


**INVESTMENT CAPITAL UKRAINE**  
 INVESTMENT BANKING

# Daily Insight

Liquidity reallocation; Eurobonds steady; Services sector extends decline; UAH appears staked to 12/USD

TUESDAY, 24 JUNE, 2014

RESEARCH INSIGHT

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### UX Index (3 months to 24 Jun 2014)



### Key market indicators (as of 23 Jun 2014)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	11.8600	-0.38	+43.93
USD/UAH (1Y NDF)	13.8550	-0.87	+47.08
EUR/USD	1.3605	+0.04	-1.00
USD/RUB	34.1584	-0.91	+3.92
KievPRIME O/N (%)	5.13	-27bp	-267bp
KievPRIME 1M (%)	17.31	+16bp	+106bp

### BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	-8,900bp	-8,900bp
Ukraine 17, Eurobond (%)	9.24	-37bp	-31bp
Ukraine 22, Eurobond (%)	9.10	-13bp	-24bp
Ukraine 23, Eurobond (%)	8.91	-3bp	-13bp
Ukraine 5Y CDS	831bp	-4bp	+14bp

### EQUITIES

#### Stock market indices

UX (Ukraine)	1,226.24	+0.88	+34.75
MSCI World	429.00	-0.07	+5.01
MSCI EM	1,042.33	-0.15	+3.95
RTS (Russia)	1,369.10	+0.76	-5.10
WIG-20 (Poland)	2,475.89	+0.56	+3.12
S&P 500 (USA)	1,962.61	-0.01	+6.18

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

CEEN UK	0.41	26.1% of total <sup>1</sup>
MHPC LI	0.38	24.2%
BAVL UK	0.25	16.1%

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

AGT PW	PLN 3.03	+11.40	+55.38
MLK PW	PLN 7.10	+9.06	-43.20
CLE PW	PLN 1.34	+2.29	+27.62

#### 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. 3; green- or red-shaded box means gain or loss, respectively, of the index or security.

Sources: Bloomberg, UX, Investment Capital Ukraine LLC.

# Economics: News & Comments

## **Services sector extends its decline in May on the security issue**

The decline in Ukraine's services sector accelerated in May, according to the seasonally adjusted monthly data constructed from the State Statistics Service of Ukraine. Last month, the sector contracted 2.3% YoY, following April's 0.7% decline from the previous year, signaling that 2Q will be weak, registering the first quarterly year-on-year contraction of the sector in the last four years. As this sector accounts for more than a 50% share of the GDP, the economy in 2Q is expected to decline more severely than the 1.1% drop reported in 1Q.

