


INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

Deadly events in Donbass; Liquidity declines despite support; YTM's increase;

FRIDAY, 18 JULY, 2014

RESEARCH INSIGHT

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UX Index (3 months to 18 Jul 2014)



Key market indicators (as of 17 Jul 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	11.7150	-0.09	+42.17
USD/UAH (1Y NDF)	13.5450	+0.15	+43.79
EUR/USD	1.3526	+0.01	-1.58
USD/RUB	35.1682	+2.19	+6.99
KievPRIME O/N (%)	8.02	+292bp	+22bp
KievPRIME 1M (%)	16.38	-2bp	+13bp

BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	+0bp	-8,591bp
Ukraine 17, Eurobond (%)	8.39	+18bp	-117bp
Ukraine 22, Eurobond (%)	8.57	+17bp	-77bp
Ukraine 23, Eurobond (%)	8.51	+17bp	-53bp
Ukraine 5Y CDS	816bp	+41bp	+0bp

EQUITIES

Stock market indices

UX (Ukraine)	1,224.28	-1.49	+34.53
MSCI World	427.45	-0.88	+4.63
MSCI EM	1,062.59	-0.40	+5.97
RTS (Russia)	1,299.03	-3.81	-9.96
WIG-20 (Poland)	2,403.13	+0.26	+0.09
S&P 500 (USA)	1,958.12	-1.18	+5.94

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

MHPC LI	3.06	44.3% of total ¹
FXPO LN	0.98	14.2%
KER PW	0.81	11.7%

GAINERS: Top 3 stocks (in listed currency)

ALAGR FP	EUR 1.03	+4.04	-16.94
AST PW	PLN 41.58	+2.26	-37.85
OVO PW	PLN 70.00	+1.45	-30.00

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

A day full of deadly events in Donbass

Following the US government's imposition of additional sanctions on the Kremlin yesterday, a Malaysian Airlines aircraft was shot down in Donbass where pro-Kremlin militants continue to operate. At midday, a Ukrainian army fighter jet was shot down by a Russian fighter jet that apparently crossed the border and entered into Ukrainian air space. Later in the day, Ukrainian security reportedly spotted Russian army troops entering Ukraine's territory in Donbass, in a move similar to the annexation of Crimea when the Kremlin sent Russian army soldiers dressed in green camouflage with no insignia and who later earned the nickname "green folks". This invasion appears to be the Kremlin's furious response to the US sanctions, most notably the shooting down of the Malaysian civilian aircraft later in the day. This act of deliberate terrorism poses a risk that the West may impose even more sanctions on Russia.

