


INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

Liquidity declines; 2Q real GDP contracts 5% YoY;
 YTMs diverge slightly

TUESDAY, 22 JULY, 2014

RESEARCH INSIGHT

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UX Index (3 months to 22 Jul 2014)



Key market indicators (as of 21 Jul 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	11.7000	+0.52	+41.99
USD/UAH (1Y NDF)	13.4850	-0.44	+43.15
EUR/USD	1.3524	+0.00	-1.59
USD/RUB	35.2146	+0.23	+7.13
KievPRIME O/N (%)	8.00	-2bp	+20bp
KievPRIME 1M (%)	16.13	-12bp	-12bp

BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	+18bp	-8,573bp
Ukraine 17, Eurobond (%)	8.43	+3bp	-113bp
Ukraine 22, Eurobond (%)	8.58	+1bp	-77bp
Ukraine 23, Eurobond (%)	8.51	+1bp	-53bp
Ukraine 5Y CDS	800bp	+21bp	-17bp

EQUITIES

Stock market indices

UX (Ukraine)	1,262.22	+2.77	+38.70
MSCI World	428.57	-0.21	+4.90
MSCI EM	1,063.26	+0.00	+6.04
RTS (Russia)	1,239.13	-2.91	-14.11
WIG-20 (Poland)	2,390.31	-0.15	-0.44
S&P 500 (USA)	1,973.63	-0.23	+6.78

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

KER PW	0.87	24.7% of total ¹
FXPO LN	0.80	22.5%
CEEN UK	0.64	18.0%

GAINERS: Top 3 stocks (in listed currency)

ENMZ UK	UAH 42.82	+5.99	+33.77
AZST UK	UAH 0.84	+5.40	+25.37
AVDK UK	UAH 3.28	+5.07	+10.71

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

2Q real GDP contracts 5% YoY

The Ukrainian economy contracted 3% YoY in 1H, implying that after a 1.1% YoY decline in 1Q, a 5% YoY contraction followed, according to an official release yesterday. The Kremlin's aggression has had a vital negative impact on the economy. The UAH's steep devaluation for the second consecutive quarter has had the next greatest negative macroeconomic impact. We expect the decline will most likely extend in the second half of this year, because of the following: (1) the Kremlin became more assertive toward Ukraine after the MH17 jetliner crash, and (2) economic policymaking is indeed struggling to modernise itself, thus decision making is slow.

