9	3.44	31.9	15.9	10.9	3.5	0.4	2.1	0.01	18,228	2.6	N/A	N/A	1.1	N/A	N/A	0.6	N/A	N/A	0.6	8.3
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.13 EUR	-4.3	-4.3	-57.7	-63.0	0.18	9.5	168.8	13.1	1.2	0.0	0.1	0.02	4,736	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	0.65 UAH	+0.0	-11.1	-14.3	+8.7	0.05	32.4	N/A	5.5	1.8	0.3	1.3	0.01	9,024	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	-9.5	+40.2	+53.2	0.01	400.0	N/A	3.8	15.3	94.2	59.8	0.42	237	4.7	Neg.	14.4	N/A	N/A	N/A	N/A	N/A	N/A	0.7	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.16 UAH	+0.0	+1.8	-15.4	+30.9	0.01	241.3	N/A	4.5	10.8	0.9	3.8	0.01	11,190	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 20-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 rose with fund reallocations

Yesterday, banks' correspondent accounts with the NBU fell UAH1.30bn to UAH28.17bn while total CDs outstanding rose a significant UAH1.86bn to UAH8.51bn. Total local currency debt repayments scheduled for the next 30 days rose a slight UAH0.81bn to UAH4.72bn, causing broader banking sector liquidity to rise UAH1.37bn to UAH41.40bn.

KyivPrime interest rates slightly diverged: the KyivPrime ON interest rate remained steady at 5.00% while the KyivPrime 1M interest rate declined 20bp to 17.50%.

Investment implications: Liquidity remained steady with a slight decline, because the NBU issued UAH0.96bn more loans than were repaid by banks and future debt repayments rose slightly. The decline in banks' correspondent accounts was caused by significant fund absorptions by the NBU via CDs. Liquidity could decline today as yesterday was the last day of quarterly tax payments. However, the MoF is scheduled to repay UAH1.12bn in local currency in debt repayments which were not refinanced yesterday.

Eurobonds continue to rebound

The positive impact of news of the withdrawal of Russian troops from the Ukrainian border with improved sentiment regarding debt repayments in June continued to move yields of Ukrainian Eurobonds down. The yield curve adjusted to the range of 9.30-12.29% as UKRAIN 6.875% '15 declined 10bp to 12.29%, UKRAIN 9.25% '17 slid 7bp to 10.94%, UKRAIN 7.95% '21 fell 24bp to 9.58%, and UKRAIN 7.80% '22 decreased 11bp to 9.63%, while UKRAIN 7.50% '23 declined 11bp to 9.30%, the first time since the beginning of April.

Primary auction results: All bids rejected

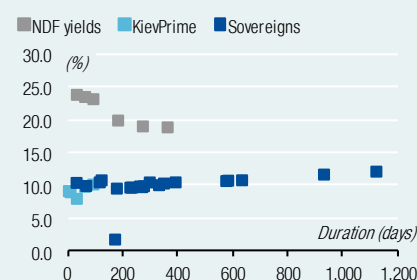
For the first time in nearly two months, the MoF rejected all bids submitted at yesterday's auction, most likely because of small bids at relatively high rates. Although an additional auction could be held to refinance today's debt repayments, the MoF could use FX proceeds from last week's Eurobond issue. Two bids for a total of UAH100.00m were submitted for the 3-month bond at 16.50% and 17.00%, and one bid was submitted for UAH10.0m of the 3-year bond at 17.75%. Two bids were submitted for UAH20.0m of the 2-year bond, similar to last week's auction, and very close interest rates to last week's cut-off rate, at 17.00% and 17.25%.

Investment implications: With UAH3.46bn in debt principal and interest repayments scheduled for today, yesterday's demand was insufficient, especially at higher interest rates. Although today's debt repayments could be mostly made using funds received from foreign borrowings and budget revenues from tax payments, an additional unscheduled auction could be held.

