


**INVESTMENT CAPITAL UKRAINE**  
 INVESTMENT BANKING

# Daily Insight

Liquidity up; Eurobonds rebound; Primary auction amended; UAH rises

FRIDAY, 6 JUNE, 2014

RESEARCH INSIGHT

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### UX Index (3 months to 6 Jun 2014)



### Key market indicators (as of 5 Jun 2014)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	11.8650	-0.50	+43.99
USD/UAH (1Y NDF)	13.8500	+0.00	+47.03
EUR/USD	1.3660	+0.45	-0.60
USD/RUB	34.6897	-0.96	+5.54
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 (%)	9.39	-16bp	-16bp
Ukraine 22, Eurobond (%)	9.09	-1bp	-26bp
Ukraine 23, Eurobond (%)	8.71	-1bp	-34bp
Ukraine 5Y CDS	N/A		

### EQUITIES

#### Stock market indices

UX (Ukraine)	1,208.71	+0.98	+32.82
MSCI World	424.14	+0.45	+3.82
MSCI EM	1,034.98	+0.37	+3.22
RTS (Russia)	1,333.86	+0.68	-7.55
WIG-20 (Poland)	2,480.85	+0.76	+3.33
S&P 500 (USA)	1,940.46	+0.65	+4.98

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

KER PW	3.10	56.7% of total <sup>1</sup>
FXPO LN	1.36	24.9%
CEEN UK	0.33	6.0%

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

RPT LN	GBP 8.75	+11.11	-32.69
MAYA GF	EUR 4.75	+5.41	-11.96
MLK PW	PLN 6.42	+4.39	-48.64

#### 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 5-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 (%)
<b>ENERGY</b>																											
Cadogan Petrol...	CAD LN	London	9.13 GBP	+0.0	-3.9	-12.0	-44.3	0.15	35.5	-27.6	40.2	14.3	0.1	8.3	0.04	2,427	Neg.	Neg.	Neg.	4.2	8.6	17.3	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.06 UAH	+0.4	+18.6	+48.1	+61.1	0.59	219.7	273.2	21.7	47.7	326.5	167.8	0.32	309	5.4	4.8	3.4	0.5	3.7	2.1	0.4	0.3	0.3	1.1	12.2
Coal Energy	CLE PW	Warsaw	1.27 PLN	+1.6	+4.1	+21.0	-64.8	0.42	18.9	113.2	25.0	4.7	9.8	140.7	0.76	132	Neg.	Neg.	4.7	5.0	14.2	3.9	0.9	1.1	1.0	0.2	39.8
Donbasenergo	DOEN UK	Kiev, UX	41.69 UAH	+1.7	+2.3	+51.1	+100.1	3.51	83.0	123.0	14.2	11.8	63.4	41.5	0.39	258	1.9	2.0	2.4	0.5	1.9	1.3	0.3	0.2	0.2	1.5	17.8
JKX Oil & Gas	JKX LN	London	61.00 GBP	+0.0	+12.7	-14.7	+3.8	1.03	176.1	182.6	47.2	83.1	11.7	80.5	0.05	1,934	27.1	15.5	6.3	2.7	2.3	2.1	1.0	1.0	0.9	0.4	5.5
Regal Petroleum	RPT LN	London	8.75 GBP	+11.1	+6.1	-32.7	-59.8	0.15	47.2	20.3	80.9	38.2	4.4	5.4	0.01	14,868	Neg.	23.6	N/A	0.9	0.8	N/A	0.6	0.5	N/A	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	149.80 UAH	-0.1	+13.9	+65.7	+97.9	12.61	161.3	138.9	5.0	8.1	3.5	2.7	0.01	13,025	3.3	N/A	N/A	0.9	N/A	N/A	0.1	N/A	N/A	3.7	0.0
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	+1.7	+16.0	-8.3	-16.6	0.00	77.3	1,259.4	3.9	3.0	46.7	9.7	0.25	405	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	3.13 UAH	-1.4	+5.0	+5.6	-2.2	0.26	51.4	48.3	4.0	2.1	42.2	13.4	0.41	245	Neg.	28.4	0.8	Neg.	0.9	0.4	0.1	0.1	0.0	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.75 UAH	+1.2	+8.6	+11.2	+22.9	0.06	263.7	256.7	4.1	10.8	6.0	11.6	0.10	983	Neg.	N/A	Neg.	Neg.	N/A	7.3	0.1	N/A	0.1	0.2	0.0