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Table 1. Ukrainian stocks (closing prices as of 21-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	+17.1	+7.2	-27.0	0.19	43.9	-19.2	40.2	17.7	0.0	10.3	0.07	1,495	Neg.	Neg.	Neg.	2.9	N/A	N/A	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.97 UAH	+2.7	+9.4	+67.1	+66.7	0.68	252.2	306.6	21.7	54.8	636.6	425.3	1.17	86	6.0	5.4	3.8	0.5	4.1	2.4	0.5	0.4	0.3	1.2	12.2
Coal Energy	CLE PW	Warsaw	1.03 PLN	-4.6	-23.1	-1.9	-50.7	0.34	15.1	109.4	25.0	3.8	19.9	31.5	0.50	201	Neg.	Neg.	3.8	4.9	13.7	3.8	0.9	1.1	1.0	0.1	39.8
Donbasenergo	DOEN UK	Kiev, UX	38.47 UAH	+2.0	-3.2	+39.4	+65.7	3.30	77.9	118.7	14.2	11.1	76.9	69.2	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	51.00 GBP	-1.4	-13.9	-28.7	-4.7	0.87	149.6	156.1	47.2	70.6	58.0	35.9	0.06	1,620	23.0	13.2	5.4	2.3	1.9	1.8	0.9	0.8	0.7	0.3	5.5
Regal Petroleum	RPT LN	London	9.13 GBP	+0.0	+17.7	-29.8	-38.7	0.16	50.0	23.1	80.9	40.4	0.0	6.9	0.01	7,712	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	+0.0	-12.9	+41.6	+56.1	10.97	140.3	117.4	5.0	7.0	6.9	3.1	0.05	2,048	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	+3.9	+1.4	-4.9	-11.7	0.00	81.5	1,284.4	3.9	3.2	66.9	32.4	1.72	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	3.28 UAH	+5.1	+0.5	+10.7	+2.4	0.28	54.8	51.7	4.0	2.2	32.7	30.2	1.55	65	Neg.	29.7	0.8	Neg.	1.0	0.4	0.1	0.1	0.0	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.84 UAH	+5.4	+9.5	+25.4	+34.0	0.07	302.6	295.4	4.1	12.4	29.3	18.6	0.12	867	Neg.	N/A	Neg.	Neg.	N/A	8.2	0.2	N/A	0.1	0.3	0.0
Ferrexpo PLC	FXPO LN	London	136.70 GBP	+0.9	+12.2	-26.4	-16.1	2.33	1,374.3	2,035.4	22.4	307.8	796.6	1,650.4	0.59	171	5.2	6.5	7.8	4.1	4.7	5.2	1.3	1.4	1.4	0.8	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.69 UAH	+4.5	-15.3	+30.2	+19.2	0.06	16.2	17.4	9.0	1.5	0.4	7.5	0.45	220	Neg.	1.4	0.7	0.1	0.6	0.5	0.1	0.0	0.0	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	42.82 UAH	+6.0	-3.8	+33.8	+22.9	3.67	38.7	34.3	9.4	3.6	21.8	35.3	1.43	70	6.5	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	0.96 EUR	-5.0	-10.3	-22.6	-36.8	1.30	119.9	146.7	34.0	40.8	15.4	24.0	0.02	4,339	Neg.	N/A	N/A	Neg.	N/A	N/A	2.0	N/A	N/A	1.0	35.9
Agroliga	AGL PW	Warsaw	19.03 PLN	-0.2	-3.8	-26.6	-21.7	6.21	9.5	10.5	16.7	1.6	0.2	3.4	0.06	1,815	2.2	N/A	N/A	3.0	N/A	N/A	0.5	N/A	N/A	0.8	5.7
Agroton	AGT PW	Warsaw	2.81 PLN	-0.4	+0.4	+44.1	+75.6	0.92	19.9	65.2	26.2	5.2	98.1	145.7	2.95	34	Neg.	2.8	2.5	24.4	6.9	4.1	0.8	0.8	0.8	0.2	28.4
Astarta Holdin...	AST PW	Warsaw	40.00 PLN	+0.0	-12.0	-40.2	-41.4	13.05	326.3	642.0	31.0	101.2	37.1	155.0	0.17	602	9.4	7.1	4.6	8.5	4.9	5.2	1.3	1.3	1.2	0.9	38.2
Avangard	AVGR LI	London Intl	9.50 USD	-0.5	+4.7	-19.1	+13.2	9.50	606.8	837.7	21.7	131.7	104.5	203.5	0.21	483	2.6	2.7	2.6	2.8	2.8	1.3	1.1	1.1	1.0	0.0	17.8
IMC	IMC PW	Warsaw	8.49 PLN	-2.6	-16.8	-30.1	-46.2	2.77	86.7	237.7	23.9	20.7	3.4	73.3	0.48	208	3.3	7.9	1.9	4.4	4.1	3.3	2.1	1.2	1.0	0.6	38.7
Kernel Holding...	KER PW	Warsaw	29.50 PLN	-1.7	-12.4	-22.5	-43.8	9.63	767.0	1,673.6	58.8	450.8	874.3	2,919.6	0.35	283	6.9	14.8	5.0	5.8	6.4	4.9	0.6	0.7	0.6	0.7	30.6
MHP	MHPC LI	London Intl	15.10 USD	+1.7	+4.1	-11.4	-14.7	15.10	1,595.6	2,756.4	22.3	356.1	207.6	1,706.0	0.47	213	10.2	5.9	5.3	7.1	5.7	5.2	1.8	1.8	1.6	2.7	47.0
Milkiland	MLK PW	Warsaw	5.46 PLN	-5.7	-19.7	-56.3	-52.1	1.78	55.7	185.2	20.0	11.1	3.8	9.0	0.06	1,718	3.8	N/A	2.8	5.6	3.6	3.3	0.4	0.4	0.4	0.2	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	4.41 EUR	+0.0	+0.5	-18.3	-4.5	5.96	633.5	1,421.7	20.0	126.7	1.5	14.6	0.01	18,868	7.2	7.3	2.8	8.6	5.2	4.8	2.9	3.4	3.3	0.0	45.3
Ovostar Union	OVO PW	Warsaw	69.95 PLN	+1.4	-2.7	-30.1	-1.5	22.82	136.9	144.5	25.0	34.2	9.4	28.4	0.15	680	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	-10.7	-39.4	-48.1	0.26	13.4	172.8	13.1	1.8	0.0	0.2	0.01	8,685	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	0.18 UAH	-17.3	N/A	N/A	N/A	0.02	9.3	N/A	5.5	0.5	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	+1.7	-4.0	+30.0	+50.8	0.01	378.9	N/A	3.8	14.5	418.1	194.7	2.44	41	4.4	Neg.	12.4	N/A	N/A	N/A	N/A	N/A	N/A	0.6	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.17 UAH	+3.0	+3.7	-7.6	+23.5	0.01	269.2	N/A	4.5	12.1	24.3	15.1	0.19	539	Neg.	14.6	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 21-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 prior to month-end tax payments

