


 INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

Liquidity recovers slightly; Eurobonds rebound;
 Putin responds to peace plan; UAH held at 12/USD

WEDNESDAY, 25 JUNE, 2014

RESEARCH INSIGHT

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UX Index (3 months to 25 Jun 2014)



Key market indicators (as of 24 Jun 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	11.9250	+0.55	+44.72
USD/UAH (1Y NDF)	13.8550	+0.00	+47.08
EUR/USD	1.3606	+0.01	-1.00
USD/RUB	33.7700	-1.14	+2.74
KievPRIME O/N (%)	5.13	+0bp	-267bp
KievPRIME 1M (%)	17.31	+0bp	+106bp

BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	-8,900bp	-8,900bp
Ukraine 17, Eurobond (%)	8.29	-95bp	-127bp
Ukraine 22, Eurobond (%)	8.49	-61bp	-86bp
Ukraine 23, Eurobond (%)	8.30	-61bp	-75bp
Ukraine 5Y CDS	766bp	-65bp	-51bp

EQUITIES

Stock market indices

UX (Ukraine)	1,233.69	+0.61	+35.56
MSCI World	427.40	-0.37	+4.61
MSCI EM	1,048.14	+0.56	+4.53
RTS (Russia)	1,421.07	+3.80	-1.50
WIG-20 (Poland)	2,459.77	-0.65	+2.45
S&P 500 (USA)	1,949.98	-0.64	+5.50

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

MHPC LI	2.08	24.2% of total ¹
KER PW	1.70	19.8%
FXPO LN	1.63	19.0%

GAINERS: Top 3 stocks (in listed currency)

FORM UK	UAH 0.24	+34.64	N/A
AGT PW	PLN 3.19	+17.28	+63.59
MLK PW	PLN 7.15	+9.83	-42.80

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

Poroshenko peace plan receives a controversial bow from Putin

As Ukrainian military casualties mount, Putin requested the Russian parliament to cancel its previous decision to allow the Russian army to invade Ukraine. Although Putin's request appears to follow the Ukrainian peace plan proposed by Poroshenko, Ukrainian authorities are well aware of Russia's deceptive tactics. Moreover, the West appears to support the peace plan as well, anticipating complications from Russia. As Putin's controversial decision appears to be a quick fix to appease the West, we expect the Kremlin to continue its long-term strategy of undermining the newly elected Ukrainian authorities through tough economic and security threats. Hence, we remain skeptical of any market rally involving Ukrainian and Russian assets.

