


**INVESTMENT CAPITAL UKRAINE**  
 INVESTMENT BANKING

# Daily Insight

Hryvnia resilient; YTM's rise further; Liquidity continues to decline; Auction results

WEDNESDAY, 16 JULY, 2014

RESEARCH INSIGHT

## Contents

<b>Bonds: News &amp; Comments</b>	<b>4</b>
Liquidity continues to decline.....	4
YTM's rise further.....	4
Auction results: 2-year bond sold .....	5
Chart page: Local bond market & Eurobond markets.....	6
<b>FX: News &amp; Comments</b>	<b>7</b>
Hryvnia resilient, its TWI up on USD .....	7
Chart page #1: Foreign-exchange market.....	8
Chart page #2: ICU's UAH trade-weighted indices.....	9

### UX Index (3 months to 16 Jul 2014)



### Key market indicators (as of 15 Jul 2014)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	11.7100	-0.09	+42.11
USD/UAH (1Y NDF)	13.5250	+0.00	+43.58
EUR/USD	1.3568	-0.37	-1.27
USD/RUB	34.3916	+0.18	+4.63
KievPRIME O/N (%)	5.10	-3bp	-270bp
KievPRIME 1M (%)	16.50	-50bp	+25bp

### BONDS: yields and spreads

Ukraine VAT bond (%)	15.55	-40bp	-8,591bp
Ukraine 17, Eurobond (%)	8.09	+18bp	-146bp
Ukraine 22, Eurobond (%)	8.40	+0bp	-94bp
Ukraine 23, Eurobond (%)	8.35	+3bp	-69bp
Ukraine 5Y CDS	771bp	+7bp	-45bp

### EQUITIES

#### Stock market indices

UX (Ukraine)	1,254.69	+0.20	+37.87
MSCI World	429.00	-0.26	+5.01
MSCI EM	1,066.35	+0.25	+6.35
RTS (Russia)	1,352.15	-0.72	-6.28
WIG-20 (Poland)	2,388.34	+0.34	-0.53
S&P 500 (USA)	1,973.28	-0.19	+6.76