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Table 1. Ukrainian stocks (closing prices as of 23-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	9.50 GBP	+0.0	+2.7	-8.4	-41.1	0.16	37.4	-25.7	40.2	15.0	0.0	8.8	0.05	2,085	Neg.	Neg.	Neg.	3.9	8.0	16.1	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.33 UAH	+0.0	+8.8	+53.6	+59.9	0.62	228.2	281.7	21.7	49.5	410.8	250.6	0.75	134	5.6	4.9	3.5	0.5	3.8	2.2	0.4	0.4	0.3	1.1	12.2
Coal Energy	CLE PW	Warsaw	1.34 PLN	+2.3	+4.7	+27.6	-61.8	0.44	19.7	114.0	25.0	4.9	10.0	76.4	0.85	118	Neg.	Neg.	4.9	5.1	14.3	3.9	0.9	1.1	1.0	0.2	39.8
Donbasenergo	DOEN UK	Kiev, UX	40.40 UAH	+0.0	-10.6	+46.4	+85.9	3.41	80.5	120.6	14.2	11.5	62.7	53.4	0.65	155	1.8	2.0	2.3	0.5	1.8	1.3	0.3	0.2	0.2	1.5	17.8
JKX Oil & Gas	JKX LN	London	58.75 GBP	+0.0	-1.3	-17.8	+5.9	1.00	171.8	178.3	47.2	81.1	25.5	67.5	0.04	2,539	26.4	15.2	6.2	2.7	2.2	2.0	1.0	0.9	0.8	0.3	5.5
Regal Petroleum	RPT LN	London	8.50 GBP	+0.0	-4.2	-34.6	-56.1	0.14	46.4	19.6	80.9	37.5	0.0	7.0	0.02	4,225	Neg.	23.2	N/A	0.9	0.8	N/A	0.5	0.4	N/A	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	145.00 UAH	+0.0	+4.4	+60.4	+88.3	12.23	156.4	133.9	5.0	7.8	0.3	3.6	0.06	1,676	3.2	N/A	N/A	0.9	N/A	N/A	0.1	N/A	N/A	3.6	0.0
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	+0.0	+11.6	-3.6	-12.8	0.00	81.3	1,264.9	3.9	3.1	53.6	19.2	1.09	92	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	3.31 UAH	+0.0	+3.1	+11.8	+4.3	0.28	54.4	51.4	4.0	2.2	25.1	24.5	2.14	47	Neg.	30.0	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	+0.0	+1.4	+16.9	+27.5	0.07	277.5	270.5	4.1	11.4	7.2	17.1	0.24	410	Neg.	N/A	Neg.	Neg.	N/A	7.7	0.1	N/A	0.1	0.2	0.0
Ferrexpo PLC	FXPO LN	London	125.30 GBP	+0.9	-8.9	-32.6	-4.4	2.13	1,255.8	1,917.0	22.4	281.3	87.0	1,613.8	0.69	146	4.8	5.4	6.4	3.8	4.3	4.7	1.2	1.2	1.3	0.8	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.82 UAH	+0.0	+31.5	+53.8	+43.0	0.07	18.8	20.0	9.0	1.7	0.0	6.6	0.70	143	Neg.	1.6	0.9	0.1	0.7	0.5	0.1	0.1	0.0	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	44.39 UAH	+0.0	+26.0	+38.7	+27.4	3.74	39.5	35.1	9.4	3.7	28.6	22.4	1.04	96	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	1.09 EUR	+0.0	+9.0	-12.1	-30.1	1.48	137.0	163.9	34.0	46.6	1.5	40.2	0.07	1,334	Neg.	N/A	N/A	Neg.	N/A	N/A	2.2	N/A	N/A	1.2	35.9
Agroliga	AGL PW	Warsaw	19.46 PLN	+0.0	+10.3	-25.0	-6.4	6.37	9.8	10.7	16.7	1.6	2.8	4.9	0.36	281	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	3.03 PLN	+11.4	+28.9	+55.4	+17.9	0.99	21.5	66.8	26.2	5.6	114.7	203.9	3.31	30	Neg.	3.1	2.7	25.0	7.0	4.2	0.8	0.8	0.8	0.2	28.4
Astarta Holdin...	AST PW	Warsaw	45.89 PLN	+2.0	+13.6	-31.4	-27.2	15.01	375.3	693.0	31.0	116.4	0.0	179.1	0.18	554	10.7	8.2	5.3	9.1	5.2	5.6	1.4	1.4	1.3	1.0	38.2
Avangard	AVGR LI	London Intl	9.50 USD	-4.0	+9.2	-19.1	+9.2	9.50	606.8	837.7	21.7	131.7	0.3	212.0	0.19	529	2.6	2.7	2.6	2.8	2.8	2.8	1.3	1.1	1.1	0.0	17.8
IMC	IMC PW	Warsaw	10.29 PLN	+0.9	+14.3	-15.3	-24.9	3.37	105.4	230.6	23.9	25.2	1.4	77.1	0.29	341	4.0	9.5	2.3	4.3	4.0	3.2	2.0	1.2	0.9	0.7	38.7
Kernel Holding...	KER PW	Warsaw	34.81 PLN	+1.4	+29.6	-8.6	-28.0	11.39	907.4	1,930.7	58.8	533.3	104.0	3,812.4	0.93	107	8.2	17.5	5.9	6.6	7.4	5.7	0.7	0.8	0.7	0.7	30.6
MHP	MHPC LI	London Intl	14.85 USD	+0.0	+6.1	-12.9	-12.6	14.85	1,569.2	2,730.0	22.3	350.2	380.8	1,495.5	0.26	387	10.1	5.8	5.2	7.0	5.6	5.3	1.8	1.8	1.6	2.7	19.6
Milkiland	MLK PW	Warsaw	7.10 PLN	+9.1	+35.2	-43.2	-36.3	2.32	72.6	202.9	20.0	14.5	4.1	11.3	0.13	768	4.9	N/A	3.6	6.1	3.9	3.6	0.4	0.5	0.4	0.3	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	4.51 EUR	-2.4	-14.2	-16.5	+6.2	6.13	651.5	1,383.4	20.0	130.3	0.0	13.7	0.02	4,948	3.7	4.6	7.5	6.0	5.4	5.1	4.0	3.7	3.3	0.7	34.8
Ovostar Union	OVO PW	Warsaw	72.99 PLN	-1.4	+7.3	-27.0	-4.7	23.88	143.3	152.1	25.0	35.8	0.2	19.8	0.06	1,564	4.7	7.1	7.0	4.1	5.8	5.2	1.7	1.8	1.4	1.1	8.5
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Xetra	0.22 EUR	+0.0	+25.7	-32.2	-50.9	0.29	15.1	174.5	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	+0.0	N/A	N/A	N/A	0.02	9.0	N/A	5.5	0.5	0.0	N/A	N/A	N/A	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	+0.0	-4.5	+35.4	+52.7	0.01	388.5	N/A	3.8	14.8	253.5	98.6	1.31	77	4.5	Neg.	12.9	N/A	N/A	N/A	N/A	N/A	N/A	0.6	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.17 UAH	+0.0	-0.4	-11.0	+31.8	0.01	255.3	N/A	4.5	11.4	1.8	7.6	0.14	717	Neg.	14.1	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 23-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 stable with fund reallocations

