


**INVESTMENT CAPITAL UKRAINE**  
 INVESTMENT BANKING

# Daily Insight

Liquidity down; Yields rise further; UAH pressured down on geopolitical turmoil

WEDNESDAY, 18 JUNE, 2014

RESEARCH INSIGHT

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### UX Index (3 months to 18 Jun 2014)



### Key market indicators (as of 17 Jun 2014)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	11.7653	-1.30	+42.78
USD/UAH (1Y NDF)	13.8750	+0.51	+47.29
EUR/USD	1.3547	-0.20	-1.43
USD/RUB	34.8150	+0.48	+5.92
KievPRIME O/N (%)	5.13	-25bp	-267bp
KievPRIME 1M (%)	17.00	+0bp	+75bp

### BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	-8,900bp	-8,900bp
Ukraine 17, Eurobond (%)	9.76	+3bp	+20bp
Ukraine 22, Eurobond (%)	9.39	+4bp	+4bp
Ukraine 23, Eurobond (%)	9.10	+4bp	+6bp
Ukraine 5Y CDS	885bp	+0bp	+68bp

### EQUITIES

#### Stock market indices

UX (Ukraine)	1,204.87	-1.45	+32.40
MSCI World	425.21	+0.06	+4.08
MSCI EM	1,043.53	-0.26	+4.07
RTS (Russia)	1,343.50	-1.05	-6.88
WIG-20 (Poland)	2,464.39	+0.71	+2.64
S&P 500 (USA)	1,941.99	+0.22	+5.07