Broader banking sector liquidity fell UAH2.82bn to UAH45.24bn as banks' correspondent accounts with the NBU declined UAH1.17bn to UAH31.42bn and total CDs outstanding decreased UAH1.65bn to UAH10.53bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH3.38bn.

KyivPrime interest rates slightly declined yesterday: the KyivPrime ON interest rate slid 2bp to 8.00% while the KyivPrime 1M interest rate slid 12bp to 16.13%.

Investment implications: Liquidity declined yesterday after last Friday's deals as NBU loan repayments could be scheduled this week. This week, liquidity should decline on both repayments of refinancing loans scheduled today and this Friday as well as on the beginning of month-end tax payments period.

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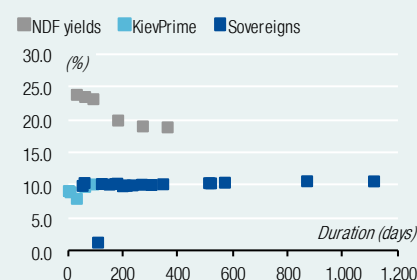
YTM's of Ukrainian Eurobonds diverge slightly

YTM's of Ukrainian Eurobonds diverged slightly and returned below 9.0% after UKRAIN 6.875% '15 rose last Friday above this level. Yields followed the movements of benchmark yields at the long-term end of yield curve, while at the short-term end of the yield curve movements were less positive and even negative, confirming the short-term character of Ukrainian risk. As a result, at the close, the yield curve adjusted to the range of 8.13-8.92%, as UKRAIN 6.875% '15 declined 93bp to 8.24%, UKRAIN 6.58% '16 declined 52bp to 8.36%, UKRAIN 9.25% '17 was up 2bp to 8.43% and UKRAIN 7.95% '21 rose 16bp to 8.92%, while UKRAIN 7.80% '22 and UKRAIN 7.50% '23 remained steady at 8.57% and 8.51, respectively. The 5-year CDS rose to 800bp.