Banks' correspondent accounts with the NBU rose UAH0.90bn to UAH28.84bn while total CDs outstanding declined UAH0.68bn to UAH8.70bn and total local currency debt repayments scheduled for the next 30 days remained steady at UAH4.01bn. As a result, broader banking sector liquidity rose UAH0.22bn to UAH41.55bn.

KyivPrime interest rates slightly diverged, returning to last Thursday's level: the KyivPrime ON interest rate declined 27bp to 5.13% while the KyivPrime 1M interest rate rose 16bp to 17.31%.

**Investment implications: The NBU did not support liquidity last Friday, as funds were reallocated from CDs outstanding, which declined slightly, to banks' correspondent accounts. Month-end tax payments began yesterday, putting significant pressure on liquidity this week.**

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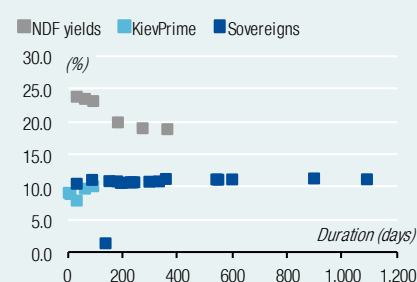
## Eurobonds mostly stable

Ukrainian Eurobonds for the most part remained stable at about 9.0% as there were no further developments in gas talks or in the situation in eastern Ukraine. As a result, the yield curve adjusted to the range of 8.91-10.00%, as UKRAIN 6.875% '15 remained steady at 10.00%, UKRAIN 9.25% '17 declined 5bp to 9.54%, UKRAIN 7.80% '22 was up 4bp to 9.26%, while and UKRAIN 7.95% '21 and UKRAIN 7.50% '23 rose 14bp to 9.03% and 9.07% respectively. The 5-year CDS declined to 831bp.

