


**INVESTMENT CAPITAL UKRAINE**  
 INVESTMENT BANKING

# Daily Insight

Liquidity down slightly; YTM's up significantly;  
 July's inflation rises further; Hryvnia weakens

THURSDAY, 7 AUGUST, 2014

RESEARCH INSIGHT

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### UX Index (3 months to 7 Aug 2014)



### Key market indicators (as of 6 Aug 2014)

	Last	Daily chg (%)	YTD chg (%)
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#### FX & MONEY RATES

USD/UAH	12.3588	+0.07	+49.99
USD/UAH (1Y NDF)	14.2650	-0.35	+51.43
EUR/USD	1.3383	+0.05	-2.62
USD/RUB	36.1712	+0.37	+10.04
KievPRIME O/N (%)	5.50	+0bp	-230bp
KievPRIME 1M (%)	15.13	+3bp	-112bp

#### BONDS: yields and spreads

Ukraine VAT bond (%)	16.51	+208bp	-8,495bp
Ukraine 17, Eurobond (%)	10.14	+28bp	+59bp
Ukraine 22, Eurobond (%)	9.22	+36bp	-13bp
Ukraine 23, Eurobond (%)	9.19	+33bp	+15bp
Ukraine 5Y CDS	965bp	+63bp	+149bp

#### EQUITIES

##### Stock market indices

UX (Ukraine)	1,282.49	-0.78	+40.93
MSCI World	417.99	-0.33	+2.31
MSCI EM	1,056.77	-0.60	+5.39
RTS (Russia)	1,160.86	-2.56	-19.54
WIG-20 (Poland)	2,362.27	-0.30	-1.61
S&P 500 (USA)	1,920.24	+0.00	+3.89

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

MHPC LI	2.63	46.4% of total <sup>1</sup>
FXPO LN	1.94	34.3%
KER PW	0.74	13.1%

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

KDM PW	PLN 7.20	+10.60	-77.06
AGT PW	PLN 2.28	+1.33	+16.92
OVO PW	PLN 67.98	+1.28	-32.02

##### 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

### July's inflation rises further, sovereign risk premium also higher

Yesterday's reported monthly inflation for July showed headline CPI and PPI up 0.4% and 3.6%, respectively, from the previous month, implying the year-on-year pace of inflation accelerated once again by 0.6 and 6.6 ppts to 12.6% and 22.5%, respectively. CPI were driven higher primarily by the home utilities component which increased 4.0% from the previous month. In PPI, the biggest contribution came from suppliers of electricity, natural gas and other utilities. This group's price index rose 8.8% from June. In our view, higher inflation gradually erodes the hryvnia's competitiveness in terms of the real trade-weighted value of the hryvnia, a negative macroeconomic development. Moreover, as explained in last issue of ICU's Quarterly Report published on 30 July 2014, the PPI-based real trade-weighted index of the UAH is correlated to Ukraine's sovereign risk premium (5yr CDS). The acceleration of inflation in July and the resumption of a high level of inflation in year-on-year terms will likely result in the appreciation of the hryvnia's real TWI should the NBU choose to defend the FX rate at the expense of inflation. We expect the sovereign risk premium to increase as well. As the Ukrainian government will be forced to rely mostly on lending from the IMF and other IFIs, private lenders will demand higher interest rates from new Eurobond offerings. As a result, confidence in the domestic market could suffer when external lenders price secondary market sovereign debt as more risky than before.