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Yield curve of the local bond market

(as of market close on 21 Jul 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 21 Jul 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
0/n	8.00	-2bp	+287bp	+260bp	+20bp
1wk	8.63	-6bp	+208bp	+3bp	-117bp
1m	16.13	-12bp	-87bp	-102bp	-12bp
2m	18.00	+0bp	+0bp	+0bp	+160bp
3m	18.13	+13bp	+13bp	+13bp	+213bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	31,418	-3.58	+7.98	+12.44	-3.93
CDs ²	0	+0.00	+0.00	+0.00	+0.00
Sovgns ³	3,972	+17.49	+3.40	-1.24	+165.7
Total	35,390	-1.60	+7.44	+10.72	+3.49
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	189,811	+0.00	+0.01	+2.23	+31.04
Banks	83,670	-0.44	+0.01	-1.69	+4.37
Resid's ⁴	13,071	+0.64	-1.27	+8.27	+5.44
Non-res ⁵	16,159	-0.44	-0.40	-0.85	+38.12
Total	302,711	-0.12	-0.07	+1.19	+21.51
NDF IMPLIED YIELDS (%)					
3m	15.63	-249bp	+174bp	-105bp	+349bp
6m	16.11	-86bp	+123bp	-121bp	+270bp
9m	15.79	-77bp	+48bp	-208bp	+178bp
1yr	15.89	-112bp	-15bp	-215bp	+91bp
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	+18bp	-22bp	+327bp	-86ppt
EUROBONDS USD SOVEREIGN BOND YIELDS (%)					
CDS 5yr	800	+21bp	+36bp	-35bp	-17bp
Jun '16	8.23	+2bp	+51bp	-130bp	-66bp
Jul '17	8.43	+3bp	+51bp	-118bp	-113bp
Sep '20	8.59	+2bp	+27bp	+0bp	-60bp
Sep '21	8.78	+2bp	+25bp	-11bp	-44bp
Sep '22	8.58	+1bp	+18bp	-65bp	-77bp
Feb '23	8.51	+1bp	+19bp	-43bp	-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