Alexander Valchyshen, Kiev, +38044 2200120 ext.242

Table 1. Ukrainian stocks (closing prices as of 24-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	+0.0	+2.7	-8.4	-41.1	0.16	37.3	-25.8	40.2	15.0	0.0	8.6	0.05	2,165	Neg.	Neg.	Neg.	3.9	8.1	16.1	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.40 UAH	+1.0	+9.9	+55.2	+62.4	0.62	228.9	282.1	21.7	49.7	536.1	256.0	0.76	132	5.6	5.0	3.5	0.5	3.8	2.2	0.5	0.4	0.3	1.1	12.2
Coal Energy	CLE PW	Warsaw	1.33 PLN	+1.5	+3.9	+26.7	-63.6	0.44	19.6	113.9	25.0	4.9	67.4	75.8	0.76	132	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	39.80 UAH	-1.5	-11.9	+44.3	+80.9	3.33	78.8	118.6	14.2	11.2	83.4	52.8	0.68	147	1.8	1.9	2.2	0.5	1.8	1.3	0.2	0.2	0.2	1.4	17.8
JKX Oil & Gas	JKX LN	London	58.50 GBP	-0.4	-1.7	-18.2	+1.7	0.99	170.5	177.0	47.2	80.5	97.4	67.5	0.04	2,258	26.2	15.0	6.1	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	-52.8	0.14	46.3	19.4	80.9	37.4	0.0	6.8	0.02	4,225	Neg.	23.1	N/A	0.9	0.7	N/A	0.5	0.4	N/A	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	144.00 UAH	-0.7	+3.7	+59.3	+105.7	12.06	154.3	131.9	5.0	7.7	0.3	3.5	0.06	1,659	3.2	N/A	N/A	0.9	N/A	N/A	0.1	N/A	N/A	3.5	0.0
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	-0.5	+11.0	-4.2	-14.2	0.00	80.3	1,256.1	3.9	3.1	55.4	19.6	1.16	86	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	3.32 UAH	+0.3	+3.4	+12.2	+3.7	0.28	54.2	51.2	4.0	2.2	84.7	25.4	2.28	44	Neg.	30.1	0.8	Neg.	1.0	0.4	0.1	0.1	0.0	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.79 UAH	+1.1	+2.6	+18.2	+29.8	0.07	278.9	271.9	4.1	11.4	78.9	18.2	0.27	374	Neg.	N/A	Neg.	Neg.	N/A	7.8	0.1	N/A	0.1	0.2	0.0
Ferrexpo PLC	FXPO LN	London	124.40 GBP	+0.2	-9.5	-33.1	-8.8	2.11	1,242.8	1,904.0	22.4	278.4	1,634.5	1,597.7	0.68	148	4.7	5.3	6.3	3.8	4.3	4.6	1.2	1.2	1.2	0.8	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.71 UAH	-13.3	+14.0	+33.4	+19.8	0.06	16.2	17.4	9.0	1.5	9.1	5.8	0.82	122	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	45.99 UAH	+3.6	+30.5	+43.7	+31.3	3.85	40.6	36.3	9.4	3.8	165.1	25.4	1.15	87	7.0	N/A	Neg.	Neg.	N/A	1.1	0.0	N/A	0.0	1.1	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	1.07 EUR	-1.8	+7.0	-13.7	-29.6	1.46	134.5	161.5	34.0	45.7	19.6	39.1	0.08	1,301	Neg.	N/A	N/A	Neg.	N/A	N/A	2.2	N/A	N/A	1.1	35.9
Agroliga	AGL PW	Warsaw	19.86 PLN	+2.1	+12.5	-23.4	-3.6	6.50	10.0	10.9	16.7	1.7	1.2	4.9	0.28	360	2.3	N/A	N/A	3.2	N/A	N/A	0.5	N/A	N/A	0.8	5.7
Agroton	AGT PW	Warsaw	3.19 PLN	+17.3	+35.7	+63.6	+24.6	1.04	22.6	67.9	26.2	5.9	651.2	221.8	3.15	32	Neg.	3.2	2.8	25.4	7.2	4.2	0.8	0.8	0.8	0.2	28.4
Astarta Holdin...	AST PW	Warsaw	45.00 PLN	+0.0	+11.4	-32.7	-27.3	14.74	368.4	686.2	31.0	114.3	206.2	176.3	0.19	525	10.5	8.0	5.2	9.1	5.2	5.5	1.4	1.4	1.3	1.0	38.2
Avangard	AVGR LI	London Intl	9.53 USD	-3.7	+9.5	-18.9	+5.9	9.53	608.7	839.7	21.7	132.1	233.3	213.0	0.19	519	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	10.39 PLN	+1.9	+15.4	-14.5	-22.0	3.40	106.5	231.7	23.9	25.4	229.2	80.3	0.31	318	4.1	9.6	2.3	4.3	4.0	3.3	2.0	1.2	0.9	0.7	38.7
Kernel Holding...	KER PW	Warsaw	34.50 PLN	+0.5	+28.5	-9.4	-28.9	11.30	900.3	1,923.5	58.8	529.1	1,699.2	3,749.2	0.91	110	8.1	17.4	5.9	6.6	7.4	5.6	0.7	0.8	0.7	0.7	30.6
MHP	MHPC LI	London Intl	14.90 USD	+0.3	+6.5	-12.6	-12.4	14.90	1,574.4	2,735.3	22.3	351.4	2,081.2	1,510.0	0.28	356	10.1	5.8	5.3	7.0	5.6	5.3	1.8	1.8	1.6	2.7	19.6
Milkiland	MLK PW	Warsaw	7.15 PLN	+9.8	+36.2	-42.8	-39.1	2.34	73.2	203.6	20.0	14.6	8.3	11.4	0.11	892	5.0	N/A	3.7	6.1	3.9	3.6	0.4	0.5	0.4	0.3	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	4.51 EUR	+0.1	-14.1	-16.5	+6.3	6.14	652.2	1,384.1	20.0	130.4	0.0	13.5	0.02	5,354	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	-7.6	23.90	143.4	152.2	25.0	35.9	0.2	19.5	0.06	1,653	4.7	7.1	7.0	4.1	5.8	5.2	1.7	1.8	1.4	1.1	8.5
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.23 EUR	+0.0	+31.6	-29.0	-48.6	0.31	15.9	175.2	13.1	2.1	0.0	0.2	0.00	24,136	Neg.	N/A	N/A	Neg.	N/A	N/A	8.0	N/A	N/A	0.1	44.1
FINANCIAL SERVICES																											
Forum Bank	FORM UK	Kiev, UX	0.24 UAH	+34.6	N/A	N/A	N/A	0.02	12.0	N/A	5.5	0.7	0.4	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	0.16 UAH	+1.2	-3.3	+37.0	+54.2	0.01	390.4	N/A	3.8	14.9	612.5	107.4	1.47	68	4.6	Neg.	13.1	N/A	N/A	N/A	N/A	N/A	N/A	0.6	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.17 UAH	-0.7	-1.1	-11.6	+27.5	0.01	251.8	N/A	4.5	11.3	37.9	7.9	0.15	665	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 24-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 recovers slightly

