


**INVESTMENT CAPITAL UKRAINE**  
 INVESTMENT BANKING

# Daily Insight

Liquidity down; Yields correct; Auction results;  
 UAH up but wavering

WEDNESDAY, 11 JUNE, 2014

RESEARCH INSIGHT

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### UX Index (3 months to 11 Jun 2014)



### Key market indicators (as of 10 Jun 2014)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	11.6450	-1.10	+41.32
USD/UAH (1Y NDF)	13.7050	-0.69	+45.49
EUR/USD	1.3547	-0.35	-1.43
USD/RUB	34.3493	+0.07	+4.50
KievPRIME O/N (%)	5.00	-6bp	-280bp
KievPRIME 1M (%)	16.80	-8bp	+55bp

### BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	-8,900bp	-8,900bp
Ukraine 17, Eurobond (%)	8.57	+33bp	-99bp
Ukraine 22, Eurobond (%)	8.67	+23bp	-68bp
Ukraine 23, Eurobond (%)	8.48	+25bp	-56bp
Ukraine 5Y CDS	751bp	+31bp	-66bp

### EQUITIES

#### Stock market indices

UX (Ukraine)	1,242.10	+0.32	+36.49
MSCI World	427.27	+0.05	+4.58
MSCI EM	1,057.59	+0.82	+5.48
RTS (Russia)	1,368.84	+0.53	-5.12
WIG-20 (Poland)	2,499.32	+0.75	+4.10
S&P 500 (USA)	1,950.79	-0.02	+5.54

