


**INVESTMENT CAPITAL UKRAINE**  
 INVESTMENT BANKING

# Daily Insight

Liquidity falls; Eurobonds rebound further; UAH's TWI declines on RUB rally

FRIDAY, 23 MAY, 2014

RESEARCH INSIGHT

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### UX Index (3 months to 23 May 2014)



### Key market indicators (as of 22 May 2014)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	11.9550	+0.42	+45.08
USD/UAH (1Y NDF)	14.2000	-0.85	+50.74
EUR/USD	1.3656	-0.23	-0.63
USD/RUB	34.3433	-0.12	+4.48
KievPRIME O/N (%)	5.00	-2bp	-280bp
KievPRIME 1M (%)	17.00	-10bp	+75bp

### BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	-8,900bp	-8,900bp
Ukraine 17, Eurobond (%)	10.15	-27bp	+59bp
Ukraine 22, Eurobond (%)	9.31	-26bp	-3bp
Ukraine 23, Eurobond (%)	9.00	-11bp	-4bp
Ukraine 5Y CDS	976bp	-3bp	+159bp

### EQUITIES

#### Stock market indices

UX (Ukraine)	1,131.57	+0.72	+24.34
MSCI World	417.11	+0.41	+2.10
MSCI EM	1,041.19	+0.92	+3.84
RTS (Russia)	1,312.97	-0.31	-8.99
WIG-20 (Poland)	2,464.43	+2.04	+2.64
S&P 500 (USA)	1,892.49	+0.24	+2.39