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

FXPO LN	1.39	29.2% of total <sup>1</sup>
KER PW	1.15	24.1%
CEEN UK	0.81	17.0%

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

FORM UK	UAH 0.31	+23.60	N/A
CEEN UK	UAH 8.00	+1.91	+67.72
MHPC LI	USD 14.95	+1.70	-12.32

#### 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 15-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	-28.2	0.19	44.1	-19.0	40.2	17.7	0.0	11.0	0.07	1,438	Neg.	Neg.	Neg.	2.9	5.9	11.9	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	8.00 UAH	+1.9	+9.1	+67.7	+67.9	0.68	252.7	307.0	21.7	54.9	809.7	389.7	1.11	90	6.1	5.4	3.8	0.6	4.1	2.4	0.5	0.4	0.3	1.2	12.2
Coal Energy	CLE PW	Warsaw	1.12 PLN	-1.8	-14.5	+6.7	-44.8	0.37	16.5	110.8	25.0	4.1	21.2	36.5	0.47	213	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	38.76 UAH	+0.1	-6.4	+40.5	+58.6	3.32	78.4	119.1	14.2	11.2	61.8	64.9	0.75	134	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	56.75 GBP	+0.0	-2.2	-20.6	+9.1	0.97	167.0	173.5	47.2	78.8	0.0	36.8	0.04	2,401	25.7	14.7	6.0	2.6	2.2	1.9	1.0	0.9	0.8	0.3	5.5
Regal Petroleum	RPT LN	London	9.13 GBP	-1.4	+7.4	-29.8	-45.5	0.16	50.1	23.3	80.9	40.6	4.7	7.0	0.02	4,080	Neg.	25.1	N/A	1.1	0.9	N/A	0.6	0.5	N/A	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	142.20 UAH	+1.6	-5.2	+57.3	+103.1	12.16	155.6	132.8	5.0	7.8	5.9	3.2	0.07	1,488	3.1	N/A	N/A	0.9	N/A	N/A	0.1	N/A	N/A	3.5	0.0
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	-0.8	-0.3	-6.7	-14.2	0.00	79.8	1,280.7	3.9	3.1	91.8	28.8	1.79	56	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	3.16 UAH	-1.7	-2.1	+6.8	-2.2	0.27	52.8	49.7	4.0	2.1	73.9	28.9	1.97	51	Neg.	28.7	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	-1.6	+5.1	+20.0	+27.6	0.07	289.1	282.0	4.1	11.9	9.2	18.5	0.15	672	Neg.	N/A	Neg.	Neg.	N/A	7.9	0.1	N/A	0.1	0.2	0.0
Ferrexpo PLC	FXPO LN	London	142.50 GBP	-0.1	+14.4	-23.3	-9.3	2.44	1,437.6	2,098.7	22.4	322.0	1,392.5	1,782.3	0.64	156	5.5	6.8	8.1	4.2	4.8	5.4	1.3	1.4	1.4	0.9	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.70 UAH	-1.4	-2.4	+32.1	+23.0	0.06	16.4	17.6	9.0	1.5	0.4	7.7	0.57	176	Neg.	1.4	0.8	0.1	0.6	0.5	0.1	0.0	0.0	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	42.30 UAH	-1.5	-1.5	+32.1	+19.7	3.62	38.2	33.7	9.4	3.6	90.9	32.8	1.67	60	6.4	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	1.00 EUR	+0.0	-7.4	-19.4	-35.1	1.36	125.3	152.2	34.0	42.6	4.8	27.9	0.02	4,320	Neg.	N/A	N/A	Neg.	N/A	N/A	2.1	N/A	N/A	1.1	35.9
Agroliga	AGL PW	Warsaw	18.50 PLN	-5.1	-6.1	-28.7	-25.4	6.07	9.3	10.2	16.7	1.6	6.1	3.5	0.05	1,842	2.2	N/A	N/A	3.0	N/A	N/A	0.5	N/A	N/A	0.7	5.7
Agroton	AGT PW	Warsaw	2.77 PLN	-3.8	+1.5	+42.1	+74.2	0.91	19.7	65.0	26.2	5.2	157.4	149.1	2.76	36	Neg.	2.8	2.5	24.3	6.8	4.1	0.8	0.8	0.8	0.2	28.4
Astarta Holdin...	AST PW	Warsaw	40.51 PLN	-5.8	-8.1	-39.4	-36.8	13.28	332.1	648.8	31.0	103.0	13.7	169.2	0.18	541	9.5	7.2	4.7	8.6	4.9	5.3	1.3	1.3	1.2	0.9	38.2
Avangard	AVGR LI	London Intl	9.49 USD	+1.0	-5.1	-19.2	+11.6	9.49	606.1	837.1	21.7	131.5	30.0	207.9	0.24	416	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	9.32 PLN	-2.0	-6.8	-23.3	-40.3	3.06	95.7	246.6	23.9	22.8	15.5	85.5	0.56	180	3.7	8.7	2.1	4.6	4.2	3.5	2.1	1.3	1.0	0.6	38.7
Kernel Holding...	KER PW	Warsaw	30.22 PLN	-1.8	-9.4	-20.6	-43.5	9.91	789.6	1,696.3	58.8	464.1	1,150.2	3,077.6	0.35	284	7.1	15.3	5.1	5.8	6.5	5.0	0.6	0.7	0.6	0.7	30.6
MHP	MHPC LI	London Intl	14.95 USD	+1.7	+3.0	-12.3	-15.1	14.95	1,579.7	2,740.6	22.3	352.6	321.7	1,680.0	0.40	249	10.1	5.8	5.3	7.0	5.6	5.2	1.8	1.8	1.6	2.7	19.6
Milkiland	MLK PW	Warsaw	6.25 PLN	-6.0	-8.2	-50.0	-42.4	2.05	64.0	194.0	20.0	12.8	4.6	10.3	0.04	2,270	4.4	N/A	3.2	5.9	3.7	3.4	0.4	0.4	0.4	0.3	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	4.49 EUR	+0.0	-4.8	-16.9	-2.8	6.09	646.9	1,435.1	20.0	129.4	0.0	15.1	0.01	18,226	7.3	7.4	2.9	8.7	5.3	4.8	2.9	3.4	3.3	0.0	45.3
Ovostar Union	OVO PW	Warsaw	69.00 PLN	+1.2	+1.5	-31.0	-6.1	22.63	135.8	143.3	25.0	33.9	51.3	24.4	0.13	754	4.4	6.8	6.7	3.9	5.5	4.9	1.6	1.7	1.3	1.0	8.5
<b>TRANSPORTATION</b>																											
KDM Shipping	KDM PW	Warsaw	9.50 PLN	-3.8	-4.5	-69.7	-71.9	3.12	29.0	12.4	10.9	3.2	0.2	0.6	0.00	41,143	4.3	N/A	N/A	1.1	N/A	N/A	0.4	N/A	N/A	0.4	5.6
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Xetra	0.19 EUR	+0.0	-11.2	-39.7	-49.2	0.26	13.4	172.7	13.1	1.8	0.0	0.2	0.01	8,639	Neg.	N/A	N/A	Neg.	N/A	N/A	3.8	N/A	N/A	0.1	44.1
<b>FINANCIAL SERVICES</b>																											
Forum Bank	FORM UK	Kiev, UX	0.31 UAH	+23.6	N/A	N/A	N/A	0.03	15.7	N/A	5.5	0.9	0.1	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	-0.7	-3.0	+32.4	+53.2	0.01	385.4	N/A	3.8	14.7	425.6	172.9	2.21	45	4.4	Neg.	12.7	N/A	N/A	N/A	N/A	N/A	N/A	0.6	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.17 UAH	-1.9	-0.9	-11.4	+17.1	0.01	257.9	N/A	4.5	11.6	20.0	13.1	0.21	470	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 15-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 continues to decline