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

FXPO LN	2.56	42.2% of total <sup>1</sup>
KER PW	1.40	23.1%
CEEN UK	0.56	9.3%

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

OVO PW	PLN 72.00	+5.88	-28.00
ZAEN UK	UAH 157.00	+4.67	+73.67
CLE PW	PLN 1.33	+1.53	+26.67

#### 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 17-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	+0.0	-12.0	-44.7	0.15	35.8	27.3	40.2	14.4	0.0	8.3	0.05	2,123	Neg.	Neg.	Neg.	4.1	8.5	17.1	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.21 UAH	-1.6	+21.1	+51.2	+52.9	0.61	223.6	276.9	21.7	48.5	563.6	218.2	0.61	163	5.5	4.9	3.4	0.5	3.7	2.2	0.4	0.3	0.3	1.1	12.2
Coal Energy	CLE PW	Warsaw	1.33 PLN	+1.5	+10.8	+26.7	-65.0	0.43	19.6	113.9	25.0	4.9	25.9	91.4	0.86	116	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	41.93 UAH	+1.2	+0.2	+52.0	+87.1	3.52	83.2	123.1	14.2	11.8	70.7	49.5	0.53	188	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	57.50 GBP	-0.9	-1.7	-19.6	+9.5	0.98	167.5	174.0	47.2	79.1	32.6	66.8	0.04	2,304	25.8	14.8	6.0	2.6	2.2	2.0	1.0	0.9	0.8	0.3	5.5
Regal Petroleum	RPT LN	London	7.75 GBP	-8.8	-12.7	-40.4	-60.8	0.13	42.2	15.3	80.9	34.1	0.0	4.5	0.01	9,976	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	157.00 UAH	+4.7	+15.8	+73.7	+96.3	13.18	168.6	146.2	5.0	8.4	3.0	3.0	0.03	3,915	3.5	N/A	N/A	1.0	N/A	N/A	0.2	N/A	N/A	3.9	0.0
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	-2.8	+11.6	-9.0	-18.9	0.00	76.4	1,254.7	3.9	3.0	71.1	14.8	0.82	121	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	3.23 UAH	+0.0	+7.6	+9.1	-0.3	0.27	52.9	49.9	4.0	2.1	58.3	19.4	1.65	61	Neg.	29.3	0.8	Neg.	0.9	0.4	0.1	0.1	0.0	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.77 UAH	+0.3	+9.9	+14.5	+24.3	0.06	270.7	263.6	4.1	11.1	108.5	16.2	0.25	401	Neg.	N/A	Neg.	Neg.	N/A	7.5	0.1	N/A	0.1	0.2	0.0
Ferrexpo PLC	FXPO LN	London	126.50 GBP	+1.5	-11.0	-31.9	-14.5	2.15	1,263.4	1,924.6	22.4	283.0	2,556.9	1,675.2	0.64	157	4.8	5.3	6.2	3.8	4.2	4.6	1.2	1.2	1.2	0.8	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.72 UAH	+0.4	+20.0	+35.8	+21.4	0.06	16.5	17.7	9.0	1.5	4.4	5.0	0.68	146	Neg.	1.4	0.8	0.1	0.7	0.5	0.1	0.0	0.0	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	43.13 UAH	+0.4	+27.2	+34.7	+20.2	3.62	38.2	33.8	9.4	3.6	55.7	16.8	0.71	141	6.6	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	1.09 EUR	+0.9	+10.1	-12.1	-29.7	1.48	136.3	163.2	34.0	46.4	10.7	40.8	0.08	1,308	Neg.	N/A	N/A	Neg.	N/A	N/A	2.2	N/A	N/A	1.2	35.9
Agroliga	AGL PW	Warsaw	19.29 PLN	-2.1	+8.4	-25.6	-11.1	6.30	9.7	10.6	16.7	1.6	2.1	7.2	0.36	276	2.3	N/A	N/A	3.1	N/A	N/A	0.5	N/A	N/A	0.8	5.7
Agroton	AGT PW	Warsaw	2.72 PLN	-0.4	+16.7	+39.5	-5.6	0.89	19.3	64.6	26.2	5.0	92.6	245.0	3.76	27	Neg.	2.8	2.4	24.1	6.8	4.0	0.8	0.8	0.8	0.2	28.4
Astarta Holdin...	AST PW	Warsaw	44.08 PLN	+0.0	+10.5	-34.1	-32.8	14.41	360.2	676.3	31.0	111.7	26.3	182.6	0.18	559	10.3	7.9	5.1	8.9	5.1	5.5	1.4	1.4	1.3	1.0	38.2
Avangard	AVGR LI	London Intl	10.10 USD	+1.0	+14.1	-14.0	+7.4	10.10	645.1	876.1	21.7	140.0	440.8	240.3	0.15	689	2.7	2.8	2.8	2.9	2.9	3.0	1.3	1.2	1.1	0.0	17.8
IMC	IMC PW	Warsaw	10.00 PLN	+0.0	+19.6	-17.7	-28.1	3.27	102.3	227.5	23.9	24.4	31.1	69.5	0.40	247	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	33.30 PLN	-0.1	+25.5	-12.5	-35.7	10.88	867.2	1,890.5	58.8	509.7	1,402.2	3,852.8	1.00	100	7.8	16.8	5.6	6.5	7.3	5.5	0.7	0.8	0.7	0.7	30.6
MHP	MHPC LI	London Intl	14.55 USD	+0.3	-0.3	-14.7	-17.1	14.55	1,537.5	2,698.3	22.3	343.2	40.0	1,534.9	0.26	387	9.9	5.7	5.1	6.9	5.6	5.2	1.8	1.8	1.6	2.6	19.6
Milkiland	MLK PW	Warsaw	6.60 PLN	-3.1	+15.0	-47.2	-45.9	2.16	67.4	197.2	20.0	13.5	0.4	11.2	0.15	664	4.6	N/A	3.4	6.0	3.8	3.5	0.4	0.4	0.4	0.3	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	4.72 EUR	+0.0	-3.7	-12.6	+11.2	6.39	679.2	1,411.1	20.0	135.8	0.0	14.1	0.02	5,310	3.9	4.8	7.8	6.1	5.5	5.2	4.1	3.8	3.3	0.8	34.8
Ovostar Union	OVO PW	Warsaw	72.00 PLN	+5.9	+10.4	-28.0	-15.3	23.53	141.2	150.0	25.0	35.3	109.8	19.3	0.09	1,060	4.6	7.0	6.9	4.1	5.7	5.1	1.7	1.8	1.4	1.0	8.5
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Xetra	0.22 EUR	+0.0	+53.6	-32.2	-54.3	0.29	15.1	174.4	13.1	2.0	0.0	0.2	0.01	9,800	Neg.	N/A	N/A	Neg.	N/A	N/A	8.0	N/A	N/A	0.1	44.1
<b>FINANCIAL SERVICES</b>																											
Forum Bank	FORM UK	Kiev, UX	0.18 UAH	-50.0	-72.1	-76.8	-67.7	0.01	8.8	N/A	5.5	0.5	0.5	0.3	0.29	348	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.1	18.6
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.15 UAH	-1.7	-2.7	+34.3	+49.2	0.01	383.5	N/A	3.8	14.6	324.7	81.3	1.02	98	4.5	Neg.	12.8	N/A	N/A	N/A	N/A	N/A	N/A	0.6	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.17 UAH	-1.0	+8.6	-11.4	+31.7	0.01	252.9	N/A	4.5	11.3	30.1	5.6	0.10	1,020	Neg.	14.0	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 17-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 significantly