Broader banking sector liquidity rose UAH1.24bn to UAH42.78bn as the NBU increased total CDs outstanding by UAH1.83bn to UAH10.53bn while banks' correspondent accounts with the NBU declined UAH1.13bn to UAH27.72bn. Total local currency debt repayments scheduled for the next 30 days rose UAH0.54bn to UAH4.55bn.

KyivPrime interest rates remained unchanged with the KyivPrime ON rate at 5.13% and the KyivPrime 1M rate at 17.31%.

Investment implications: Despite month-end tax payments that began on Monday, yesterday's liquidity indicators did not reflect these outflows or were lower than the increase in liquidity. We continue to expect liquidity to decline further this week, especially at the end of this week, although the NBU could support liquidity either with loans that have longer than overnight maturities or banks could use funds from ON CD redemptions for tax payments.

Eurobonds rebound

Ukrainian Eurobond prices mostly rose above 95, and some to above 100, on positive news. The yield curve adjusted to the range of 7.57-8.49% at the close as UKRAIN 6.875% '15 declined 199bp to 8.02%, UKRAIN 9.25% '17 was down 126bp to 8.28%, UKRAIN 7.95% '21 fell 82bp to 8.21%, while UKRAIN 7.80% '22 and UKRAIN 7.50% '23 declined 77bp to 8.49% and 8.30%, respectively. The 5-year CDS declined to 766bp.

Investment implications: On positive anticipations of IMF negotiations that began yesterday, the rebound began, albeit slightly. However, the recovery accelerated when Putin requested that the Russian army not enter Ukraine after Ukraine fulfilled its debut coupon payment on UKRAIN 5.00% '15. The yield curve decreased significantly to levels not seen in quite some time.

Primary auction results

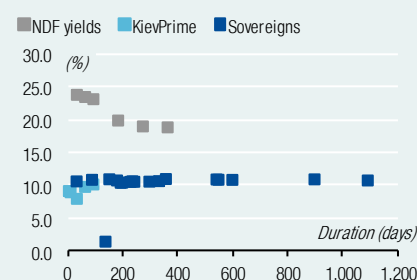
At the second primary auction this month, the MoF again did not use domestic QE to support demand. This time, however, the MoF attracted moderate but stable market demand after it increased interest rates on zero-coupon and 2-year coupon bearing bonds. Last sold at the end of May at 14.30%, the 5-year bond attracted no demand yesterday, while the 2-year bond received three bids at last week's cut-off rate for UAH55.0m, only UAH1.97m less than that seen a week before. As a result, the MoF attracted UAH55.17m of proceeds against debt principal and interest repayments of UAH1.28bn, including UAH0.28bn of repayments denominated in FX.

Investment implications: Thereby, some market players invested funds in new bonds at yields above 17.72%. This could reflect market anticipations that interest rates are unlikely to decline or rise significantly.

