


**INVESTMENT CAPITAL UKRAINE**  
 INVESTMENT BANKING

# Daily Insight

Liquidity down due to tax payments; Eurobonds up; Second tranche of VAT bonds

WEDNESDAY, 30 JULY, 2014

RESEARCH INSIGHT

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### UX Index (3 months to 30 Jul 2014)



### Key market indicators (as of 29 Jul 2014)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	12.1150	-0.29	+47.03
USD/UAH (1Y NDF)	14.0650	+1.03	+49.31
EUR/USD	1.3409	-0.23	-2.43
USD/RUB	35.5547	+0.15	+8.17
KievPRIME O/N (%)	5.50	+0bp	-230bp
KievPRIME 1M (%)	15.10	-28bp	-115bp

### BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	-19bp	-8,592bp
Ukraine 17, Eurobond (%)	8.62	-15bp	-94bp
Ukraine 22, Eurobond (%)	8.57	-2bp	-77bp
Ukraine 23, Eurobond (%)	8.38	-7bp	-66bp
Ukraine 5Y CDS	829bp	+29bp	+12bp

### EQUITIES

#### Stock market indices

UX (Ukraine)	1,337.36	-0.57	+46.96
MSCI World	430.24	-0.19	+5.31
MSCI EM	1,080.54	+0.12	+7.76
RTS (Russia)	1,207.29	-0.13	-16.32
WIG-20 (Poland)	2,390.99	-0.37	-0.42
S&P 500 (USA)	1,969.95	-0.45	+6.58

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

KER PW	0.97	24.7% of total <sup>1</sup>
FXPO LN	0.89	22.8%
CEEN UK	0.68	17.3%

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

CAD LN	GBp 12.25	+7.69	+18.07
IMC PW	PLN 8.68	+4.83	-28.56
FORM UK	UAH 0.24	+4.35	N/A

#### 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

## US and EU broaden their sanctions on Russia

Following the MH17 crash ,the de-facto war has accelerated as the US and EU increased their sanctions on Russia. The largest impact will be the consumption of the external financial liabilities of the banks to the extent that Russian public finances will be depleted as macroeconomic challenges continue to mount. Not only will the Kremlin have to endure even more pressure from the West, but Ukraine also is under the threat of further destabilization.

