


INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

Liquidity declines; Eurobond prices down; UAH down; Primary auction schedule and

TUESDAY, 3 JUNE, 2014

RESEARCH INSIGHT

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UX Index (3 months to 3 Jun 2014)



Key market indicators (as of 2 Jun 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	11.9000	+0.85	+44.42
USD/UAH (1Y NDF)	13.7500	+0.00	+45.97
EUR/USD	1.3597	-0.28	-1.06
USD/RUB	34.9118	+0.04	+6.21
KievPRIME O/N (%)	5.00	+0bp	-280bp
KievPRIME 1M (%)	16.88	+0bp	+63bp

BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	-8,900bp	-8,900bp
Ukraine 17, Eurobond (%)	9.65	+12bp	+9bp
Ukraine 22, Eurobond (%)	9.23	+14bp	-12bp
Ukraine 23, Eurobond (%)	8.89	+13bp	-15bp
Ukraine 5Y CDS	885bp	-5bp	+69bp

EQUITIES

Stock market indices

UX (Ukraine)	1,233.86	+1.06	+35.58
MSCI World	422.07	+0.13	+3.31
MSCI EM	1,029.50	+0.18	+2.67
RTS (Russia)	1,322.52	+2.07	-8.33
WIG-20 (Poland)	2,440.24	+0.44	+1.64
S&P 500 (USA)	1,924.97	+0.07	+4.14

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

MHPC LI	6.26	49.0% of total ¹
KER PW	3.91	30.6%
FXPO LN	1.11	8.7%

GAINERS: Top 3 stocks (in listed currency)