Taras Kotovych, Kiev, +38044 2200120 ext.244

Yield curve of the local bond market

(as of market close on 24 Jun 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 24 Jun 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
0/n	5.13	+0bp	+0bp	+8bp	-267bp
1wk	8.06	+0bp	-21bp	-42bp	-174bp
1m	17.31	+0bp	+31bp	+41bp	+106bp
2m	18.00	+0bp	+0bp	-10bp	+160bp
3m	18.00	+0bp	+0bp	-10bp	+200bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	27,716	-3.91	-3.80	+2.23	-15.25
CDs ²	17,109	+96.75	+16.13	+8.54	+1,025.6
Sovgns ³	4,558	+0.00	-5.61	+19.18	+204.9
Total	49,383	+17.30	+2.09	+5.75	+38.26
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	185,666	+0.00	+0.00	+4.95	+28.18
Banks	85,428	+0.14	+0.93	+1.79	+6.56
Resid's ⁴	11,805	-0.26	+15.16	+14.25	-4.77
Non-res ⁵	16,395	+0.17	+1.78	+1.91	+40.14
Total	299,294	+0.04	+0.89	+4.19	+20.14
NDF IMPLIED YIELDS (%)					
3m	16.52	-229bp	-635bp	-16ppt	+437bp
6m	14.12	-380bp	-590bp	-13ppt	+72bp
9m	15.50	-200bp	-345bp	-754bp	+149bp
1yr	16.82	-64bp	-176bp	-307bp	+183bp
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	766	-65bp	-119bp	-184bp	-51bp
Jun '16	7.58	-179bp	-221bp	-218bp	-131bp
Jul '17	8.29	-95bp	-147bp	-186bp	-127bp
Sep '20	8.17	-82bp	-85bp	-84bp	-103bp
Sep '21	8.21	-67bp	-85bp	-86bp	-101bp
Sep '22	8.49	-61bp	-90bp	-83bp	-86bp
Feb '23	8.30	-61bp	-80bp	-71bp	-75bp