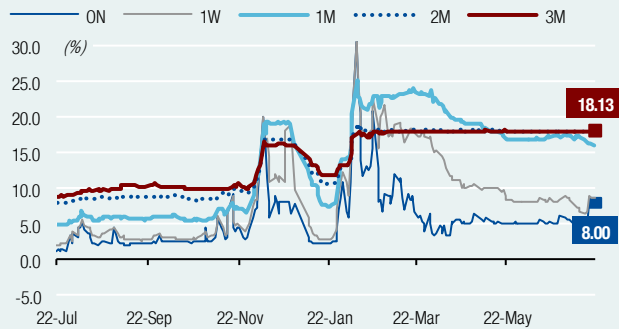


Chart 2. UAH NDF implied yields (%), last 12-month period

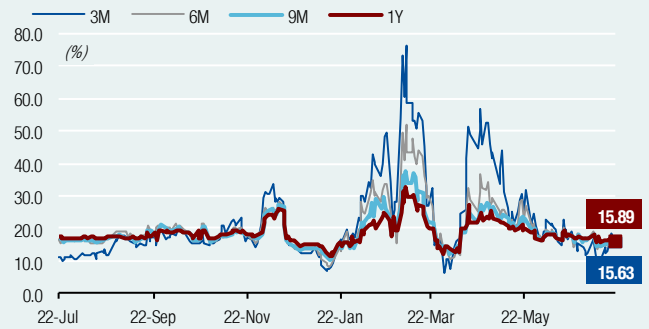


Chart 3. UAH sovereign yield curve (%) as of 21 Jul 2014

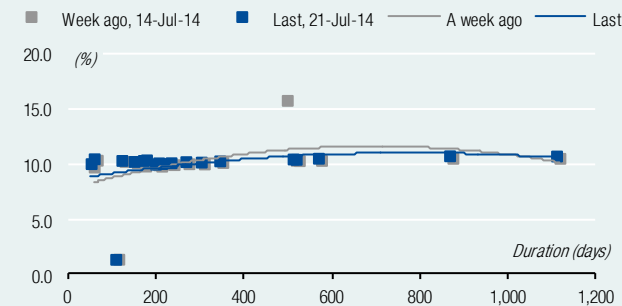


Chart 4. USD sovereign yield curve (%) as of 21 Jul 2014

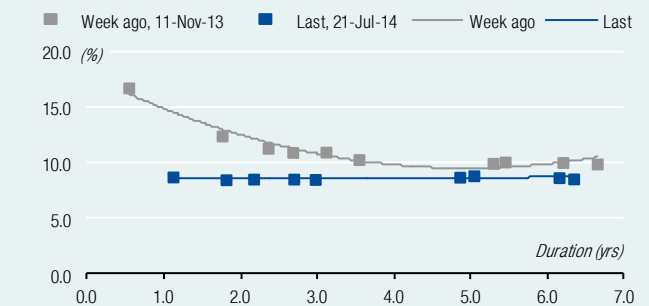


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

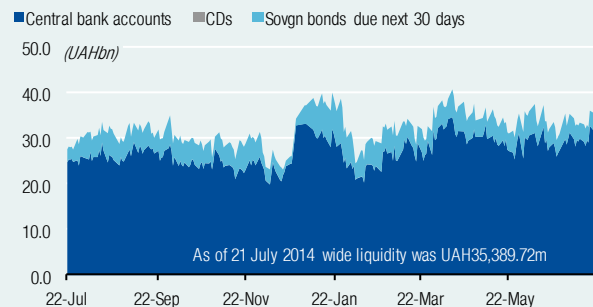


Chart 6. Breakdown of liquidity pool (%) as of 21 Jul 2014

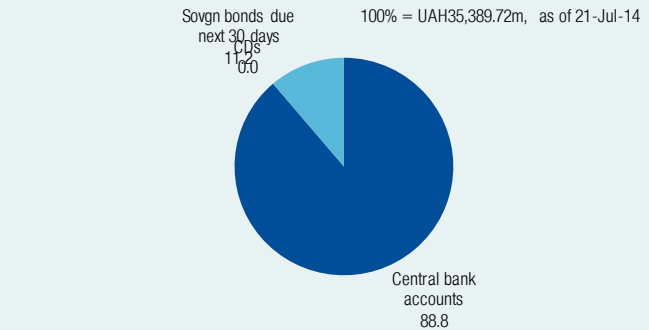


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

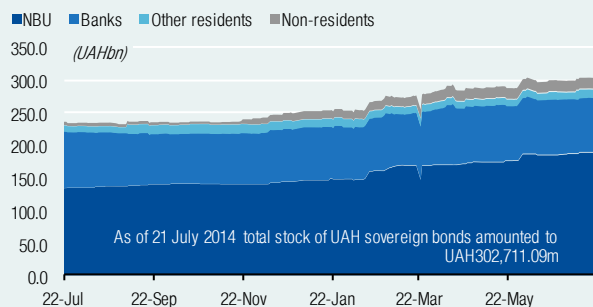
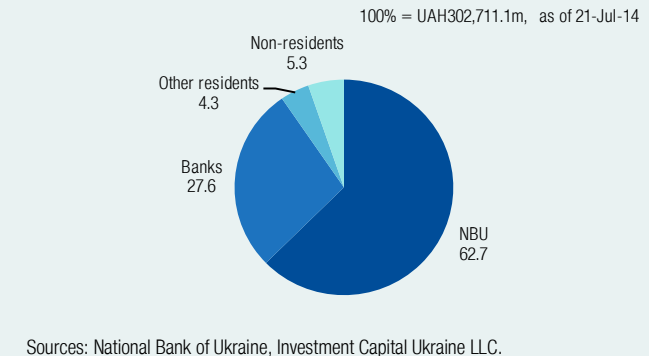


Chart 8. Domestic sovereign debt (%) as of 21 Jul 2014



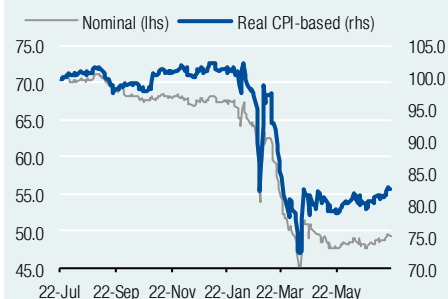
FX: News & Comments

UAH strengthens, TWI mixed

The UAH weakened yesterday by 0.52% on US\$202m in trading. The NBU did not continue buying the US dollar as it did last Friday, reportedly at 11.6/USD. The hryvnia's real trade-weighted index was mixed yesterday as the RUB traded within a narrow range versus the dollar as the market anticipated new sanctions by the West. These sanctions could be implemented sooner than later as the Kremlin revealed its intentions to be less cooperative with Western demands.