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### Yield curve of the local bond market

(as of market close on 23 Jun 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

### Bond market indicators (as of 23 Jun 2014)

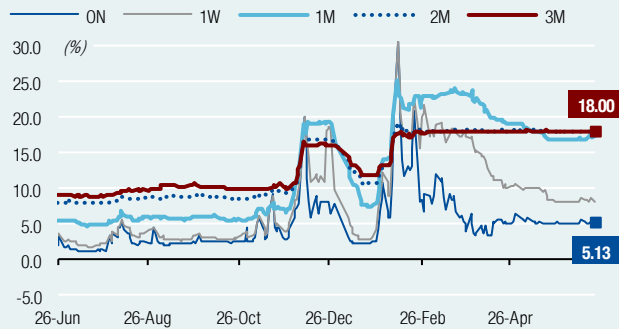
	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
0/n	5.13	-27bp	-25bp	+8bp	-267bp
1wk	8.06	-54bp	-44bp	-42bp	-174bp
1m	17.31	+16bp	+31bp	+41bp	+106bp
2m	18.00	+0bp	+0bp	-10bp	+160bp
3m	18.00	+0bp	+0bp	-10bp	+200bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	28,844	+3.23	-10.87	+6.40	-11.80
CDs <sup>2</sup>	8,696	-52.71	+16.68	-44.83	+472.1
Sovgns <sup>3</sup>	4,558	+13.34	-5.61	+19.18	+204.9
<b>Total</b>	<b>42,098</b>	<b>-16.39</b>	<b>-5.70</b>	<b>-9.85</b>	<b>+17.87</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	185,666	+0.00	+0.00	+4.95	+28.18
Banks	85,307	+0.23	+0.89	+1.65	+6.41
Resid's <sup>4</sup>	11,836	-1.96	+15.28	+14.55	-4.53
Non-res <sup>5</sup>	16,367	+0.43	+1.75	+1.74	+39.91
<b>Total</b>	<b>299,176</b>	<b>+0.01</b>	<b>+0.88</b>	<b>+4.15</b>	<b>+20.10</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	18.81	+212bp	+380bp	-13ppt	+666bp
6m	17.92	+61bp	+194bp	-919bp	+452bp
9m	17.50	-37bp	+132bp	-553bp	+349bp
1yr	17.46	-59bp	+101bp	-242bp	+247bp
<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	831	-4bp	-54bp	-119bp	+14bp
Jun '16	9.37	-17bp	-56bp	-39bp	+48bp
Jul '17	9.24	-37bp	-49bp	-91bp	-31bp
Sep '20	8.99	+38bp	+2bp	-9bp	-21bp
Sep '21	8.88	-2bp	-14bp	-27bp	-34bp
Sep '22	9.10	-13bp	-25bp	-21bp	-24bp
Feb '23	8.91	-3bp	-15bp	-9bp	-13bp

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.

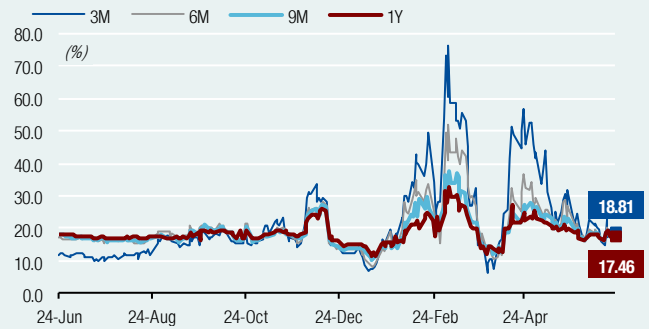
Sources: Bloomberg, Investment Capital Ukraine LLC.

**Chart page: Local bond market & Eurobond markets**

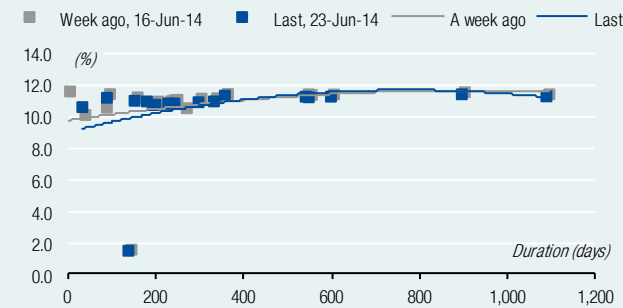
**Chart 1. Kiev Prime rates (%), last 12-month period**