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Table 1. Ukrainian stocks (closing prices as of 17-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 (%)
ENERGY																											
Cadogan Petrol...	CAD LN	London	11.13 GBP	+0.0	+21.9	+7.2	-28.2	0.19	44.0	-19.1	40.2	17.7	0.0	10.4	0.07	1,533	Neg.	Neg.	Neg.	2.9	N/A	N/A	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.64 UAH	-2.5	+4.8	+60.1	+59.8	0.65	241.1	295.3	21.7	52.3	698.2	388.1	1.18	85	5.8	5.2	3.6	0.5	3.9	2.3	0.5	0.4	0.3	1.2	12.2
Coal Energy	CLE PW	Warsaw	1.09 PLN	+0.9	-18.0	+3.8	-46.3	0.36	16.0	110.3	25.0	4.0	3.5	33.9	0.46	218	Neg.	Neg.	4.0	4.9	13.8	3.8	0.9	1.1	1.0	0.2	39.8
Donbasenergo	DOEN UK	Kiev, UX	38.00 UAH	-1.6	-7.3	+37.7	+57.7	3.25	76.8	117.4	14.2	10.9	113.9	65.7	0.76	132	1.7	1.6	2.1	0.5	1.6	1.3	0.2	0.2	0.2	1.4	17.8
JKX Oil & Gas	JKX LN	London	52.75 GBP	-4.5	-11.0	-26.2	-0.5	0.90	154.9	161.4	47.2	73.1	135.4	36.0	0.06	1,811	23.8	13.7	5.6	2.4	2.0	1.8	0.9	0.8	0.8	0.3	5.5
Regal Petroleum	RPT LN	London	9.13 GBP	+0.0	+7.4	-29.8	-38.7	0.16	50.0	23.2	80.9	40.5	15.6	7.1	0.02	4,065	Neg.	25.0	N/A	1.0	0.9	N/A	0.6	0.5	N/A	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	128.00 UAH	-10.0	-8.6	+41.6	+57.4	10.94	139.9	117.1	5.0	7.0	4.6	2.9	0.06	1,594	2.8	N/A	N/A	0.8	N/A	N/A	0.1	N/A	N/A	3.2	0.0
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	-1.4	+0.5	-8.5	-16.5	0.00	78.2	1,278.0	3.9	3.0	45.3	29.7	1.77	57	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	3.15 UAH	-0.4	-3.3	+6.4	-2.5	0.27	52.5	49.4	4.0	2.1	46.5	28.7	1.61	62	Neg.	28.6	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	-1.2	+1.9	+18.8	+25.4	0.07	286.0	278.9	4.1	11.7	26.8	17.8	0.12	867	Neg.	N/A	Neg.	Neg.	N/A	7.8	0.1	N/A	0.1	0.2	0.0
Ferrexpo PLC	FXPO LN	London	137.90 GBP	-3.6	+5.7	-25.8	-14.5	2.36	1,388.4	2,049.5	22.4	311.0	983.1	1,678.2	0.63	158	5.3	6.6	7.8	4.1	4.7	5.2	1.3	1.4	1.4	0.8	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.68 UAH	+0.0	-16.6	+28.3	+17.2	0.06	15.9	17.1	9.0	1.4	0.0	7.3	0.52	193	Neg.	1.3	0.7	0.1	0.6	0.4	0.1	0.0	0.0	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	41.60 UAH	-1.0	-6.1	+30.0	+18.3	3.56	37.5	33.1	9.4	3.5	79.9	33.7	1.66	60	6.3	N/A	Neg.	Neg.	N/A	1.0	0.0	N/A	0.0	1.0	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	1.03 EUR	+4.0	-3.7	-16.9	-32.7	1.39	128.6	155.5	34.0	43.7	12.5	26.3	0.02	4,949	Neg.	N/A	N/A	Neg.	N/A	N/A	2.1	N/A	N/A	1.1	35.9
Agroliga	AGL PW	Warsaw	19.25 PLN	-0.7	-2.7	-25.8	-24.7	6.27	9.6	10.6	16.7	1.6	0.0	3.5	0.05	2,188	2.3	N/A	N/A	3.1	N/A	N/A	0.5	N/A	N/A	0.8	5.7
Agroton	AGT PW	Warsaw	2.77 PLN	-0.4	+0.4	+42.1	+97.9	0.90	19.5	64.8	26.2	5.1	38.8	143.8	2.76	36	Neg.	2.8	2.4	24.2	6.8	4.1	0.8	0.8	0.8	0.2	28.4
Astarta Holdin...	AST PW	Warsaw	41.58 PLN	+2.3	-9.6	-37.8	-37.0	13.54	338.6	654.3	31.0	105.0	7.9	163.6	0.18	559	9.7	7.4	4.8	8.6	5.0	5.3	1.3	1.3	1.2	0.9	38.2
Avangard	AVGR LI	London Intl	9.50 USD	+0.0	-6.4	-19.1	+11.8	9.50	606.8	837.7	21.7	131.7	28.3	209.2	0.22	463	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	8.81 PLN	-4.2	-12.4	-27.5	-44.2	2.87	89.8	240.8	23.9	21.4	8.1	77.3	0.59	171	3.4	8.2	2.0	4.5	4.1	3.4	2.1	1.2	1.0	0.6	38.7
Kernel Holding...	KER PW	Warsaw	30.10 PLN	-0.7	-8.9	-20.9	-45.3	9.80	781.2	1,687.8	58.8	459.1	809.0	2,984.2	0.35	284	7.0	15.1	5.1	5.8	6.5	4.9	0.6	0.7	0.6	0.7	30.6
MHP	MHPC LI	London Intl	15.15 USD	+0.0	+4.1	-11.1	-14.8	15.15	1,600.9	2,761.7	22.3	357.3	3,061.6	1,709.7	0.44	225	10.3	5.9	5.3	7.1	5.7	5.2	1.8	1.8	1.6	2.8	47.0
Milkiland	MLK PW	Warsaw	6.00 PLN	+0.7	-11.9	-52.0	-45.5	1.95	61.1	190.6	20.0	12.2	11.5	9.9	0.05	1,884	4.2	N/A	3.1	5.8	3.7	3.4	0.4	0.4	0.4	0.3	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	4.40 EUR	+0.0	-2.2	-18.5	-4.7	5.95	632.2	1,420.4	20.0	126.4	0.0	14.8	0.01	18,797	7.1	7.3	2.8	8.6	5.2	4.8	2.8	3.4	3.3	0.0	45.3
Ovostar Union	OVO PW	Warsaw	70.00 PLN	+1.4	-2.8	-30.0	-2.8	22.80	136.8	144.3	25.0	34.2	241.2	28.6	0.15	678	4.5	6.7	6.4	3.9	4.8	4.3	1.6	1.7	1.4	1.0	8.5
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.19 EUR	+0.0	-11.2	-39.7	-47.5	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
FINANCIAL SERVICES																											
Forum Bank	FORM UK	Kiev, UX	0.22 UAH	-28.8	N/A	N/A	N/A	0.02	11.2	N/A	5.5	0.6	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	0.14 UAH	-3.3	-6.6	+27.2	+46.9	0.01	370.0	N/A	3.8	14.1	516.9	179.0	2.39	42	4.3	Neg.	12.2	N/A	N/A	N/A	N/A	N/A	N/A	0.6	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.16 UAH	-2.0	-1.0	-12.2	+19.4	0.01	255.2	N/A	4.5	11.4	28.9	13.8	0.22	464	Neg.	13.9	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.3	30.9