KDM PW	PLN 9.37	+9.98	-70.15
KER PW	PLN 30.50	+8.93	-19.88
ZAEN UK	UAH 151.00	+5.96	+67.04

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 2-Jun-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	9.50 GBP	+1.3	+0.0	-8.4	-37.2	0.16	36.8	-26.3	40.2	14.8	0.0	9.5	0.05	2,103	Neg.	Neg.	Neg.	4.0	8.2	16.4	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.26 UAH	+0.8	+19.9	+52.3	+63.8	0.61	225.2	278.5	21.7	48.9	256.8	169.6	0.31	328	5.5	5.5	3.5	0.5	3.7	2.2	0.4	0.3	0.3	1.1	12.2
Coal Energy	CLE PW	Warsaw	1.32 PLN	+1.5	+3.9	+25.7	-65.6	0.43	19.5	113.8	25.0	4.9	32.8	167.5	0.92	108	Neg.	Neg.	4.9	5.1	14.2	3.9	0.9	1.1	1.0	0.2	39.8
Donbasenergo	DOEN UK	Kiev, UX	42.91 UAH	-1.8	+1.2	+55.5	+107.4	3.60	85.2	125.1	14.2	12.1	32.1	43.0	0.36	276	1.9	2.1	2.4	0.5	1.9	1.4	0.3	0.2	0.2	1.5	17.8
JKX Oil & Gas	JKX LN	London	61.38 GBP	+0.6	+11.6	-14.2	+2.3	1.03	176.5	183.0	47.2	83.3	31.5	87.5	0.06	1,788	27.2	15.6	6.4	2.8	2.3	2.1	1.0	1.0	0.9	0.4	5.5
Regal Petroleum	RPT LN	London	7.88 GBP	-11.3	+1.6	-39.4	-62.5	0.13	42.3	15.5	80.9	34.2	3.4	4.7	0.01	17,734	Neg.	21.1	N/A	0.7	0.6	N/A	0.4	0.3	N/A	0.1	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	151.00 UAH	+6.0	+15.7	+67.0	+98.4	12.68	162.2	139.8	5.0	8.1	1.5	2.7	0.01	19,126	3.3	N/A	N/A	0.9	N/A	N/A	0.1	N/A	N/A	3.7	0.0
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	+0.0	+13.1	-8.5	-18.0	0.00	76.8	1,255.5	3.9	3.0	1.6	9.9	0.22	456	Neg.	Neg.	N/A	N/A	Neg.	N/A	1.0	0.7	N/A	N/A	64.5
Avdiyivsky Cok...	AVDK UK	Kiev, UX	3.27 UAH	+0.5	+9.5	+10.4	+1.9	0.27	53.5	50.5	4.0	2.1	8.5	14.1	0.30	335	Neg.	29.6	0.8	Neg.	1.0	0.4	0.1	0.1	0.0	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.78 UAH	+2.6	+9.3	+15.7	+27.3	0.07	273.6	266.5	4.1	11.2	1.3	12.9	0.09	1,075	Neg.	Neg.	Neg.	Neg.	Neg.	7.6	0.1	0.1	0.1	0.2	0.0
Ferrexpo PLC	FXPO LN	London	137.20 GBP	+0.2	-6.0	-26.2	-16.6	2.30	1,352.8	2,013.9	22.4	303.0	1,114.6	2,340.6	0.46	218	5.2	5.6	6.4	4.0	4.4	4.7	1.3	1.3	1.3	0.8	35.1
Yenakievo Steel	ENMZ UK	Kiev, UX	43.12 UAH	-1.8	+23.8	+34.7	+24.2	3.62	38.2	33.8	9.4	3.6	2.3	11.7	0.24	410	6.6	Neg.	Neg.	Neg.	Neg.	1.0	0.0	0.0	0.0	1.0	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	1.01 EUR	+3.1	+1.0	-18.5	-35.7	1.37	126.9	153.9	34.0	43.2	111.3	41.2	0.09	1,104	Neg.	N/A	N/A	Neg.	N/A	N/A	2.1	N/A	N/A	1.1	35.9
Agroliga	AGL PW	Warsaw	18.50 PLN	-2.6	+8.3	-28.7	+8.8	6.08	9.3	10.3	16.7	1.6	0.0	9.0	0.28	358	2.2	N/A	N/A	3.0	N/A	N/A	0.5	N/A	N/A	0.7	5.7