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Table 1. Ukrainian stocks (closing prices as of 6-Aug-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	11.63 GBP	+0.0	+5.7	+12.0	-27.3	0.20	45.2	-17.8	40.2	18.2	7.2	20.9	0.25	401	Neg.	Neg.	Neg.	2.7	N/A	N/A	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.86 UAH	-2.4	+7.0	+64.8	+51.1	0.63	234.2	285.4	21.7	50.8	92.8	414.4	0.87	115	6.0	6.0	3.7	0.5	4.7	2.3	0.5	0.4	0.3	1.2	12.2
Coal Energy	CLE PW	Warsaw	0.91 PLN	-8.1	-24.8	-13.3	-62.4	0.29	13.0	123.2	25.0	3.3	44.3	20.6	0.45	222	Neg.	Neg.	3.3	5.5	15.4	4.2	1.0	1.2	1.1	0.1	39.8
Donbasenergo	DOEN UK	Kiev, UX	40.33 UAH	-0.8	+4.9	+46.2	+61.1	3.25	76.9	115.3	14.2	10.9	4.5	71.6	0.65	154	1.8	2.4	2.3	0.4	2.4	1.3	0.3	0.2	0.2	1.4	17.8
JKX Oil & Gas	JKX LN	London	36.00 GBP	-3.0	-38.2	-49.7	-45.0	0.61	104.1	109.2	47.2	49.1	12.7	33.5	0.14	704	16.0	9.2	3.7	1.6	1.4	1.2	0.6	0.6	0.5	0.2	5.5
Regal Petroleum	RPT LN	London	7.00 GBP	-8.2	-22.2	-46.2	-55.6	0.12	37.8	11.0	80.9	30.6	2.1	4.8	0.02	5,886	Neg.	18.9	N/A	0.5	0.4	N/A	0.3	0.2	N/A	0.1	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	149.00 UAH	+0.0	+8.8	+64.8	+82.2	12.02	153.7	132.2	5.0	7.7	0.0	3.5	0.03	2,978	3.3	N/A	N/A	0.9	N/A	N/A	0.1	N/A	N/A	3.7	0.0
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	-0.3	-2.1	-7.0	-8.6	0.00	75.1	1,207.5	3.9	2.9	2.6	33.2	1.30	77	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	3.07 UAH	-0.6	-4.1	+3.6	-5.9	0.25	48.3	45.3	4.0	1.9	0.2	28.1	1.25	80	Neg.	1.8	0.8	Neg.	0.6	0.4	0.1	0.0	0.0	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.87 UAH	-0.8	+11.1	+29.6	+38.9	0.07	294.4	287.6	4.1	12.1	7.6	20.1	0.14	721	Neg.	N/A	Neg.	Neg.	N/A	8.5	0.2	N/A	0.2	0.3	0.0
Ferrexpo PLC	FXPO LN	London	130.10 GBP	-1.7	-9.0	-30.0	-27.7	2.19	1,289.7	1,492.1	22.4	288.9	1,942.3	1,524.3	0.43	234	4.9	6.1	7.1	3.0	3.3	3.7	0.9	1.0	1.0	1.2	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.74 UAH	+0.0	+7.4	+39.6	+32.1	0.06	16.3	17.5	9.0	1.5	0.0	7.9	0.28	353	Neg.	1.5	0.8	0.1	0.7	0.5	0.1	0.0	0.0	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	43.69 UAH	+0.8	+3.5	+36.5	+26.3	3.52	37.2	33.0	9.4	3.5	3.1	38.4	0.95	105	6.6	N/A	Neg.	Neg.	N/A	1.0	0.0	N/A	0.0	1.0	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	0.89 EUR	-1.1	-11.0	-28.2	-40.3	1.19	109.9	136.5	34.0	37.4	6.2	18.9	0.02	4,772	Neg.	N/A	N/A	Neg.	N/A	N/A	1.9	N/A	N/A	0.9	35.9
Agroliga	AGL PW	Warsaw	18.59 PLN	-1.6	+4.9	-28.3	-24.2	5.92	9.1	10.0	16.7	1.5	1.8	2.8	0.08	1,294	2.2	N/A	N/A	2.9	N/A	N/A	0.5	N/A	N/A	0.7	5.7
Agroton	AGT PW	Warsaw	2.28 PLN	+1.3	-25.5	+16.9	+2.7	0.73	15.7	61.0	26.2	4.1	84.6	100.3	1.57	63	Neg.	2.2	2.0	22.8	6.4	3.8	0.7	0.7	0.8	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	36.00 PLN	-2.7	-17.2	-46.2	-50.8	11.46	286.6	598.8	31.0	88.9	31.8	127.8	0.12	849	8.3	8.6	4.3	7.9	4.7	5.0	1.2	1.2	1.2	0.8	38.2
Avangard	AVGR LI	London Intl	9.00 USD	-0.1	-9.9	-23.4	-7.7	9.00	574.8	805.8	21.7	124.7	15.3	181.5	0.12	831	2.4	2.5	2.6	2.7	2.7	2.8	1.2	1.1	1.0	0.4	17.8
IMC	IMC PW	Warsaw	8.15 PLN	-2.5	-18.5	-32.9	-49.2	2.59	81.2	232.2	23.9	19.4	3.0	62.3	0.25	400	3.1	7.4	1.8	4.3	4.3	4.2	2.0	1.2	1.3	0.5	38.7
Kernel Holding...	KER PW	Warsaw	26.75 PLN	-3.3	-16.3	-29.7	-49.0	8.52	678.7	1,585.3	58.8	398.9	742.9	2,308.4	0.28	357	6.1	16.5	4.6	5.5	6.5	4.8	0.6	0.6	0.6	0.6	30.6
MHP	MHPC LI	London Intl	12.90 USD	+0.0	-14.0	-24.3	-26.7	12.90	1,363.1	2,524.0	22.3	304.2	2,628.3	1,123.5	0.57	176	8.7	6.6	4.4	6.5	5.2	4.8	1.7	1.6	1.5	2.3	47.0
Milkiland	MLK PW	Warsaw	5.41 PLN	-3.4	-19.9	-56.7	-55.2	1.72	53.8	182.0	20.0	10.8	0.6	8.3	0.04	2,794	3.7	N/A	2.7	5.5	3.6	3.2	0.4	0.4	0.4	0.2	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	2.40 EUR	+0.0	-48.6	-55.6	-46.7	3.21	341.1	1,068.8	20.0	68.2	5.1	6.4	0.01	9,678	3.9	3.9	1.5	6.5	3.9	3.6	2.1	2.5	2.5	0.8	45.3
Ovostar Union	OVO PW	Warsaw	67.98 PLN	+1.3	-5.6	-32.0	-13.2	21.64	129.9	137.4	25.0	32.5	7.9	28.4	0.09	1,106	4.2	6.4	6.1	3.7	4.6	4.1	1.5	1.6	1.3	1.0	8.5
<b>TRANSPORTATION</b>																											
KDM Shipping	KDM PW	Warsaw	7.20 PLN	+10.6	-20.4	-77.1	-78.7	2.29	21.3	4.8	10.9	2.3	0.3	0.9	0.08	1,255	3.1	N/A	N/A	0.4	N/A	N/A	0.2	N/A	N/A	0.3	5.6
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Xetra	0.22 EUR	+0.0	-12.0	-30.6	-50.9	0.29	15.2	190.8	13.1	2.0	0.0	0.2	0.00	21,742	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	0.21 UAH	-2.8	N/A	N/A	N/A	0.02	9.8	N/A	5.5	0.5	0.0	N/A	N/A	N/A	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.1	18.6
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.14 UAH	+0.1	-4.2	+27.4	+43.9	0.01	349.7	N/A	3.8	13.4	10.7	202.9	1.87	54	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	0.17 UAH	+0.0	+6.1	-7.2	+31.8	0.01	254.6	N/A	4.5	11.4	0.5	15.7	0.11	937	Neg.	14.7	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 6-Aug-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: mIn - 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 down slightly