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

KER PW	4.64	55.9% of total <sup>1</sup>
CEEN UK	0.60	7.3%
FXPO LN	0.60	7.2%

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

AGT PW	PLN 2.99	+12.83	+53.33
MLK PW	PLN 7.15	+9.49	-42.80
AGL PW	PLN 20.82	+6.06	-19.71

#### 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 10-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	9.25 GBP	+1.4	+1.4	-10.8	-42.6	0.15	35.8	27.3	40.2	14.4	6.5	8.3	0.04	2,232	Neg.	Neg.	Neg.	4.1	8.5	17.0	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.31 UAH	+1.8	+20.4	+53.2	+62.4	0.63	231.7	286.1	21.7	50.3	604.5	189.6	0.38	261	5.5	4.9	3.5	0.5	3.8	2.2	0.4	0.3	0.3	1.1	12.2
Coal Energy	CLE PW	Warsaw	1.40 PLN	+6.1	+13.8	+33.3	-59.7	0.46	20.8	115.1	25.0	5.2	139.9	147.7	0.74	136	Neg.	Neg.	5.2	5.1	14.4	4.0	0.9	1.1	1.0	0.2	39.8
Donbasenergo	DOEN UK	Kiev, UX	42.87 UAH	-0.3	+3.8	+55.4	+102.4	3.68	87.0	127.8	14.2	12.4	97.9	45.3	0.45	220	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	62.00 GBP	+0.8	+15.3	-13.3	+12.2	1.04	178.4	184.9	47.2	84.2	7.4	79.0	0.04	2,556	27.4	15.7	6.4	2.8	2.3	2.1	1.0	1.0	0.9	0.4	5.5
Regal Petroleum	RPT LN	London	8.38 GBP	-5.6	-8.2	-35.6	-57.6	0.14	45.0	18.2	80.9	36.4	4.6	5.0	0.01	12,261	Neg.	22.5	N/A	0.8	0.7	N/A	0.5	0.4	N/A	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	152.40 UAH	+0.3	+14.6	+68.6	+97.9	13.08	167.3	144.4	5.0	8.4	0.2	2.7	0.01	12,940	3.4	N/A	N/A	1.0	N/A	N/A	0.1	N/A	N/A	3.8	0.0
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	-0.5	+17.8	-2.9	-12.1	0.00	83.4	1,288.4	3.9	3.2	51.8	12.3	0.40	253	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	-0.3	+10.0	+10.5	+2.6	0.28	54.8	51.7	4.0	2.2	57.3	16.2	0.86	116	Neg.	29.7	0.8	Neg.	1.0	0.4	0.1	0.1	0.0	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.76 UAH	-2.8	+9.4	+13.0	+24.5	0.06	273.2	266.0	4.1	11.2	185.8	14.6	0.18	568	Neg.	N/A	Neg.	Neg.	N/A	7.4	0.1	N/A	0.1	0.2	0.0
Ferrexpo PLC	FXPO LN	London	137.40 GBP	-0.4	-5.8	-26.1	-1.3	2.30	1,354.9	2,016.1	22.4	303.5	596.4	1,889.5	0.50	201	5.2	5.5	6.5	4.0	4.4	4.7	1.3	1.3	1.3	0.8	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.67 UAH	-0.6	+5.0	+26.4	+18.0	0.06	15.7	16.9	9.0	1.4	7.1	3.3	0.49	205	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	44.25 UAH	+1.7	+32.5	+38.2	+27.0	3.80	40.1	35.6	9.4	3.8	110.1	14.8	0.46	218	6.7	N/A	Neg.	Neg.	N/A	1.1	0.0	N/A	0.0	1.1	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	1.14 EUR	-0.9	+15.2	-8.1	-28.3	1.54	142.6	169.4	34.0	48.5	35.1	43.4	0.08	1,307	Neg.	N/A	N/A	Neg.	N/A	N/A	2.3	N/A	N/A	1.2	35.9
Agroliga	AGL PW	Warsaw	20.82 PLN	+6.1	+20.3	-19.7	+21.8	6.86	10.6	11.5	16.7	1.8	8.8	8.2	0.25	407	2.5	N/A	N/A	3.3	N/A	N/A	0.5	N/A	N/A	0.8	5.7
Agroton	AGT PW	Warsaw	2.99 PLN	+12.8	+34.1	+53.3	+11.6	0.99	21.4	66.6	26.2	5.6	501.5	376.6	2.27	44	Neg.	3.1	2.7	24.9	7.0	4.2	0.8	0.8	0.8	0.2	28.4
Astarta Holdin...	AST PW	Warsaw	47.95 PLN	+0.0	+24.5	-28.3	-26.8	15.80	395.1	711.2	31.0	122.5	13.6	191.5	0.11	947	11.3	8.6	5.6	9.4	5.4	5.8	1.4	1.4	1.3	1.1	38.2
Avangard	AVGR LI	London Intl	9.70 USD	+2.6	+13.1	-17.4	+0.5	9.70	619.6	850.5	21.7	134.4	8.3	206.1	0.10	1,034	2.6	2.8	2.6	2.8	2.9	2.9	1.3	1.2	1.1	0.0	17.8
IMC	IMC PW	Warsaw	10.00 PLN	-2.9	+13.6	-17.7	-24.2	3.30	103.2	228.4	23.9	24.6	66.3	81.8	0.35	284	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	33.95 PLN	+3.8	+17.6	-10.8	-37.4	11.19	891.5	1,914.9	58.8	524.0	4,644.6	4,133.1	0.99	101	8.0	17.2	5.8	6.6	7.4	5.6	0.7	0.8	0.7	0.7	30.6
MHP	MHPC LI	London Intl	15.00 USD	-0.1	+10.9	-12.0	-18.9	15.00	1,585.0	2,745.9	22.3	353.8	530.6	1,610.9	0.26	383	10.2	5.8	5.3	7.0	5.7	5.3	1.8	1.8	1.6	2.7	19.6
Milkiland	MLK PW	Warsaw	7.15 PLN	+9.5	+15.3	-42.8	-38.4	2.36	73.6	203.4	20.0	14.7	28.2	12.2	0.13	761	5.0	8.4	3.7	6.1	3.9	3.6	0.4	0.5	0.4	0.3	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	4.50 EUR	+0.0	-3.2	-16.7	+6.0	6.09	647.5	1,379.3	20.0	129.5	173.2	12.0	0.02	6,293	3.7	4.6	7.4	6.0	5.4	5.1	4.0	3.7	3.3	0.7	34.8
Ovostar Union	OVO PW	Warsaw	73.00 PLN	+0.0	+12.3	-27.0	-14.1	24.06	144.3	153.2	25.0	36.1	122.3	23.4	0.07	1,346	4.7	7.2	7.1	4.2	5.8	5.2	1.7	1.8	1.4	1.1	8.5
<b>TRANSPORTATION</b>																											
KDM Shipping	KDM PW	Warsaw	9.98 PLN	+0.0	-9.2	-68.2	-69.6	3.29	30.6	14.6	10.9	3.3	0.0	2.2	0.04	2,273	4.5	N/A	N/A	1.3	N/A	N/A	0.5	N/A	N/A	0.5	5.6
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Xetra	0.17 EUR	+0.0	-5.0	-46.1	-64.1	0.23	12.0	171.3	13.1	1.6	0.0	0.1	0.01	13,554	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	-0.2	+62.3	-14.6	+18.0	0.06	33.1	N/A	5.5	1.8	3.7	1.2	0.05	2,010	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	-0.7	-12.3	+42.9	+60.6	0.01	417.4	N/A	3.8	15.9	285.4	60.7	0.50	202	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	+0.7	+9.4	-7.2	+47.5	0.01	270.9	N/A	4.5	12.1	23.3	4.4	0.05	1,900	Neg.	14.7	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 10-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 declines despite inflows