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Yield curve of the local bond market

(as of market close on 20 May 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 20 May 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
0/n	5.00	+0bp	-25bp	-50bp	-280bp
1wk	9.75	+15bp	-25bp	-135bp	-5bp
1m	17.50	-20bp	-50bp	-220bp	+125bp
2m	18.25	+5bp	+0bp	+5bp	+185bp
3m	18.13	+3bp	+0bp	+13bp	+213bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	28,167	-4.39	-2.65	-10.49	-13.87
CDs ²	12,960	+94.77	+5.25	-16.11	+752.6
Sovgns ³	4,768	+0.00	-14.75	-11.41	+218.9
Total	45,895	+12.26	-2.02	-12.24	+28.50
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	174,812	+0.00	+0.00	+2.42	+20.68
Banks	88,073	-0.09	+1.82	+1.75	+9.86
Resid's ⁴	10,789	+0.64	+0.50	+0.38	-12.97
Non-res ⁵	16,302	-0.02	+1.07	+3.82	+39.35
Total	289,976	-0.01	+0.62	+2.21	+16.40
NDF IMPLIED YIELDS (%)					
3m	28.73	+336bp	+787bp	-20ppt	+17bp
6m	27.95	+672bp	+721bp	-109bp	+15bp
9m	22.76	+225bp	+251bp	-220bp	+874bp
1yr	20.73	+84bp	+100bp	-101bp	+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 ⁶	N/A	-89ppt	+0bp	+0bp	-89ppt
EUROBONDS USD SOVEREIGN BOND YIELDS (%)					
CDS 5yr	1,034	-30bp	-119bp	-96bp	+217bp
Jun '16	10.50	-57bp	-399bp	-208bp	+161bp
Jul '17	10.95	-8bp	-251bp	-133bp	+139bp
Sep '20	9.50	-23bp	-142bp	-80bp	+30bp
Sep '21	9.53	-29bp	-145bp	-75bp	+31bp
Sep '22	9.63	-10bp	-90bp	-42bp	+29bp
Feb '23	9.30	-10bp	-88bp	-42bp	+26bp

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.

Metinvest's 1Q14 EBITDA up 91% YoY, net debt down in 2013

Although Metinvest increased its EBITDA by 91% YoY to US\$878m in 1Q14, according to its trading update released yesterday, the company's net revenues declined 8% YoY to US\$2.928bn and capex grew 29% YoY to US\$124m. As of end-1Q14, Metinvest's net debt declined 2% to US\$3.445bn compared to end-2013, while the company's net debt/EBITDA ratio declined to 1.3x from 1.5x as of end-2013.

Metinvest also reported that its crude steel output fell 11% YoY to 2.755mt, iron ore concentrate declined 5% YoY to 8.82mt and raw coking coal decreased 12% YoY to 2.537mt.

Table 2. Metinvest's Eurobond quotation as of market close, 20 May 2014

Issuer	Moody's/S&P /Fitch	Ccy	Volume	Coupon (%)	Maturity	Price (%)	YTW (%)	Spread (bp)
Metinvest	Caa2/--/CCC	USD	500m	10.25	20-May-15	96.625	14.302	1,406
Metinvest	Caa2/--/CCC	USD	750m	8.75	14-Feb-18	88.375	12.756	1,125

Source: Bloomberg

Investment implications: Metinvest reduced its sales revenues as a result of lower sales volumes and selling prices. By geographic segments, the company saw most significant reductions in sales volumes in the CIS and also in Southeast Asia, where sales of not only steel but also iron ore products declined. However, the negative impact of lower revenues was more than offset by the hryvnia devaluation, as well as decreasing consumption and lower prices of energy inputs, such as natural gas and coking coal. The market environment should remain challenging for Metinvest throughout 2014 due to high competition and oversupply in the key ferrous metal markets. Political instability in the Ukraine's eastern regions, where the majority of Metinvest's steelmaking assets are located, may pose additional difficulties for the company's operational process. For more details, please see our upcoming note.

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Chart page: Local bond market & Eurobond markets