Banking sector liquidity fell significantly yesterday as broader banking sector liquidity declined UAH1.97bn to UAH42.21bn. Banks' correspondent accounts with the NBU decreased UAH3.55bn to UAH28.81bn while total CDs outstanding rose UAH1.13bn to UAH8.59bn and total local currency debt repayments scheduled for the next 30 days increased 0.45bn to UAH4.82bn..

KyivPrime interest rates slightly diverged: the KyivPrime ON interest rate declined 25bp to 5.13% while the KyivPrime 1M interest rate remained steady at 17.00%.

**Investment implications: Liquidity fell yesterday after banks repaid UAH5.11bn in loans to the NBU to. It should be noted that liquidity fell less significantly than it would have as several banks repaid their loans earlier last week. Although no NBU inflows appeared to support demand at the primary auction, liquidity could recover today.**

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## Yields continue to rise

Ukrainian Eurobond prices continued to fall yesterday because of the ongoing uncertainty arising from the gas war with Russia and tensions in eastern Ukraine. As a result, the yield curve closed above 9.0% and adjusted to the range of 9.02-9.79%. UKRAIN 6.875% '15 rose 1bp to 9.62%, UKRAIN 9.25% '17 was up 3bp to 9.77%, UKRAIN 7.95% '21 rose 4bp to 9.07% and UKRAIN 7.80% '22 rose 4bp to 9.40%, while UKRAIN 7.50% '23 rose 4bp to 9.10%. The 5-year CDS remained steady at 885bp.

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## Primary auction results

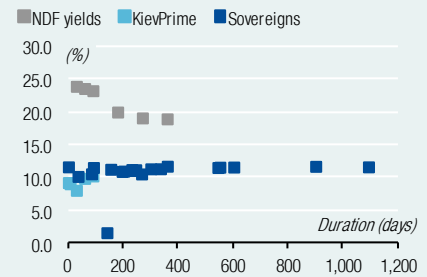
As the MoF has minor debt interest repayments scheduled today, and as the significant decline in banking sector liquidity seen on Monday was not countered by a routine NBU liquidity injection, no domestic QE support was seen at yesterday's auction.

Of the six bids submitted, the MoF rejected only one bid for UAH10.0m of the 2-year bond at the highest rate of 18.00%. The 6-month bond sold to two bidders at 15.00%, the same level as the week before. While the 2-year bond was also sold at its cut-off interest rate, the same 16.95% as the week before, one bid yesterday was submitted at an interest rate 10bp below this rate. Do not get excited too quickly...the volume was too small to have an impact on the weighted average interest rate.

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### Yield curve of the local bond market

(as of market close on 17 Jun 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

### Bond market indicators (as of 17 Jun 2014)

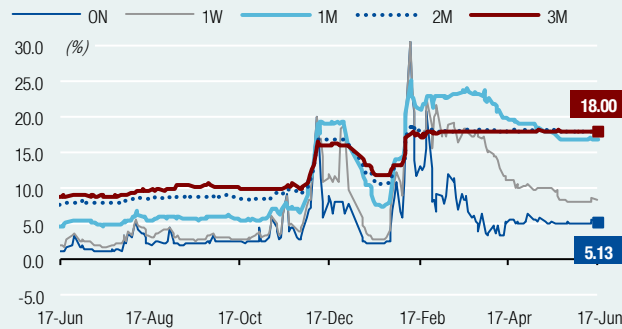
	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
0/n	5.13	-25bp	+13bp	-12bp	-267bp
1wk	8.27	-23bp	+22bp	-183bp	-153bp
1m	17.00	+0bp	+20bp	-110bp	+75bp
2m	18.00	+0bp	+0bp	-10bp	+160bp
3m	18.00	+0bp	+0bp	-10bp	+200bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	28,810	-10.98	-7.18	+2.10	-11.90
CDs <sup>2</sup>	7,453	+0.00	+0.62	-39.96	+390.3
Sovgns <sup>3</sup>	4,644	+0.00	-23.63	+17.26	+210.6
<b>Total</b>	<b>40,906</b>	<b>-7.99</b>	<b>-8.13</b>	<b>-8.27</b>	<b>+14.53</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	N/A	N/A	N/A	N/A	N/A
Banks	N/A	N/A	N/A	N/A	N/A
Resid's <sup>4</sup>	N/A	N/A	N/A	N/A	N/A
Non-res <sup>5</sup>	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	22.87	+786bp	+148bp	+120bp	+11bp
6m	20.02	+404bp	+65bp	-18bp	+662bp
9m	18.95	+277bp	+38bp	-88bp	+493bp
1yr	18.58	+213bp	+26bp	-78bp	+359bp
<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	885	+0bp	+134bp	-237bp	+68bp
Jun '16	9.78	-14bp	+213bp	-284bp	+89bp
Jul '17	9.76	+3bp	+119bp	-226bp	+20bp
Sep '20	9.01	+4bp	+73bp	-137bp	-18bp
Sep '21	9.07	+4bp	+78bp	-133bp	-15bp
Sep '22	9.39	+4bp	+72bp	-62bp	+4bp
Feb '23	9.10	+4bp	+62bp	-62bp	+6bp