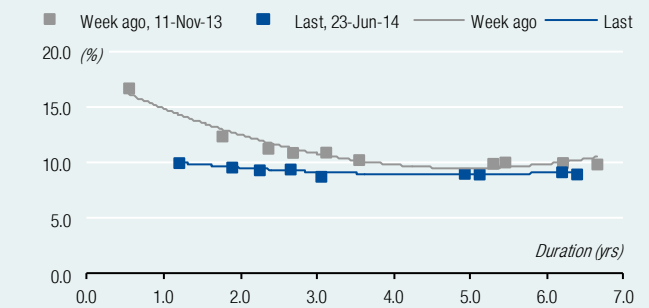
**Chart 2. UAH NDF implied yields (%), last 12-month period**



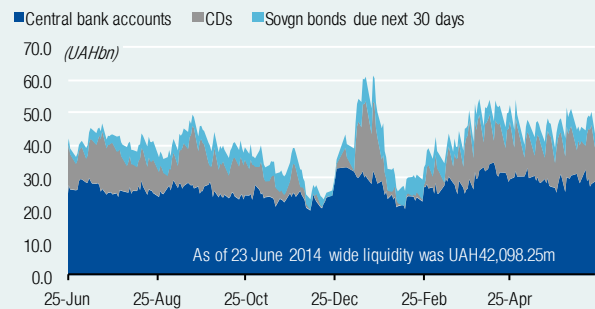
**Chart 3. UAH sovereign yield curve (%) as of 23 Jun 2014**



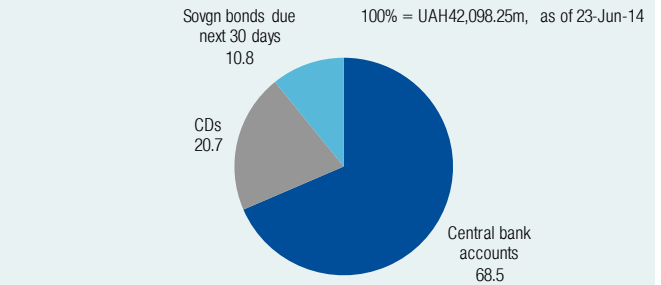
**Chart 4. USD sovereign yield curve (%) as of 23 Jun 2014**



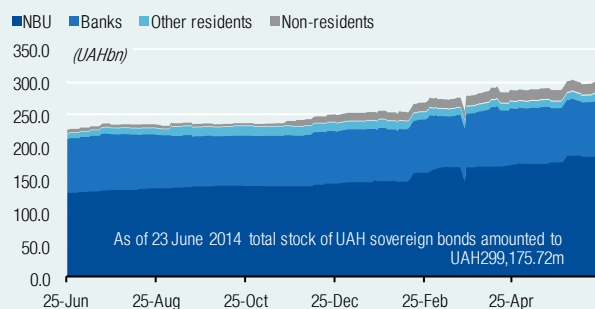
**Chart 5. Banking sector liquidity (UAHbn), last 12-month period**



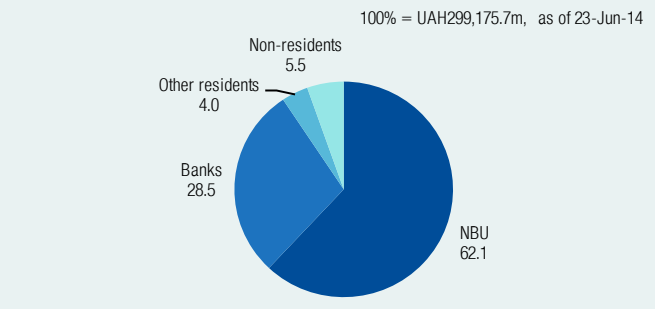
**Chart 6. Breakdown of liquidity pool (%) as of 23 Jun 2014**