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

KER PW	2.92	41.9% of total <sup>1</sup>
FXPO LN	2.59	37.1%
MHPC LI	0.79	11.4%

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

TR61 GF	EUR 0.17	+28.36	-45.74
FORM UK	UAH 0.94	+9.90	+24.21
KDM PW	PLN 10.99	+4.67	-64.99

#### 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 22-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 (%)
<b>ENERGY</b>																											
Cadogan Petrol...	CAD LN	London	9.25 GBP	+1.4	+0.5	-10.8	-38.3	0.16	36.1	-27.0	40.2	14.5	7.8	9.4	0.05	2,035	Neg.	Neg.	Neg.	4.1	8.4	16.9	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	6.40 UAH	+0.6	+3.6	+34.2	+48.9	0.53	197.5	250.5	21.7	42.9	130.7	142.4	0.30	339	4.9	4.9	3.3	0.4	3.4	2.1	0.4	0.3	0.3	1.0	12.2
Coal Energy	CLE PW	Warsaw	1.25 PLN	-0.8	-9.4	+19.0	-72.6	0.41	18.5	112.8	25.0	4.6	8.3	222.6	0.97	103	Neg.	Neg.	4.6	5.0	14.1	3.9	0.9	1.1	1.0	0.2	39.8
Donbasenergo	DOEN UK	Kiev, UX	43.57 UAH	-0.5	-7.3	+57.9	+108.6	3.64	86.0	125.7	14.2	12.2	54.9	46.6	0.44	229	1.9	2.2	2.6	0.5	2.0	1.5	0.3	0.2	0.2	1.6	17.8
JKX Oil & Gas	JKX LN	London	59.00 GBP	-3.3	+4.0	-17.5	+5.4	1.00	170.9	177.4	47.2	80.7	24.9	87.4	0.06	1,685	26.3	15.1	6.1	2.7	2.2	2.0	1.0	0.9	0.8	0.3	5.5
Regal Petroleum	RPT LN	London	8.88 GBP	+0.0	-4.1	-31.7	-60.1	0.15	48.0	21.2	80.9	38.8	0.0	6.9	0.01	11,855	Neg.	24.0	N/A	1.0	0.8	N/A	0.6	0.5	N/A	0.2	0.0
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.03 UAH	+0.3	-6.2	-17.6	-27.6	0.00	68.9	1,241.3	3.9	2.7	0.9	10.4	0.26	387	Neg.	N/A	N/A	N/A	N/A	N/A	1.0	N/A	N/A	N/A	64.5
Avdiivsky Cok...	AVDK UK	Kiev, UX	3.09 UAH	-1.0	+0.9	+4.3	-2.2	0.26	50.3	47.3	4.0	2.0	7.2	16.2	0.25	400	Neg.	60.2	0.8	Neg.	0.9	0.4	0.1	0.1	0.0	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.74 UAH	+3.1	+7.4	+10.9	+26.6	0.06	260.9	253.9	4.1	10.7	11.7	12.9	0.04	2,583	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	137.40 GBP	+0.4	-10.4	-26.1	-19.5	2.32	1,364.3	2,025.4	22.4	305.6	2,588.5	2,615.3	0.39	259	5.2	5.7	6.5	4.0	4.4	4.8	1.3	1.3	1.3	0.8	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.60 UAH	-2.4	-20.0	+13.2	+5.8	0.05	13.7	14.9	9.0	1.2	6.2	1.9	0.21	483	Neg.	1.3	0.7	0.1	0.6	0.4	0.1	0.0	0.0	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	34.69 UAH	+0.1	-0.9	+8.4	+3.8	2.90	30.6	26.2	9.4	2.9	0.1	12.0	0.08	1,292	5.3	Neg.	Neg.	Neg.	Neg.	0.8	0.0	0.0	0.0	0.8	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	1.00 EUR	+0.0	-5.7	-19.4	-37.5	1.36	126.1	153.1	34.0	42.9	20.1	39.2	0.08	1,231	Neg.	N/A	N/A	Neg.	N/A	N/A	2.4	N/A	N/A	1.1	35.9
Agroliga	AGL PW	Warsaw	17.50 PLN	+0.0	-2.5	-32.5	+6.7	5.74	8.8	9.8	16.7	1.5	1.2	10.4	0.20	512	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	2.29 PLN	-3.0	-7.3	+17.4	-19.6	0.75	16.3	63.6	26.2	4.3	59.0	392.5	1.74	57	2.4	Neg.	2.3	4.5	6.1	6.7	0.7	0.7	0.7	0.1	28.0
Astarta Holdin...	AST PW	Warsaw	40.00 PLN	+1.3	-2.2	-40.2	-30.4	13.12	328.1	646.7	31.0	101.8	201.9	175.0	0.13	755	9.4	7.1	4.6	8.5	4.9	5.2	1.3	1.3	1.2	0.9	38.2
Avangard	AVGR LI	London Intl	8.70 USD	+2.4	-8.9	-26.0	-7.9	8.70	555.7	786.6	21.7	120.6	50.1	297.7	0.09	1,058	2.4	2.6	2.5	2.6	2.7	2.8	1.2	1.1	1.1	0.0	17.8
IMC	IMC PW	Warsaw	8.70 PLN	+0.0	+0.0	-28.4	-27.5	2.85	89.3	214.6	23.9	21.3	18.5	83.7	0.19	539	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	26.56 PLN	-1.6	-12.3	-30.2	-52.6	8.71	694.4	1,717.6	58.8	408.1	2,922.8	2,736.5	0.51	195	6.2	10.3	4.0	5.9	6.5	4.8	0.6	0.7	0.6	0.5	30.6
MHP	MHPC LI	London Intl	13.60 USD	+0.4	+19.4	-20.2	-25.5	13.60	1,437.1	2,597.9	22.3	320.8	794.4	1,587.6	0.46	217	9.2	5.3	4.7	6.6	5.4	4.9	1.7	1.7	1.5	2.5	19.6
Milkiland	MLK PW	Warsaw	5.20 PLN	-0.4	-28.3	-58.4	-50.6	1.71	53.3	184.1	20.0	10.7	4.1	9.1	0.06	1,679	3.6	6.0	2.7	5.6	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	+13.2	6.56	697.5	1,429.4	20.0	139.5	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	66.00 PLN	-2.9	-5.7	-34.0	-24.1	21.65	129.9	138.7	25.0	32.5	5.2	25.2	0.01	8,355	4.2	6.5	6.4	3.8	5.3	4.8	1.5	1.6	1.3	1.0	8.5
<b>TRANSPORTATION</b>																											
KDM Shipping	KDM PW	Warsaw	10.99 PLN	+4.7	-16.9	-65.0	-69.5	3.61	33.5	17.6	10.9	3.7	0.0	2.1	0.00	25,896	5.0	N/A	N/A	1.6	N/A	N/A	0.6	N/A	N/A	0.5	5.6
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Xetra	0.17 EUR	+28.4	-33.8	-45.7	-51.5	0.23	12.2	171.5	13.1	1.6	0.0	0.2	0.01	6,951	Neg.	N/A	N/A	Neg.	N/A	N/A	7.9	N/A	N/A	0.1	44.1
<b>FINANCIAL SERVICES</b>																											
Forum Bank	FORM UK	Kiev, UX	0.94 UAH	+9.9	+29.0	+24.2	+57.3	0.08	46.8	N/A	5.5	2.6	1.4	1.9	0.01	7,256	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.4	18.6
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.15 UAH	-1.4	-15.9	+35.7	+48.1	0.01	385.6	N/A	3.8	14.7	54.5	56.1	0.42	240	4.5	Neg.	13.9	N/A	N/A	N/A	N/A	N/A	N/A	0.6	28.3
UkrSotsbank	USCB UK	Kiev, UX	0.16 UAH	+3.8	+6.9	-12.6	+35.6	0.01	248.2	N/A	4.5	11.1	2.5	3.8	0.01	14,326	Neg.	13.8	N/A	N/A	N/A	N/A	N/A	N/A	0.3	30.9	