Banks' correspondent accounts with the NBU fell UAH0.67bn to UAH26.63bn while only UAH0.10bn of these funds were absorbed by the NBU via CDs as total CDs outstanding rose to UAH12.06bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH3.92bn, causing broader banking sector liquidity to decrease UAH0.57bn to UAH42.60bn.

KyivPrime interest rates slightly diverged: the KyivPrime ON interest rate once more remained steady at 5.50% while the KyivPrime 1M interest rate rose 3bp to 15.13%, the same level as on Monday.

**Investment implications: Liquidity declined yesterday partially after a slight increase in the volume of FX on Tuesday. At the same time, while decline in liquidity was insignificant, indicators to be published today could show an increase in liquidity.**

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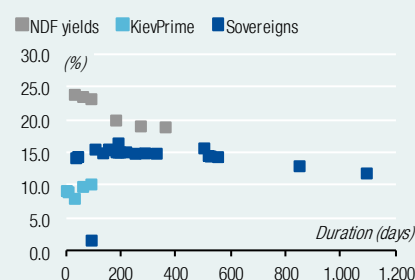
## YTM's up significantly

If the recent declaration of preparation for one-sided peacemaking without UN approval comes to fruition, the risk of a Russian invasion of Ukraine is heightened to the extent that Ukraine could lose part of its territory and separatists could receive significant moral support. As a result, spreads widened and YTM's rose significantly. The short-term end of the yield curve crossed 11.00%. At yesterday's close, yields rose above 9.0% and the yield curve adjusted to the range of 9.20-11.51%. UKRAIN 6.875% '15 rose 81bp to 11.51%, UKRAIN 6.58% '16 was up 7bp to 9.56%, UKRAIN 6.75% '17 rose 76bp to 9.56%, while UKRAIN 9.25% '17 rose 29bp to 10.15%, UKRAIN 7.95% '21 rose 57bp to 9.65%, UKRAIN 7.80% '22 and UKRAIN 7.50% '23 rose 39bp and 35bp to 9.23% and 9.20%, respectively. The 5-year CDS rose to 965bp.