Ferrexpo PLC	FXPO LN	London	134.10 GBP	-0.1	-7.7	-27.8	-13.5	2.25	1,327.2	1,988.3	22.4	297.3	1,356.6	2,010.2	0.50	201	5.1	5.5	6.4	4.0	4.3	4.7	1.3	1.3	1.3	0.8	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.67 UAH	+4.0	+17.2	+26.0	+15.4	0.06	15.4	16.6	9.0	1.4	24.0	2.9	0.45	222	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	42.39 UAH	+2.0	+26.8	+32.4	+21.3	3.57	37.7	33.3	9.4	3.5	32.9	11.7	0.30	330	6.4	N/A	Neg.	Neg.	N/A	1.0	0.0	N/A	0.0	1.0	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	1.11 EUR	-0.9	+8.8	-10.5	-29.7	1.52	140.0	167.1	34.0	47.6	14.7	43.2	0.07	1,406	Neg.	N/A	N/A	Neg.	N/A	N/A	2.3	N/A	N/A	1.2	35.9
Agroliga	AGL PW	Warsaw	18.72 PLN	-1.0	+15.2	-27.8	+9.5	6.19	9.5	10.4	16.7	1.6	10.4	8.1	0.29	351	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	2.51 PLN	+0.0	+14.6	+28.7	-7.4	0.83	18.0	63.3	26.2	4.7	36.8	356.4	2.21	45	Neg.	2.6	2.2	23.7	6.7	4.0	0.8	0.7	0.8	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	47.40 PLN	+0.5	+21.6	-29.1	-25.5	15.68	392.0	710.9	31.0	121.6	102.6	194.2	0.10	970	11.2	8.5	5.5	9.4	5.3	5.7	1.4	1.4	1.3	1.1	38.2
Avangard	AVGR LI	London Intl	8.90 USD	-3.3	+1.1	-24.3	-8.2	8.90	568.5	799.4	21.7	123.4	6.7	274.2	0.09	1,128	2.4	2.5	2.4	2.7	2.7	2.7	1.2	1.1	1.1	0.0	17.8
IMC	IMC PW	Warsaw	10.01 PLN	+2.2	+11.2	-17.6	-16.7	3.31	103.6	228.9	23.9	24.7	29.2	86.1	0.34	294	4.0	4.0	2.2	4.2	4.0	3.2	2.0	1.2	0.9	0.7	38.7
Kernel Holding...	KER PW	Warsaw	30.84 PLN	+0.5	+14.0	-19.0	-43.4	10.20	812.9	1,836.2	58.8	477.8	3,095.2	3,783.5	1.00	100	7.3	15.7	5.3	6.3	7.1	5.4	0.7	0.7	0.7	0.6	30.6
MHP	MHPC LI	London Intl	15.10 USD	-0.6	+25.8	-11.4	-18.4	15.10	1,595.6	2,756.4	22.3	356.1	11.3	1,653.7	0.27	371	10.2	5.9	5.2	7.1	5.7	5.3	1.8	1.8	1.6	2.7	19.6
Milkiland	MLK PW	Warsaw	6.42 PLN	+4.4	+2.7	-48.6	-42.9	2.12	66.4	197.2	20.0	13.3	2.7	11.5	0.14	723	4.5	7.5	3.3	6.0	3.8	3.4	0.4	0.4	0.4	0.3	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	4.75 EUR	+5.4	+4.3	-12.0	+12.0	6.49	689.9	1,421.8	20.0	138.0	1.7	9.8	0.01	12,327	4.0	4.9	7.9	6.2	5.6	5.2	4.1	3.8	3.4	0.8	34.8
Ovostar Union	OVO PW	Warsaw	68.90 PLN	+4.1	+2.8	-31.1	-19.2	22.79	136.7	145.6	25.0	34.2	19.3	20.5	0.05	1,832	4.5	6.8	6.7	4.0	5.5	5.0	1.6	1.7	1.3	1.0	8.5
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Xetra	0.17 EUR	+0.0	-24.0	-46.1	-63.1	0.23	12.1	171.4	13.1	1.6	0.0	0.1	0.01	7,808	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	0.65 UAH	+0.0	+8.7	-14.5	+19.9	0.05	32.5	N/A	5.5	1.8	0.3	1.1	0.04	2,254	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	+0.8	-6.4	+42.7	+59.6	0.01	409.0	N/A	3.8	15.6	185.0	52.9	0.39	258	4.8	Neg.	13.6	N/A	N/A	N/A	N/A	N/A	N/A	0.7	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.17 UAH	+3.8	+13.1	-9.3	+42.9	0.01	259.7	N/A	4.5	11.6	11.6	3.0	0.03	3,851	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 5-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: 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 continues to increase

