



**INVESTMENT CAPITAL UKRAINE**  
INVESTMENT BANKING

# Daily Insight

Liquidity declines; Eurobonds volatile; Hryvnia's nominal and real rates increase

FRIDAY, 11 JULY, 2014

RESEARCH INSIGHT

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**UX Index (3 months to 11 Jul 2014)**



**Key market indicators (as of 10 Jul 2014)**

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	11.6750	-0.43	+41.69
USD/UAH (1Y NDF)	13.6500	+1.45	+44.90
EUR/USD	1.3609	-0.24	-0.98
USD/RUB	33.9855	+0.00	+3.39
KievPRIME O/N (%)	5.25	+15bp	-255bp
KievPRIME 1M (%)	17.31	+21bp	+106bp

**BONDS: yields and spreads**

Ukraine VAT bond (%)	N/A	-8,900bp	-8,900bp
Ukraine 17, Eurobond (%)	7.90	-16bp	-165bp
Ukraine 22, Eurobond (%)	8.35	+7bp	-100bp
Ukraine 23, Eurobond (%)	8.35	+4bp	-70bp
Ukraine 5Y CDS	750bp	-10bp	-66bp

**EQUITIES**

**Stock market indices**

UX (Ukraine)	1,251.84	+2.12	+37.56
MSCI World	427.30	-0.57	+4.59
MSCI EM	1,062.37	+0.14	+5.95
RTS (Russia)	1,383.70	-1.43	-4.09
WIG-20 (Poland)	2,341.18	-0.09	-2.49
S&P 500 (USA)	1,964.68	-0.41	+6.29