Broader banking sector liquidity slid UAH0.39bn to UAH43.01bn yesterday for the second consecutive day this week. Banks' correspondent accounts with the NBU fell UAH0.91bn to UAH28.19bn while total CDs outstanding rose UAH0.20bn to UAH11.00bn. Total local currency debt repayments scheduled for the next 30 days rose UAH0.32bn to UAH3.83bn.

Despite lower liquidity, KyivPrime interest rates declined slightly: the KyivPrime ON interest rate slid 3bp to 5.10% while the KyivPrime 1M interest rate fell 50bp to 16.50%.

**Investment implications: The paltry decline in broader liquidity was caused by the increase in future debt repayments and the NBU's absorption of a small portion of liquidity on Monday. UAH0.40bn of outflows was also attributed to the NBU as banks repaid ON loans received last Friday while receiving no new NBU funds. As a result, the real net outflow from liquidity was UAH0.31bn which, although insignificant, clearly shows a trend of declining liquidity prior to large tax payments.**

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

## YTM's rise further

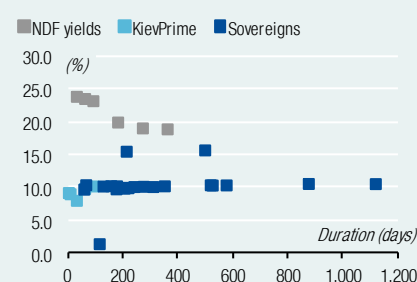
The ongoing political instability in eastern Ukraine and rising anticipation of a Russian invasion increased negative sentiment. Despite the S&P's improved outlook on Ukraine's credit rating, spreads continued to widen for the second consecutive day. Moreover, YTM's of US Treasuries rose yesterday following US Federal Reserve Chairwoman Janet Yellen's comment that she would not yet raise interest rates. Yields on US Treasuries rose slightly, up 2bp to 1.69% for the 5-year bonds, putting additional pressure on Ukrainian Eurobond YTM's. As a result, yields rose slightly. At the close, the yield curve adjusted to the range of 7.69-8.55%. UKRAIN 6.875% '15 was up 1bp to 7.69%, UKRAIN 9.25% '17 rose 19bp to 8.10%, UKRAIN 7.95% '21 rose 1bp to 8.55% and UKRAIN 7.50% '23 rose 3bp to 8.36%, while UKRAIN 7.80% '22 remained steady at 8.42%. The 5-year CDS rose to 771bp.