Broader banking sector liquidity rose UAH0.31bn to UAH44.70bn yesterday as banks' correspondent accounts with the NBU slid UAH0.28bn to UAH29.52bn and total local currency debt repayments scheduled for the next 30 days declined UAH0.39bn to UAH5.02bn. Total CDs outstanding rose UAH0.98bn to UAH10.16bn.

KyivPrime interest rates once more remained unchanged since last Thursday, 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 new portion of liquidity, but only UAH0.35bn of CDs was sold with a maturity longer than one day. While UAH5.80bn of CDs were sold with redemption today as the MoF sold UAH2.0bn of new bonds on Tuesday which had to be purchased yesterday, we did not see the impact of this outflow on liquidity. There could be large portion of budget expenditures on Wednesday or NBU support of bond purchases.*

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## Eurobonds rebound

After a few days of instability and a slight decline, Ukrainian Eurobonds rebounded yesterday. During yesterday's trading session, the yield curve returned below 10.0% and slightly flattened, and adjusted to the range of 8.49-9.74%, as UKRAIN 6.875% '15 fell 50bp to 9.74%, UKRAIN 9.25% '17 was down 17bp to 9.40%, UKRAIN 7.95% '21 slid 9bp to 8.90%, while UKRAIN 7.80% '22 and UKRAIN 7.50% '23 declined 2bp to 9.09% and 8.72% respectively. The 5-year CDS declined to 851bp.

**Investment implications:** *The successful redemption of Eurobonds on Wednesday assured the market and Ukrainian risks slightly declined. Although Ukraine's moving forward in its negotiations with Gazprom to come to an agreeable resolution is positive for market sentiment, the ongoing instability in the eastern oblasts sustains perceived high political risks.*

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## Primary auction announcement

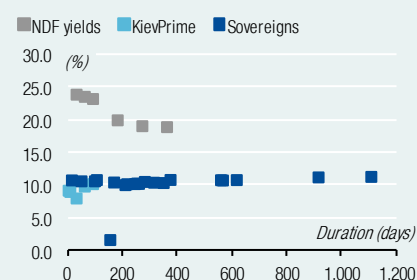
Per routine, the MoF amended next week's auction schedule, adding 3-month and 6-month local currency zero coupon bonds and replacing the 5-year bond with a 2-year coupon-bearing bond. All bonds will be offered at Tuesday's auction with the purchasing date on Wednesday.

**Investment implications:** *The MoF most likely will try to refinance all local currency repayments scheduled for next week with demand supported by domestic QE.*

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### Yield curve of the local bond market

(as of market close on 5 Jun 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

### Bond market indicators (as of 5 Jun 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
0/n	5.00	+0bp	+0bp	-70bp	-280bp
1wk	8.00	+0bp	-2bp	-190bp	-180bp
1m	16.88	+0bp	+0bp	-222bp	+63bp
2m	18.00	+0bp	+0bp	-30bp	+160bp
3m	18.00	+0bp	+0bp	-4bp	+200bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	29,519	-0.95	-0.66	-2.41	-9.73
CDs <sup>2</sup>	15,331	+12.85	+11.03	+161.4	+908.6
Sovgns <sup>3</sup>	5,016	+0.00	+26.49	+25.75	+235.5
<b>Total</b>	<b>49,866</b>	<b>+3.02</b>	<b>+5.01</b>	<b>+24.35</b>	<b>+39.61</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	187,264	+0.00	+5.64	+7.12	+29.28
Banks	88,460	+2.51	+5.65	+3.28	+10.34
Resid's <sup>4</sup>	11,156	+0.03	+10.35	+6.74	-10.01
Non-res <sup>5</sup>	16,249	+0.26	+1.15	+2.26	+38.89
<b>Total</b>	<b>303,129</b>	<b>+0.73</b>	<b>+5.56</b>	<b>+5.69</b>	<b>+21.68</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	19.13	+43bp	-513bp	-24ppt	+699bp
6m	17.74	+26bp	-385bp	-12ppt	+434bp
9m	17.72	+76bp	-196bp	-860bp	+370bp
1yr	17.35	+59bp	-195bp	-573bp	+237bp
<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	N/A	N/A	N/A	N/A	N/A
Jun '16	9.06	-1bp	+30bp	-680bp	+17bp
Jul '17	9.39	-16bp	-12bp	-478bp	-16bp
Sep '20	8.84	-9bp	+10bp	-303bp	-36bp
Sep '21	8.89	-9bp	+1bp	-294bp	-33bp
Sep '22	9.09	-1bp	-8bp	-184bp	-26bp
Feb '23	8.71	-1bp	-8bp	-183bp	-34bp