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Table 1. Ukrainian stocks (closing prices as of 29-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	12.25 GBP	+7.7	+27.3	+18.1	-19.0	0.21	48.0	-15.1	40.2	19.3	122.3	14.4	0.13	752	Neg.	Neg.	Neg.	2.3	N/A	N/A	Neg.	Neg.	Neg.	0.3	0.0
Centrenerg	CEEN UK	Kiev, UX	8.14 UAH	+0.5	+11.0	+70.7	+55.8	0.68	250.0	302.8	21.7	54.3	677.5	458.2	1.17	86	6.2	6.3	3.9	0.5	4.8	2.4	0.5	0.4	0.3	1.2	12.2
Coal Energy	CLE PW	Warsaw	0.99 PLN	-4.8	-22.7	-5.7	-56.6	0.32	14.4	124.6	25.0	3.6	11.6	23.9	0.41	243	Neg.	Neg.	3.6	5.5	15.6	4.3	1.0	1.2	1.1	0.1	39.8
Donbasenergo	DOEN UK	Kiev, UX	40.50 UAH	-1.5	+2.5	+46.8	+61.7	3.37	79.6	119.2	14.2	11.3	208.8	77.4	0.82	122	1.8	1.7	2.3	0.5	1.6	1.3	0.3	0.2	0.2	1.5	17.8
JKX Oil & Gas	JKX LN	London	45.00 GBP	+0.0	-22.1	-37.1	-28.0	0.76	130.9	136.1	47.2	61.8	27.8	38.6	0.11	909	20.1	11.6	4.7	2.0	1.7	1.5	0.8	0.7	0.6	0.3	5.5
Regal Petroleum	RPT LN	London	8.38 GBP	-8.2	-4.3	-35.6	-46.8	0.14	45.5	18.7	80.9	36.8	12.8	5.9	0.01	7,027	Neg.	22.7	N/A	0.8	0.7	N/A	0.5	0.4	N/A	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	146.30 UAH	+0.0	+3.0	+61.8	+62.6	12.17	155.6	133.4	5.0	7.8	11.8	3.8	0.05	1,938	3.2	N/A	N/A	0.9	N/A	N/A	0.1	N/A	N/A	3.6	0.0
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	-1.6	-2.0	-6.2	-7.6	0.00	78.0	1,245.4	3.9	3.0	53.0	36.4	1.82	55	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	3.14 UAH	-3.6	-3.1	+6.2	-4.2	0.26	51.0	48.0	4.0	2.0	42.8	31.3	1.67	60	Neg.	1.9	0.8	Neg.	0.6	0.4	0.1	0.1	0.0	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.89 UAH	-2.0	+14.0	+33.3	+41.5	0.07	312.2	305.2	4.1	12.8	57.1	21.5	0.13	765	Neg.	N/A	Neg.	Neg.	N/A	8.8	0.2	N/A	0.2	0.3	0.0
Ferrexpo PLC	FXPO LN	London	140.30 GBP	+0.6	+7.1	-24.5	-15.4	2.38	1,399.1	2,060.4	22.4	313.4	892.7	1,662.7	0.48	207	5.3	6.6	7.9	4.1	4.7	5.2	1.3	1.4	1.4	0.9	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.73 UAH	+4.3	+1.4	+37.7	+29.9	0.06	16.6	17.8	9.0	1.5	1.9	8.4	0.34	291	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	44.26 UAH	-0.7	-0.9	+38.3	+27.8	3.68	38.8	34.5	9.4	3.6	111.1	42.2	1.44	69	6.7	N/A	Neg.	Neg.	N/A	1.1	0.0	N/A	0.0	1.1	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	0.98 EUR	+2.1	-7.5	-21.0	-34.2	1.31	121.3	147.9	34.0	41.3	0.1	23.4	0.02	4,713	Neg.	N/A	N/A	Neg.	N/A	N/A	2.1	N/A	N/A	1.0	35.9
Agroliga	AGL PW	Warsaw	18.76 PLN	-1.7	-4.3	-27.7	-26.1	6.06	9.3	10.2	16.7	1.6	5.0	3.0	0.07	1,428	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	2.55 PLN	-2.7	-12.4	+30.8	+28.8	0.82	17.8	63.1	26.2	4.7	33.4	116.5	1.74	58	Neg.	2.5	2.2	23.6	6.6	3.9	0.8	0.7	0.8	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	38.85 PLN	-0.3	-11.7	-41.9	-47.9	12.54	313.5	626.5	31.0	97.3	3.3	151.2	0.10	1,037	9.1	9.4	4.7	8.3	4.9	5.2	1.3	1.3	1.2	0.9	38.2
Avangard	AVGR LI	London Intl	9.19 USD	-0.1	-7.2	-21.8	-0.7	9.19	586.7	817.6	21.7	127.3	65.7	188.5	0.21	466	2.5	2.6	2.7	2.7	2.9	1.2	1.1	1.1	0.0	17.8	
IMC	IMC PW	Warsaw	8.68 PLN	+4.8	-15.2	-28.6	-44.4	2.80	87.7	238.7	23.9	20.9	8.9	70.3	0.35	288	3.4	8.0	1.9	4.4	4.4	4.3	2.1	1.3	1.3	0.6	38.7
Kernel Holding...	KER PW	Warsaw	29.92 PLN	+0.1	-10.3	-21.4	-42.2	9.66	769.7	1,676.3	58.8	452.4	966.3	2,724.5	0.30	336	6.9	18.7	5.2	5.8	6.9	5.1	0.6	0.7	0.6	0.7	30.6
MHP	MHPC LI	London Intl	12.85 USD	-3.3	-14.3	-24.6	-27.6	12.85	1,357.8	2,518.7	22.3	303.1	142.5	1,116.6	0.53	190	8.7	5.0	4.5	6.4	5.2	4.8	1.7	1.6	1.5	2.3	47.0
Milkiland	MLK PW	Warsaw	5.90 PLN	-1.0	-15.2	-52.8	-51.8	1.90	59.5	187.9	20.0	11.9	0.3	9.6	0.06	1,685	4.1	N/A	3.0	5.7	3.7	3.3	0.4	0.4	0.4	0.3	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	4.50 EUR	+0.0	-1.1	-16.7	-0.1	6.03	640.9	1,429.1	20.0	128.2	7.3	12.9	0.00	49,818	7.2	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	70.00 PLN	+2.9	-4.1	-30.0	-9.1	22.60	135.6	143.2	25.0	33.9	0.2	30.4	0.16	616	4.4	6.6	6.3	3.9	4.8	4.2	1.6	1.7	1.3	1.0	8.5
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Xetra	0.22 EUR	+0.0	-2.2	-30.6	-45.8	0.29	15.3	190.9	13.1	2.0	0.0	0.2	0.01	6,827	Neg.	N/A	N/A	Neg.	N/A	N/A	5.6	N/A	N/A	0.2	45.5
<b>FINANCIAL SERVICES</b>																											
Forum Bank	FORM UK	Kiev, UX	0.24 UAH	+4.3	N/A	N/A	N/A	0.02	11.8	N/A	5.5	0.6	0.7	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	-1.3	-4.7	+29.6	+40.1	0.01	366.7	N/A	3.8	14.0	414.6	223.7	2.60	38	4.3	Neg.	12.4	N/A	N/A	N/A	N/A	N/A	N/A	0.6	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.18 UAH	-2.6	+5.6	-5.6	+26.0	0.01	267.0	N/A	4.5	12.0	39.0	17.2	0.15	666	Neg.	14.9	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.4	30.9