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### Yield curve of the local bond market

(as of market close on 6 Aug 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

### Bond market indicators (as of 6 Aug 2014)

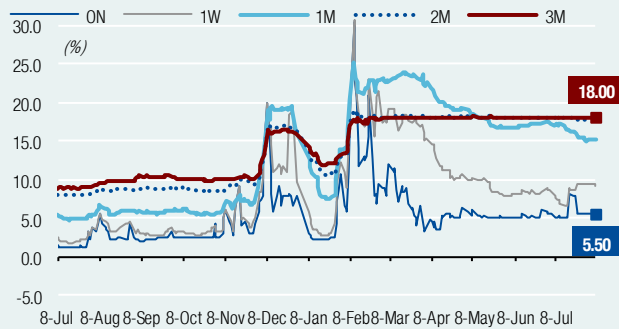
	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
0/n	5.50	+0bp	+0bp	+0bp	-230bp
1wk	9.25	-10bp	-19bp	+81bp	-55bp
1m	15.13	+3bp	+13bp	-217bp	-112bp
2m	18.00	+0bp	+25bp	+0bp	+160bp
3m	18.00	+0bp	+0bp	+0bp	+200bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	26,631	-2.45	+2.41	-14.49	-18.57
CDs <sup>2</sup>	12,057	+0.83	-19.53	+16.85	+1,610.2
Sovgns <sup>3</sup>	3,440	-12.19	-4.54	-16.27	+130.1
<b>Total</b>	<b>42,127</b>	<b>-2.43</b>	<b>-5.53</b>	<b>-7.56</b>	<b>+20.70</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	192,023	+0.00	-0.08	+2.24	+32.57
Banks	83,881	+0.51	+0.56	+0.12	+4.63
Resid's <sup>4</sup>	17,705	+0.07	+15.59	+67.10	+42.82
Non-res <sup>5</sup>	17,027	+0.80	+2.17	+3.82	+45.55
<b>Total</b>	<b>310,637</b>	<b>+0.19</b>	<b>+1.00</b>	<b>+4.04</b>	<b>+24.70</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>	16.51	+208bp	+38bp	+405bp	-85ppt
<b>EUROBONDS USD SOVEREIGN BOND YIELDS (%)</b>					
CDS 5yr	965	+63bp	+156bp	+189bp	+149bp
Jun '16	9.93	+59bp	+161bp	+156bp	+104bp
Jul '17	10.14	+28bp	+135bp	+135bp	+59bp
Sep '20	9.37	+32bp	+51bp	+64bp	+18bp
Sep '21	9.31	+22bp	+56bp	+54bp	+9bp
Sep '22	9.22	+36bp	+67bp	+58bp	-13bp
Feb '23	9.19	+33bp	+79bp	+71bp	+15bp

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.

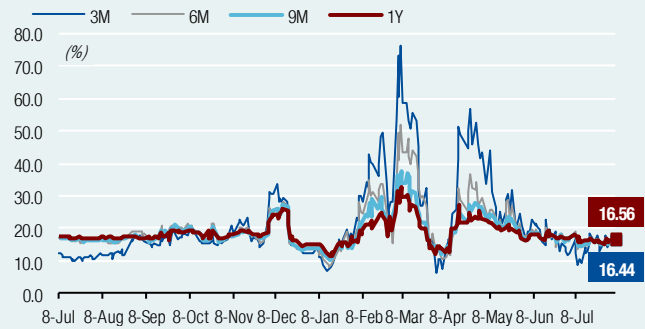
Sources: Bloomberg, Investment Capital Ukraine LLC.