Agroton	AGT PW	Warsaw	2.62 PLN	+1.9	+15.9	+34.4	-4.7	0.86	18.6	63.9	26.2	4.9	51.5	393.3	2.37	42	Neg.	2.7	2.3	23.9	6.7	4.0	0.8	0.7	0.8	0.2	28.4
Astarta Holdin...	AST PW	Warsaw	46.70 PLN	+0.4	+13.9	-30.2	-18.9	15.34	383.4	701.1	31.0	118.9	179.1	198.6	0.10	959	11.0	8.3	5.4	9.3	5.3	5.7	1.4	1.4	1.3	1.1	38.2
Avangard	AVGR LI	London Intl	9.20 USD	+2.2	+3.7	-21.7	-4.7	9.20	587.6	818.6	21.7	127.5	735.3	309.0	0.09	1,093	2.5	2.6	2.5	2.7	2.7	2.8	1.2	1.1	1.1	0.0	17.8
IMC	IMC PW	Warsaw	9.90 PLN	-1.0	+5.7	-18.5	-17.5	3.25	101.8	227.0	23.9	24.3	1.7	95.1	0.35	287	3.9	3.9	2.2	4.2	4.0	3.2	2.0	1.2	0.9	0.7	38.7
Kernel Holding...	KER PW	Warsaw	30.50 PLN	+8.9	+7.4	-19.9	-44.2	10.02	798.2	1,821.4	58.8	469.1	3,908.1	3,977.4	1.00	100	7.2	13.1	4.9	6.3	7.0	5.3	0.7	0.7	0.7	0.6	30.6
MHP	MHPC LI	London Intl	14.70 USD	-0.3	+21.0	-13.8	-19.9	14.70	1,553.3	2,714.2	22.3	346.7	6,258.0	1,758.3	0.29	347	10.0	5.7	5.1	6.9	5.6	5.1	1.8	1.8	1.6	2.7	19.6
Milkiland	MLK PW	Warsaw	6.15 PLN	-3.1	-8.9	-50.8	-45.1	2.02	63.1	193.5	20.0	12.6	26.7	11.3	0.14	700	4.3	7.2	3.2	5.8	3.7	3.4	0.4	0.4	0.4	0.3	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	4.66 EUR	-1.9	+3.6	-13.7	+9.8	6.34	673.7	1,405.5	20.0	134.7	0.0	8.1	0.00	26,106	3.9	4.8	7.7	6.1	5.5	5.2	4.0	3.8	3.3	0.8	34.8
Ovostar Union	OVO PW	Warsaw	67.99 PLN	+0.0	-2.9	-32.0	-21.5	22.33	134.0	142.8	25.0	33.5	1.7	24.7	0.05	1,831	4.4	6.7	6.6	3.9	5.4	4.9	1.6	1.7	1.3	1.0	8.5
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	9.37 PLN	+10.0	-14.7	-70.1	-73.8	3.08	28.6	12.7	10.9	3.1	0.0	2.1	0.05	2,218	4.2	N/A	N/A	1.1	N/A	N/A	0.4	N/A	N/A	0.4	5.6
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.17 EUR	-0.6	-24.0	-46.1	-58.7	0.23	12.1	171.4	13.1	1.6	0.0	0.2	0.01	6,781	Neg.	N/A	N/A	Neg.	N/A	N/A	7.9	N/A	N/A	0.1	44.1
FINANCIAL SERVICES																											
Forum Bank	FORM UK	Kiev, UX	0.67 UAH	-5.0	+11.2	-12.5	+14.5	0.06	33.1	N/A	5.5	1.8	0.2	1.3	0.04	2,452	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	-0.2	-8.1	+43.6	+56.5	0.01	410.3	N/A	3.8	15.7	13.4	53.1	0.37	268	4.8	Neg.	13.7	N/A	N/A	N/A	N/A	N/A	N/A	0.7	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.17 UAH	+0.0	+8.4	-9.3	+40.4	0.01	258.9	N/A	4.5	11.6	2.4	3.6	0.02	4,817	Neg.	14.3	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 2-Jun-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: mIn - 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 due to absorptions and outflows