**Investment implications: If the situation in eastern Ukraine does not improve and if US Treasury yields continue to rise, Ukrainian Eurobond YTM's could penetrate 9.0%. Even if the IMF does release the second tranche of the standby loan for Ukraine as is expected by the end of this month, this news will be insufficient to decrease interest rates significantly, i.e. to below 8.0%. Only a marked improvement in Ukraine's relationship with Russia, namely a positive resolution of the standoff in the Donbass region, will create a market rally.**

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

### Yield curve of the local bond market

(as of market close on 15 Jul 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

### Bond market indicators (as of 15 Jul 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
0/n	5.10	-3bp	+0bp	-50bp	-270bp
1wk	6.57	+2bp	-107bp	-199bp	-323bp
1m	16.50	-50bp	-80bp	-40bp	+25bp
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>	28,187	-3.12	+0.45	-3.62	-13.81
CDs <sup>2</sup>	10,996	+1.84	+1.22	+61.37	+1,459.7
Sovgns <sup>3</sup>	3,842	+0.00	-16.23	-12.06	+157.0
<b>Total</b>	<b>43,025</b>	<b>-1.62</b>	<b>-1.12</b>	<b>+6.43</b>	<b>+23.27</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	189,801	+0.00	+1.06	+2.23	+31.03
Banks	83,697	+0.04	+0.02	-0.69	+4.40
Resid's <sup>4</sup>	13,213	-0.20	+24.55	+28.90	+6.58
Non-res <sup>5</sup>	16,226	+0.02	-0.67	+1.41	+38.70
<b>Total</b>	<b>302,936</b>	<b>+0.00</b>	<b>+1.51</b>	<b>+2.28</b>	<b>+21.60</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	12.19	-170bp	-4bp	-365bp	+5bp
6m	14.64	-24bp	-254bp	-185bp	+123bp
9m	15.43	+13bp	-143bp	-113bp	+142bp
1yr	16.14	+10bp	-109bp	-64bp	+115bp
<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>	15.55	-40bp	+309bp	+309bp	-86ppt
<b>EUROBONDS USD SOVEREIGN BOND YIELDS (%)</b>					
CDS 5yr	771	+7bp	+21bp	-47bp	-45bp
Jun '16	7.89	+17bp	+3bp	-128bp	-100bp
Jul '17	8.09	+18bp	-6bp	-123bp	-146bp
Sep '20	8.40	+7bp	-1bp	-28bp	-80bp
Sep '21	8.54	+1bp	+4bp	-19bp	-68bp
Sep '22	8.40	+0bp	+6bp	-65bp	-94bp
Feb '23	8.35	+3bp	+3bp	-41bp	-69bp

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.

### **Auction results: 2-year bond sold**

Of the four bonds offered with maturities ranging from 2.5 months to five years, demand was submitted only for 6-month and 2-year bonds. Both bonds received only one bid at the same volume of UAH20.0m, possibly indicating demand from one bidder, at interest rates relatively unchanged from last week's auction.

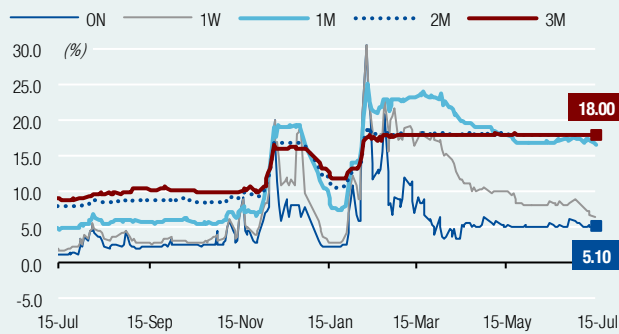
The bid for the 2-year bond was submitted at 16.75%, unchanged from the last unscheduled auction last week but 20bp below the cut-off interest rate at last Tuesday's auction which indicated market demand as the maturity was slightly longer.