Table 1. Ukrainian stocks (closing prices as of 17-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 despite support

Broader banking sector liquidity declined UAH0.0.49bn to UAH43.41bn yesterday after receiving UAH5.24bn of 3-month loans from the NBU. Banks' correspondent accounts with the NBU fell UAH0.49bn to UAH28.95bn while total CDs outstanding rose UAH0.45bn to UAH11.08bn. Total local currency debt repayments scheduled for the next 30 days declined UAH0.45bn to UAH3.38bn following Wednesday's debt repayments.

KyivPrime interest rates significantly diverged yesterday: the KyivPrime ON interest rate jumped up 292bp to 8.02% while the KyivPrime 1M interest rate slid 2bp to 16.38%.

Investment implications: The NBU significantly supported banks with liquidity by issuing UAH5.24bn of 3-month loans. Although these funds covered outflows from the banking system, banks' correspondent accounts with the NBU declined only slightly. The MoF's injections on Wednesday via debt repayments were absorbed by the NBU issuing CDs. Wednesday's outflows, possibly a rollover of NBU loans scheduled to be repaid next week, could have occurred to decrease pressure on liquidity during month-end tax payments. However, if this were the case, interest rates on ON loans should not have risen yesterday.

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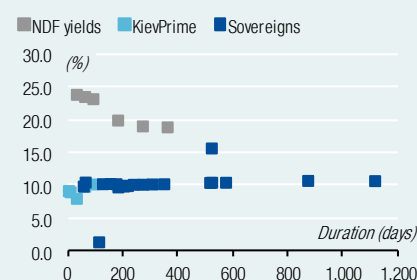
YTM continue to increase

Investor sentiment soured further yesterday following Ukrainian Prime Minister A. Yatseniuk's announcement that the state budget must be revised and that additional sources for financing are necessary. Negative anticipations rose even higher when Vladimir Putin declared that the IMF should not finance Ukraine due to the nation being involved in a war. At the close, the yield curve adjusted to the range of 7.98-8.73% as UKRAIN 6.875% '15 rose 19bp to 7.98%, UKRAIN 9.25% '17 was up 17bp to 8.37%, while UKRAIN 7.95% '21, UKRAIN 7.80% '22 and UKRAIN 7.50% '23 rose 13bp to 8.73%, 8.54% and 8.48%, respectively. The 5-year CDS rose to 816bp.