As expected, broader banking sector liquidity declined yesterday after the NBU reported statistics on deals and cash flows made last Friday, the last business day in May. This indicator declined UAH1.99bn to UAH40.44bn as banks' correspondent accounts with the NBU fell UAH5.54bn to UAH25.46bn while total CDs outstanding rose UAH3.56bn to UAH11.02bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH3.97bn.

KyivPrime interest rates once more remained unchanged since last Thursday, holding at last Monday's levels, as the KyivPrime ON interest rate stood at 5.00% and the KyivPrime 1M interest rate was at 16.88%.

Investment implications: The NBU absorbed a significant volume of liquidity via CDs, which increased to UAH11.02bn outstanding, a record high since 2011. Meanwhile, banks' correspondent accounts with the NBU fell to UAH5.54bn as UAH2.0bn was likely moved to the state budget last Friday, the last day of month-end tax payments. We could see liquidity recover today, depending on NBU deals at the market and FX market activity. The increase in the NBU's portfolio of government bonds had no impact on liquidity, likely due to specific conditions and procedures of this issue.

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Eurobond prices decline slightly

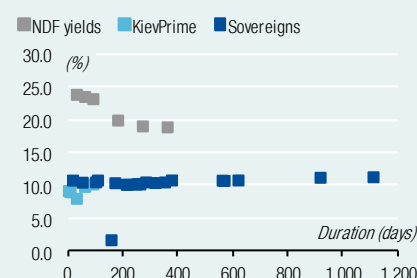
Ukrainian Eurobonds continued to decline yesterday, causing yields to rise mostly above 9.0%. The yield curve adjusted to the range of 8.73-10.49%, as UKRAIN 6.875% '15 rose 25bp to 10.49%, UKRAIN 9.25% '17 was up 12bp to 9.64%, UKRAIN 7.95% '21 increased 15bp to 9.10%, UKRAIN 7.80% '22 rose 15bp to 9.23%, and UKRAIN 7.50% '23 rose 15bp to 8.90%. The 5-year CDS declined to 885bp.