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

MHPC LI	3.24	35.6% of total <sup>1</sup>
KER PW	2.06	22.7%
FXPO LN	1.88	20.7%

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

RPT LN	GBP 8.88	+10.94	-31.73
CEEN UK	UAH 7.95	+5.91	+66.82
YASK UK	UAH 0.72	+3.58	+36.60

**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-Jul-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	11.13 GBP	+0.0	+21.9	+7.2	-28.8	0.19	44.0	-19.0	40.2	17.7	26.2	10.6	0.06	1,568	Neg.	Neg.	Neg.	2.9	5.9	11.9	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.95 UAH	+5.9	+8.7	+66.8	+63.3	0.68	250.6	304.7	21.7	54.4	332.0	369.3	1.13	89	6.0	5.3	3.8	0.5	4.0	2.4	0.5	0.4	0.3	1.2	12.2
Coal Energy	CLE PW	Warsaw	1.12 PLN	-2.6	-18.2	+6.7	-42.9	0.37	16.6	110.9	25.0	4.1	36.5	38.2	0.52	192	Neg.	Neg.	4.1	4.9	13.9	3.8	0.9	1.1	1.0	0.2	39.8
Donbasenergo	DOEN UK	Kiev, UX	38.90 UAH	+2.2	-7.4	+41.0	+73.3	3.32	78.4	119.0	14.2	11.2	8.9	64.4	0.83	120	1.7	1.7	2.2	0.5	1.6	1.3	0.2	0.2	0.2	1.4	17.8
JKX Oil & Gas	JKX LN	London	57.25 GBP	-0.9	-3.8	-19.9	+10.1	0.98	168.4	174.9	47.2	79.5	23.3	40.8	0.05	2,139	25.9	14.9	6.1	2.6	2.2	2.0	1.0	0.9	0.8	0.3	5.5
Regal Petroleum	RPT LN	London	8.88 GBP	+10.9	+1.4	-31.7	-50.3	0.15	48.8	21.9	80.9	39.4	27.6	6.7	0.03	3,854	Neg.	24.4	N/A	1.0	0.8	N/A	0.6	0.5	N/A	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	137.00 UAH	+0.0	-10.1	+51.5	+69.1	11.68	149.4	126.7	5.0	7.5	0.0	3.0	0.08	1,201	3.0	N/A	N/A	0.8	N/A	N/A	0.1	N/A	N/A	3.4	0.0
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	+1.4	+0.5	-3.9	-11.2	0.00	82.0	1,279.2	3.9	3.2	18.4	28.0	1.74	58	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	3.24 UAH	+0.8	+0.2	+9.4	-0.1	0.28	53.9	50.8	4.0	2.2	4.2	29.6	2.28	44	Neg.	29.4	0.8	Neg.	0.9	0.4	0.1	0.1	0.0	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.80 UAH	+1.8	+6.5	+19.4	+26.8	0.07	286.8	279.7	4.1	11.8	6.8	18.5	0.17	583	Neg.	N/A	Neg.	Neg.	N/A	7.8	0.1	N/A	0.1	0.2	0.0
Ferrexpo PLC	FXPO LN	London	139.90 GBP	+0.2	+5.7	-24.7	-8.4	2.40	1,410.9	2,072.1	22.4	316.0	1,885.0	1,765.9	0.70	144	5.4	6.5	7.8	4.1	4.7	5.2	1.3	1.4	1.4	0.9	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.72 UAH	+3.6	+3.4	+36.6	+22.7	0.06	16.9	18.1	9.0	1.5	25.0	8.1	0.72	139	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	43.40 UAH	+2.2	-1.3	+35.6	+21.8	3.70	39.1	34.6	9.4	3.7	3.9	31.7	1.59	63	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	1.02 EUR	+1.0	-9.7	-17.7	-33.3	1.39	128.1	155.1	34.0	43.6	6.2	31.0	0.03	3,471	Neg.	N/A	N/A	Neg.	N/A	N/A	2.1	N/A	N/A	1.1	35.9
Agroliga	AGL PW	Warsaw	19.75 PLN	+0.6	-3.7	-23.8	-22.8	6.49	10.0	10.9	16.7	1.7	0.4	3.7	0.14	690	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	2.92 PLN	-4.6	-2.3	+49.7	+23.2	0.96	20.8	66.1	26.2	5.4	60.3	161.6	2.86	35	Neg.	3.0	2.6	24.7	7.0	4.1	0.8	0.8	0.8	0.2	28.4
Astarta Holdin...	AST PW	Warsaw	42.80 PLN	-2.7	-9.9	-36.0	-32.6	14.06	351.4	669.0	31.0	109.0	370.5	179.0	0.18	551	10.1	7.6	4.9	8.8	5.0	5.4	1.3	1.3	1.3	1.0	38.2
Avangard	AVGR LI	London Intl	9.48 USD	-0.2	-0.2	-19.3	+10.2	9.48	605.5	836.5	21.7	131.4	128.4	203.1	0.25	406	2.6	2.7	2.6	2.8	2.8	1.3	1.1	1.1	1.1	0.0	17.8
IMC	IMC PW	Warsaw	9.40 PLN	-4.3	-6.0	-22.6	-38.4	3.09	96.6	247.6	23.9	23.1	803.9	88.5	0.62	161	3.7	8.8	2.1	4.6	4.3	3.5	2.2	1.3	1.0	0.6	38.7
Kernel Holding...	KER PW	Warsaw	31.00 PLN	+0.0	-8.8	-18.6	-41.1	10.18	811.3	1,717.9	58.8	476.8	2,062.8	3,225.6	0.36	276	7.3	15.7	5.3	5.9	6.6	5.0	0.6	0.7	0.6	0.8	30.6
MHP	MHPC LI	London Intl	15.00 USD	-2.0	+1.0	-12.0	-13.3	15.00	1,585.0	2,745.9	22.3	353.8	3,237.3	1,631.4	0.33	304	10.2	5.8	5.3	7.0	5.6	5.2	1.8	1.8	1.6	2.7	19.6
Milkiland	MLK PW	Warsaw	6.43 PLN	-2.1	-15.1	-48.6	-42.8	2.11	66.0	196.3	20.0	13.2	2.1	10.5	0.05	2,076	4.5	N/A	3.3	5.9	3.8	3.4	0.4	0.4	0.4	0.3	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	4.50 EUR	+0.0	+0.2	-16.7	-2.6	6.12	650.3	1,438.5	20.0	130.1	0.0	15.1	0.01	15,491	7.3	7.5	2.9	8.7	5.3	4.8	2.9	3.4	3.3	0.0	45.3
Ovostar Union	OVO PW	Warsaw	67.00 PLN	-4.2	-8.2	-33.0	-8.2	22.01	132.0	139.6	25.0	33.0	6.7	22.0	0.12	829	4.3	6.6	6.5	3.8	5.3	4.8	1.6	1.6	1.3	1.0	8.5
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Xetra	0.21 EUR	+0.0	+22.8	-33.8	-45.9	0.29	14.8	174.1	13.1	1.9	0.0	0.2	0.01	6,681	Neg.	N/A	N/A	Neg.	N/A	N/A	3.9	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	9.1	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	-0.1	-4.7	+33.8	+55.0	0.01	388.4	N/A	3.8	14.8	24.4	164.1	2.30	43	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	+1.5	-2.2	-10.2	+23.2	0.01	260.4	N/A	4.5	11.7	1.1	13.3	0.23	434	Neg.	14.2	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-Jul-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