Broader banking sector liquidity fell UAH0.51bn to UAH44.53bn yesterday, as banks' correspondent accounts with the NBU increased UAH0.55bn to UAH31.04bn and total local currency debt repayments scheduled for the next 30 days rose UAH1.06bn to UAH6.08bn. Total CDs outstanding fell UAH2.12bn to UAH7.41bn.

KyivPrime interest rates slightly declined: the KyivPrime ON interest rate slid 6bp to 5.00% while the KyivPrime 1M interest rate declined 8bp to 16.80%.

**Investment implications: Banks' correspondent accounts with the NBU rose slightly, most likely from last Friday's significant injections from the NBU and the MoF. While the NBU decreased CDs outstanding by UAH2.12bn, the MoF purchased UAH3.18bn of bonds from the banks' portfolio. With UAH5.30bn in funds, banks' accounts rose only UAH0.55bn, as the remaining funds covered large outflows except for FX purchases. There could be upcoming repayments of loans to the NBU or other local currency payments.**

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

## Yield correction

After a significant rebound on Monday, Eurobond yields slightly corrected yesterday as prices declined slightly, mostly pressured by pending price and supply negotiations with Gazprom. As Ukraine's yield curve has normalized after having been inverted, it adjusted to the range of 7.65-8.67%, as UKRAIN 6.875% '15 fell 42bp to 8.02%, UKRAIN 9.25% '17 was up 32bp to 8.56%, UKRAIN 7.95% '21 rose 19bp to 8.28% and UKRAIN 7.80% '22 rose 21bp to 8.67%, while UKRAIN 7.50% '23 rose 24bp to 8.48%. The 5-year CDS rose to 751bp.

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## Primary auction results

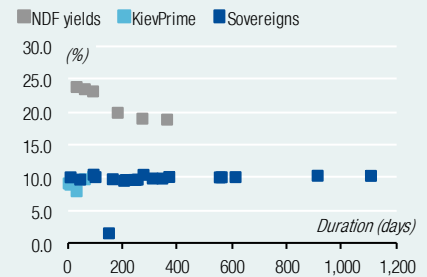
The MoF sold all offered bonds, raising UAH2.03bn (par value) in proceeds from the 2-year bond UAH291.29m from the 3-month bond, and UAH29.78m from the 6-month bond. The two zero-coupon bonds replaced the 5-year bond originally scheduled for yesterday. The MoF set cut-off interest rates at 12.0%, 15.0% and 16.95% for the 3-month, 6-month and 2-year bonds, respectively, which are not very low but higher than the market cost of funds.

**Investment implications: Of the UAH5.0bn in scheduled debt repayments, only UAH1.90bn was denominated in local currency, all of which was used to refinance today's scheduled local currency debt repayments. FX repayments will be made using funds from the Eurobond offering in May.**

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## Yield curve of the local bond market

(as of market close on 10 Jun 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