**Table 1. Ukrainian stocks (closing prices as of 22-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 falls significantly

Banks' correspondent accounts with the NBU fell UAH2.25bn to UAH27.38bn yesterday while total CDs outstanding rose UAH0.63bn to UAH9.41bn and total local currency debt repayments scheduled for the next 30 days fell UAH1.12bn to UAH3.60bn. As a result, broader banking sector liquidity decreased UAH2.74bn to UAH40.40bn.

KyivPrime interest rates slid: the KyivPrime ON interest rate slid 2bp to 5.00% while the KyivPrime 1M interest rate declined 10bp to 17.00%.

**Investment implications: The MoF inflow via debt repayments and, the NBU new UAH0.50bn 3-month loans, did not cause liquidity to increase. Instead, liquidity fell significantly and the NBU absorbed the new liquidity via CDs. With new tax payments having begun on Wednesday through the end of this month, there will be more pressure on liquidity next week.**

## Eurobonds continue to rebound

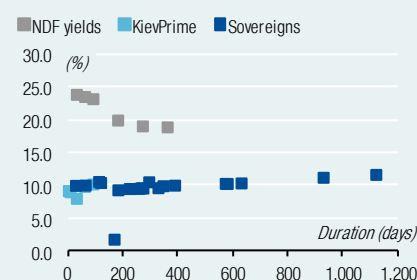
Prices of Eurobonds slightly increased yesterday, reflecting positive anticipations arising from the recent new financing and the stalled Russian invasion of eastern Ukraine. The yield curve adjusted to the range of 9.00-11.66% yesterday as UKRAIN 6.875% '15 declined 36bp to 11.66%, UKRAIN 9.25% '17 slid 27bp to 10.14%, UKRAIN 7.95% '21 slid 19bp to 9.14% and UKRAIN 7.80% '22 decreased 24bp to 9.31%, while UKRAIN 7.50% '23 declined 9bp to 9.00%. The 5-year CDS slid more to 976bp.