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.

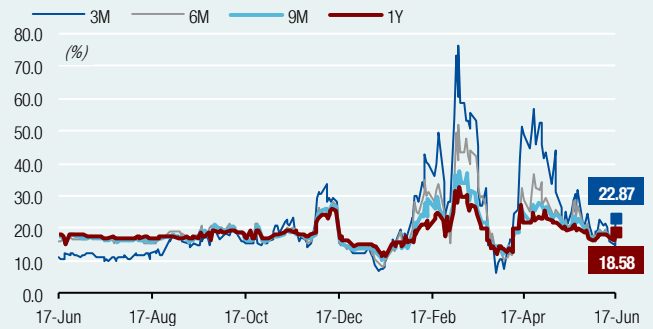
Chart page: Local bond market & Eurobond markets

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



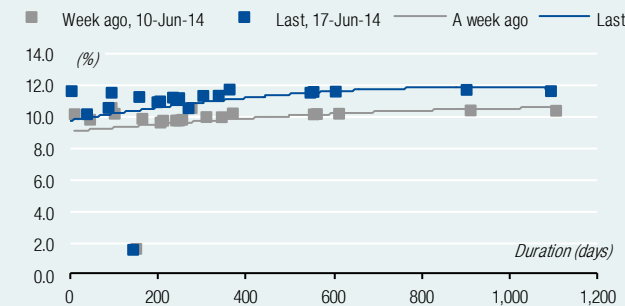
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



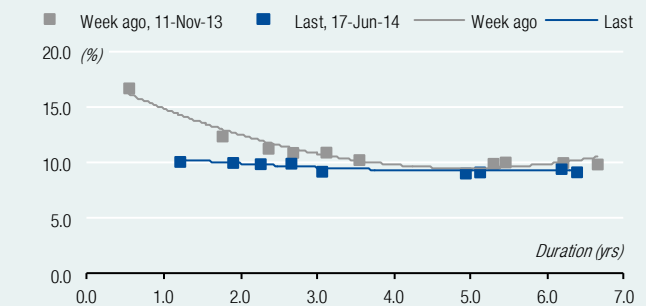
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 17 Jun 2014



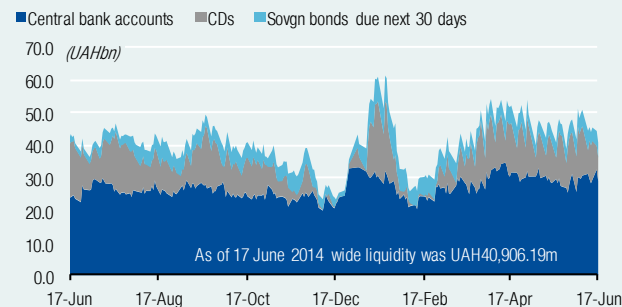
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 17 Jun 2014



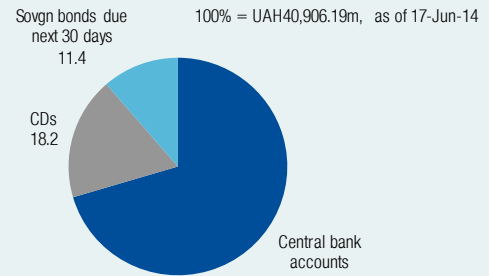
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