Banks' correspondent accounts with the NBU slid UAH0.29bn to UAH29.18bn while total CDs outstanding rose UAH0.39bn to UAH10.94bn. Following Wednesday's debt repayments, total local currency debt repayments scheduled for the next 30 days declined UAH1.06bn to UAH3.50bn, causing broader banking sector liquidity to decline UAH0.97bn to UAH43.62bn.

KyivPrime interest rates slightly rose yesterday: the KyivPrime ON interest rate rose 15bp to 5.25% and the KyivPrime 1M interest rate rose 21bp to 17.31%.

**Investment implications: The MoF's debt repayments made on Wednesday had no impact on banks' correspondent accounts as they could have been equal to outflows. It appears that outflows from the banking system were significant as interest rates slightly rose in anticipation of a decline in liquidity. Today, liquidity should decline if the NBU withheld support from the banking system under domestic QE yesterday, possibly intending to provide support later.**

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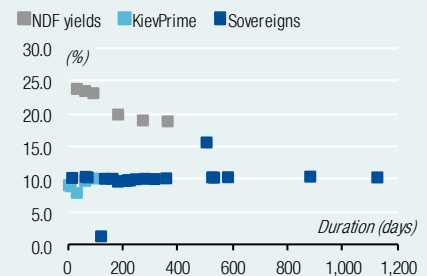
## Eurobonds volatile

Although there was no climactic news on the situation in eastern Ukraine, Ukrainian Eurobonds were highly volatile during yesterday's session in reaction to economic news from the UK and US. Following a significant rally in response to the UK central bank keeping its base interest rate unchanged, new data from the US caused a minor sell-off causing YTM's of Eurobonds to diverge yesterday as the yield curve mostly moved down to close in the range of 7.72-8.53%. UKRAIN 6.875% '15 declined 14bp to 7.85%, UKRAIN 9.25% '17 declined 15bp to 7.91%, UKRAIN 7.95% '21 slid 3bp to 8.53%, while UKRAIN 7.80% '22 and UKRAIN 7.50% '23 rose 7bp and 4bp to 8.35% respectively. The 5-year CDS declined to 750bp.

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### Yield curve of the local bond market

(as of market close on 10 Jul 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

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

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
0/n	5.25	+15bp	-30bp	+25bp	-255bp
1wk	7.24	-10bp	-136bp	-81bp	-256bp
1m	17.31	+21bp	-9bp	+51bp	+106bp
2m	18.00	+0bp	+0bp	+0bp	+160bp
3m	18.00	+0bp	+0bp	+0bp	+200bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	29,178	-1.00	-2.04	-6.00	-10.78
CDs <sup>2</sup>	10,937	+3.65	+18.29	+47.66	+1,451.3
Sovgns <sup>3</sup>	3,521	+0.00	-14.29	-44.81	+135.5
<b>Total</b>	<b>43,636</b>	<b>+0.21</b>	<b>+1.15</b>	<b>-2.66</b>	<b>+25.02</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	187,801	-0.01	-0.01	+0.29	+29.65
Banks	83,033	-0.15	-0.88	-1.95	+3.57
Resid's <sup>4</sup>	13,726	-4.83	+29.75	+22.73	+10.72
Non-res <sup>5</sup>	16,182	-0.42	-1.28	-0.10	+38.33
<b>Total</b>	<b>300,742</b>	<b>-0.30</b>	<b>+0.73</b>	<b>+0.47</b>	<b>+20.72</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	10.33	+175bp	-224bp	-11ppt	-181bp
6m	14.42	+83bp	-227bp	-495bp	+102bp
9m	15.08	+63bp	-161bp	-348bp	+107bp
1yr	17.56	+216bp	+70bp	-76bp	+257bp
<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	750	-10bp	-27bp	+0bp	-66bp
Jun '16	7.72	-1bp	-45bp	+7bp	-117bp
Jul '17	7.90	-16bp	-77bp	-67bp	-165bp
Sep '20	8.38	+4bp	-27bp	+9bp	-82bp
Sep '21	8.52	+9bp	-23bp	+24bp	-70bp
Sep '22	8.35	+7bp	-26bp	-32bp	-100bp
Feb '23	8.35	+4bp	-11bp	-14bp	-70bp