## Bond market indicators (as of 10 Jun 2014)

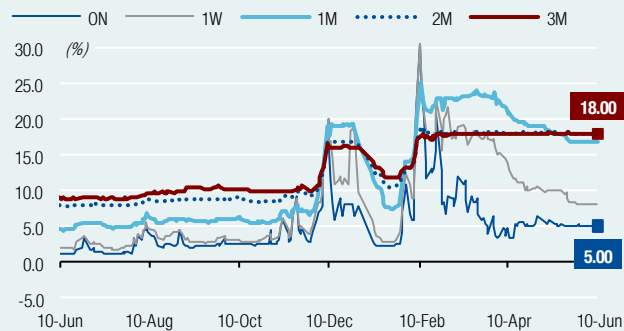
	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
O/n	5.00	-6bp	+0bp	-95bp	-280bp
1wk	8.05	-1bp	+5bp	-205bp	-175bp
1m	16.80	-8bp	-8bp	-170bp	+55bp
2m	18.00	+0bp	+0bp	-40bp	+160bp
3m	18.00	+0bp	+0bp	-20bp	+200bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	31,039	+1.79	+3.36	+4.46	-5.09
CDs <sup>2</sup>	7,407	-52.04	-53.23	-45.37	+387.3
Sovgns <sup>3</sup>	6,080	+21.22	+12.52	+64.54	+306.7
<b>Total</b>	<b>44,526</b>	<b>-12.61</b>	<b>-13.15</b>	<b>-5.20</b>	<b>+24.66</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	187,264	+0.00	+0.00	+7.12	+29.28
Banks	84,680	-3.72	-2.10	-2.34	+5.63
Resid's <sup>4</sup>	11,184	+0.10	+0.29	+4.08	-9.78
Non-res <sup>5</sup>	16,198	+0.47	-0.37	+0.09	+38.46
<b>Total</b>	<b>299,325</b>	<b>-1.05</b>	<b>-0.61</b>	<b>+3.77</b>	<b>+20.16</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	21.38	+75bp	+524bp	-962bp	+924bp
6m	19.37	+81bp	+318bp	-661bp	+596bp
9m	18.56	+60bp	+192bp	-585bp	+455bp
1yr	18.32	+50bp	+180bp	-331bp	+333bp
<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	751	+31bp	-136bp	-374bp	-66bp
Jun '16	7.65	+32bp	-138bp	-620bp	-124bp
Jul '17	8.57	+33bp	-90bp	-445bp	-99bp
Sep '20	8.29	+30bp	-63bp	-241bp	-91bp
Sep '21	8.29	+25bp	-69bp	-252bp	-93bp
Sep '22	8.67	+23bp	-62bp	-164bp	-68bp
Feb '23	8.48	+25bp	-38bp	-162bp	-56bp

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.

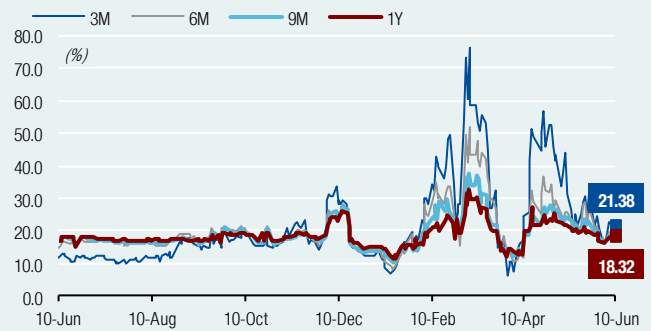
Chart page: Local bond market & Eurobond markets

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



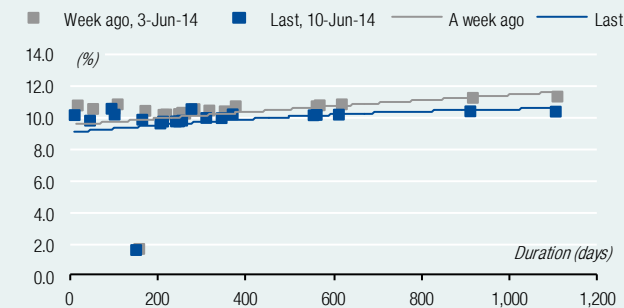
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



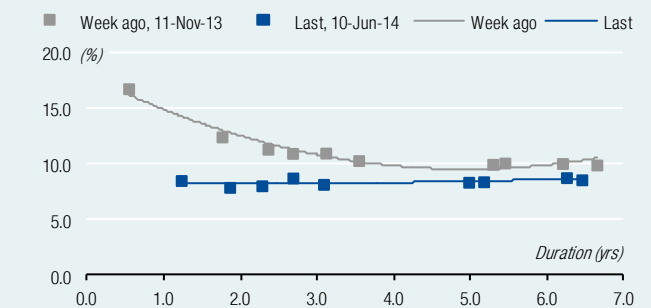
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 10 Jun 2014