***Investment implications: In anticipation of upcoming secondary market trading of the new VAT-bonds issued last week, combined with a slight decline of banking sector liquidity yesterday for the second consecutive business day, market demand tightened. Moreover, with no domestic QE support, there were no large bids.***

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

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

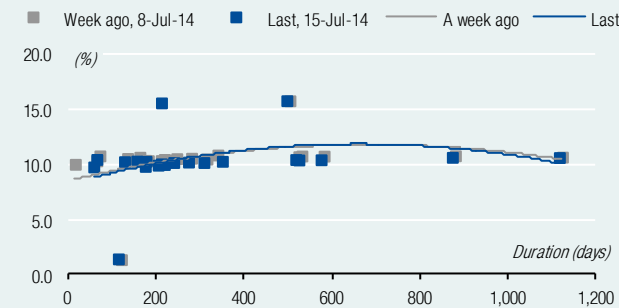
**Chart 1. Kiev Prime rates (%), last 12-month period**



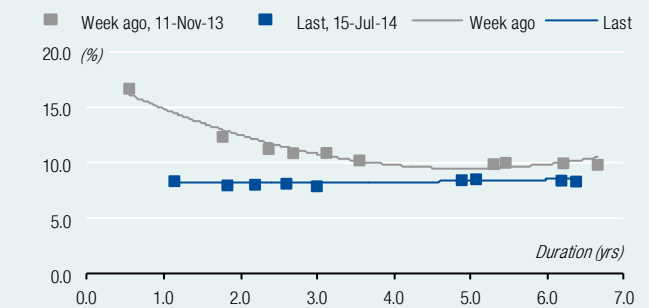
**Chart 2. UAH NDF implied yields (%), last 12-month period**



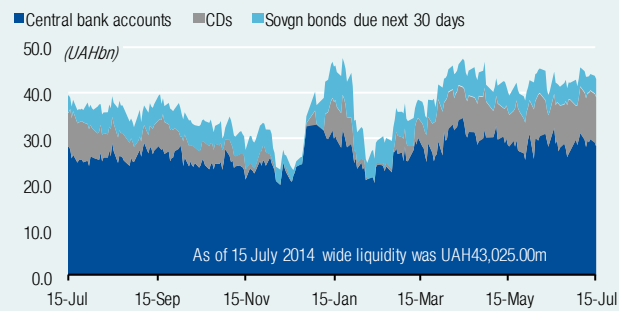
**Chart 3. UAH sovereign yield curve (%) as of 15 Jul 2014**



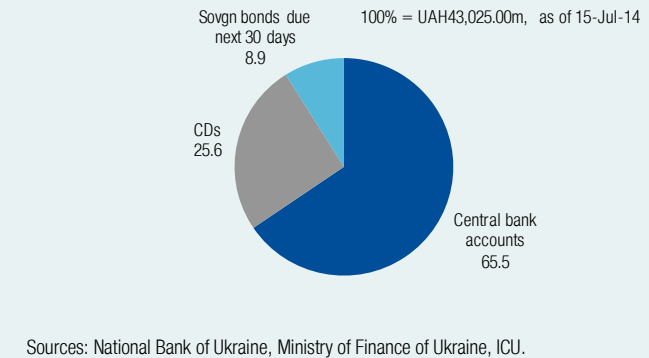
**Chart 4. USD sovereign yield curve (%) as of 15 Jul 2014**



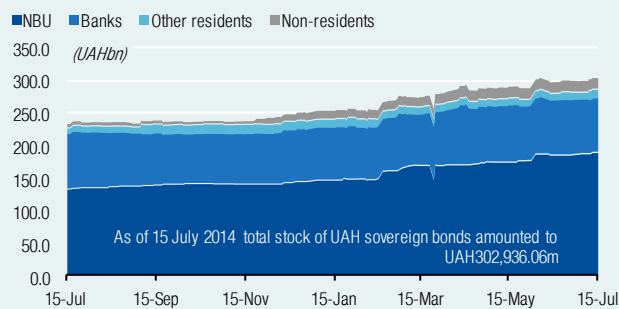
**Chart 5. Banking sector liquidity (UAHbn), last 12-month period**