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

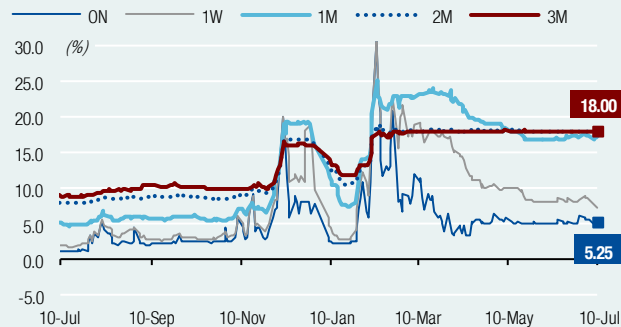


Chart 2. UAH NDF implied yields (%), last 12-month period

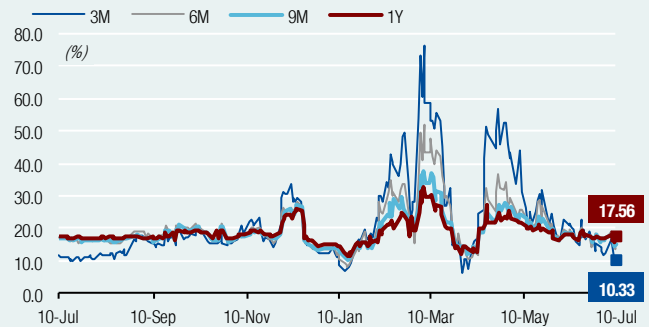


Chart 3. UAH sovereign yield curve (%) as of 10 Jul 2014

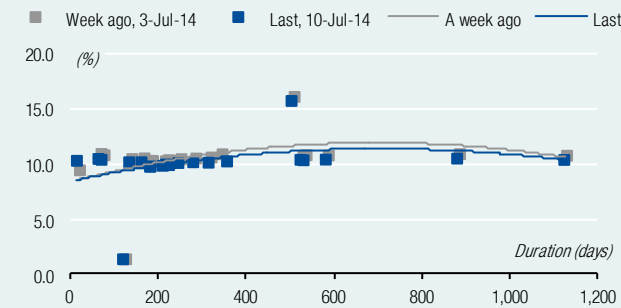


Chart 4. USD sovereign yield curve (%) as of 10 Jul 2014

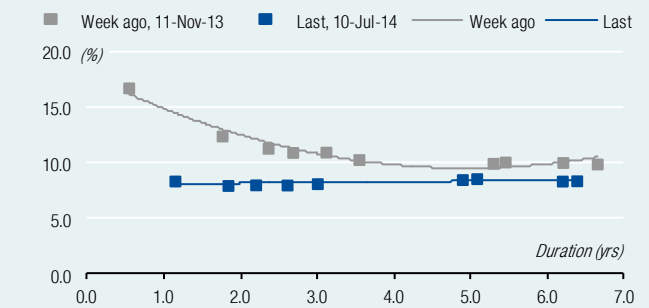


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

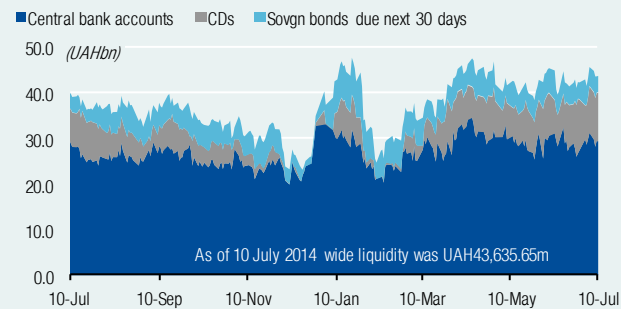


Chart 6. Breakdown of liquidity pool (%) as of 10 Jul 2014

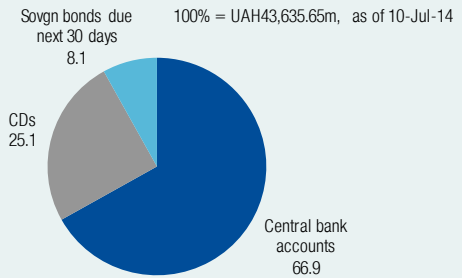


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

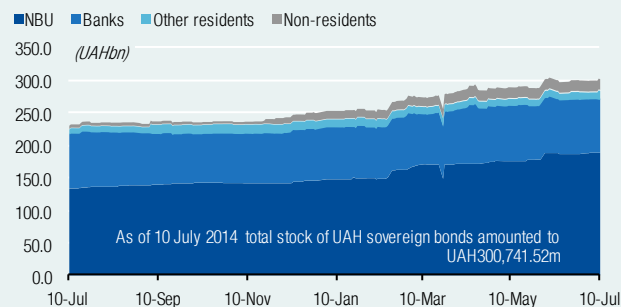
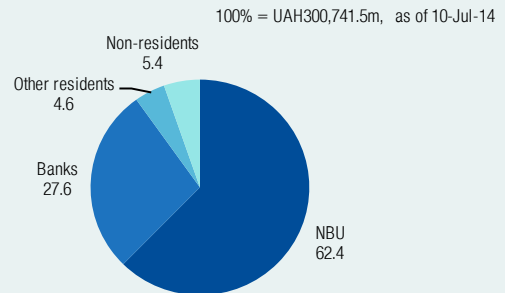


Chart 8. Domestic sovereign debt (%) as of 10 Jul 2014



# FX: News & Comments

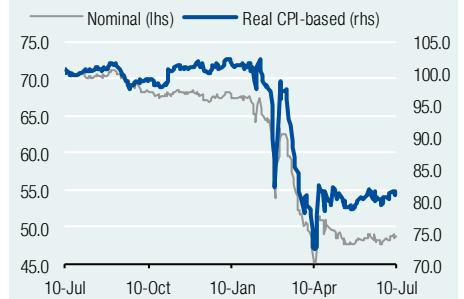
## Hryvnia's nominal and real rates increase

The hryvnia traded flat most of the yesterday's session while it went up at the end of the day, resulting in a 0.43% daily increase of the USD/UAH nominal rate. Amidst global risk aversion, the USD index appreciated 0.17%, the Russian ruble slid in the second half of the day and was flat yesterday, and the EUR dropped 0.24%. In addition, Polish zloty and Turkish lira declined 0.66% and 0.42% respectively. These developments resulted in a 0.57% increase in the hryvnia's real trade-weighted value.

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### ICU's UAH trade-weighted indices

(Last 12-month history to 11 Jul 2014)



Source: Investment Capital Ukraine LLC.