Investment implications: Eurobonds are still very sensitive to any news and deals. While the situation in eastern Ukraine remains unstable with the potential to escalate further, Ukraine has not agreed to new terms and conditions on debt repayments to Gazprom. In addition, as a new price has not yet been negotiated, this could increase needs in FX for repayments and problems with sovereign and Eurobond redemptions. After Ukraine repays UKRAIN 7.95% '14, the situation could improve, but the market awaits the outcome of these negotiations with Russia.

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Yield curve of the local bond market

(as of market close on 2 Jun 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 2 Jun 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
0/n	5.00	+0bp	+0bp	-140bp	-280bp
1wk	8.00	+0bp	-50bp	-260bp	-180bp
1m	16.88	+0bp	+0bp	-232bp	+63bp
2m	18.00	+0bp	+0bp	-10bp	+160bp
3m	18.00	+0bp	+0bp	-4bp	+200bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	25,457	-17.88	-4.79	-15.72	-22.16
CDs ²	11,018	-15.46	+43.02	-29.91	+624.9
Sovgns ³	5,404	+36.28	+20.75	+50.08	+261.5
Total	41,878	-12.75	+7.61	-15.44	+17.25
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	187,264	+5.64	+5.85	+6.89	+29.28
Banks	86,059	-0.48	+2.67	-0.38	+7.35
Resid's ⁴	11,127	+9.96	+7.27	+3.15	-10.24
Non-res ⁵	16,139	+0.07	+0.43	+1.52	+37.95
Total	300,589	+3.66	+4.67	+4.28	+20.66
NDF IMPLIED YIELDS (%)					
3m	16.29	-430bp	-16ppt	-27ppt	+415bp
6m	17.50	+26bp	-961bp	-12ppt	+410bp
9m	15.98	-195bp	-706bp	-10ppt	+196bp
1yr	16.16	-98bp	-372bp	-692bp	+118bp
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	885	-5bp	-59bp	-365bp	+69bp
Jun '16	9.12	+35bp	-64bp	-483bp	+23bp
Jul '17	9.65	+12bp	-40bp	-256bp	+9bp
Sep '20	9.19	+14bp	+17bp	-150bp	+0bp
Sep '21	9.09	+14bp	+0bp	-156bp	-13bp
Sep '22	9.23	+14bp	+2bp	-112bp	-12bp
Feb '23	8.89	+13bp	-5bp	-117bp	-15bp

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.

Primary auction schedule and announcement

Changing its focus this month to mostly mid-term bond offerings, the MoF will offer 2-year and 5-year bonds today, followed by two weeks of only 5-year bonds, and a 7-year bond at the last auction. According to the auction schedule published yesterday, as no zero-coupon bonds or FX-denominated bonds will be offered in June, the MoF could be indicating that it will not refinance the 2-week USD-denominated bond that was sold last week. For details of the schedule and today's offerings, please see the tables below.

Investment implications: As the schedule has been routinely amended this year, we could see additional offerings and auctions, particularly of FX-denominated bonds next week or in later weeks to increase FX reserves.

Table 2. Primary auctions schedule for June, 2014

	3-Jun	10-Jun	17-Jun	24-Jun
zero-coupon bonds	-	-	-	-
ordinary coupon-bearing bonds	2y, 5y	5y	5y	7y
FX-denominated bonds	-	-	-	-

*d - days, m - month, y - year

Sources: Ministry of Finance of Ukraine, Investment Capital Ukraine LLC.

Table 3. Details of the auction, announced for 03 June, 2014

ISIN	Type of placement	Bond type	Currency	Tenor (days)	Maturity	Coupon rate (%)	Volume outstanding (UAHm)
	Primary	Coupon-bearing, bullet	UAH	728	1-Jun-16	N/A	0.00
UA4000180426	Re-opening	Coupon-bearing, bullet	UAH	1778	17-Apr-19	14.30	151.68

Notes: N/A - not available; N/M not meaningful.