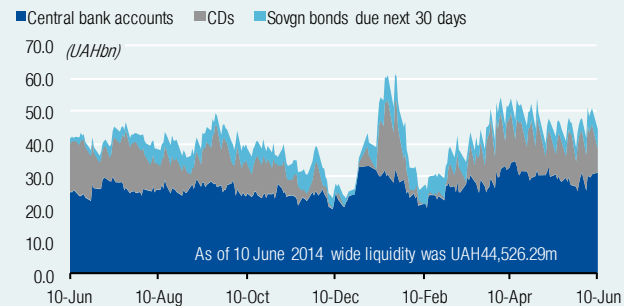
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 10 Jun 2014



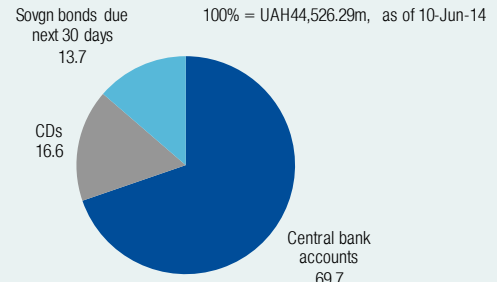
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



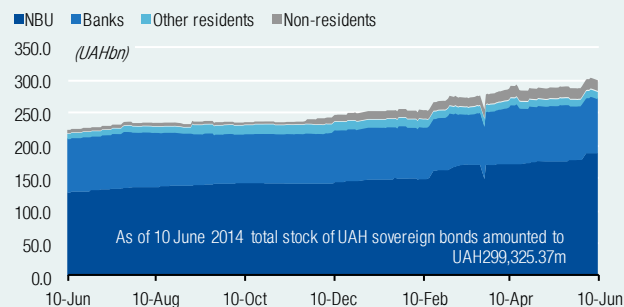
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 10 Jun 2014



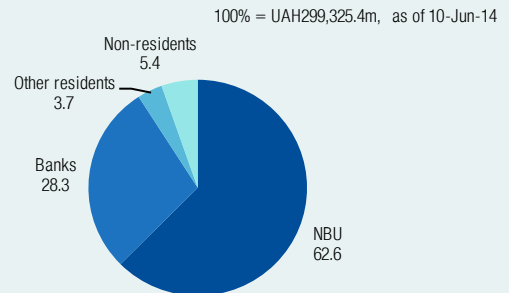
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 10 Jun 2014



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

# FX: News & Comments

## UAH up, but still wavering

Although the hryvnia strengthened yesterday from the opening through mid-day trading, it closed up 1.10% on US\$248.29m in trading. The hryvnia's rise could have been bolstered by Poroshenko's well-received symbolic inauguration and possibly more so by wishful thinking that the Donbass war driven by pro-Kremlin separatists is waning. However, equally symbolic, enthusiasm deflated when militants exploded a bridge in Donbass yesterday. Meanwhile, Eurobond markets reacted vigorously to western leaders meeting Putin in Normandy, France. Ukraine's CDS stands at 751bp, up 136bp from a week ago, which we see as an overreaction.

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### ICU's UAH trade-weighted indices

(Last 12-month history to 11 Jun 2014)