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

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	11.6750	-0.43	-1.35	+0.26	+41.69
NBU avg	11.6957	+0.32	-1.23	-0.91	+43.49
Ttl vlm <sup>1</sup>	444.16	+22.15	+3.53	+30.65	-84.15
\$ volume <sup>2</sup>	330.37	+22.51	+1.49	+33.06	-85.06
NDF 3M	11.9700	+0.00	-1.89	-2.37	+41.07
NDF 6M	12.5000	-0.04	-2.38	-2.00	+42.37
NDF 1Y	13.6500	+1.45	-0.76	-0.40	+44.90
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	48.791	+0.57	+1.11	-0.45	-27.76
UAH real CPI	81.297	+0.57	+1.11	-0.45	-19.56
UAH real PPI	119.560	+0.57	+1.11	-0.45	-13.85
USD nom'l	80.127	+0.17	-0.11	-0.86	+0.11
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	33.9855	+0.00	-0.82	-1.06	+3.39
EUR/USD	1.3609	-0.24	-0.01	+0.46	-0.98
USD/CNY	6.2021	+0.05	-0.17	-0.37	+2.44
USD/PLN	3.0440	+0.66	+0.02	+0.42	+0.69
USD/TRY	2.1242	+0.42	-0.19	+2.13	-1.12
USD/BYR	10,245.00	-0.24	+0.24	+1.14	+7.39
USD/KZT	183.5200	-0.01	-0.02	-0.02	+18.96
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	101.3400	-0.30	-0.83	-0.99	-3.77
GBP/USD	1.7132	-0.15	-0.13	+2.24	+3.47
USD/CHF	0.8923	+0.15	-0.11	-0.77	-0.07
AUD/USD	0.9395	-0.20	+0.51	+0.23	+5.36
USD/CAD	1.0650	-0.01	+0.15	-2.32	+0.25
USD/BRL	2.2206	+0.35	+0.45	-0.19	-5.99
USD/KRW	1,013.45	+0.12	+0.49	-0.37	-3.46
<b>COMMODITIES</b>					
Gold(\$/oz)	1,335.75	+0.60	+1.23	+6.02	+10.79
WTI crude <sup>3</sup>	102.93	+0.63	-1.09	-1.36	+4.58
Brent crd <sup>3</sup>	107.70	+0.30	-2.03	-1.73	-2.82
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	299.70	-0.49	-2.30	-1.90	+6.97