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

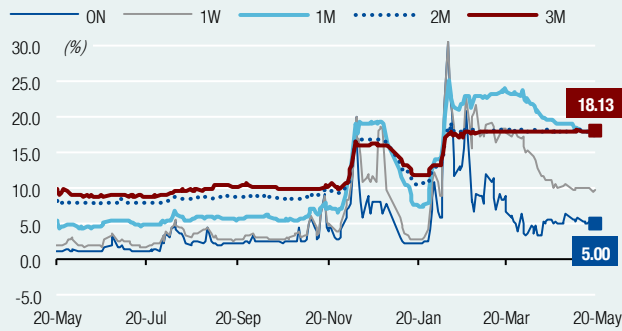


Chart 2. UAH NDF implied yields (%), last 12-month period



Chart 3. UAH sovereign yield curve (%) as of 20 May 2014

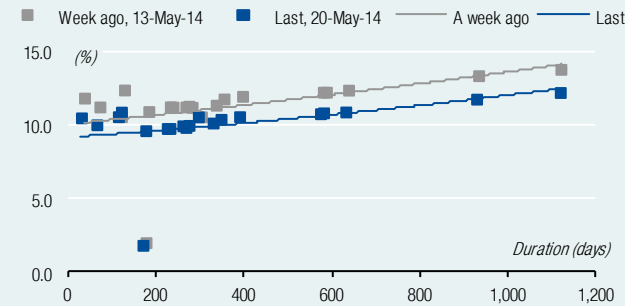


Chart 4. USD sovereign yield curve (%) as of 20 May 2014

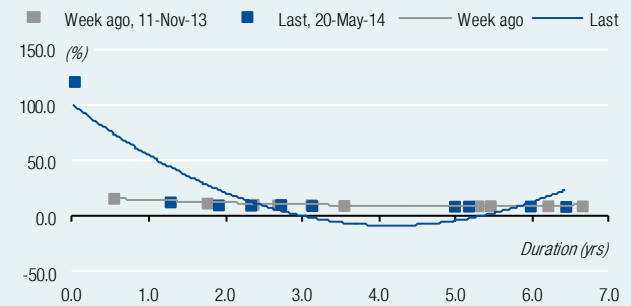


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

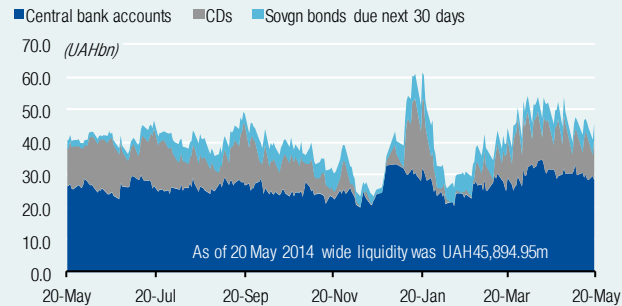


Chart 6. Breakdown of liquidity pool (%) as of 20 May 2014

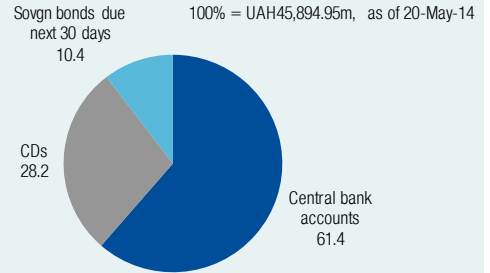


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

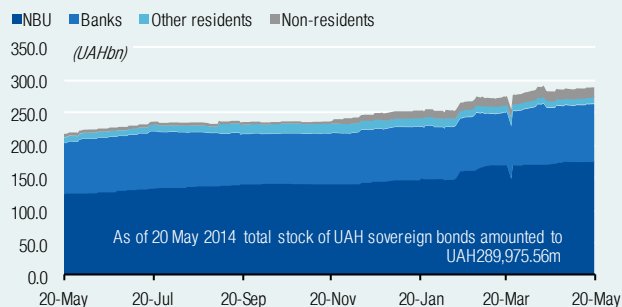
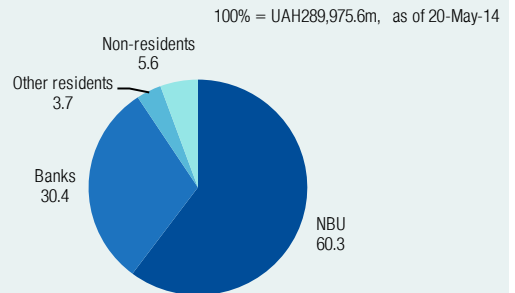


Chart 8. Domestic sovereign debt (%) as of 20 May 2014



FX: News & Comments

ICU's UAH trade-weighted indices

(Last 12-month history to 21 May 2014)