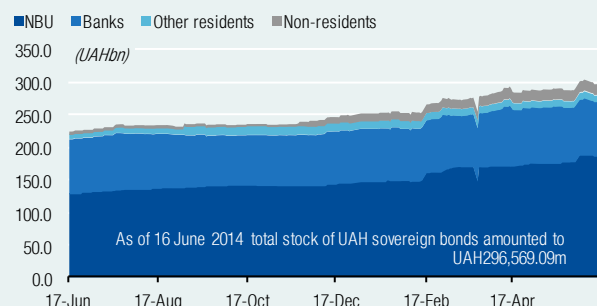
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 17 Jun 2014



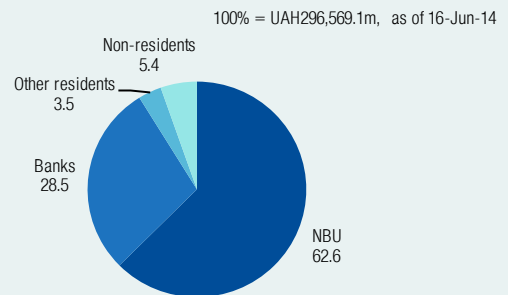
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 17 Jun 2014



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

# FX: News & Comments

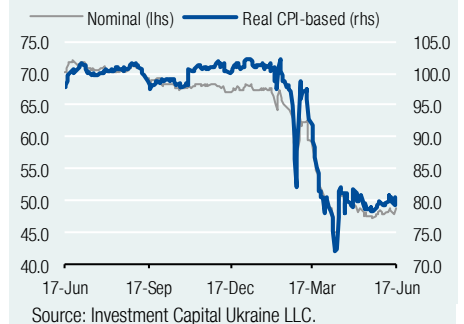
## Pressure on the UAH extends as geopolitical troubles flare

The hryvnia continued to weaken as trading hovered at 12/USD. However, the market closed at 11.7653/USD or 1.30% up from previous day, possibly indicating NBU support. In a bill adopted by Ukraine's parliament yesterday to reform the banking sector, a clause was included that penalizes FX market participants for market manipulation and purposeful misinformation. This could result in overly conservative trading by key FX market players, namely banks. Yesterday's market trading volume was US\$218m, a volume routinely seen over the past several months. The RUB fell further as global sentiment favored the USD, which rose 0.20% in trade-weighted terms yesterday against a number of key global currencies. As a result, the UAH's real trade-weighted index increased 1.57% thanks to a combination of the UAH's nominal strength (as reported as of the end of the trade session) and the USD's relative strength across major global currencies.

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### ICU's UAH trade-weighted indices

(Last 12-month history to 18 Jun 2014)



### FX market indicators (as of 17 Jun 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	11.7653	-1.30	+1.03	-1.63	+42.78
NBU avg	11.7604	+0.11	-0.36	+0.04	+44.29
Ttl vlm <sup>1</sup>	327.24	-15.35	-3.74	-5.19	-88.32
\$ volume <sup>2</sup>	218.03	-28.76	-12.19	-9.02	-90.14
NDF 3M	12.4300	+0.57	+1.39	-1.35	+46.49
NDF 6M	12.9250	+0.54	+1.33	-1.71	+47.21
NDF 1Y	13.8750	+0.51	+1.24	-2.29	+47.29
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	48.636	+1.57	-0.25	+2.32	-27.99
UAH real CPI	80.482	+1.57	-0.25	+2.32	-20.37
UAH real PPI	115.381	+1.57	-0.25	+2.32	-16.86
USD nom'l	80.629	+0.20	-0.24	+0.73	+0.74
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	34.8150	+0.48	+1.36	+0.18	+5.92
EUR/USD	1.3547	-0.20	+0.00	-1.07	-1.43
USD/CNY	6.2262	+0.03	+0.01	-0.12	+2.84
USD/PLN	3.0588	+0.28	+0.91	-0.06	+1.18
USD/TRY	2.1487	+0.26	+3.31	+2.39	+0.02
USD/BYR	10,180.00	+0.00	+0.49	+1.47	+6.71
USD/KZT	183.5400	+0.01	-0.01	+0.81	+18.97
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	102.1500	+0.31	-0.20	+0.64	-3.00
GBP/USD	1.6965	-0.11	+1.25	+0.92	+2.46
USD/CHF	0.8994	+0.26	+0.02	+0.75	+0.73
AUD/USD	0.9337	-0.68	-0.38	-0.25	+4.71
USD/CAD	1.0861	+0.15	-0.39	+0.00	+2.24
USD/BRL	2.2619	+1.20	+1.66	+2.13	-4.24
USD/KRW	1,021.80	+0.19	+0.45	-0.23	-2.67
<b>COMMODITIES</b>					
Gold(\$/oz)	1,270.65	-0.10	+0.85	-1.76	+5.39
WTI crude <sup>3</sup>	106.36	-0.51	+1.93	+4.25	+8.07
Brent crd <sup>3</sup>	113.30	+0.37	+3.38	+2.75	+2.24
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	309.03	-0.26	+1.16	+1.02	+10.30