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

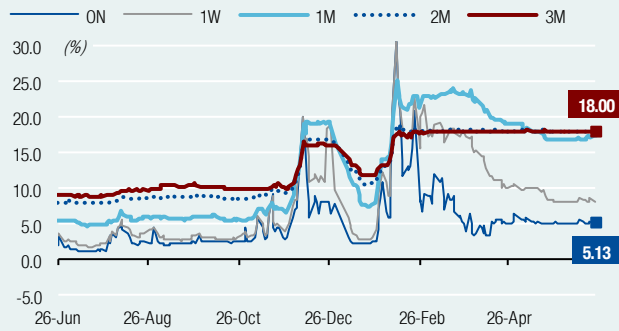


Chart 2. UAH NDF implied yields (%), last 12-month period



Chart 3. UAH sovereign yield curve (%) as of 24 Jun 2014

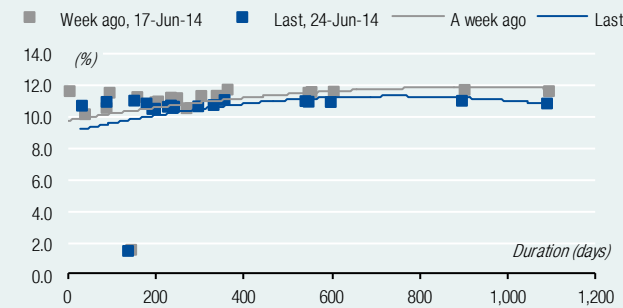


Chart 4. USD sovereign yield curve (%) as of 24 Jun 2014

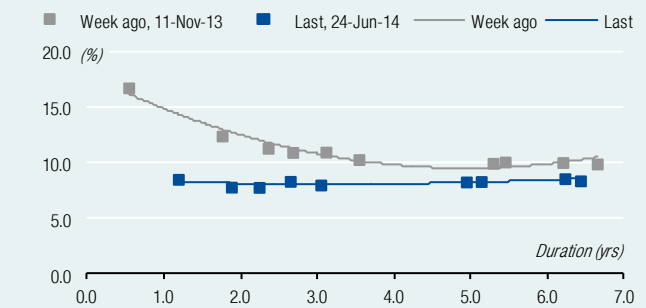


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

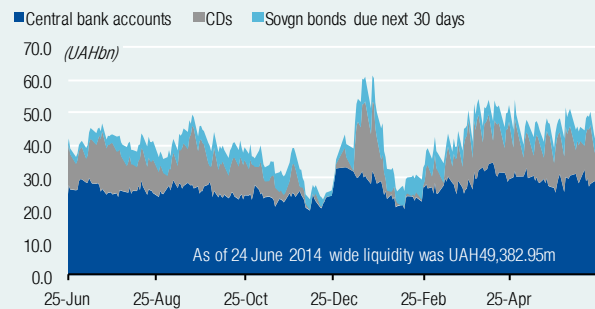


Chart 6. Breakdown of liquidity pool (%) as of 24 Jun 2014

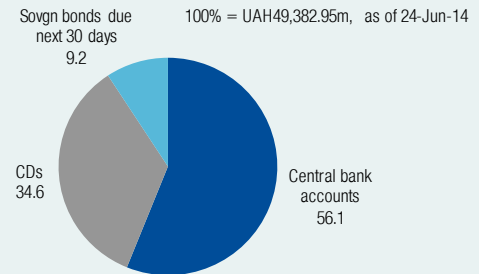


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

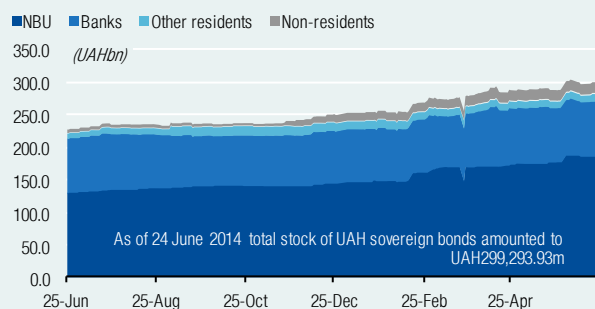
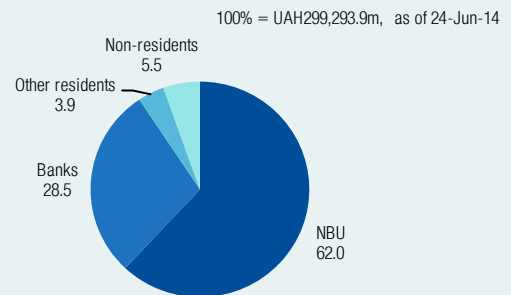


Chart 8. Domestic sovereign debt (%) as of 24 Jun 2014



FX: News & Comments

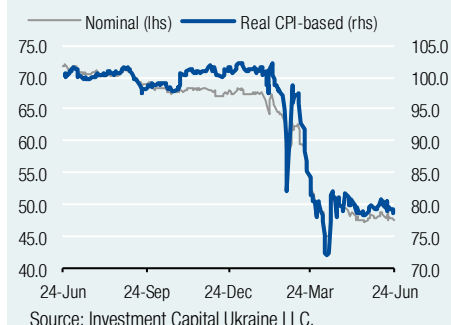
UAH remains at 12/USD

Following the recent 50% devaluation of the hryvnia to 12/USD, the authorities appear to be actively involved in holding this new level. Despite the symbolic stability of the FX rate, the hryvnia's real trade-weighted value declined due to the Russian ruble's recent appreciation. Investors loudly cheered Putin's decision as the ruble consequently rose 1.14% yesterday to close at 33.7700/USD. Although the ruble's strength could help trim inflation in Russia, it is still too high for a country that struggles to re-gain competitiveness, particularly as this renewed strength is temporary at best. Going forward, the RUB is likely to retreat to the 34-35/USD range and even beyond. Meanwhile, the UAH's real TWI fell 0.91%, extending its year-to-date decline to 22.33%.