### FX market indicators (as of 10 Jun 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	11.6450	-1.10	-2.55	-0.09	+41.32
NBU avg	11.8035	-0.19	-0.25	+1.81	+44.81
Ttl vlm <sup>1</sup>	339.96	-15.41	+8.07	-2.56	-87.87
\$ volume <sup>2</sup>	248.29	-23.96	+6.35	-6.10	-88.77
NDF 3M	12.2600	-0.93	-1.33	-2.31	+44.49
NDF 6M	12.7550	-0.74	-1.12	-3.00	+45.27
NDF 1Y	13.7050	-0.69	-1.05	-2.80	+45.49
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	48.854	+1.21	+1.88	-0.27	-27.66
UAH real CPI	75.327	+1.21	+1.88	-0.27	-25.47
UAH real PPI	104.343	+1.21	+1.88	-0.27	-24.82
USD nom'l	80.820	+0.21	+0.33	+1.15	+0.98
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	34.3493	+0.07	-2.02	-2.49	+4.50
EUR/USD	1.3547	-0.35	-0.59	-1.53	-1.43
USD/CNY	6.2253	-0.24	-0.47	-0.04	+2.82
USD/PLN	3.0313	+0.43	-0.58	-0.28	+0.27
USD/TRY	2.0798	-0.33	-1.77	+0.14	-3.18
USD/BYR	10,130.00	-0.20	+0.10	+1.15	+6.18
USD/KZT	183.5500	-0.01	+0.02	+0.81	+18.98
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	102.3500	-0.18	-0.16	+0.48	-2.81
GBP/USD	1.6756	-0.28	+0.04	-0.56	+1.20
USD/CHF	0.8992	+0.23	+0.32	+1.44	+0.71
AUD/USD	0.9373	+0.18	+1.15	+0.12	+5.11
USD/CAD	1.0903	-0.01	-0.05	+0.05	+2.64
USD/BRL	2.2249	-0.20	-2.44	+0.55	-5.81
USD/KRW	1,017.22	+0.08	-0.57	-0.71	-3.10
<b>COMMODITIES</b>					
Gold(\$/oz)	1,259.91	+0.60	+1.20	-2.24	+4.50
WTI crude <sup>3</sup>	104.35	-0.06	+1.65	+4.36	+6.03
Brent crd <sup>3</sup>	109.60	-0.54	+0.37	+1.79	-1.10
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	305.49	-0.24	+0.15	+0.30	+9.04

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>).

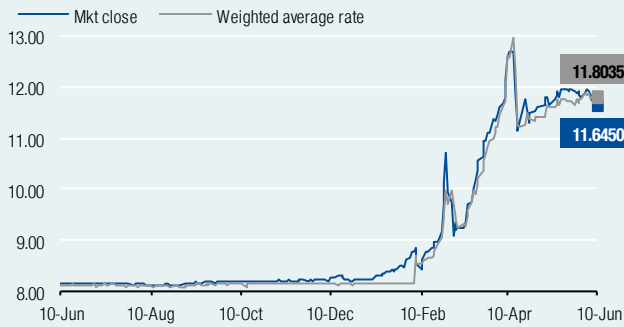
Section on FX market is continued on next page.

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.

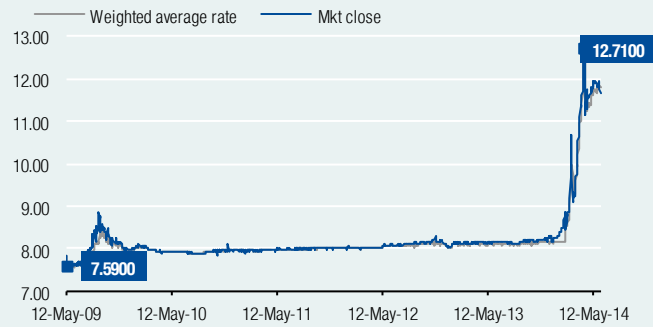
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