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

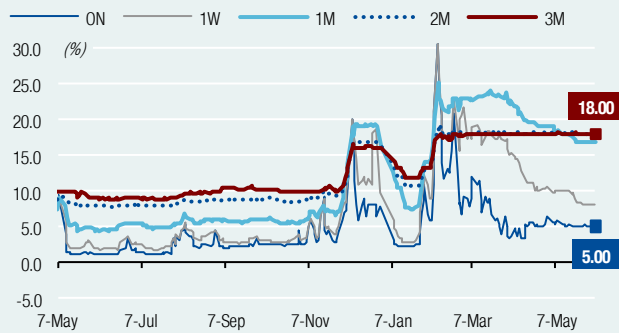


Chart 2. UAH NDF implied yields (%), last 12-month period

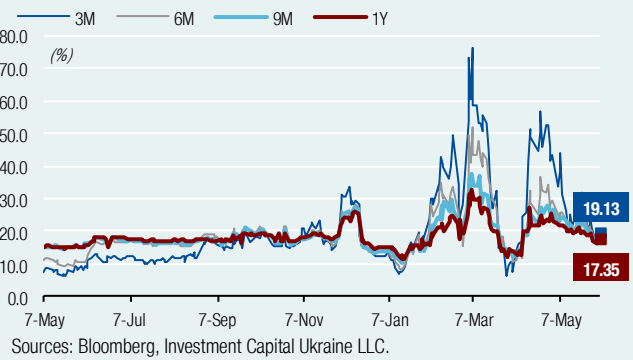


Chart 3. UAH sovereign yield curve (%) as of 5 Jun 2014

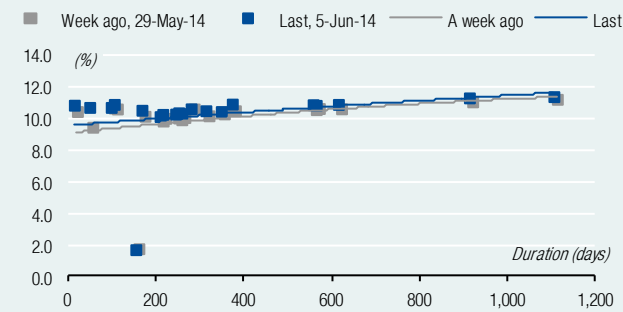


Chart 4. USD sovereign yield curve (%) as of 5 Jun 2014

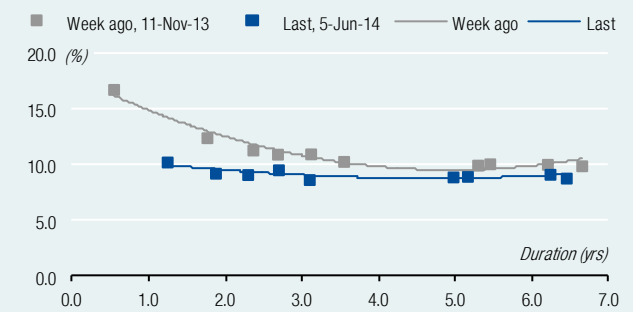


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

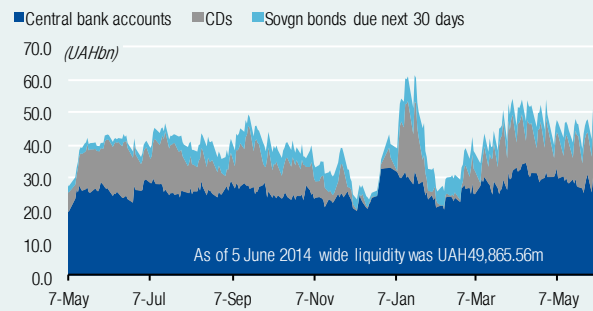


Chart 6. Breakdown of liquidity pool (%) as of 5 Jun 2014

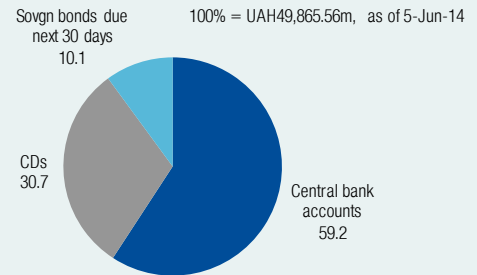


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

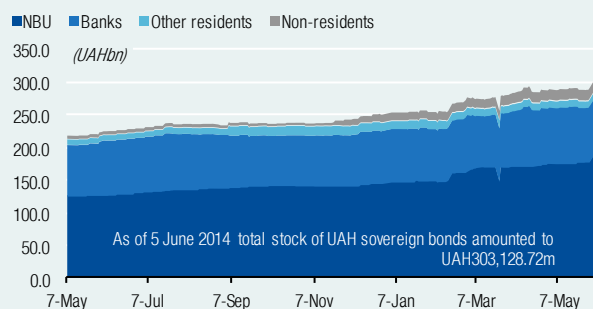