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Yield curve of the local bond market

(as of market close on 17 Jul 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 17 Jul 2014)

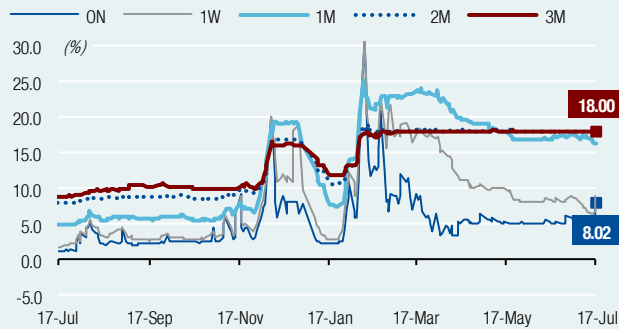
	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
0/n	8.02	+292bp	+277bp	+289bp	+22bp
1wk	8.88	+226bp	+164bp	+61bp	-92bp
1m	16.38	-2bp	-93bp	-62bp	+13bp
2m	18.00	+0bp	+0bp	+0bp	+160bp
3m	18.00	+0bp	+0bp	+0bp	+200bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	28,952	-1.68	-0.77	+0.49	-11.47
CDs ²	11,078	+4.25	+1.29	+29.01	+1,471.3
Sovgns ³	3,381	+0.00	-3.98	-29.99	+126.2
Total	43,410	-0.10	-0.52	+2.80	+24.38
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	189,811	+0.01	+1.07	+2.23	+31.04
Banks	84,106	+0.43	+1.29	-0.63	+4.91
Resid's ⁴	12,922	-2.14	-5.86	+26.06	+4.24
Non-res ⁵	16,229	-0.07	+0.29	+0.75	+38.72
Total	303,069	+0.02	+0.77	+2.16	+21.66
NDF IMPLIED YIELDS (%)					
3m	15.10	+207bp	+477bp	-777bp	+295bp
6m	15.23	+44bp	+81bp	-479bp	+183bp
9m	15.60	+36bp	+52bp	-335bp	+159bp
1yr	16.26	+27bp	-130bp	-232bp	+128bp
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	+0bp	-40bp	+309bp	-86ppt
EUROBONDS USD SOVEREIGN BOND YIELDS (%)					
CDS 5yr	816	+41bp	+66bp	-69bp	+0bp
Jun '16	8.20	+19bp	+48bp	-159bp	-69bp
Jul '17	8.39	+18bp	+49bp	-137bp	-117bp
Sep '20	8.57	+17bp	+19bp	-45bp	-62bp
Sep '21	8.76	+17bp	+24bp	-31bp	-46bp
Sep '22	8.57	+17bp	+22bp	-82bp	-77bp
Feb '23	8.51	+17bp	+17bp	-59bp	-53bp

Notes: [1] banks' account balance at NBU; [2] certificates of deposits issued by NBU; [3] UAH sovereign bonds due next 30 days; [4] residents; [5] non-residents; [6] VAT bond.

Sources: Bloomberg, Investment Capital Ukraine LLC.