**Table 1. Ukrainian stocks (closing prices as of 29-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 slightly declines due to tax payments

Broader banking sector liquidity declined only UAH0.34bn to UAH48.25bn as banks' correspondent accounts with the NBU fell UAH1.66bn to UAH26.51bn and total CDs outstanding rose UAH0.89bn to UAH16bn. Total local currency debt repayments scheduled for the next 30 days rose UAH0.43bn to UAH5.58bn.

KyivPrime interest rates diverged only slightly: the KyivPrime ON interest rate once more remained steady at 5.50% while the KyivPrime 1M interest rate slid 28bp to 15.10%.

**Investment implications:** *The decline in liquidity was caused by month-end tax payments or possibly by FX purchasing (which could explain the slight decline in the hryvnia over the last few days).*

## Ukrainian Eurobonds improve slightly

On anticipation of the EU sanctions against Russia, investor sentiment toward Ukraine improved, as spreads tightened in yesterday's trading session. At the close, the yield curve adjusted to the range of 8.36-10.42%, as UKRAIN 6.875% '15 rose 41bp to 10.42%, while UKRAIN 6.58% '16 declined 19bp to 8.51%, UKRAIN 6.75% '17 and UKRAIN 9.25% '17 declined 14bp to 8.61% and 8.49% respectively, UKRAIN 7.50% '23 declined 8bp to 8.36%, while UKRAIN 7.95% '21 and UKRAIN 7.80% '22 slid 2bp to 8.83% and 8.56%, respectively. The 5-year CDS rose to 829bp.

## Second tranche of VAT bonds issued

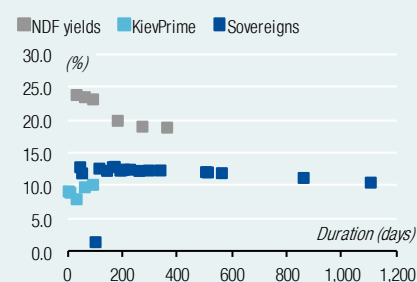
The MoF issued the second tranche of UAH2.17bn in VAT bonds for 199 tax payers this Monday under the same conditions as debut offering, with semi-annual amortisation and coupon payments at a 9.50% rate.

**Investment implications:** *As the second tranche did not offer the highest volume permitted, there could be a third offering if the Ministry of Taxation provides the MoF with a registry of tax payers who will receive the remainder of the full balance.*

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### Yield curve of the local bond market

(as of market close on 29 Jul 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