**Investment implications: This weekend's scheduled presidential elections had a positive impact due to the lack of significant events which could cause delays. Results of this campaign could shift the outlook for the next 5-year period and sentiment over the nearest few weeks if we elections result in two leaders. Market sentiment could markedly improve on Ukraine's future following the elections.**

**Taras Kotovych, Kiev, +38044 2200120 ext.244**

### Yield curve of the local bond market

(as of market close on 22 May 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

### Bond market indicators (as of 22 May 2014)

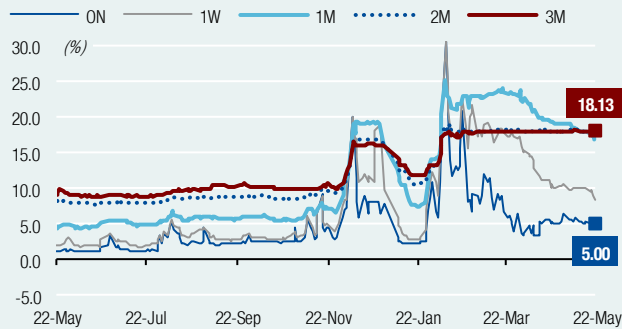
	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
O/n	5.00	-2bp	-13bp	-5bp	-280bp
1wk	8.50	-38bp	-144bp	-163bp	-130bp
1m	17.00	-10bp	-100bp	-238bp	+75bp
2m	18.13	-27bp	+0bp	+0bp	+173bp
3m	18.13	-17bp	+0bp	+13bp	+213bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	27,385	-7.58	-4.10	-12.73	-16.26
CDs <sup>2</sup>	15,734	+5.76	+14.51	+104.4	+935.1
Sovgns <sup>3</sup>	3,603	+0.00	-9.03	-44.97	+141.0
<b>Total</b>	<b>46,722</b>	<b>-2.89</b>	<b>+1.01</b>	<b>+2.41</b>	<b>+30.81</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	176,912	+0.00	+1.20	+2.77	+22.13
Banks	83,877	-2.32	-4.91	-1.30	+4.63
Resid's <sup>4</sup>	10,336	-3.73	-3.47	-3.85	-16.62
Non-res <sup>5</sup>	16,095	-1.01	-1.35	+2.70	+37.58
<b>Total</b>	<b>287,220</b>	<b>-0.88</b>	<b>-0.97</b>	<b>+1.29</b>	<b>+15.30</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	25.20	-516bp	+41bp	-19ppt	+13bp
6m	22.82	-600bp	+9bp	-236bp	+941bp
9m	21.57	-178bp	-1bp	+5bp	+755bp
1yr	19.41	-153bp	-131bp	-261bp	+443bp
<b>LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)</b>					
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
<b>EUROBONDS USD SOVEREIGN BOND YIELDS (%)</b>					
CDS 5yr	976	-3bp	-164bp	-145bp	+159bp
Jun '16	9.76	-3bp	-286bp	-285bp	+87bp
Jul '17	10.15	-27bp	-177bp	-172bp	+59bp
Sep '20	9.08	-35bp	-131bp	-115bp	-11bp
Sep '21	9.15	-20bp	-124bp	-109bp	-7bp
Sep '22	9.31	-26bp	-87bp	-57bp	-3bp
Feb '23	9.00	-11bp	-82bp	-64bp	-4bp

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.

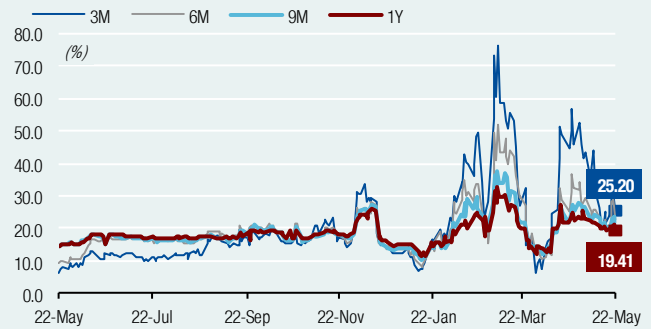
Chart page: Local bond market & Eurobond markets