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

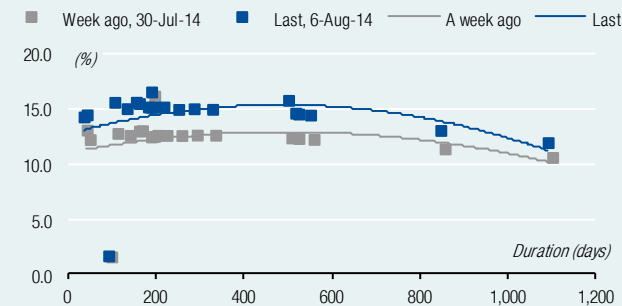
**Chart 1. Kiev Prime rates (%), last 12-month period**



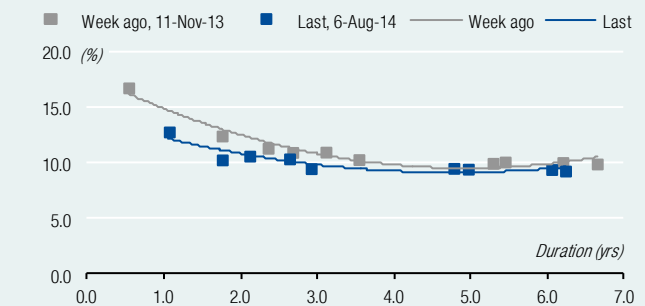
**Chart 2. UAH NDF implied yields (%), last 12-month period**



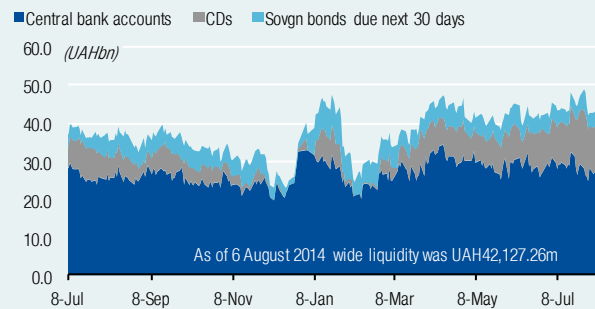
**Chart 3. UAH sovereign yield curve (%) as of 6 Aug 2014**



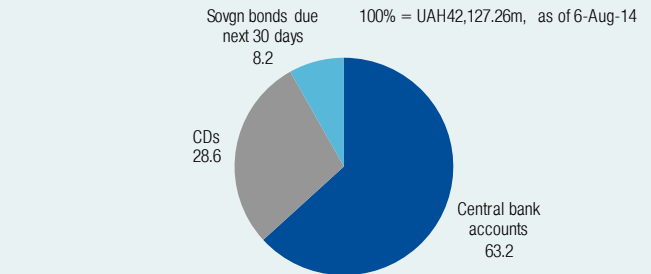
**Chart 4. USD sovereign yield curve (%) as of 6 Aug 2014**



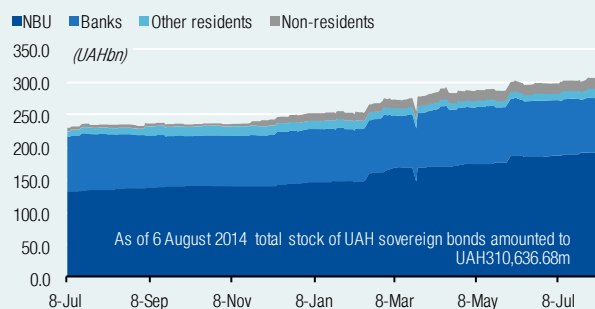
**Chart 5. Banking sector liquidity (UAHbn), last 12-month period**



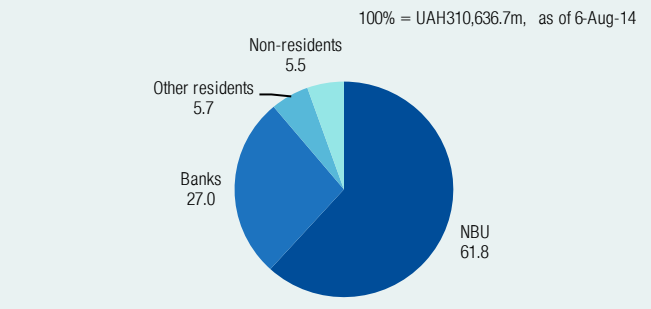
**Chart 6. Breakdown of liquidity pool (%) as of 6 Aug 2014**



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



**Chart 8. Domestic sovereign debt (%) as of 6 Aug 2014**



# FX: News & Comments

## Hryvnia weakens, no NBU intervention seen

The NBU intervened with only US\$69m as reported yesterday, which was still below the volume of all applications submitted by banks to the auction, according to market participants. While this suggested that unfulfilled demand would appear on the market next day, the FX rate continued to edge lower, with the hryvnia closing down 0.07% on US\$230.46m in trading. The hryvnia's real TWI added 0.07%.