### Bond market indicators (as of 29 Jul 2014)

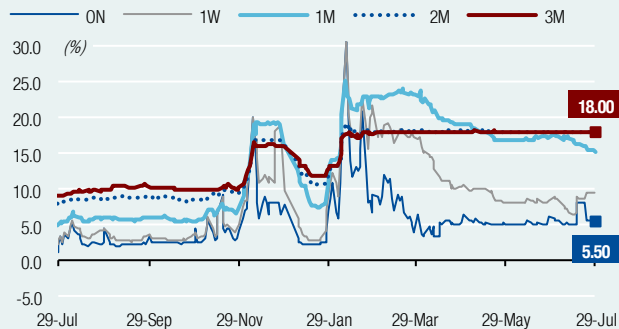
	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
0/n	5.50	+0bp	-250bp	-63bp	-230bp
1wk	9.45	+7bp	+82bp	+114bp	-35bp
1m	15.10	-28bp	-90bp	-215bp	-115bp
2m	17.80	-8bp	-20bp	-20bp	+140bp
3m	18.00	-13bp	-13bp	+0bp	+200bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	26,513	-5.90	-5.42	-2.57	-18.93
CDs <sup>2</sup>	16,154	+5.81	+24.78	+41.91	+2,191.3
Sovgns <sup>3</sup>	5,585	+0.00	+46.29	+54.36	+273.6
<b>Total</b>	<b>48,252</b>	<b>-1.58</b>	<b>+7.71</b>	<b>+14.31</b>	<b>+38.25</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	N/A	N/A	N/A	N/A	N/A
Banks	N/A	N/A	N/A	N/A	N/A
Resid's <sup>4</sup>	N/A	N/A	N/A	N/A	N/A
Non-res <sup>5</sup>	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	N/A	N/A	N/A	N/A	N/A
6m	N/A	N/A	N/A	N/A	N/A
9m	N/A	N/A	N/A	N/A	N/A
1yr	N/A	N/A	N/A	N/A	N/A
<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	-19bp	-19bp	+308bp	-86ppt
<b>EUROBONDS USD SOVEREIGN BOND YIELDS (%)</b>					
CDS 5yr	829	+29bp	+38bp	+58bp	+12bp
Jun '16	8.37	-19bp	+16bp	+43bp	-52bp
Jul '17	8.62	-15bp	+21bp	+6bp	-94bp
Sep '20	8.81	-1bp	+24bp	+31bp	-38bp
Sep '21	8.84	-1bp	+8bp	+20bp	-38bp
Sep '22	8.57	-2bp	+0bp	-5bp	-77bp
Feb '23	8.38	-7bp	-13bp	+7bp	-66bp

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



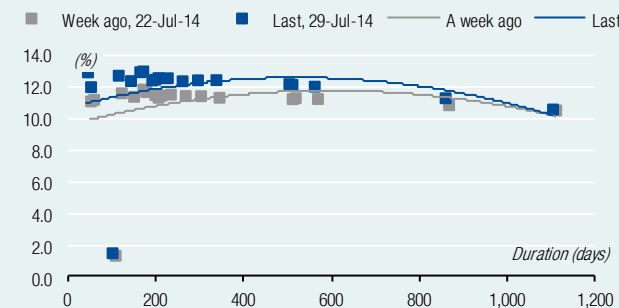
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



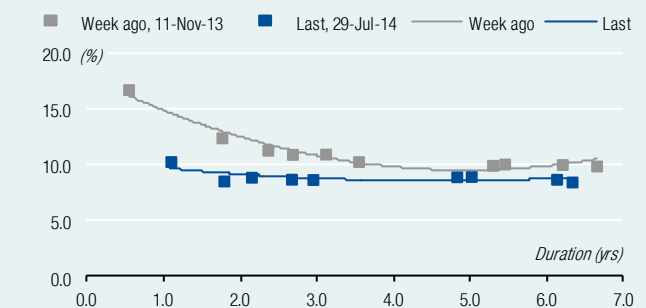
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 29 Jul 2014



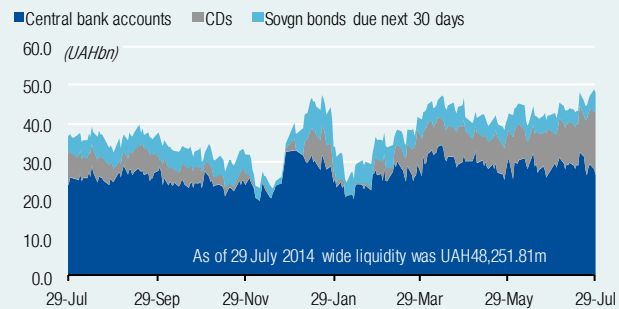
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 29 Jul 2014