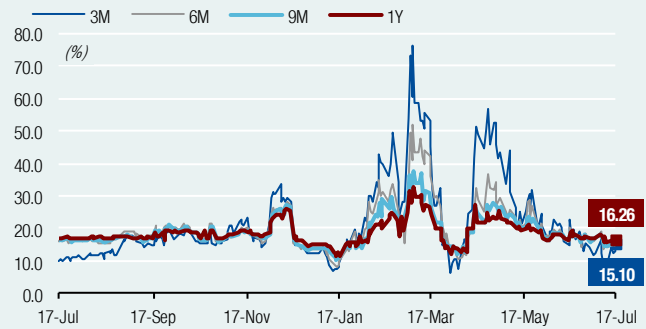
Chart page: Local bond market & Eurobond markets

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



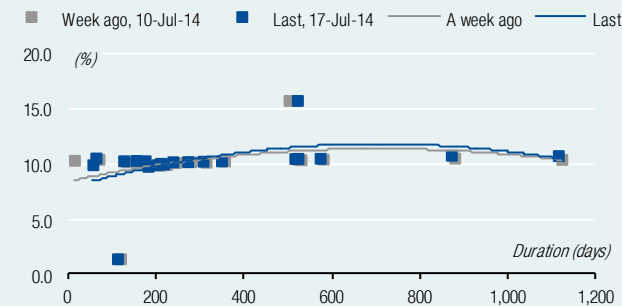
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



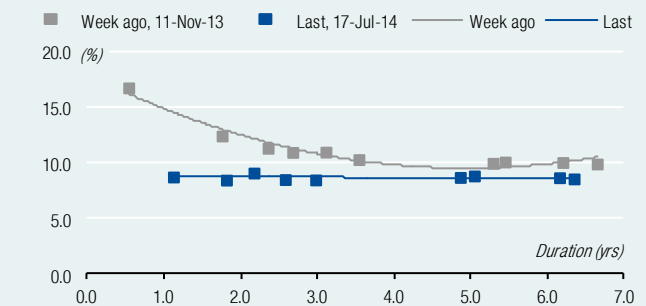
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



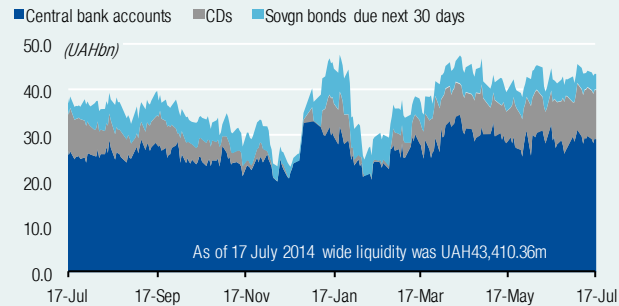
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



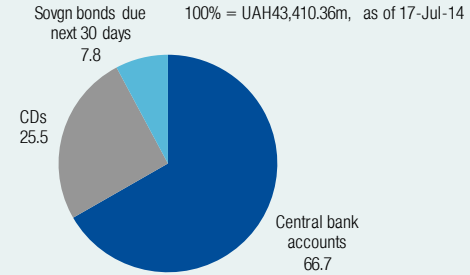
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



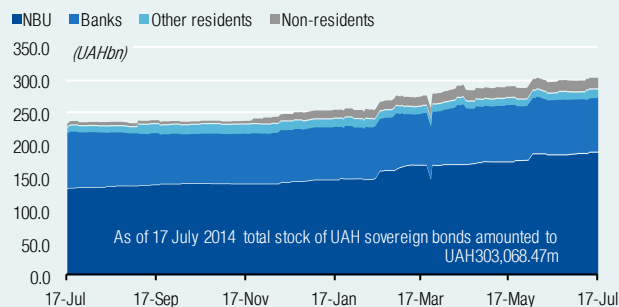
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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



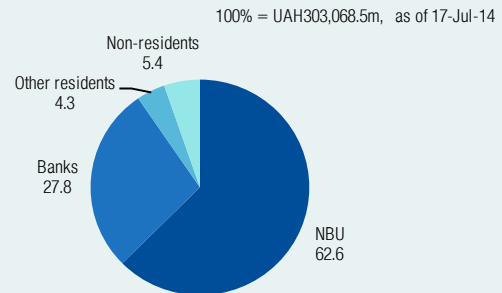
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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