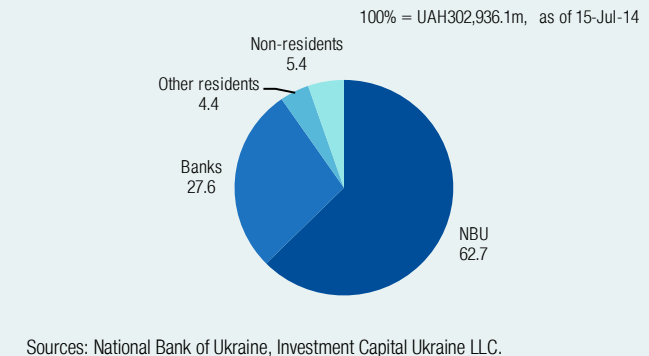
**Chart 6. Breakdown of liquidity pool (%) as of 15 Jul 2014**



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



**Chart 8. Domestic sovereign debt (%) as of 15 Jul 2014**



# FX: News & Comments

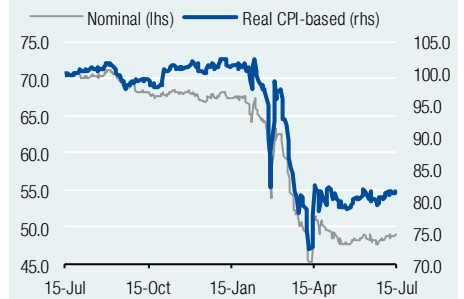
## Hryvnia resilient, its TWI up on USD

The UAH closed flat yesterday on US\$356.84m in trading. May's reported positive results had little impact on the market as the risk of a price revision arising from a legal dispute with the Kremlin continues to dampen sentiment. Market sentiment toward the USD looms as the Fed braces for a key rate increase earlier than previously anticipated. The dollar index (DXY) added 0.25%, pushing the hryvnia up an equivalent 0.32%.

**Alexander Valchyshen, Kiev, +38044 2200120 ext.242**

### ICU's UAH trade-weighted indices

(Last 12-month history to 16 Jul 2014)



Source: Investment Capital Ukraine LLC.

### FX market indicators (as of 15 Jul 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)

#### USD/UAH MARKET (HRYVNIA per US DOLLAR)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
Spot mkt	11.7100	-0.09	+0.34	-0.76	+42.11
NBU avg	11.7072	+0.09	-0.04	-0.18	+43.63
Tt vlm <sup>1</sup>	N/A	N/A	N/A	N/A	N/A
\$ volume <sup>2</sup>	N/A	N/A	N/A	N/A	N/A
NDF 3M	12.0600	-0.50	+0.33	-1.63	+42.13
NDF 6M	12.5500	-0.20	-0.83	-1.61	+42.94
NDF 1Y	13.5250	+0.00	-0.59	-1.31	+43.58

#### TRADE-WEIGHTED INDICES (TWIs, points)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
UAH nom'l	48.895	+0.32	-0.05	+0.85	-27.60
UAH real CPI	81.471	+0.32	-0.05	+0.85	-19.39
UAH real PPI	119.815	+0.32	-0.05	+0.85	-13.67
USD nom'l	80.390	+0.25	+0.26	-0.23	+0.44

#### FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/RUB	34.3916	+0.18	+0.38	-0.05	+4.63
EUR/USD	1.3568	-0.37	-0.32	+0.21	-1.27
USD/CNY	6.2079	+0.03	+0.10	-0.05	+2.54
USD/PLN	3.0493	+0.35	+0.57	+0.24	+0.87
USD/TRY	2.1234	+0.34	-0.07	+0.18	-1.15
USD/BYR	10,265.00	+0.20	-0.05	+0.74	+7.60
USD/KZT	183.6000	-0.02	+0.03	+0.03	+19.01