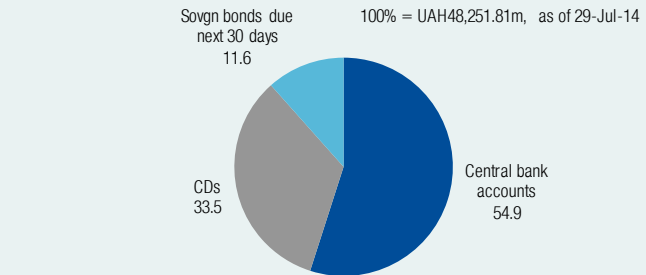
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



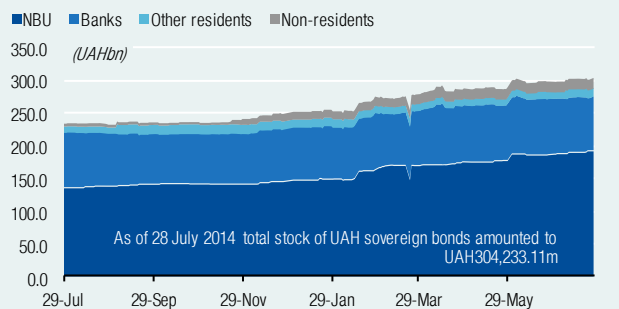
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 29 Jul 2014



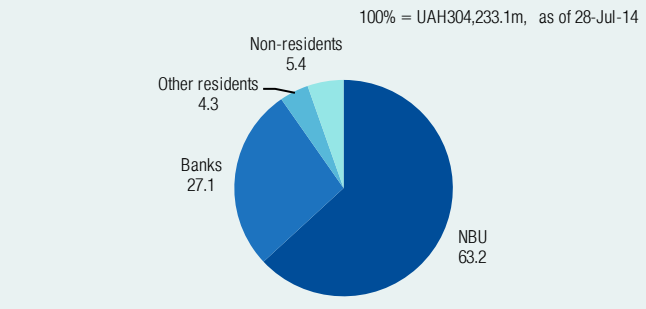
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 29 Jul 2014



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

# FX: News & Comments

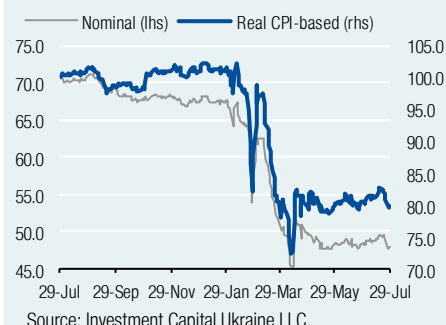
## UAH mostly unchanged

The hryvnia traded nearly flat yesterday as the markets anticipated news of sanctions which would affect the Russian ruble. As the expected news was released late in the evening, the ruble survived yesterday without a sizable loss. The markets should digest the news today.

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### ICU's UAH trade-weighted indices

(Last 12-month history to 30 Jul 2014)



### FX market indicators (as of 29 Jul 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	12.1150	-0.29	+3.81	+3.11	+47.03
NBU avg	11.9877	+1.09	+2.72	+1.39	+47.07
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	12.6500	+0.08	+4.12	+3.69	+49.09
NDF 6M	13.1050	-0.37	+3.80	+2.34	+49.26
NDF 1Y	14.0650	+1.03	+4.30	+2.25	+49.31
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	47.946	+0.48	-2.99	-0.75	-29.01
UAH real CPI	79.890	+0.48	-2.99	-0.75	-20.96
UAH real PPI	117.490	+0.48	-2.99	-0.75	-15.34
USD nom'l	81.214	+0.23	+0.54	+1.47	+1.47
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	35.5547	+0.15	+1.69	+5.42	+8.17
EUR/USD	1.3409	-0.23	-0.42	-1.76	-2.43
USD/CNY	6.1816	-0.09	-0.36	-0.59	+2.10
USD/PLN	3.0955	+0.38	+0.72	+1.73	+2.40
USD/TRY	2.1164	+0.82	+0.49	-0.30	-1.48
USD/BYR	10,300.00	+0.10	+0.00	+0.93	+7.97
USD/KZT	183.5200	-0.02	-0.02	-0.03	+18.96
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	102.1200	+0.26	+0.65	+0.69	-3.03
GBP/USD	1.6944	-0.23	-0.71	-0.53	+2.34
USD/CHF	0.9069	+0.32	+0.50	+1.81	+1.57
AUD/USD	0.9383	-0.24	-0.12	-0.47	+5.23
USD/CAD	1.0852	+0.49	+1.06	+1.74	+2.16
USD/BRL	2.2313	+0.40	+0.84	+1.71	-5.54
USD/KRW	1,024.50	-0.18	+0.00	+1.08	-2.41
<b>COMMODITIES</b>					
Gold(\$/oz)	1,299.01	-0.38	-0.57	-1.30	+7.74
WTI crude <sup>3</sup>	100.97	-0.69	-3.30	-4.51	+2.59
Brent crd <sup>3</sup>	106.16	+0.23	+0.74	-5.96	-4.21
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	296.64	-0.56	-0.24	-4.56	+5.88