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### ICU's UAH trade-weighted indices

(Last 12-month history to 7 Aug 2014)



### FX market indicators (as of 6 Aug 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	12.3588	+0.07	+1.01	+5.18	+49.99
NBU avg	12.3549	+0.47	+2.93	+4.46	+51.58
Ttl vlm <sup>1</sup>	324.36	-17.91	-3.58	+36.18	-88.42
\$ volume <sup>2</sup>	230.46	-19.39	-7.42	+63.18	-89.58
NDF 3M	12.8000	-0.39	+1.19	+6.00	+50.85
NDF 6M	13.2550	-0.38	+1.14	+6.04	+50.97
NDF 1Y	14.2650	-0.35	+1.42	+3.71	+51.43
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	47.432	+0.07	-0.23	-2.66	-29.77
UAH real CPI	79.033	+0.07	-0.23	-2.66	-21.80
UAH real PPI	116.230	+0.07	-0.23	-2.66	-16.25
USD nom'l	81.444	+0.14	+0.01	+1.46	+1.76
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	36.1712	+0.37	+1.56	+4.94	+10.04
EUR/USD	1.3383	+0.05	-0.10	-1.56	-2.62
USD/CNY	6.1634	-0.12	-0.14	-0.67	+1.80
USD/PLN	3.1396	+0.27	+1.18	+2.87	+3.86
USD/TRY	2.1586	+0.29	+1.21	+1.19	+0.48
USD/BYR	10,330.00	-0.14	+0.15	+1.08	+8.28
USD/KZT	182.0100	-0.01	-0.84	-0.83	+17.98
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	102.1000	-0.49	-0.67	+0.04	-3.05
GBP/USD	1.6853	-0.20	-0.35	-1.79	+1.79
USD/CHF	0.9076	-0.15	-0.13	+1.51	+1.65
AUD/USD	0.9354	+0.53	+0.25	-0.12	+4.90
USD/CAD	1.0916	-0.41	+0.12	+2.47	+2.76
USD/BRL	2.2730	-0.39	+1.22	+2.67	-3.77
USD/KRW	1,033.70	+0.53	+0.91	+2.46	-1.53
<b>COMMODITIES</b>					
Gold(\$/oz)	1,305.85	+1.32	+0.74	-1.11	+8.31
WTI crude <sup>3</sup>	96.92	-0.47	-3.34	+0.00	-1.52
Brent crd <sup>3</sup>	103.79	-0.08	-0.87	-5.34	-6.34
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	294.03	+0.56	-0.70	-4.14	+4.95

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)

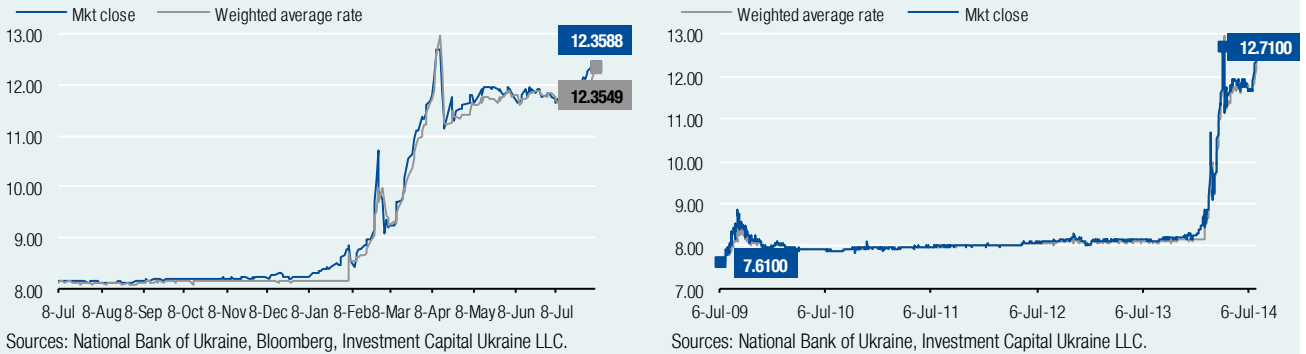


Chart 10. NDF market rates USD/UAH: last 12-month and 5-year periods (UAH per USD, left and right respectively)