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



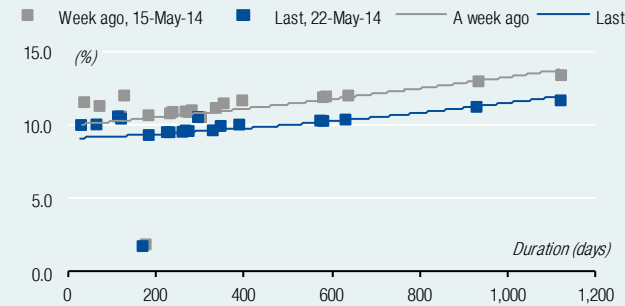
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



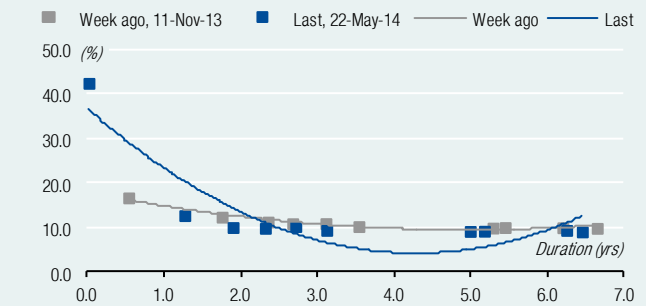
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 22 May 2014



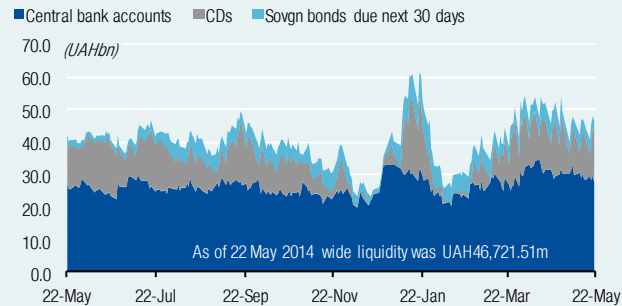
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 22 May 2014



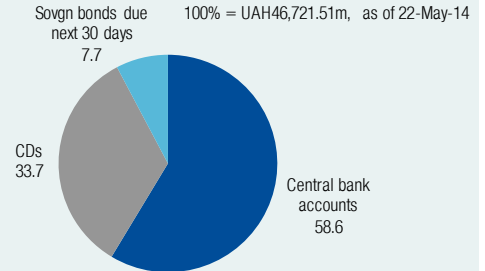
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



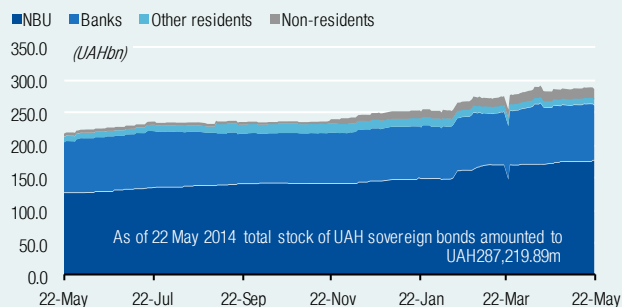
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 22 May 2014



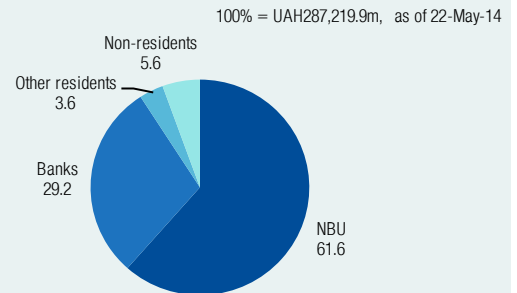
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 22 May 2014