Alexander Valchyshen, Kiev, +38044 2200120 ext.242

ICU's UAH trade-weighted indices

(Last 12-month history to 25 Jun 2014)



FX market indicators (as of 24 Jun 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	11.9250	+0.55	+1.36	-0.21	+44.72
NBU avg	11.8921	+0.12	+1.12	+1.51	+45.90
Ttl vlm ¹	355.90	+9.89	+8.76	+10.21	-87.30
\$ volume ²	236.98	-1.72	+8.69	+11.95	-89.28
NDF 3M	12.4100	+0.00	-0.16	-3.80	+46.26
NDF 6M	12.7500	-1.20	-1.35	-5.90	+45.22
NDF 1Y	13.8550	+0.00	-0.14	-2.77	+47.08
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	47.438	-0.91	-2.46	+0.22	-29.76
UAH real CPI	78.500	-0.91	-2.46	+0.22	-22.33
UAH real PPI	112.539	-0.91	-2.46	+0.22	-18.91
USD nom'l	80.327	+0.07	-0.37	-0.08	+0.36
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	33.7700	-1.14	-3.00	-1.13	+2.74
EUR/USD	1.3606	+0.01	+0.44	-0.17	-1.00
USD/CNY	6.2309	+0.07	+0.08	-0.08	+2.92
USD/PLN	3.0531	-0.19	-0.19	+0.19	+1.00
USD/TRY	2.1415	+0.20	-0.34	+2.88	-0.31
USD/BYR	10,190.00	+0.00	+0.10	+1.19	+6.81
USD/KZT	183.6100	+0.07	+0.04	+0.38	+19.02
OTHER MAJOR CURRENCIES					
USD/JPY	101.9700	+0.04	-0.18	+0.00	-3.17
GBP/USD	1.6986	-0.24	+0.12	+0.91	+2.59
USD/CHF	0.8938	-0.06	-0.62	-0.22	+0.10
AUD/USD	0.9368	-0.57	+0.33	+1.48	+5.06
USD/CAD	1.0745	+0.12	-1.07	-1.07	+1.15
USD/BRL	2.2250	+0.26	-1.63	+0.08	-5.80
USD/KRW	1,018.35	-0.02	-0.34	-0.62	-3.00
COMMODITIES					
Gold(\$/oz)	1,318.40	+0.08	+3.76	+2.00	+9.35
WTI crude ³	106.63	-0.18	+0.25	+1.60	+8.34
Brent crd ³	113.66	+0.00	+0.32	+1.75	+2.56
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	311.99	-0.01	+0.96	+1.21	+11.36

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>).

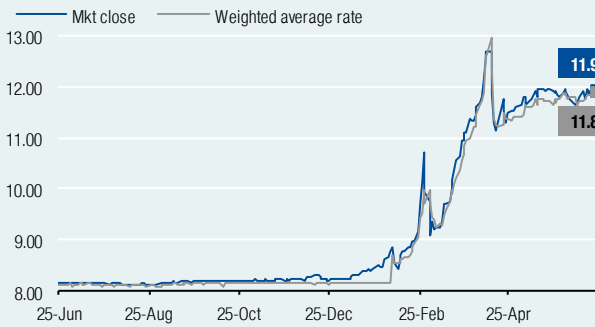
Section on FX market is continued on next page.

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.

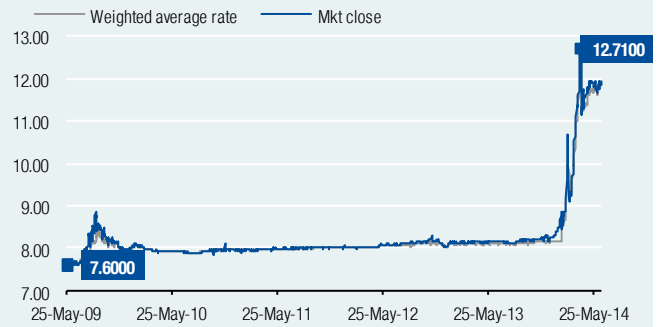
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