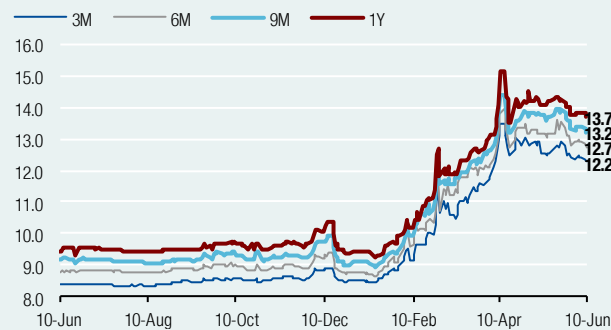


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

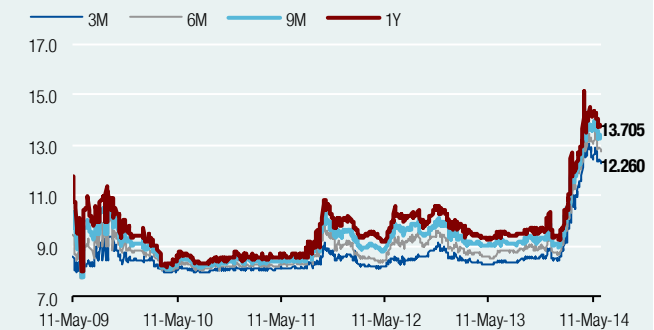


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

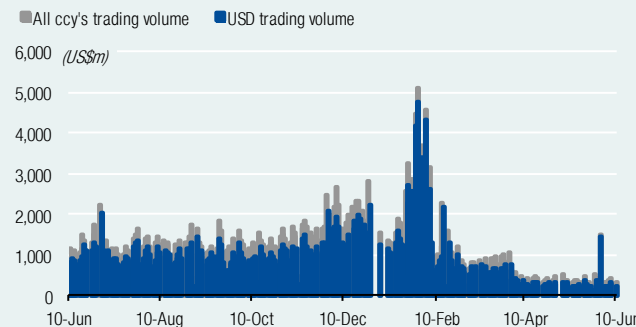


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.



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)

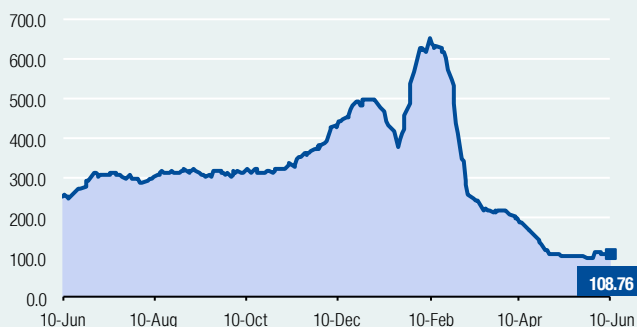


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)

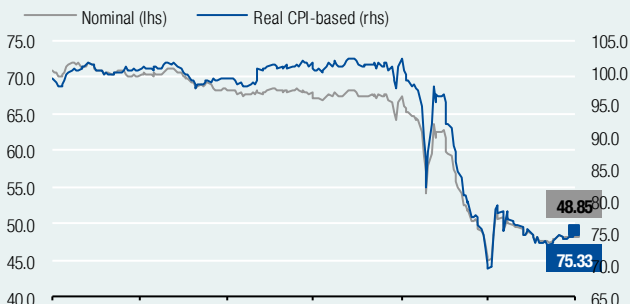


Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

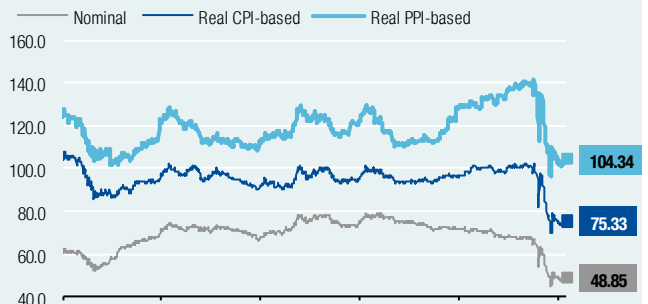
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

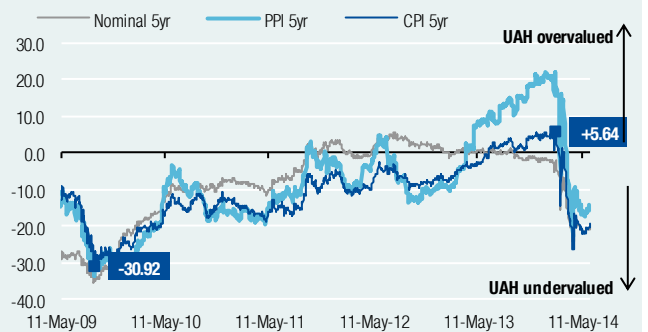


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

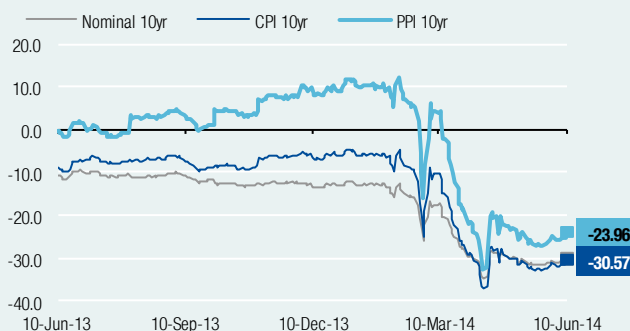


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.



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

**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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