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

# FX: News & Comments

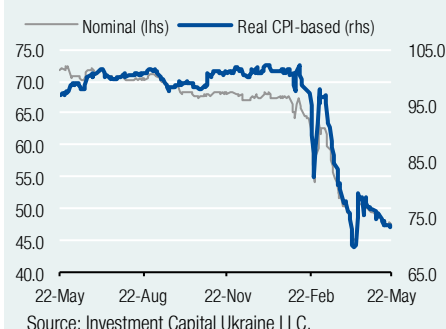
## Security risk confirmed, UAH's TWI down on RUB rally

Last night's pro-Kremlin militarist attack on a Ukrainian army camp which left 13 soldiers dead and numerous others wounded confirmed fears of tactical violence prior to the presidential elections scheduled for this Sunday. The hryvnia was down 0.42% on the spot market while the trade-weighted value dropped 0.48% because of the rallying RUB. The latter was boosted by positive investor sentiment of Russian economic opportunities in Asia, which we view with skepticism.

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### ICU's UAH trade-weighted indices

(Last 12-month history to 23 May 2014)



### FX market indicators (as of 22 May 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	11.9550	+0.42	+1.10	+1.74	+45.08
NBU avg	11.7305	+0.06	+0.58	+4.29	+43.92
Tt vlm <sup>1</sup>	324.78	-6.73	-14.82	-4.19	-88.41
\$ volume <sup>2</sup>	211.89	-17.11	-19.66	-1.90	-90.42
NDF 3M	12.7000	-0.78	+1.20	-2.68	+49.68
NDF 6M	13.3000	-2.21	+1.14	+0.68	+51.48
NDF 1Y	14.2000	-0.85	+0.00	-0.42	+50.74
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	47.462	-0.48	-1.48	-2.85	-29.73
UAH real CPI	73.181	-0.48	-1.48	-2.85	-27.60
UAH real PPI	101.370	-0.48	-1.48	-2.85	-26.96
USD nom'l	80.254	+0.20	+0.31	+0.44	+0.27
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	34.3433	-0.12	-1.22	-3.78	+4.48
EUR/USD	1.3656	-0.23	-0.39	-1.08	-0.63
USD/CNY	6.2353	+0.02	+0.09	-0.03	+2.99
USD/PLN	3.0456	-0.24	-0.43	+0.34	+0.75
USD/TRY	2.0813	-0.65	-0.81	-2.81	-3.11
USD/BYR	10,040.00	-0.40	-0.05	+0.67	+5.24
USD/KZT	182.7100	+0.19	+0.35	+0.36	+18.44
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	101.7400	+0.36	+0.16	-0.86	-3.39
GBP/USD	1.6870	-0.18	+0.48	+0.27	+1.89
USD/CHF	0.8942	+0.11	+0.36	+1.04	+0.15
AUD/USD	0.9226	-0.27	-1.39	-1.51	+3.47
USD/CAD	1.0891	-0.19	+0.06	-1.22	+2.52
USD/BRL	2.2160	+0.39	-0.16	-0.97	-6.19
USD/KRW	1,024.24	-0.27	-0.10	-1.29	-2.43
<b>COMMODITIES</b>					
Gold(\$/oz)	1,294.02	+0.16	-0.17	+0.80	+7.33
WTI crude <sup>3</sup>	104.12	-0.38	+2.58	+1.95	+5.79
Brent crd <sup>3</sup>	111.63	-0.14	+1.76	+2.03	+0.73
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	307.63	-0.07	+0.18	-1.15	+9.80

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)