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



**Chart 8. Domestic sovereign debt (%) as of 23 Jun 2014**



# FX: News & Comments

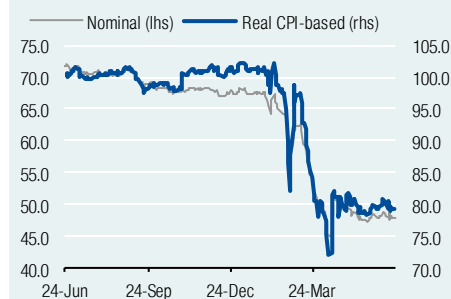
## UAH appears staked to 12/USD

In quiet trading yesterday, the UAH rate changed little from the previous session's close. The market appears to have the NBU defending the current rate, similar to trading six months ago. This sleepy situation could last until late summer when the IMF will perform its stress testing in its final phase of clarifying its recapitalization plans.

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### ICU's UAH trade-weighted indices

(Last 12-month history to 24 Jun 2014)



Source: Investment Capital Ukraine LLC.

### FX market indicators (as of 23 Jun 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	11.8600	-0.38	-0.50	-0.75	+43.93
NBU avg	11.8783	+0.20	+1.11	+1.39	+45.73
Tt vlm <sup>1</sup>	323.88	-21.76	-16.22	+0.30	-88.44
\$ volume <sup>2</sup>	241.12	-21.74	-21.21	+13.90	-89.09
NDF 3M	12.4100	+0.13	+0.40	-3.80	+46.26
NDF 6M	12.9050	-0.10	+0.39	-4.76	+46.98
NDF 1Y	13.8550	-0.87	+0.36	-2.77	+47.08
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	47.874	+0.04	-0.02	+1.14	-29.12
UAH real CPI	79.222	+0.04	-0.02	+1.14	-21.62
UAH real PPI	113.574	+0.04	-0.02	+1.14	-18.17
USD nom'l	80.272	-0.12	-0.25	-0.15	+0.30
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	34.1584	-0.91	-1.42	+0.01	+3.92
EUR/USD	1.3605	+0.04	+0.23	-0.18	-1.00
USD/CNY	6.2264	+0.01	+0.03	-0.16	+2.84
USD/PLN	3.0590	-0.22	+0.28	+0.38	+1.19
USD/TRY	2.1373	-0.19	-0.28	+2.68	-0.51
USD/BYR	10,190.00	+0.05	+0.10	+1.19	+6.81
USD/KZT	183.4900	-0.01	-0.02	+0.31	+18.94
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	101.9300	-0.14	+0.10	-0.04	-3.21
GBP/USD	1.7027	+0.08	+0.25	+1.16	+2.84
USD/CHF	0.8943	-0.09	-0.31	-0.17	+0.16
AUD/USD	0.9422	+0.36	+0.22	+2.07	+5.66
USD/CAD	1.0732	-0.24	-1.04	-1.19	+1.03
USD/BRL	2.2192	-0.48	-0.71	-0.18	-6.05
USD/KRW	1,018.53	-0.20	-0.13	-0.61	-2.98
<b>COMMODITIES</b>					
Gold(\$/oz)	1,317.36	+0.19	+3.58	+1.92	+9.27
WTI crude <sup>3</sup>	106.82	-0.41	-0.07	+1.78	+8.53
Brent crd <sup>3</sup>	113.66	-0.78	+0.69	+1.75	+2.56
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	312.02	-0.29	+0.71	+1.22	+11.37

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>).

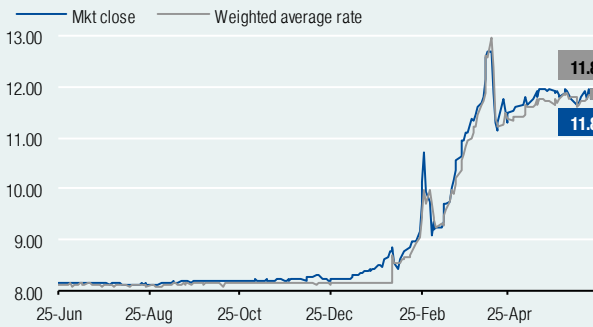
Section on FX market is continued on next page.