FX market indicators (as of 20 May 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	11.9500	+0.00	+0.93	+5.75	+45.02
NBU avg	11.7162	-0.31	+0.60	+4.35	+43.74
Ttl vlm ¹	477.38	+56.05	+22.07	+17.55	-82.96
\$ volume ²	363.64	+78.49	+55.74	+12.09	-83.55
NDF 3M	12.8000	+0.79	+2.81	+2.40	+50.85
NDF 6M	13.6000	+3.03	+4.21	+6.67	+54.90
NDF 1Y	14.3500	+0.70	+1.77	+6.30	+52.34
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	47.580	+0.04	-1.09	-6.13	-29.55
UAH real CPI	73.361	+0.04	-1.09	-6.13	-27.42
UAH real PPI	101.620	+0.04	-1.09	-6.13	-26.78
USD nom'l	80.041	+0.06	-0.13	+0.24	+0.01
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	34.5215	-0.07	-0.92	-2.96	+5.03
EUR/USD	1.3702	-0.05	-0.01	-0.80	-0.30
USD/CNY	6.2378	+0.01	+0.14	+0.22	+3.03
USD/PLN	3.0571	+0.06	+0.13	+0.97	+1.13
USD/TRY	2.1135	+0.81	+2.19	-0.76	-1.62
USD/BYR	10,045.00	-0.25	-0.05	+0.90	+5.29
USD/KZT	182.4500	+0.17	+0.21	+0.21	+18.27
OTHER MAJOR CURRENCIES					
USD/JPY	101.3300	-0.17	-0.91	-1.07	-3.78
GBP/USD	1.6838	+0.14	+0.07	+0.26	+1.70
USD/CHF	0.8920	-0.03	+0.20	+0.96	-0.10
AUD/USD	0.9243	-0.93	-1.25	-0.96	+3.66
USD/CAD	1.0908	+0.30	+0.04	-1.05	+2.68
USD/BRL	2.2160	+0.41	+0.05	-0.93	-6.19
USD/KRW	1,025.38	+0.32	+0.32	-1.18	-2.33
COMMODITIES					
Gold(\$/oz)	1,294.37	+0.10	+0.06	+0.01	+7.36
WTI crude ³	102.44	-0.17	+0.73	-1.78	+4.08
Brent crd ³	111.18	+0.42	+2.14	+1.34	+0.32
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	306.92	+0.03	+0.05	-1.46	+9.55

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)

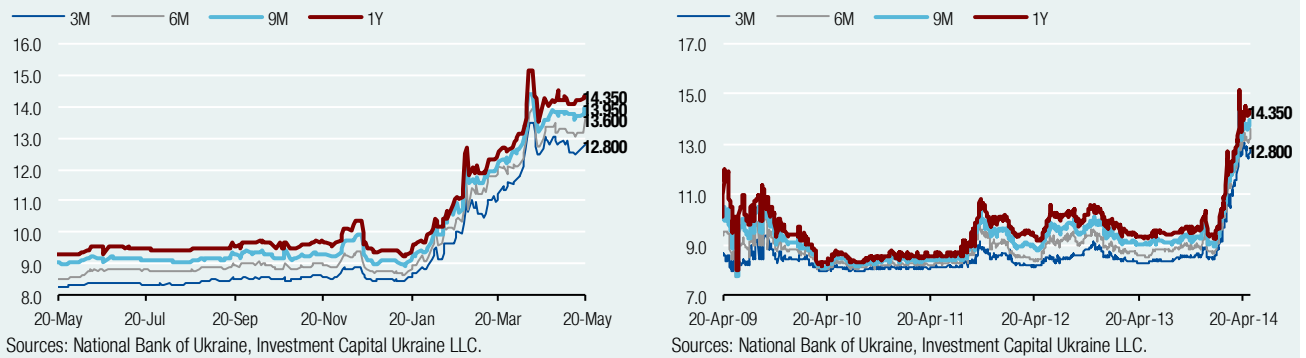


Chart 11. Trading volume: last 12-month and 5-year periods (US\$m, left and right respectively)



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

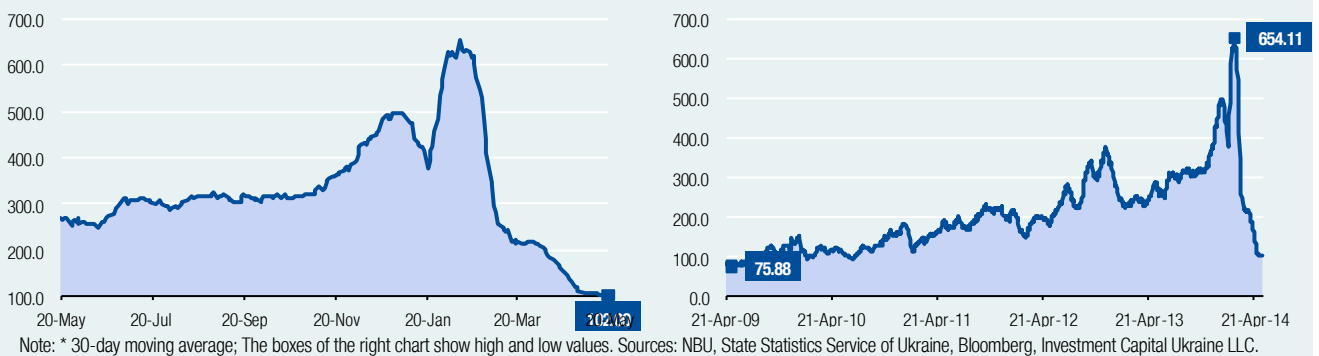
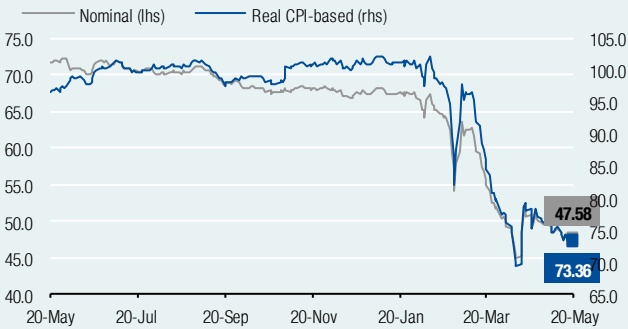