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>).

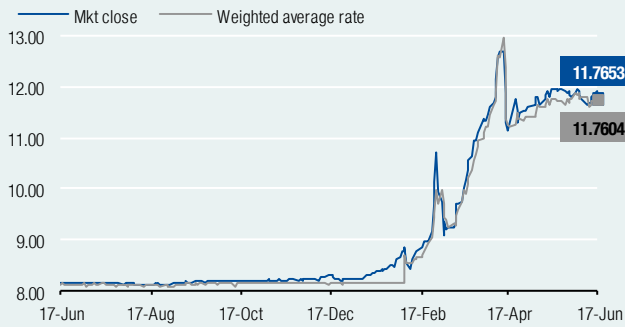
Section on FX market is continued on next page.

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.

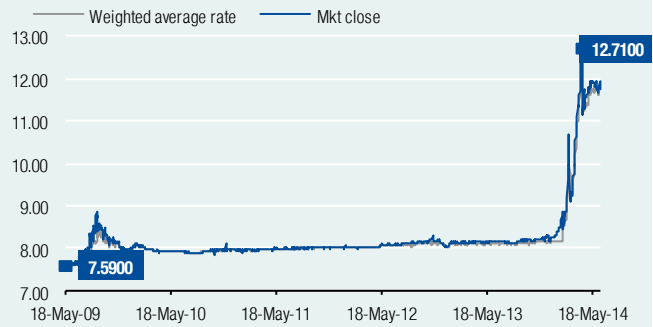
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

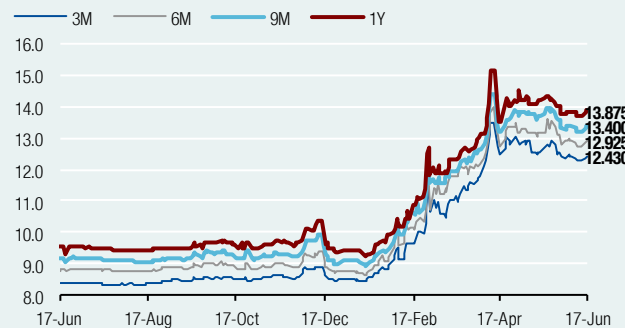


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

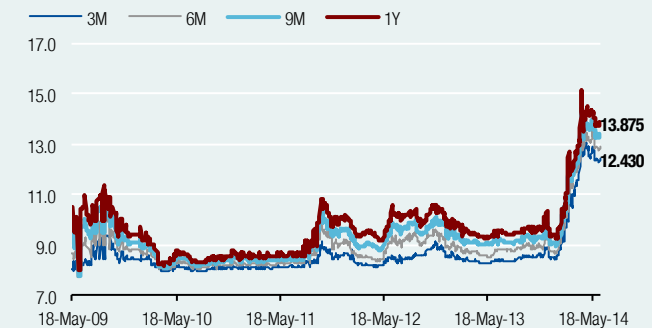


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

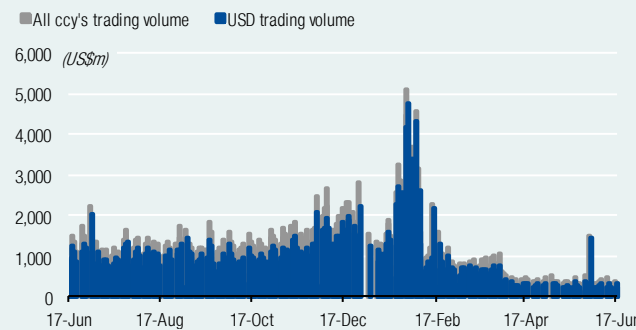


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.