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.

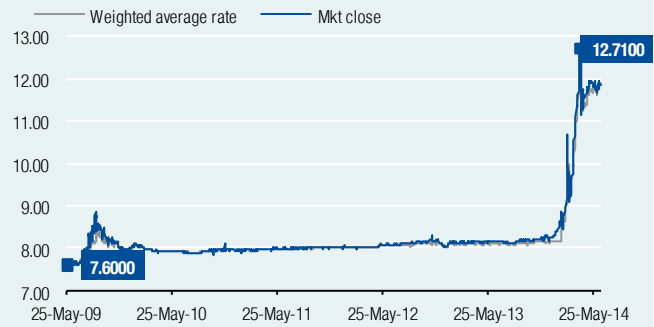
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

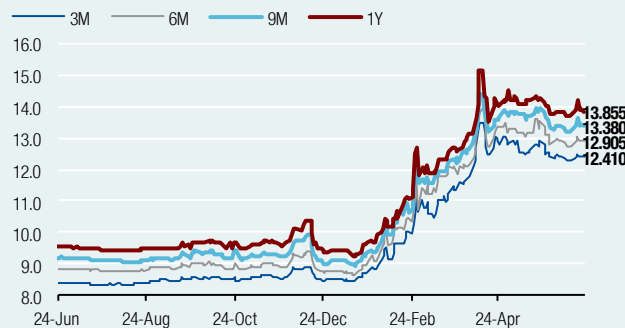


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

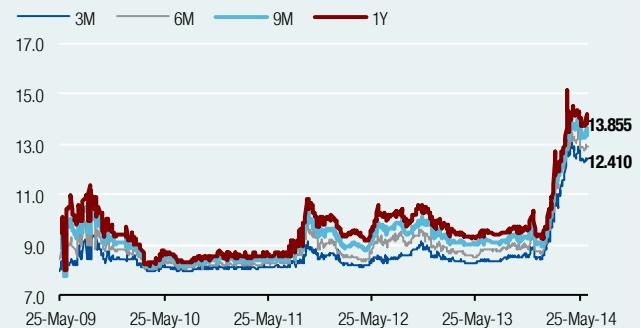


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

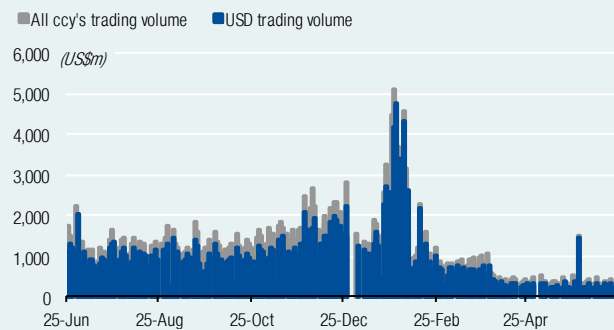


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.



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)

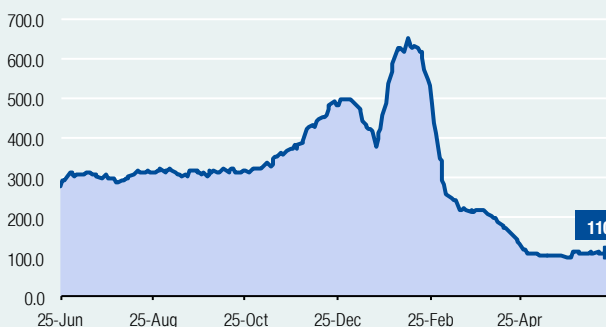


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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.