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

Chart 8. Domestic sovereign debt (%) as of 17 Jul 2014

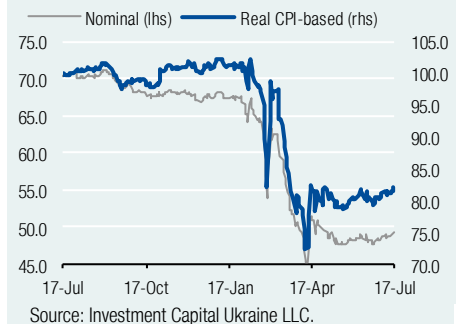


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

FX: News & Comments

ICU's UAH trade-weighted indices

(Last 12-month history to 18 Jul 2014)



FX market indicators (as of 17 Jul 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	11.7150	-0.09	+0.34	-0.43	+42.17
NBU avg	11.7197	+0.01	+0.20	-0.35	+43.79
Ttl vlm ¹	364.74	+7.19	-17.88	+11.46	-86.98
\$ volume ²	250.49	+9.53	-24.18	+14.89	-88.67
NDF 3M	12.1500	+0.41	+1.50	-2.25	+43.19
NDF 6M	12.5900	+0.12	+0.72	-2.59	+43.39
NDF 1Y	13.5450	+0.15	-0.77	-2.38	+43.79
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	49.331	+0.90	+1.11	+0.90	-26.96
UAH real CPI	82.196	+0.90	+1.11	+0.90	-18.68
UAH real PPI	120.882	+0.90	+1.11	+0.90	-12.90
USD nom'l	80.505	-0.07	+0.47	-0.15	+0.59
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	35.1682	+2.19	+3.48	+1.01	+6.99
EUR/USD	1.3526	+0.01	-0.61	-0.16	-1.58
USD/CNY	6.2042	-0.01	+0.03	-0.35	+2.48
USD/PLN	3.0732	+0.56	+0.96	+0.47	+1.66
USD/TRY	2.1409	+1.02	+0.79	-0.36	-0.34
USD/BYR	10,280.00	+0.15	+0.34	+0.98	+7.76
USD/KZT	183.5200	+0.00	+0.00	-0.01	+18.96
OTHER MAJOR CURRENCIES					
USD/JPY	101.1800	-0.48	-0.16	-0.95	-3.92
GBP/USD	1.7101	-0.21	-0.18	+0.80	+3.29
USD/CHF	0.8974	-0.11	+0.57	-0.22	+0.50
AUD/USD	0.9351	-0.18	-0.47	+0.15	+4.87
USD/CAD	1.0763	+0.20	+1.06	-0.90	+1.32
USD/BRL	2.2582	+1.56	+1.69	-0.16	-4.40
USD/KRW	1,029.32	-0.26	+1.57	+0.74	-1.95
COMMODITIES					
Gold(\$/oz)	1,319.24	+1.54	-1.24	+3.82	+9.42
WTI crude ³	103.19	+1.97	+0.25	-2.98	+4.85
Brent crd ³	106.99	+1.61	-0.66	-5.57	-3.46
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	297.92	+0.38	-0.59	-3.60	+6.34

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>).

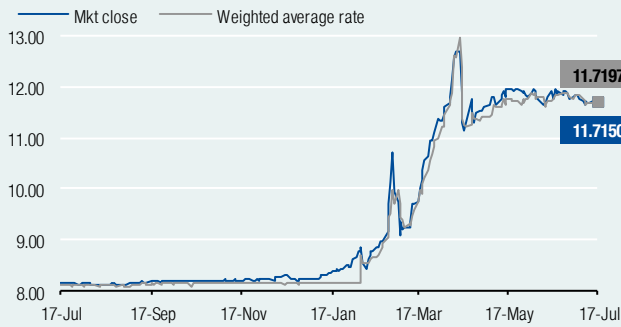
Section on FX market is continued on next page.

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.