ICU's UAH trade-weighted indices

(Last 12-month history to 22 Jul 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 21 Jul 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	11.7000	+0.52	-0.17	-1.72	+41.99
NBU avg	11.6556	+0.06	-0.35	-1.68	+43.00
Ttl vlm ¹	309.34	-16.81	-11.54	-25.27	-88.96
\$ volume ²	202.10	-29.58	-30.07	-34.40	-90.86
NDF 3M	12.1500	-0.08	+0.25	-1.97	+43.19
NDF 6M	12.6250	+0.12	+0.40	-2.27	+43.79
NDF 1Y	13.4850	-0.44	-0.30	-3.52	+43.15
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	49.381	-0.47	+1.31	+2.65	-26.89
UAH real CPI	82.280	-0.47	+1.31	+2.65	-18.59
UAH real PPI	121.005	-0.47	+1.31	+2.65	-12.81
USD nom'l	80.560	+0.04	+0.46	+0.23	+0.66
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	35.2146	+0.23	+2.58	+2.16	+7.13
EUR/USD	1.3524	+0.00	-0.70	-0.56	-1.59
USD/CNY	6.2092	+0.02	+0.05	-0.26	+2.56
USD/PLN	3.0661	-0.07	+0.90	+0.02	+1.43
USD/TRY	2.1183	-0.28	+0.09	-1.08	-1.39
USD/BYR	10,285.00	-0.15	+0.39	+0.98	+7.81
USD/KZT	183.5900	-0.05	-0.02	+0.04	+19.01
OTHER MAJOR CURRENCIES					
USD/JPY	101.4000	+0.06	-0.14	-0.66	-3.71
GBP/USD	1.7076	-0.07	-0.05	+0.37	+3.13
USD/CHF	0.8980	-0.06	+0.68	+0.32	+0.57
AUD/USD	0.9373	-0.18	-0.21	-0.16	+5.11
USD/CAD	1.0738	+0.05	+0.24	-0.19	+1.08
USD/BRL	2.2211	-0.23	+0.40	-0.40	-5.97
USD/KRW	1,026.86	-0.24	+0.84	+0.61	-2.19
COMMODITIES					
Gold(\$/oz)	1,312.55	+0.11	+0.42	-0.17	+8.87
WTI crude ³	104.59	+1.42	+3.65	-2.49	+6.27
Brent crd ³	106.57	+0.67	+0.24	-6.97	-3.84
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	298.44	+0.34	+0.33	-4.63	+6.52

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>).

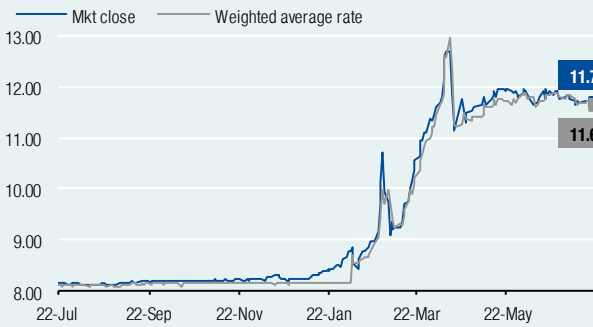
Section on FX market is continued on next page.

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.