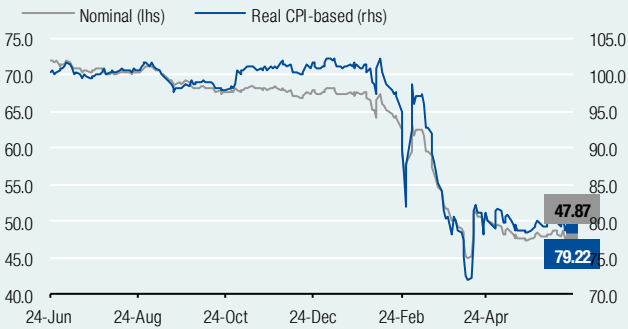




## Chart page #2: ICU's UAH trade-weighted indices

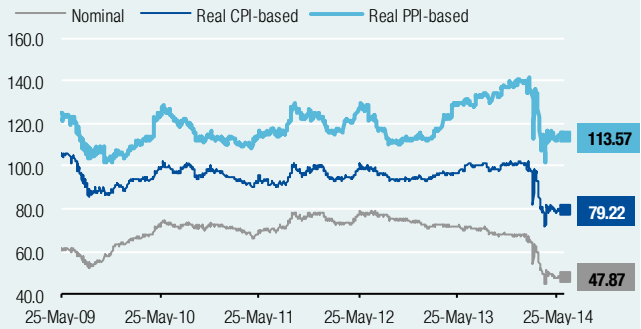
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



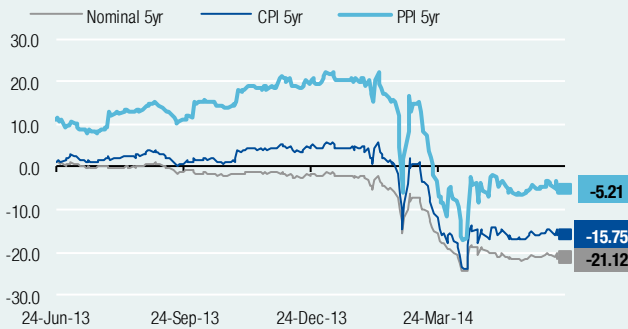
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

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

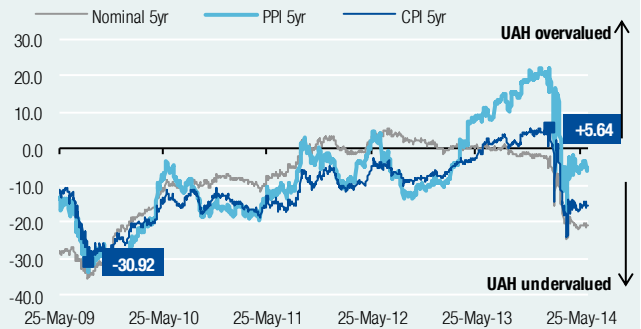


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

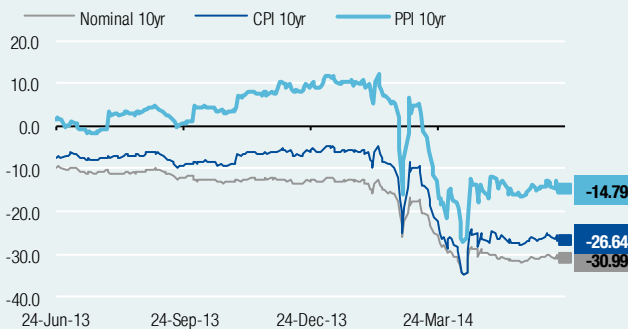


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

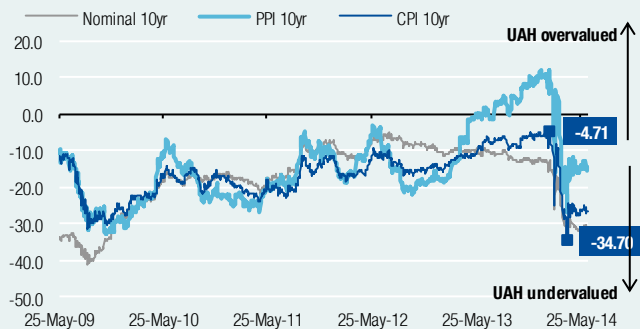


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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

**Buy:** Forecasted 12-month total return significantly greater than that of relevant benchmark

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