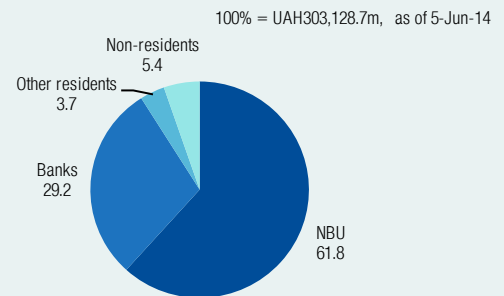


Chart 8. Domestic sovereign debt (%) as of 5 Jun 2014



# FX: News & Comments

## UAH rises slightly

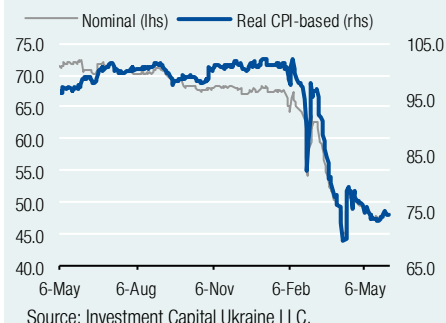
The hryvnia continued to rise yesterday, up 0.50% to UAH11.8650 on trading volume of US\$265.18m, up 25.25% from the day before. The NBU did not sell or buy FX yesterday. The EUR was up 0.45% and the RUB gained 0.96%. The US dollar trade-weighted index fell 0.36% yesterday while the hryvnia's real trade-weighted index remained steady at 74.078%.

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### ICU's UAH trade-weighted indices

(Last 12-month history to 6 Jun 2014)