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>).

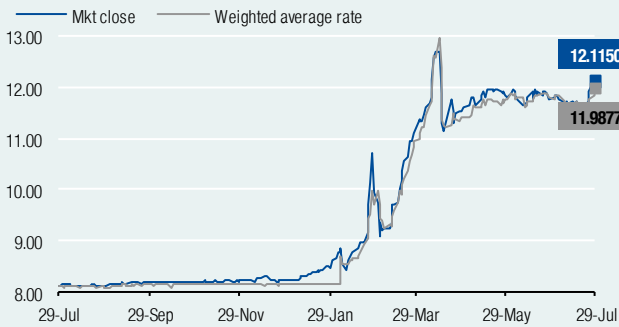
Section on FX market is continued on next page.

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.

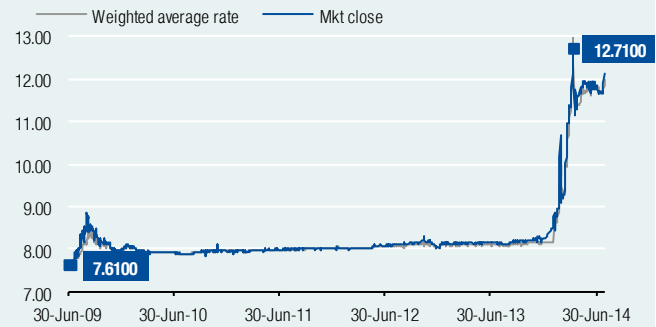
Sources: Bloomberg, Investment Capital Ukraine LLC.

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.

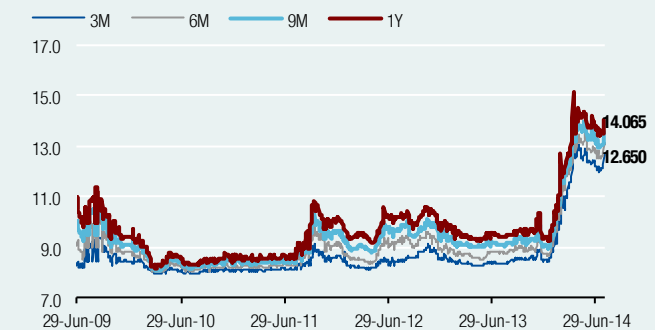


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

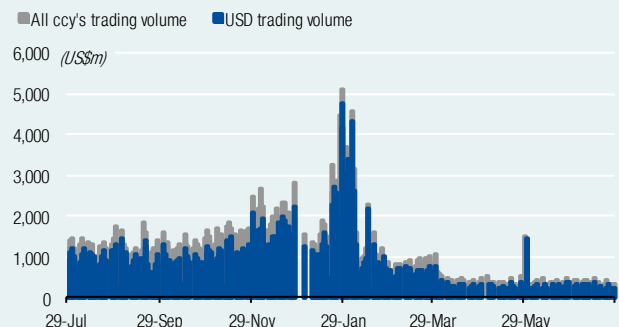


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

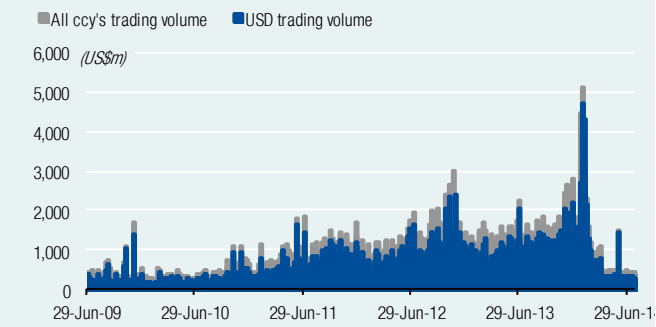


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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.