Sources: Ministry of Finance of Ukraine, Investment Capital Ukraine LLC.

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Chart page: Local bond market & Eurobond markets

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

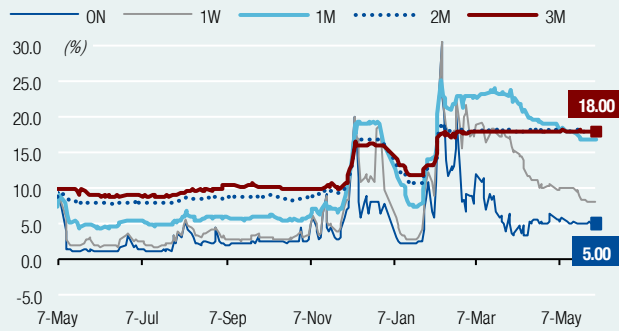


Chart 2. UAH NDF implied yields (%), last 12-month period



Chart 3. UAH sovereign yield curve (%) as of 2 Jun 2014

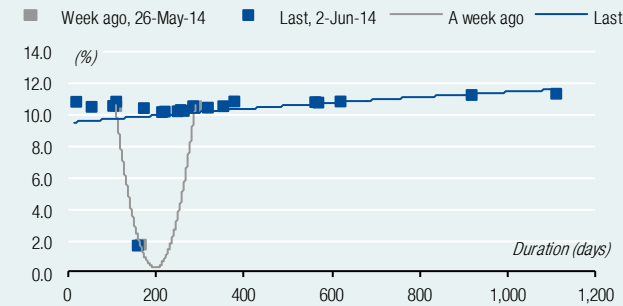


Chart 4. USD sovereign yield curve (%) as of 2 Jun 2014

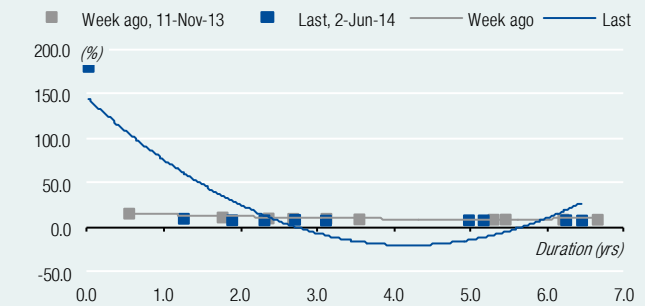


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

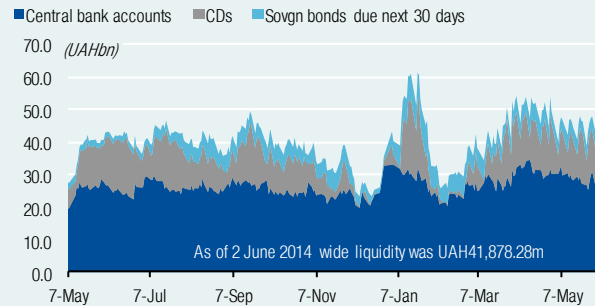


Chart 6. Breakdown of liquidity pool (%) as of 2 Jun 2014

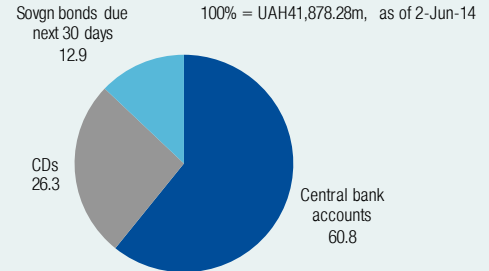


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

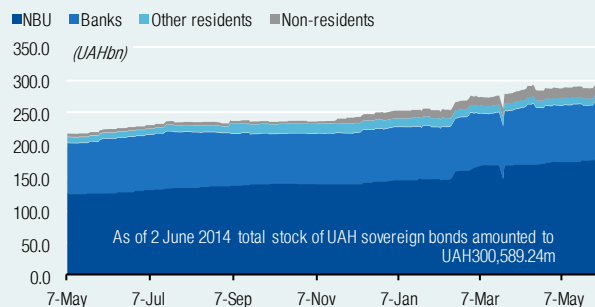
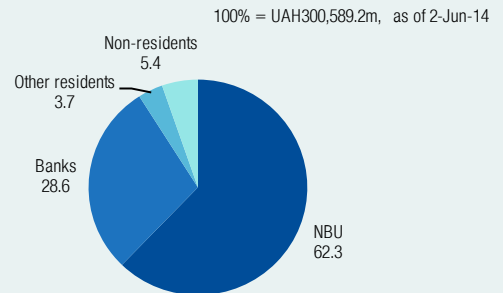


Chart 8. Domestic sovereign debt (%) as of 2 Jun 2014



FX: News & Comments

UAH weakens

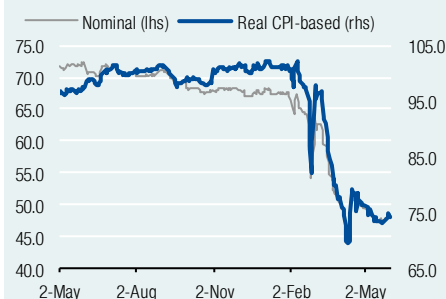
The hryvnia weakened 0.85% yesterday to UAH11.9000 on US\$236.42m trading, volume that is 20% of the record high volume seen this past Friday. The NBU did not purchase or sell at the market yesterday after purchasing US\$215m last Friday at the official exchange rate. The EUR was down 0.28%, the RUB lost 0.04% and the US dollar index also rose 0.34 yesterday. At the close, the hryvnia's real trade-weighted index decreased 0.70%.

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ICU's UAH trade-weighted indices

(Last 12-month history to 3 Jun 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 2 Jun 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	11.9000	+0.85	-0.13	+2.59	+44.42
NBU avg	11.8776	+0.87	+1.86	+4.17	+45.72
Ttl vlm ¹	325.27	-78.50	+69.60	-32.50	-88.39
\$ volume ²	236.42	-83.43	+108.5	-31.56	-89.31
NDF 3M	12.3775	-0.18	-3.11	-3.68	+45.88
NDF 6M	12.9240	+0.97	-3.37	-2.83	+47.20
NDF 1Y	13.7500	+0.00	-2.83	-3.17	+45.97
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	48.083	-0.70	+1.04	-2.78	-28.81
UAH real CPI	74.138	-0.70	+1.04	-2.78	-26.65
UAH real PPI	102.697	-0.70	+1.04	-2.78	-26.00
USD nom'l	80.644	+0.34	+0.31	+1.42	+0.76
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	34.9118	+0.04	+2.10	-2.58	+6.21
EUR/USD	1.3597	-0.28	-0.36	-1.96	-1.06
USD/CNY	6.2481	+0.02	+0.14	-0.18	+3.20
USD/PLN	3.0472	+0.24	-0.12	+0.50	+0.80
USD/TRY	2.1084	+0.55	+1.19	+0.14	-1.85
USD/BYR	10,105.00	-0.25	+0.35	+1.05	+5.92
USD/KZT	183.5100	-0.14	+0.16	+0.79	+18.95
OTHER MAJOR CURRENCIES					
USD/JPY	102.3800	+0.60	+0.43	+0.18	-2.78
GBP/USD	1.6746	-0.05	-0.58	-0.74	+1.14
USD/CHF	0.8987	+0.39	+0.45	+2.36	+0.65
AUD/USD	0.9246	-0.69	+0.10	-0.33	+3.69
USD/CAD	1.0900	+0.50	+0.38	-0.66	+2.61
USD/BRL	2.2767	+1.57	+2.35	+2.49	-3.62
USD/KRW	1,023.85	+0.36	-0.01	-0.63	-2.47
COMMODITIES					
Gold(\$/oz)	1,243.96	-0.46	-3.77	-4.28	+3.18
WTI crude ³	102.47	-0.23	+0.00	+2.72	+4.12
Brent crd ³	109.29	-1.24	-1.81	+0.51	-1.38
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	305.41	-0.02	-0.92	-0.56	+9.01

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.