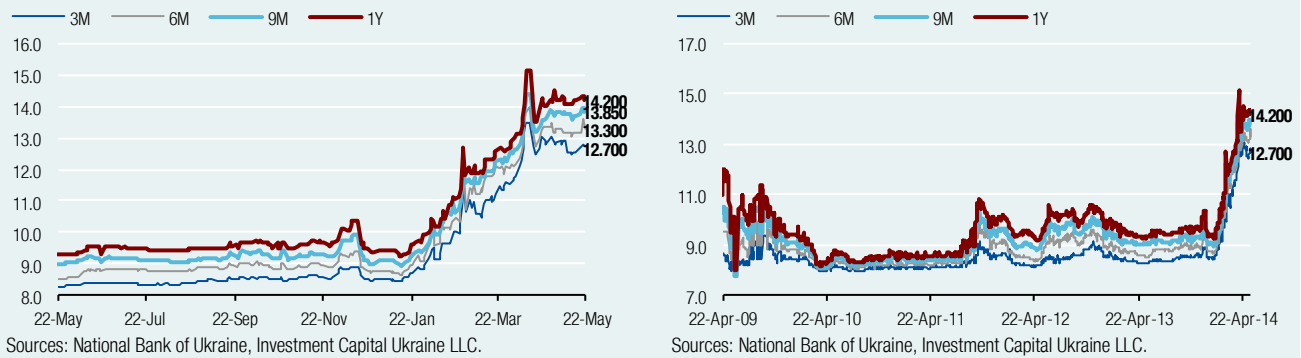


Chart 11. Trading volume: last 12-month and 5-year periods (US\$m, left and right respectively)

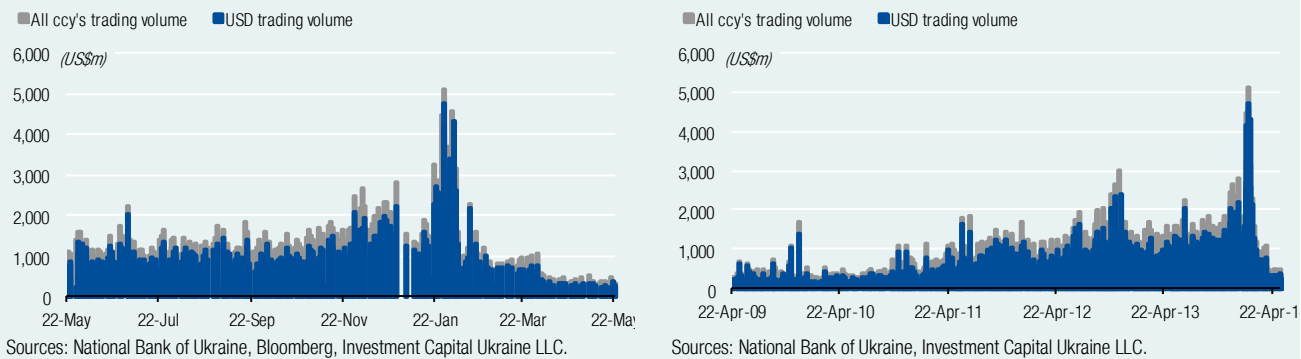
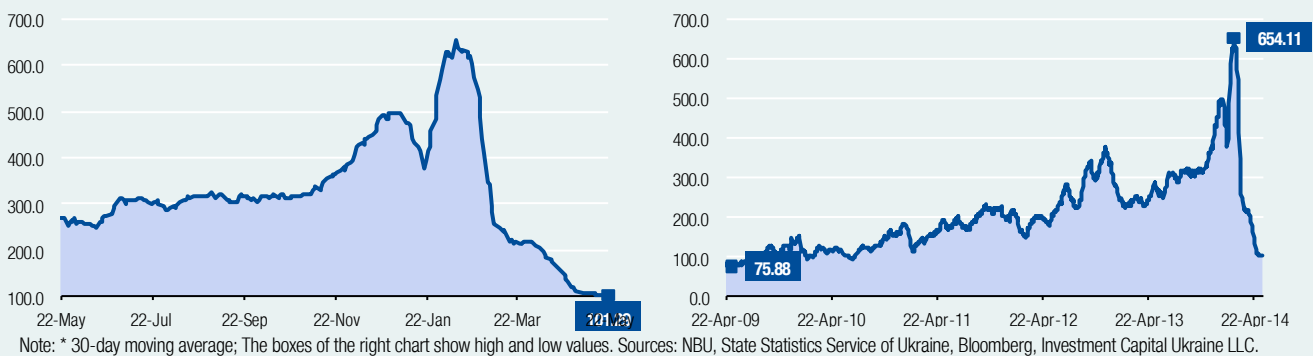