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)

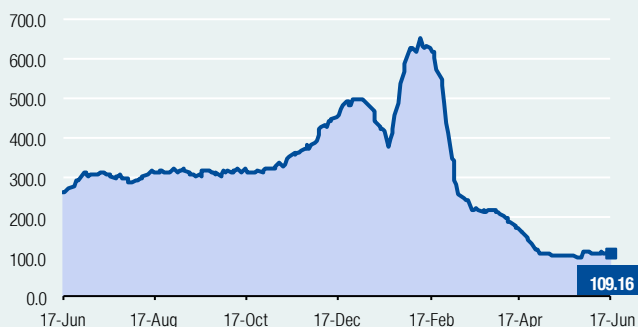


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)



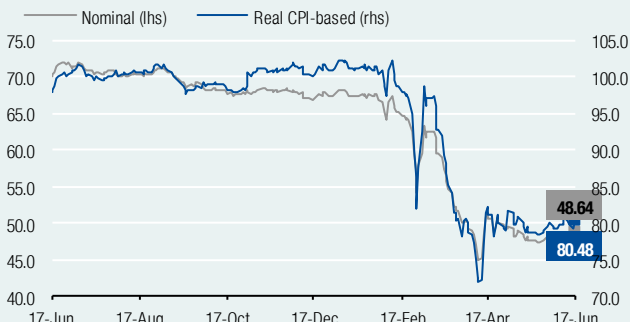
Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

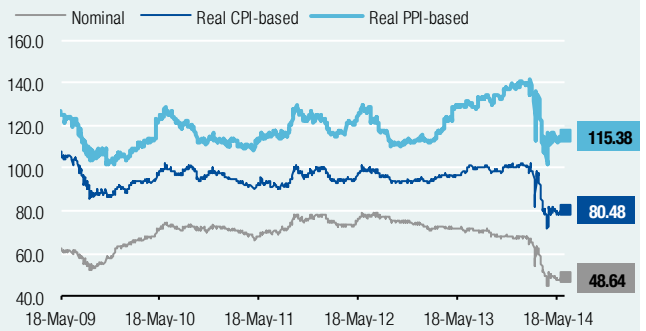
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

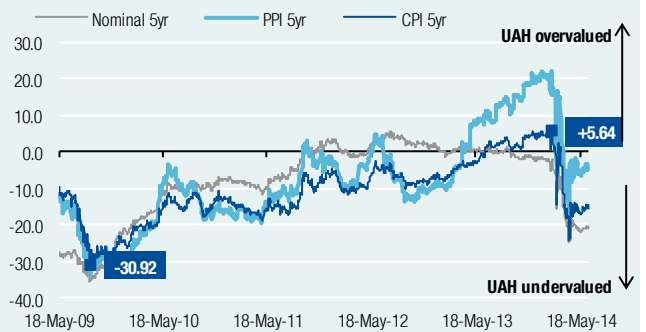


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

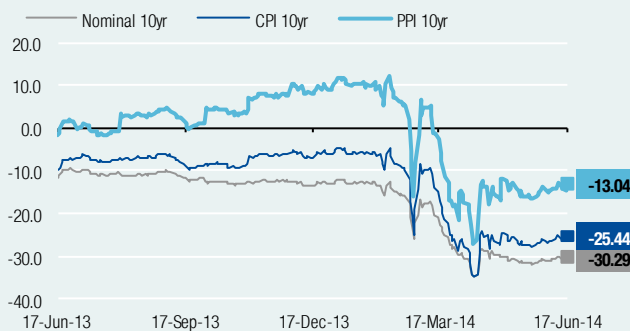


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

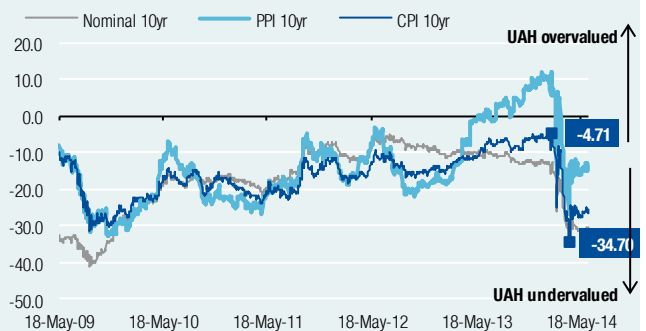


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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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