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>).

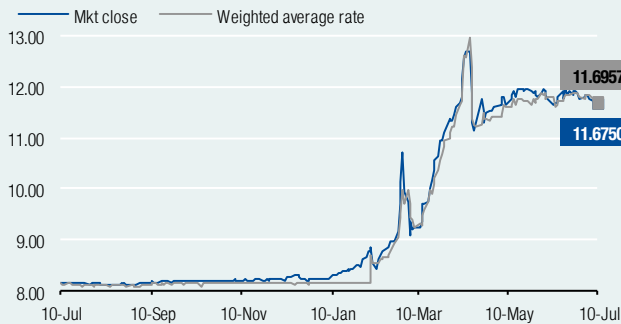
Section on FX market is continued on next page.

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.

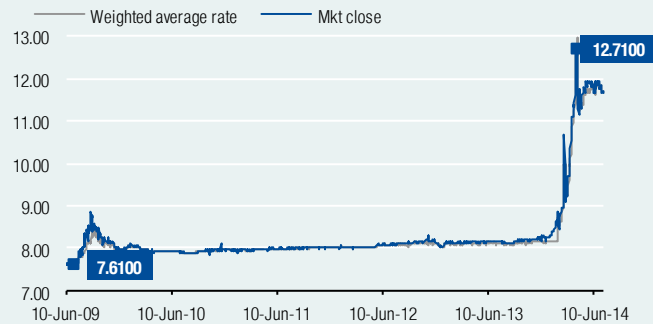
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

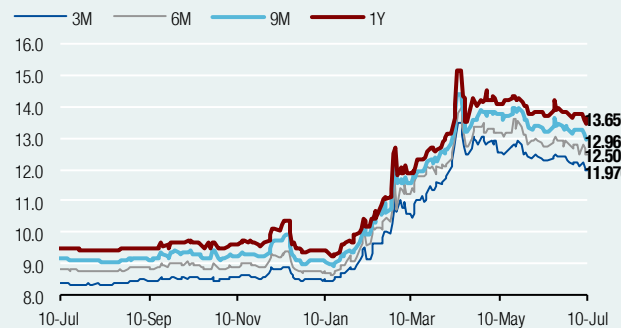


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

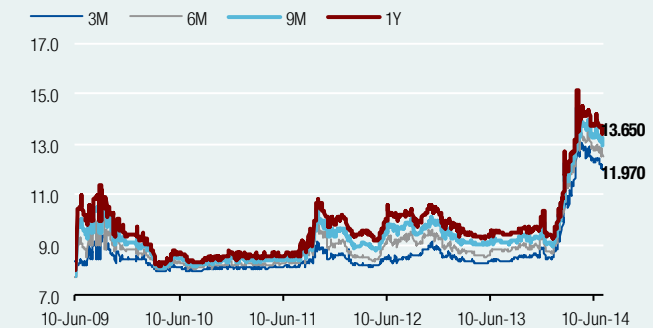


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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.