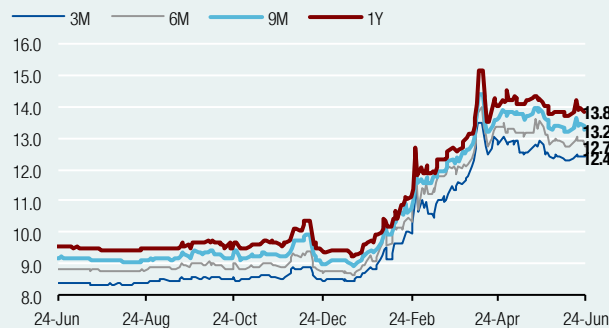


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

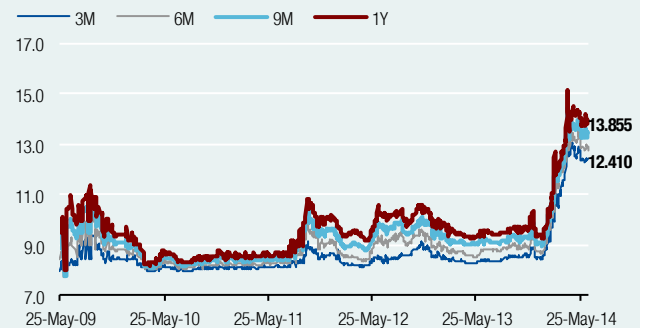


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

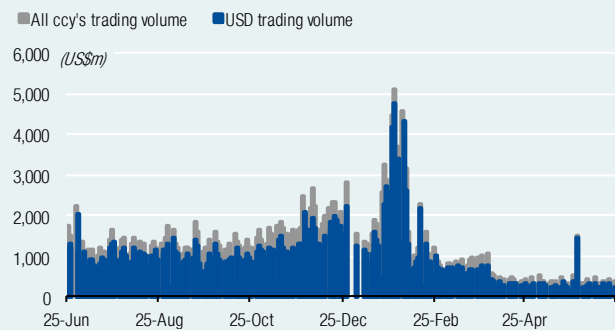


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.



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)

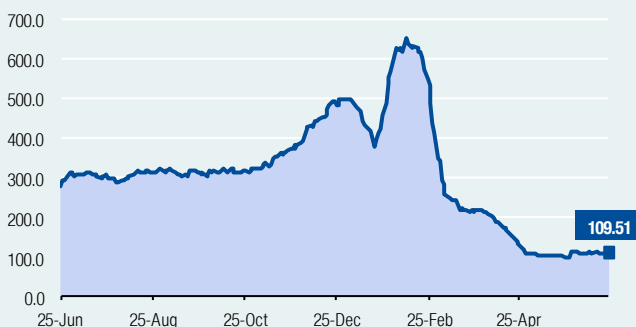


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)



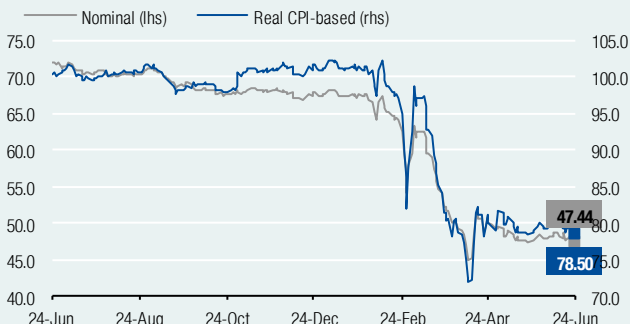
Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

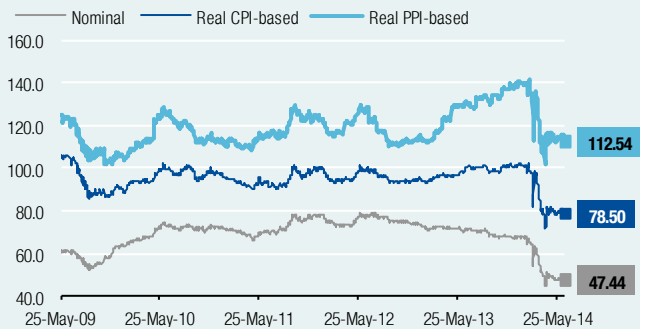
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