#### OTHER MAJOR CURRENCIES

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/JPY	101.6800	+0.14	+0.11	-0.35	-3.45
GBP/USD	1.7143	+0.35	+0.07	+1.03	+3.54
USD/CHF	0.8957	+0.43	+0.30	-0.49	+0.31
AUD/USD	0.9370	-0.24	-0.31	-0.34	+5.08
USD/CAD	1.0759	+0.44	+0.75	-0.88	+1.28
USD/BRL	2.2191	+0.31	+0.25	-0.23	-6.05
USD/KRW	1,027.38	+0.89	+1.55	+0.93	-2.14

#### COMMODITIES

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
Gold(\$/oz)	1,294.07	-1.00	-1.91	+1.35	+7.33
WTI crude <sup>3</sup>	99.96	-0.94	-3.33	-6.50	+1.56
Brent crd <sup>3</sup>	105.25	-1.01	-2.68	-6.58	-5.03
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	296.02	-0.49	-2.45	-4.50	+5.66

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.

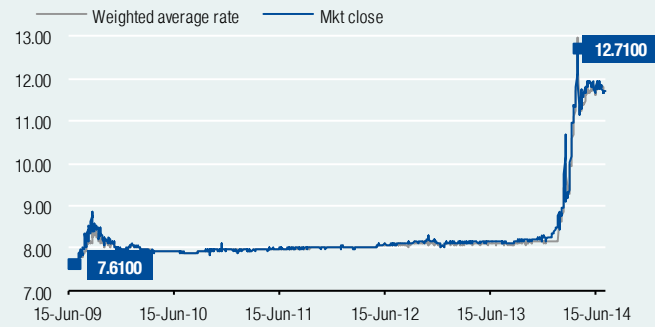
Sources: Bloomberg, Investment Capital Ukraine LLC.

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.

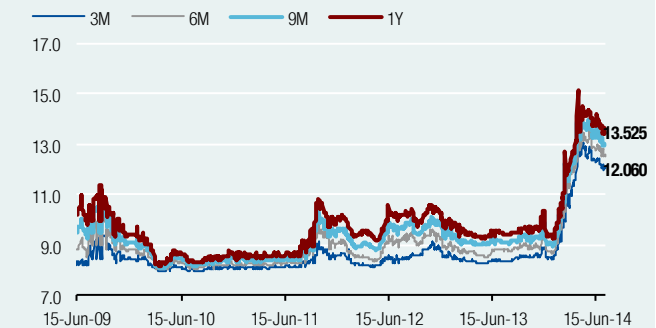


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

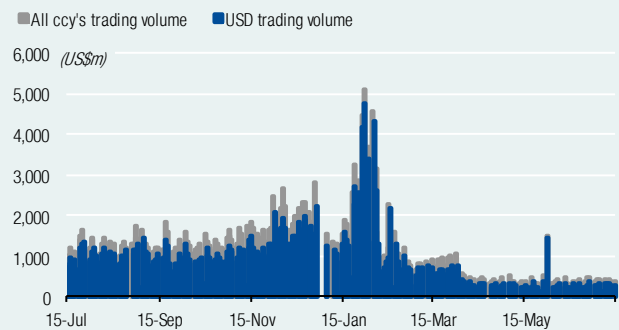


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

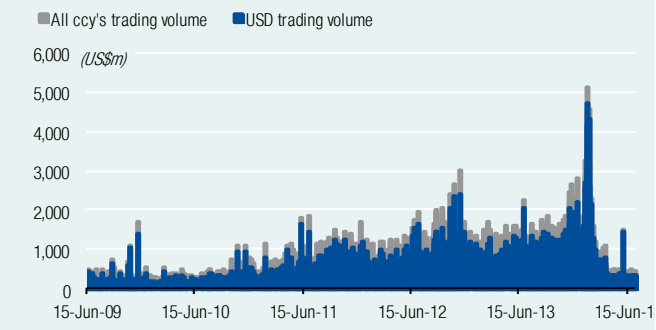


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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.