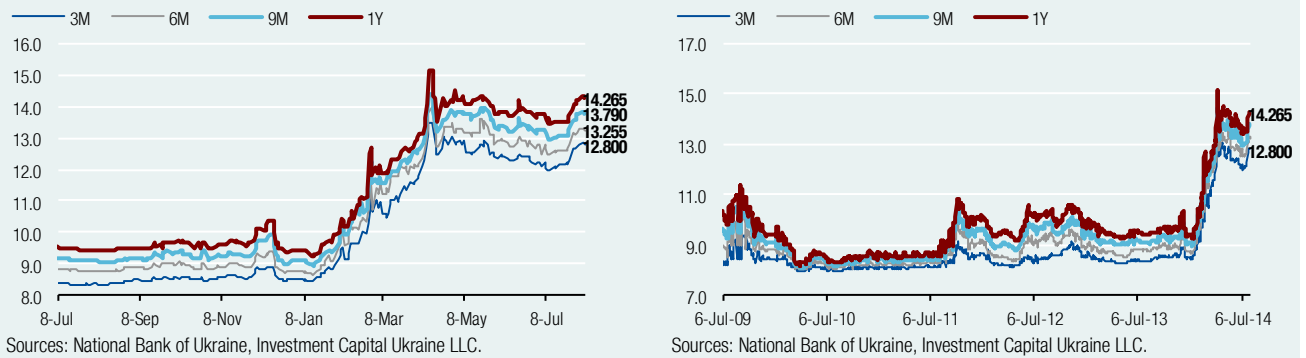


Chart 11. Trading volume: last 12-month and 5-year periods (US\$m, left and right respectively)

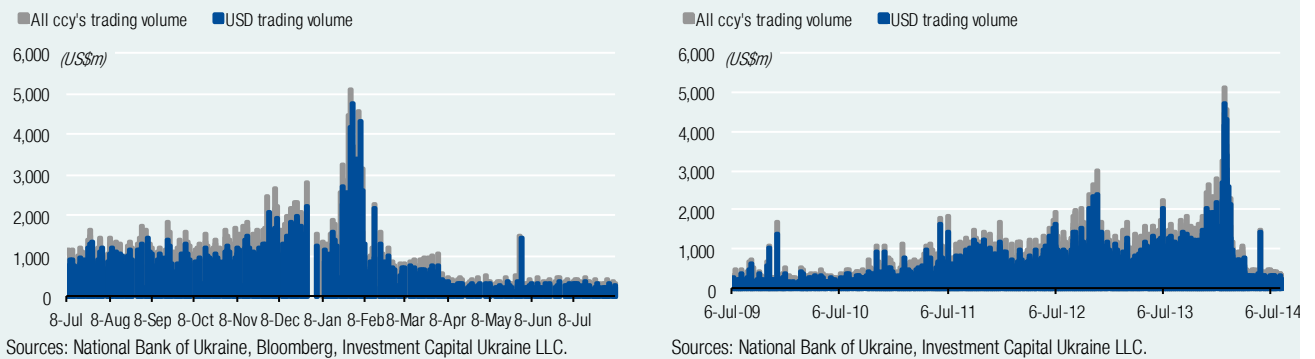
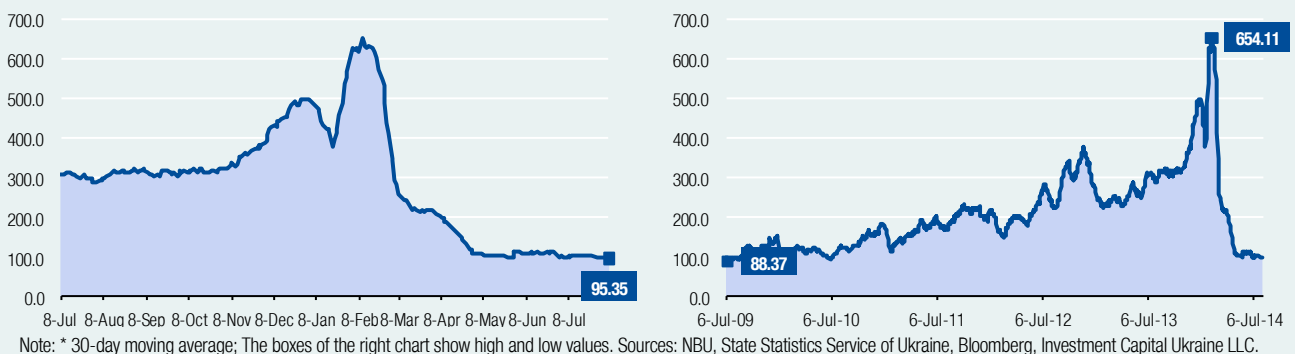


Chart 12. 30D MA\* ratio of FX market turnover to merchandise trade: last 12m and 5yr periods (% , left and right respectively)