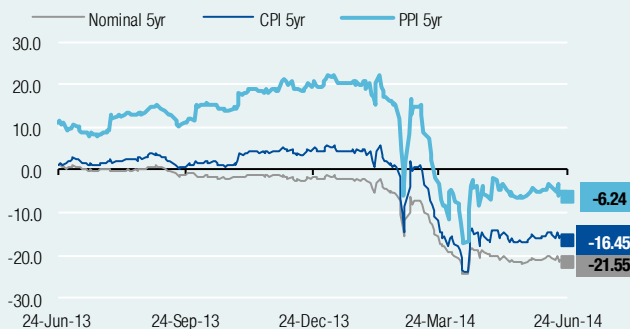
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

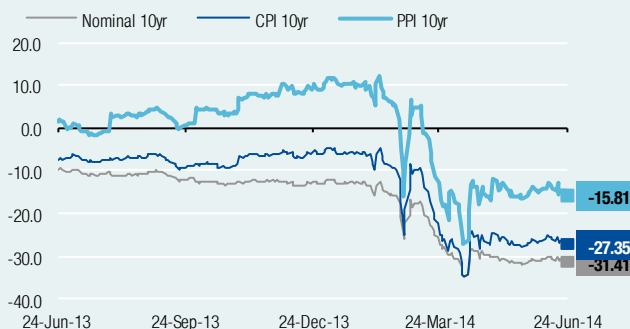


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

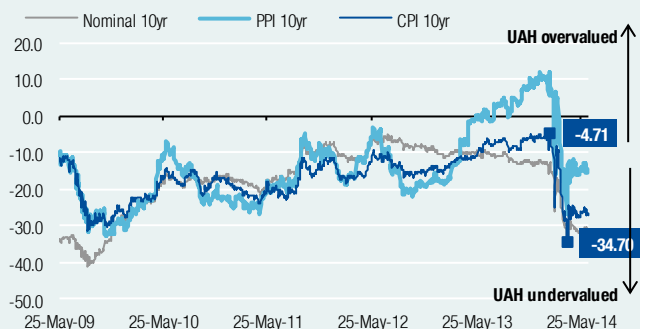


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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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This research publication has been prepared by the analyst(s), whose name(s) appear on the front page of this publication. The analyst(s) hereby certifies that the views expressed within this publication accurately reflect her/his own views about the subject financial instruments or issuers and no part of her/his compensation was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views within this research publication.

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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



INVESTMENT CAPITAL UKRAINE
INVESTMENT BANKING

Office 44, 11th floor, LEONARDO Business Centre
19-21 Bogdan Khmelnytsky Street
Kiev, 01030 Ukraine
Phone/Fax +38 044 2200120

CORPORATE FINANCE TEL. +38 044 2200120

Makar Paseniuk, Managing Director
makar.paseniuk@icu.ua

Volodymyr Demchyshyn, Director
volodymyr.demchyshyn@icu.ua

Ruslan Kilmukhametov, Director
ruslan.kilmukhametov@icu.ua

Alexander Zhyvotovskyy, Director
alexander.zhyvotovskyy@icu.ua

SALES AND TRADING TEL. +38 044 2201621

Konstantin Stetsenko, Managing Director
konstantin.stetsenko@icu.ua

Sergiy Byelyayev, Fixed-Income Trading
sergiy.byelyayev@icu.ua

Vitaliy Sivach, Fixed-Income & FX Trading
vitaliy.sivach@icu.ua

Vlad Sinani, Director,
Strategy and Corporate Development
vlad.sinani@icu.ua

Julia Pecheritsa,
Ukraine and CIS International Sales
julia.pecheritsa@icu.ua

Yevgeniya Gryshchenko,
Fixed-Income Sales
yevgeniya.gryshchenko@icu.ua

RESEARCH DEPARTMENT TEL. +38 044 2200120

Alexander Valchyshen
Head of Research
alexander.valchyshen@icu.ua

Alexander Martynenko
Head of corporate research
alexander.martynenko@icu.ua

Bogdan Vorotilin
Financial analyst (Food & Agribusiness)
bogdan.vorotilin@icu.ua

Taras Kotovych
Senior financial analyst (Sovereign debt)
taras.kotovych@icu.ua

Mykhaylo Demkiv
Financial analyst (Banks)
mykhaylo.demkiv@icu.ua

Lee Daniels, Rolfe Haas
Editors

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