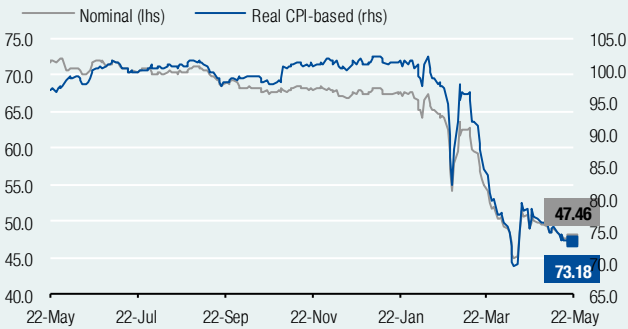
Chart 12. 30D MA\* ratio of FX market turnover to merchandise trade: last 12m and 5yr periods (% , left and right respectively)



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

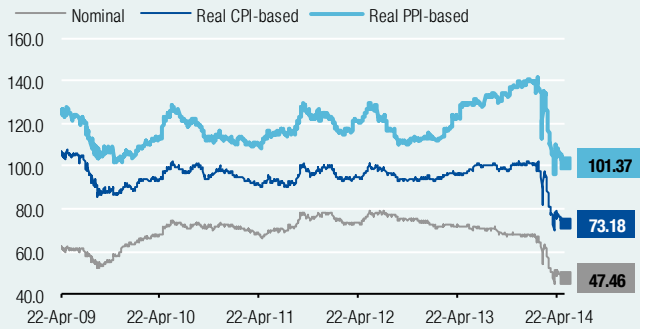
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

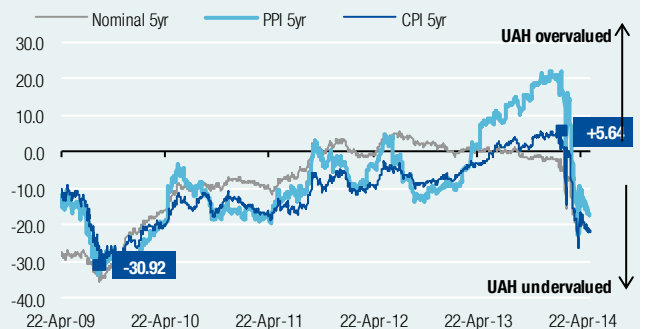


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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**

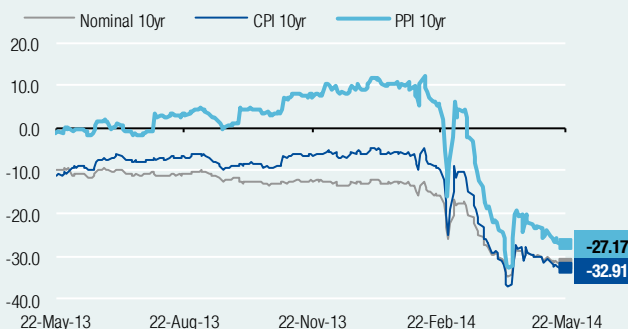


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

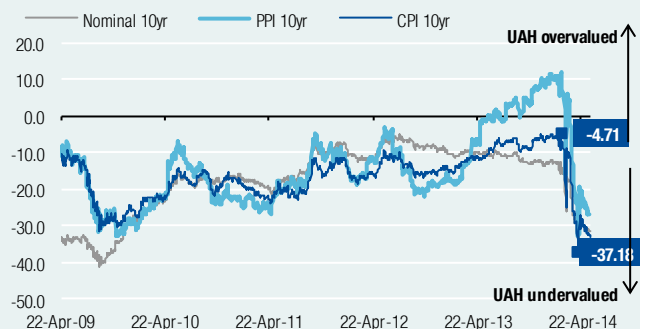


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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

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

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