### FX market indicators (as of 5 Jun 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	11.8650	-0.50	+0.21	+1.91	+43.99
NBU avg	11.7603	-0.93	-0.05	+3.16	+44.28
Ttt vlm <sup>1</sup>	358.20	+13.59	-17.23	-27.91	-87.22
\$ volume <sup>2</sup>	265.18	+25.25	-16.39	-22.10	-88.01
NDF 3M	12.4250	-0.40	-1.00	-3.87	+46.43
NDF 6M	12.9000	-0.39	-1.53	-3.01	+46.92
NDF 1Y	13.8500	+0.00	-1.42	-2.46	+47.03
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	48.044	+0.00	-0.20	-2.38	-28.86
UAH real CPI	74.078	+0.00	-0.20	-2.38	-26.71
UAH real PPI	102.613	+0.00	-0.20	-2.38	-26.06
USD nom'l	80.371	-0.36	-0.15	+1.11	+0.42
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	34.6897	-0.96	+0.09	-2.92	+5.54
EUR/USD	1.3660	+0.45	+0.43	-1.55	-0.60
USD/CNY	6.2545	+0.07	+0.24	+0.16	+3.31
USD/PLN	3.0243	-0.41	-0.64	-0.19	+0.04
USD/TRY	2.0963	-0.90	+0.46	-0.19	-2.42
USD/BYR	10,140.00	+0.30	+0.60	+1.40	+6.29
USD/KZT	183.5100	-0.04	+0.00	+0.80	+18.95
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	102.4100	-0.33	+0.61	+0.26	-2.75
GBP/USD	1.6820	+0.50	+0.62	-0.27	+1.59
USD/CHF	0.8914	-0.66	-0.72	+1.55	-0.17
AUD/USD	0.9340	+0.68	+0.35	+0.71	+4.74
USD/CAD	1.0925	-0.14	+0.81	-0.27	+2.84
USD/BRL	2.2621	-0.77	+1.70	+0.80	-4.23
USD/KRW	1,020.56	-0.56	+0.00	-0.85	-2.79
<b>COMMODITIES</b>					
Gold(\$/oz)	1,253.69	+0.79	-0.15	-4.32	+3.98
WTI crude <sup>3</sup>	102.48	-0.16	-1.06	+3.02	+4.13
Brent crd <sup>3</sup>	109.19	+0.99	-1.69	+1.72	-1.47
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	304.26	+0.03	-1.00	-0.97	+8.60

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>).

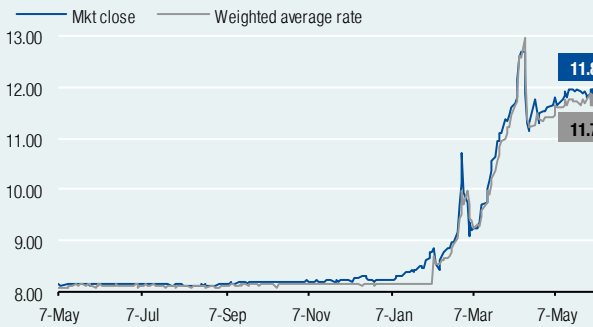
Section on FX market is continued on next page.

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.

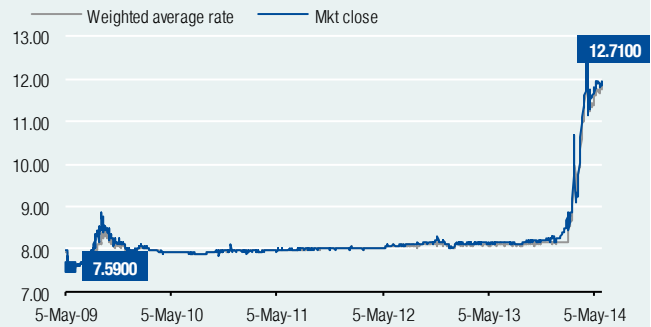
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