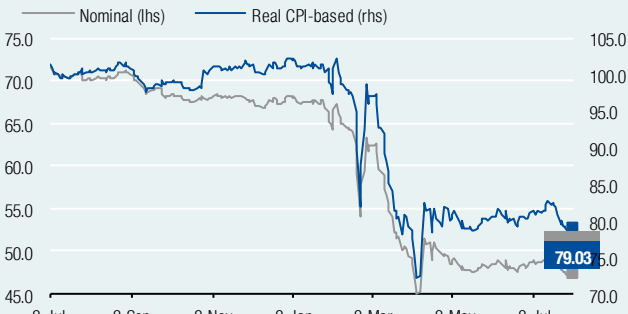




### Chart page #2: ICU's UAH trade-weighted indices

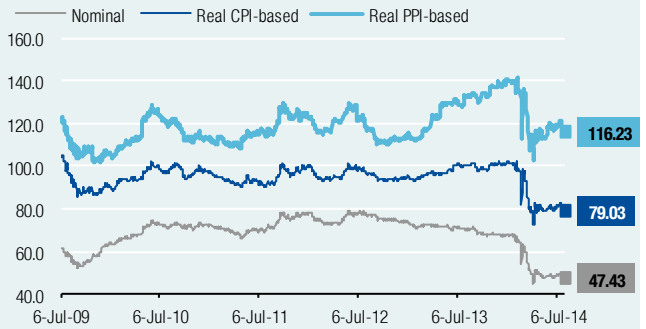
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



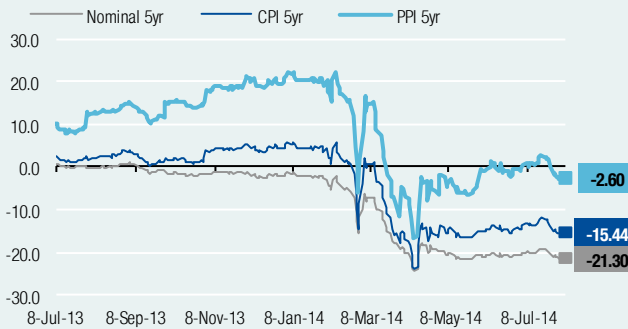
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

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

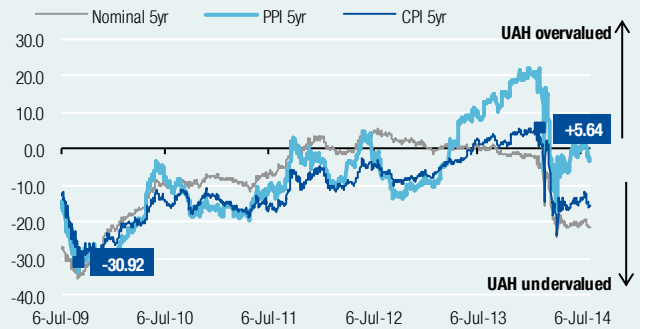


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

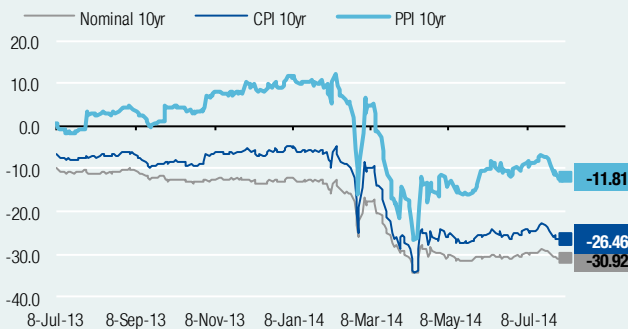


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

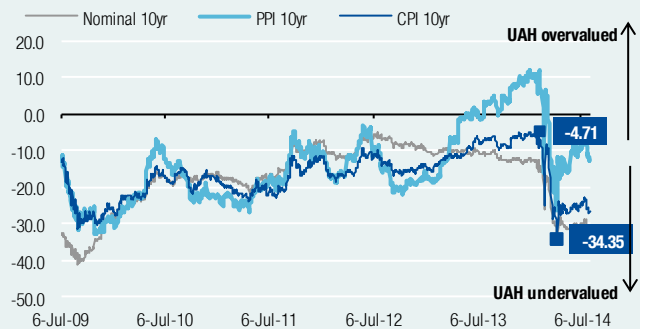


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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

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