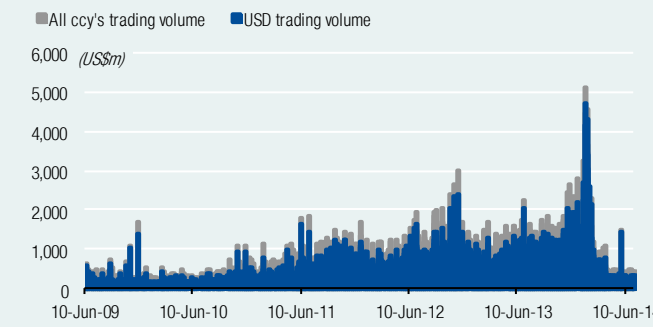


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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)

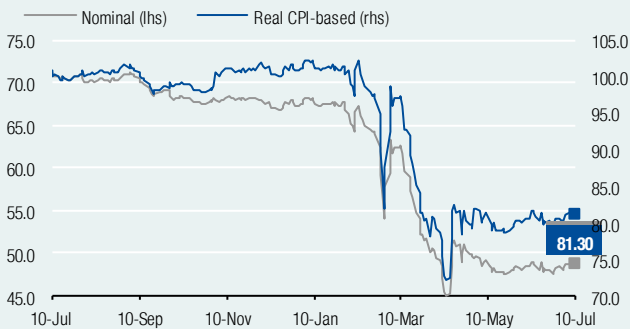


Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

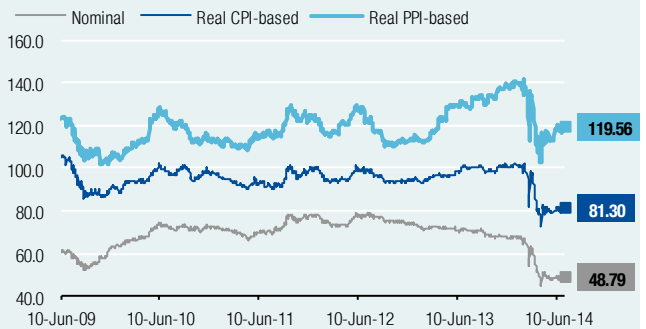
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



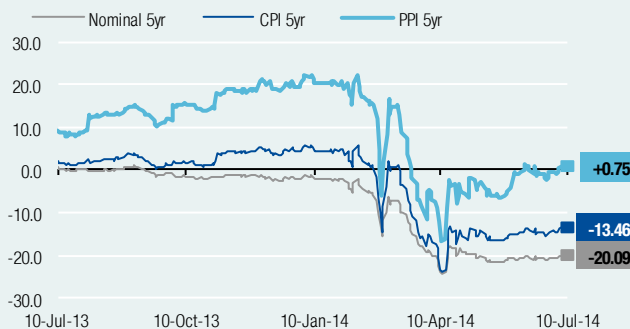
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

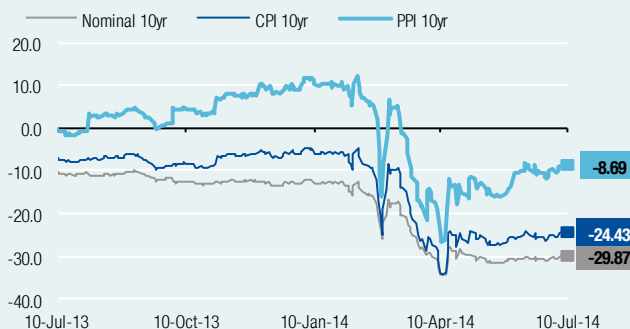


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

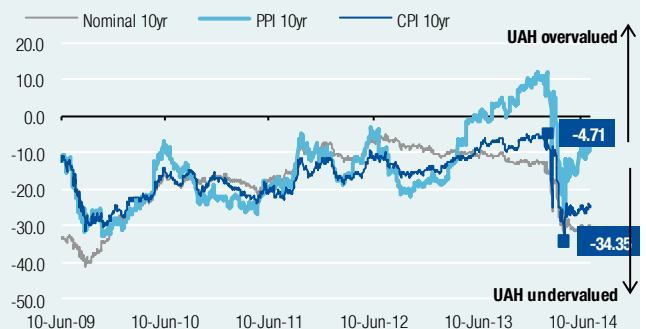


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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

**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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