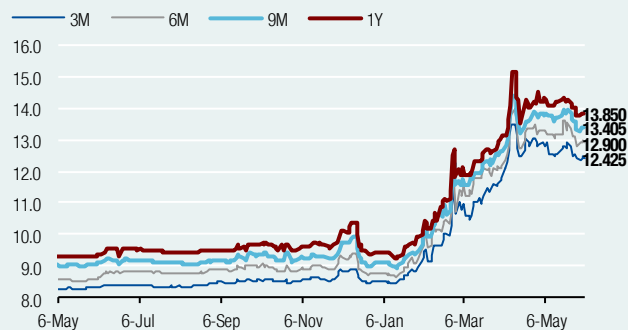


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

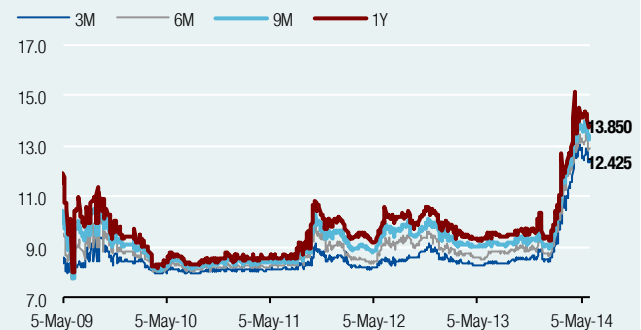


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

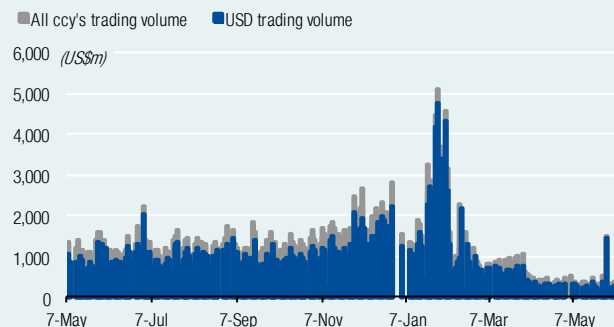


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.



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)

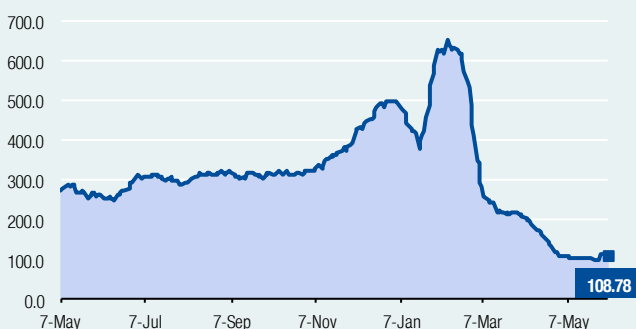


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)



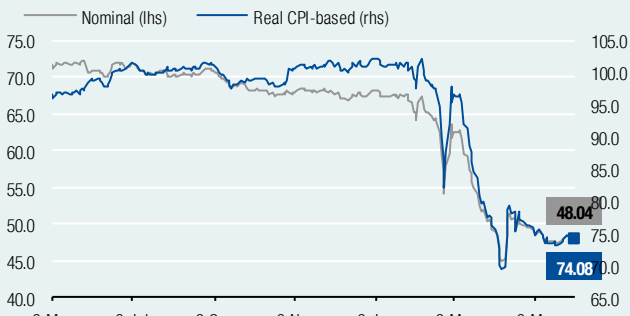
Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

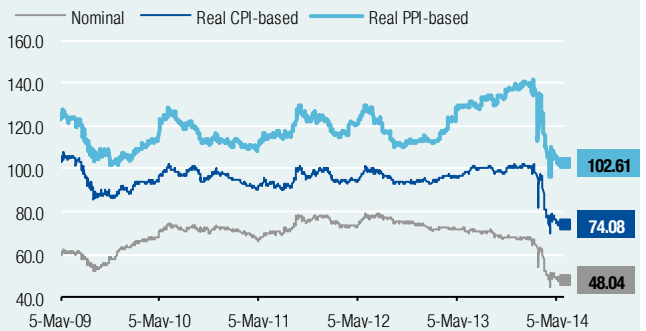
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

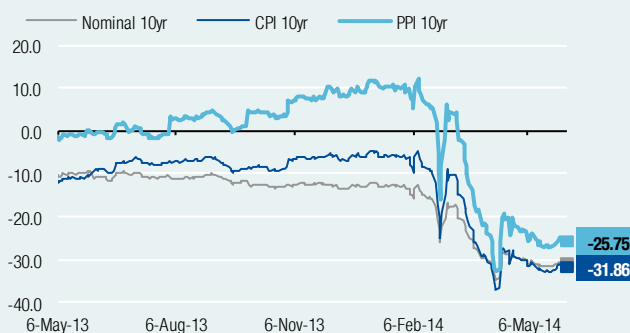


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

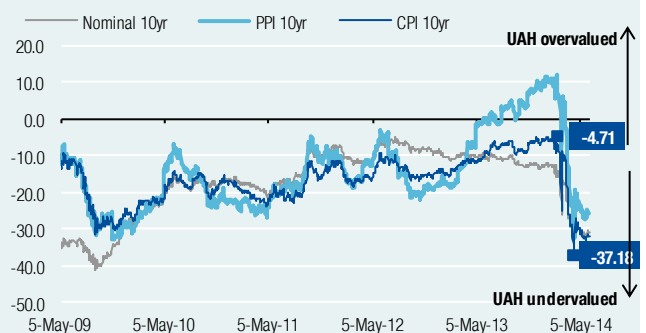


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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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## Disclosures

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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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