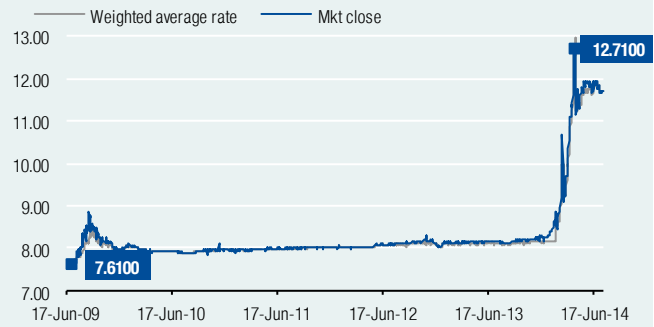
Sources: Bloomberg, Investment Capital Ukraine LLC.

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.

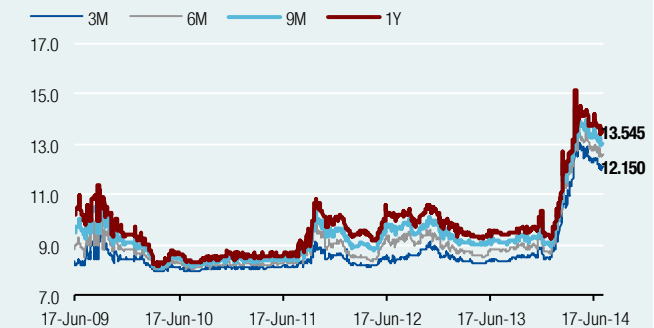


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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.

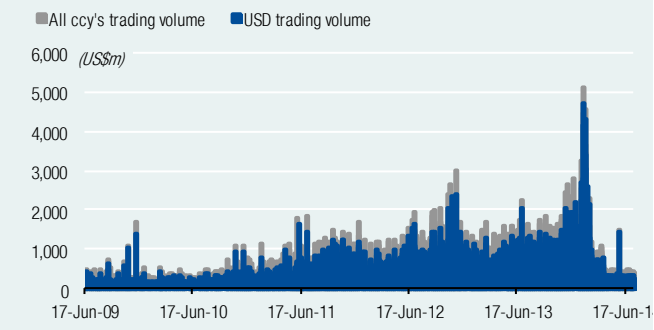


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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)



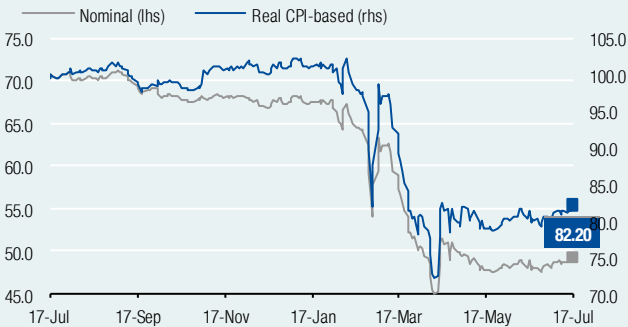
Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

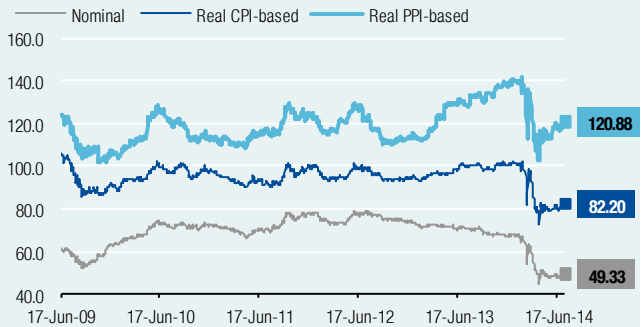
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

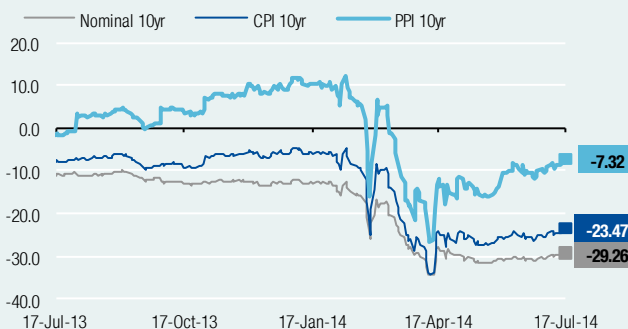


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.



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.

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



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