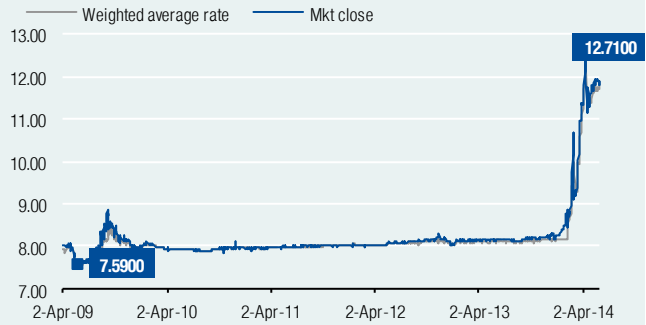
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

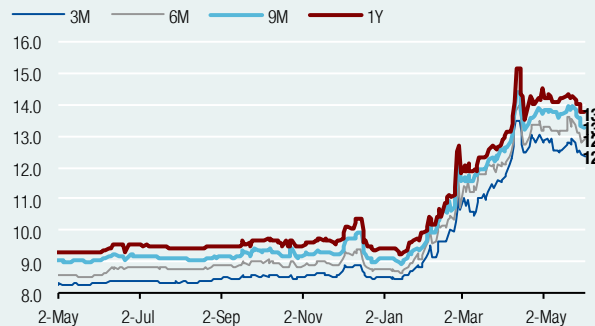


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

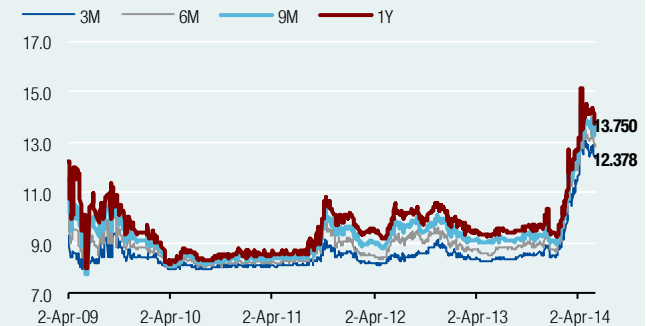


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

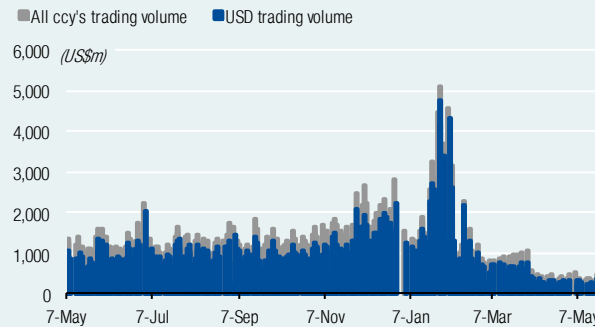


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

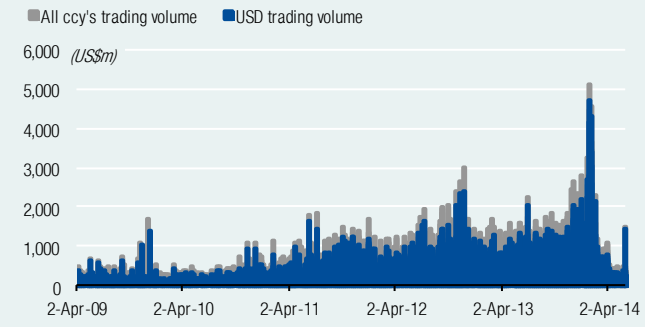


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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)