Chart page #2: ICU's UAH trade-weighted indices

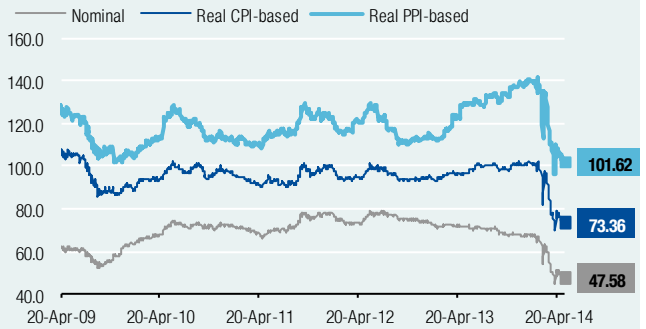
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



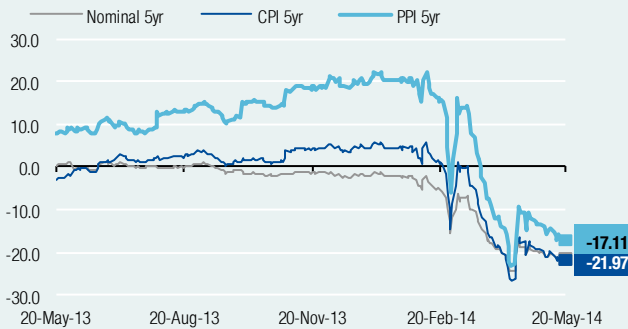
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

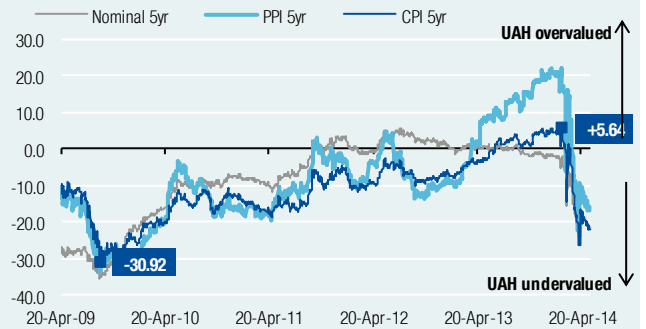


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

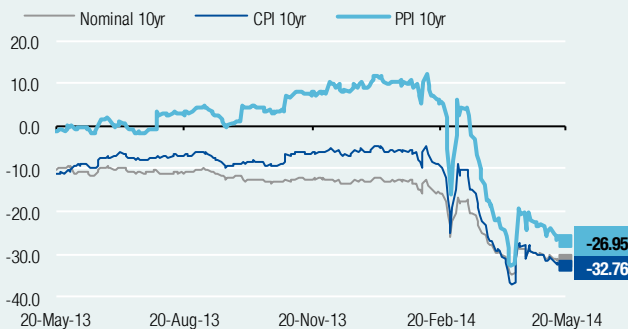


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

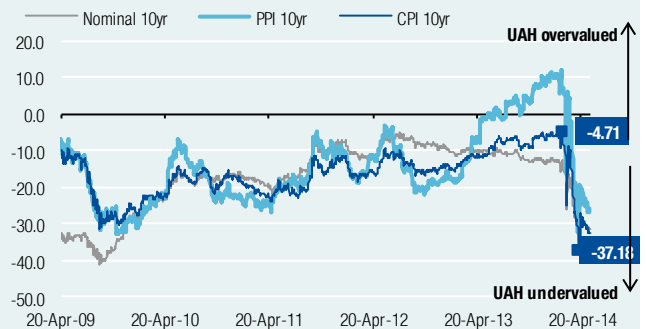


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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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