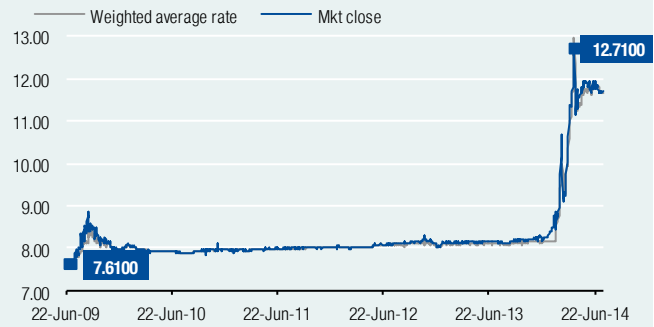
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

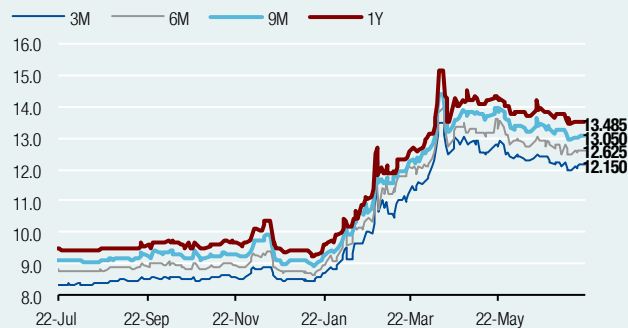


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

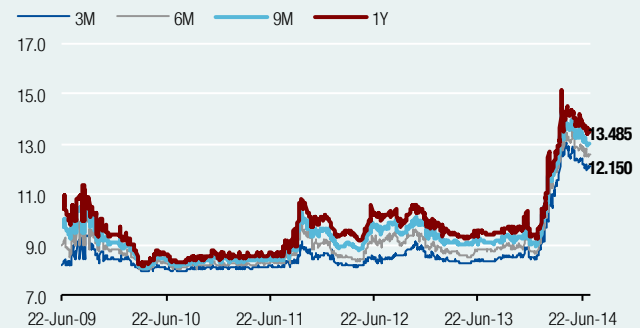


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

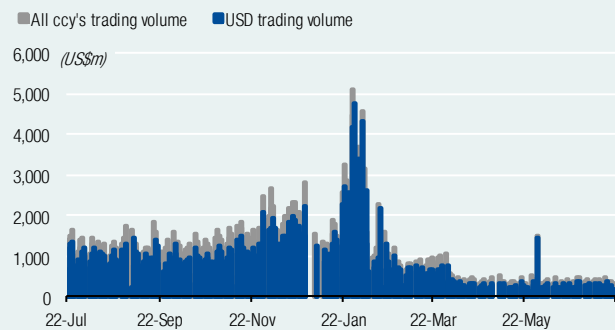


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

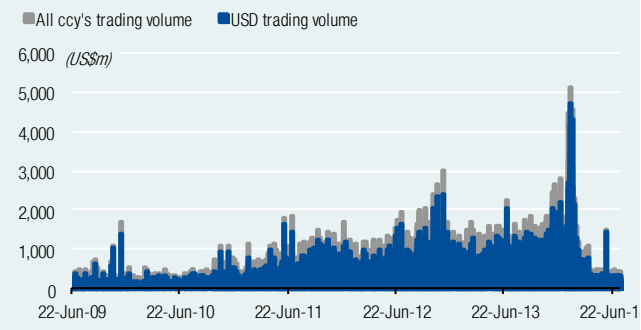


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

Chart 11. Trading volume: last 12-month and 5-year periods (US\$m, left and right respectively)

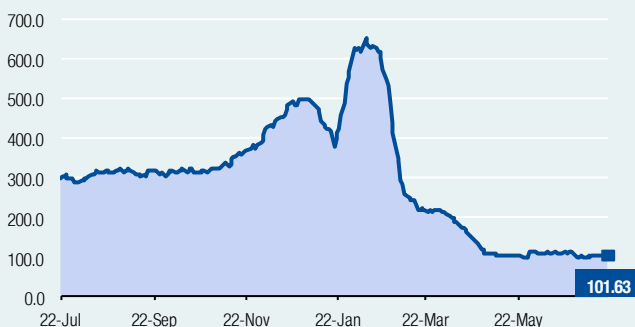


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)