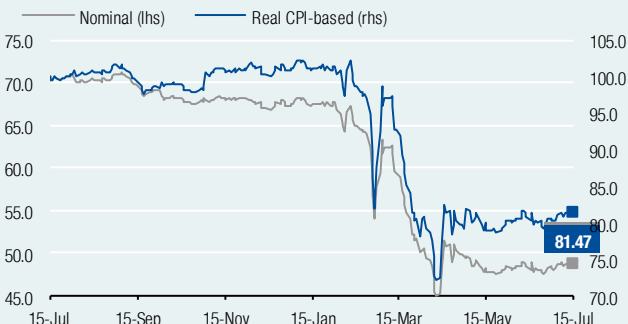




## Chart page #2: ICU's UAH trade-weighted indices

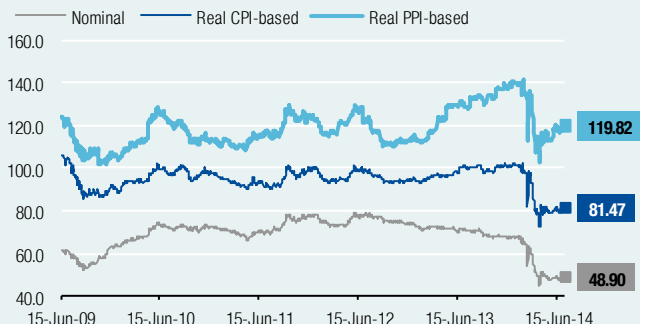
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

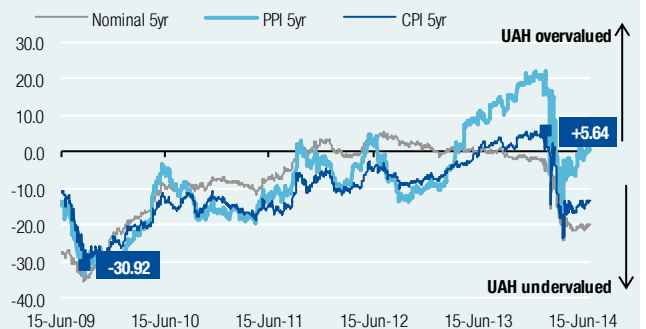


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

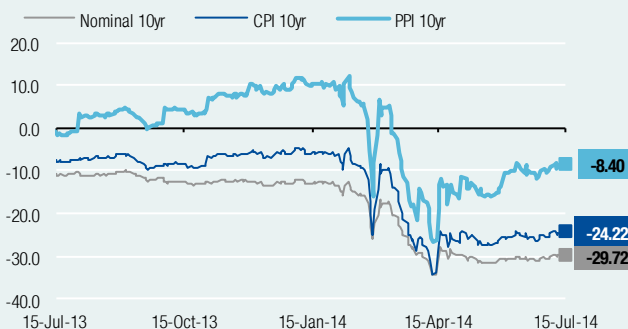


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.



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.

This page is intentionally left blank

## Disclosures

### ANALYST CERTIFICATION

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.

### EQUITY RATING DEFINITIONS

**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

Investment Capital Ukraine LLC is regulated by Securities and Stock Market State Commission of Ukraine (license numbers: dealer activity AE 263019, broker activity AE 263018, underwriting activity AE 263020 dated 11 April 2013).

---

## DISCLAIMER

This research publication has been prepared by Investment Capital Ukraine LLC solely for information purposes for its clients. It does not constitute an investment advice or an offer or solicitation for the purchase or sale of any financial instrument. While reasonable care has been taken to ensure that the information contained herein is not untrue or misleading at the time of publication, Investment Capital Ukraine makes no representation that it is accurate or complete. The information contained herein is subject to change without notice. Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of Investment Capital Ukraine LLC. All rights are reserved. Any investments referred to herein may involve significant risk, are not necessarily available in all jurisdictions, may be illiquid and may not be suitable for all investors. The value of, or income from, any investments referred to herein may fluctuate and/or be affected by changes in exchange rates. Past performance is not indicative of future results. Investors should make their own investigations and investment decisions without relying on this report. Only investors with sufficient knowledge and experience in financial matters to evaluate the merits and risks should consider an investment in any issuer or market discussed herein and other persons should not take any action on the basis of this report.



**Additional information is available upon request.**