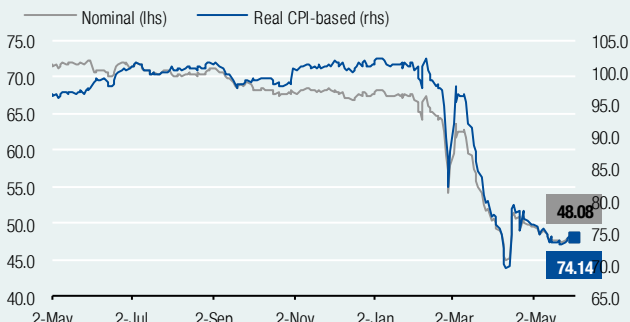
Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

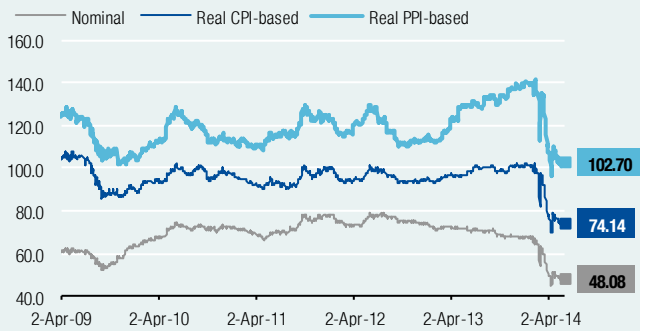
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



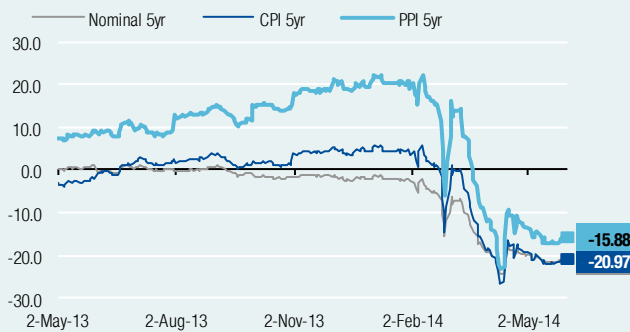
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

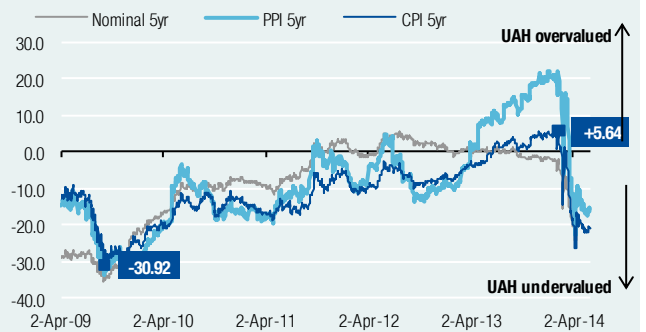


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

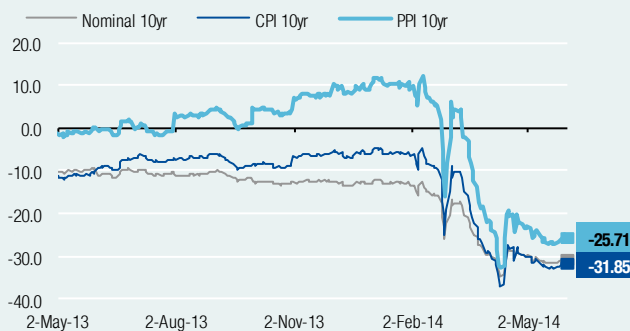


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

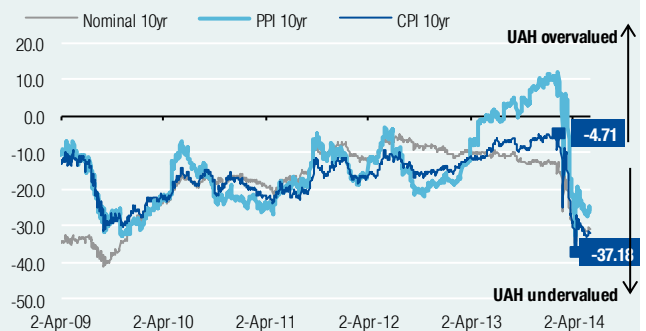


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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

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



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