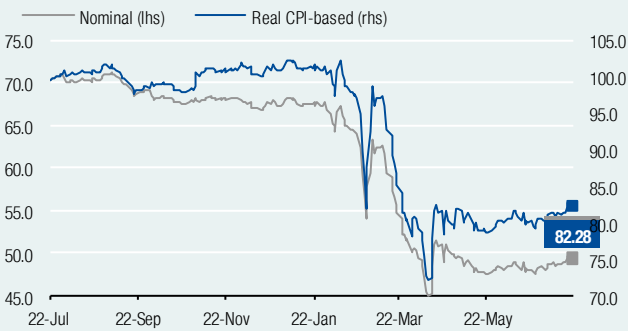
Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

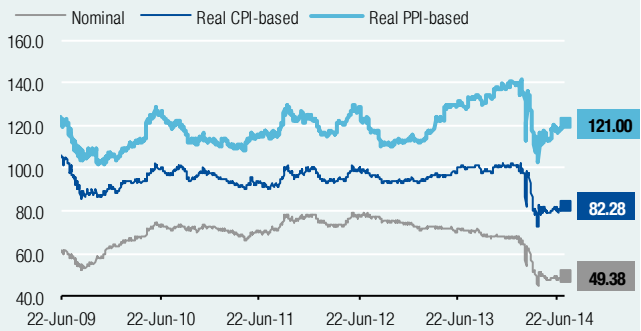
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



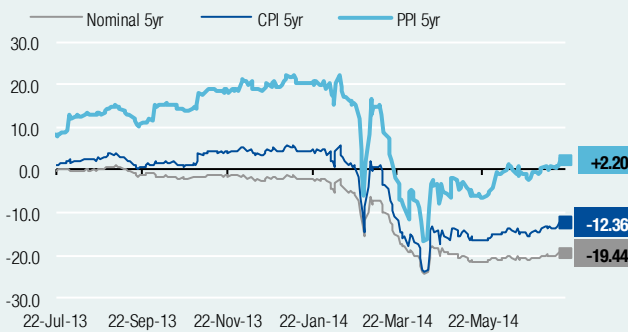
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

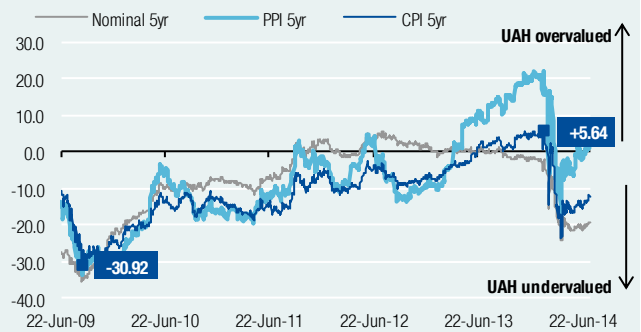


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

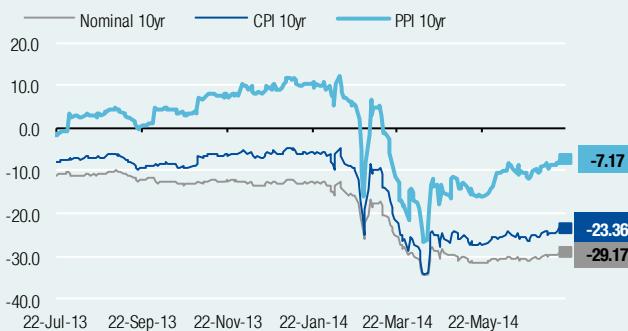


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

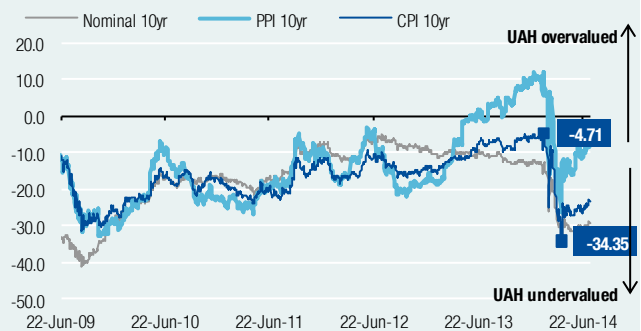


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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

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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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