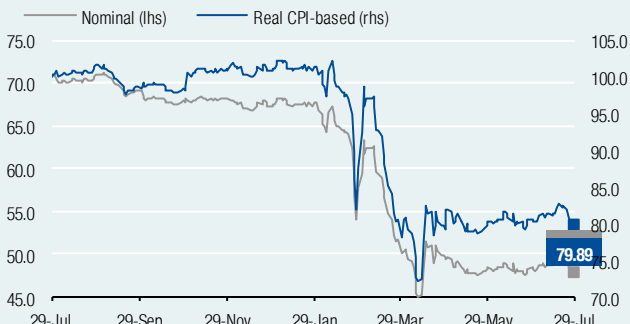




## Chart page #2: ICU's UAH trade-weighted indices

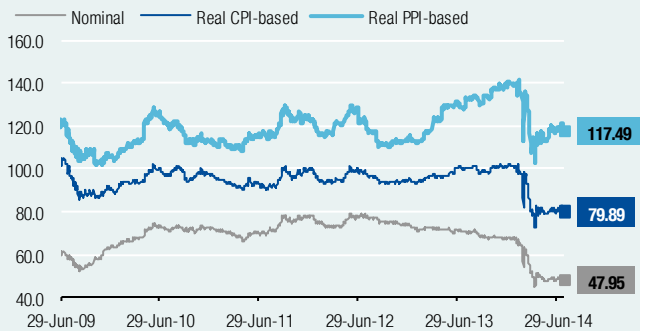
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



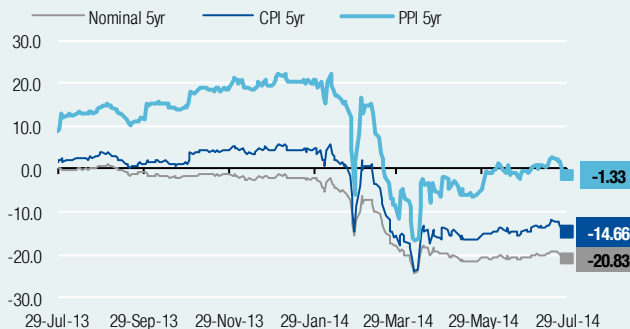
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

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

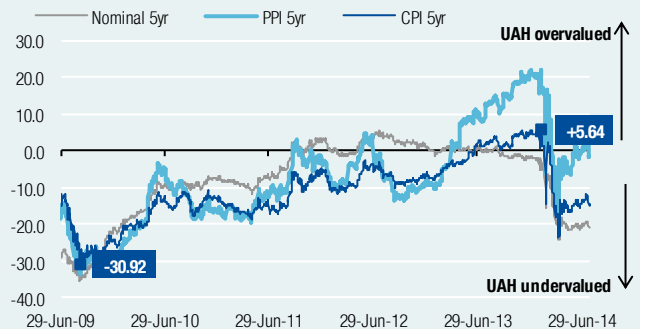


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

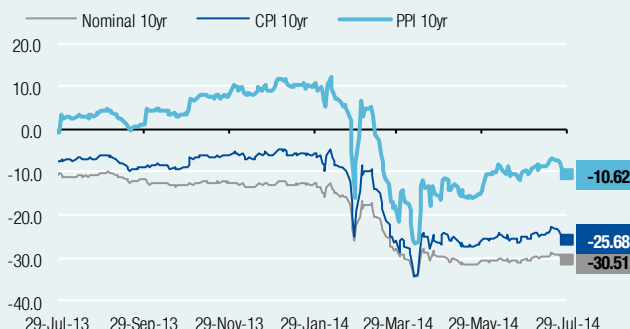


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.



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

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