



Focus
Ukraine

Scope
Economics, bonds, equity & FX markets

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Daily Insight

Putin endorsement loses momentum

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THURSDAY, 28 AUGUST 2014

UX Index (3 months to 28 Aug 2014)



Source: UX.

Key market indicators (as of 27 Aug 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	13.6000	+0.37	+65.05
USD/UAH (1Y NDF)	15.5500	-2.51	+65.07
EUR/USD	1.3193	+0.20	-4.00
USD/RUB	36.1690	-0.03	+10.04
KievPRIME O/N (%)	8.20	+20bp	+40bp
KievPRIME 1M (%)	15.20	+3bp	-105bp
SOVEREIGN EUROBONDS: yields and spreads			
Ukraine 15, Eurobond (%)	12.48	+49bp	+412bp
Ukraine 17, Eurobond (%)	10.72	+32bp	+116bp
Ukraine 22, Eurobond (%)	9.37	+3bp	+2bp
Ukraine 23, Eurobond (%)	9.50	+12bp	+45bp
Ukraine 5Y CDS	994bp	+38bp	+178bp
EQUITIES			
Stock market indices			
UX (Ukraine)	1,252.69	+2.06	+37.65
MSCI World	432.25	+0.14	+5.80
MSCI EM	1,093.74	+0.55	+9.08
RTS (Russia)	1,260.72	+0.10	-12.62
WIG-20 (Poland)	2,467.29	-0.06	+2.76
S&P 500 (USA)	2,000.12	+0.00	+8.21

Notes: Chg – percentage change, if not otherwise indicated; [1] – total traded volume for stocks listed in 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

Putin endorsement index remains high but loses momentum

In its monthly report for August, Levada (www.levada.ru), the reputable pollster in Russia, reported Putin's approval rating at 84% versus disapproval of 15%. Although Putin's endorsement index hit 69 points, its momentum is weakening. Support for Putin declined for the second consecutive month from the recent multi-year high of 86% seen in June as his disapproval rating has been inching up over the past two months as his endorsement index has gradually fallen from June's high of 73 points. The significance of these ratings that essentially act as the Kremlin barometer is that if the index increases, then the Kremlin's assertiveness tapers, and vice-verse. To a broader extent, the index shows the impact of the Kremlin's current geopolitical strategy. In fomenting a war on Ukraine, Putin has increased his standing with voters. Until the end of 2013, the Putin endorsement index steadily declined during the past few years, hitting a record low of 24 points in January and November of 2013. In our view, as the Sochi Olympics failed to elevate the approval index, the Ukraine military campaign that led to the annexation of Crimea and war in Donbass catapulted his rating. Following this trend, to sustain the index at its current high level, the Kremlin has no choice but to escalate the conflict.

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Bonds: News & Comments

Liquidity declines slightly

After starting this week with a decline, broader banking sector liquidity slid UAH0.11bn to UAH50.59bn yesterday as funds were mostly reallocated to CDs. Banks' correspondent accounts with the NBU declined UAH1.28bn to UAH14.94bn and total local currency debt repayments scheduled for the next 30 days declined UAH0.65bn to UAH3.88bn. Total CDs outstanding rose UAH1.82bn to UAH14.94bn.

KyivPrime interest rates slightly rose: the KyivPrime ON interest rate rose 20bp to 8.20% and the KyivPrime 1M interest rate rose a mere 3bp to 15.20%.

Investment implications: *The NBU absorbed extra liquidity from the market by issuing new CDs. Only UAH0.11bn in net fund outflows from the banking system could be the result of lower ON loans issued by the NBU on Tuesday than were repaid by banks. Pressure on liquidity from month-end tax payments today and tomorrow could decrease liquidity, albeit insignificantly. The most significant decline in liquidity decline could be seen on Monday as tax payments completed this Friday will be included in NBU statistics on Monday.*

YTM's continue to increase

The yield curve adjusted to the range of 9.36-12.48% at yesterday's close as UKRAIN 6.875% '15 increased 48bp to 14.48%, UKRAIN 6.58% '16 was up 35bp to 10.69%, UKRAIN 6.75% '17 rose 23bp to 9.88%, and UKRAIN 9.25% '17 rose 32bp to 10.72%, while UKRAIN 7.50% '23 was up 12bp to 9.49%, UKRAIN 7.95% '21 and UKRAIN 7.80% '22 increased 2bp to 9.68% and 9.36%, respectively. The 5-year CDS rose to 994bp.

Investment implications: *Ukrainian Eurobonds continue to decline on negative news from eastern Ukraine, the lack of information from the IMF, faltering FX market conditions, and the dire political situation.*

Secondary market domestic bond trading

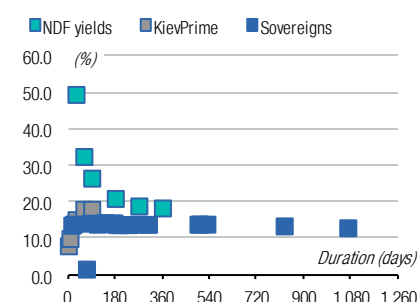
After the NBU monetized bonds issued for Naftogaz last week, its portfolio significantly rose while that of other residents declined to levels seen at the beginning of August. Following Tuesday's deals, banks increased their portfolio slightly as they purchased new bonds from the other residents' portfolio. Yesterday's NBU's data shows that the non-residents' portfolio rose insignificantly, with their share unchanged from 5.61% as the start of the week. At the same time, the NBU's portfolio declined slightly, most likely due to the amortization payment on VAT bonds issued in 2010.

Investment implications: *Tax payers who received small portions of new VAT bonds likely started to sell them more actively and local banks purchased these bonds. Non-residents likely purchased only small portion of VAT bonds or did not buy anything, as increase in their portfolio was mostly connected with primary market or increase in UAH/USD exchange rate.*

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Yield curve of the local bond market

(as of market close on 27 Aug 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 27 Aug 2014)

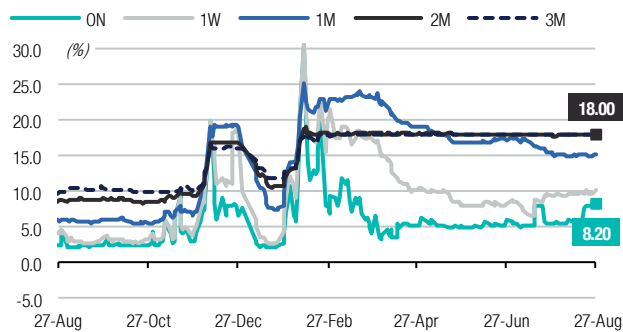
	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
O/n	8.20	+20bp	+10bp	+270bp	+40bp
1wk	10.10	+10bp	-15bp	+60bp	+30bp
1m	15.20	+3bp	+10bp	-30bp	-105bp
2m	18.00	+0bp	+0bp	+0bp	+160bp
3m	18.00	+0bp	+0bp	+0bp	+200bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	31,771	-3.87	+14.89	+8.04	-2.85
CDs ²	14,943	+13.85	+12.47	+4.04	+2,019.6
Sovgns ³	3,437	-11.35	-6.91	-4.46	+129.9
Total	50,151	+0.20	+12.37	+5.88	+43.69
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	236,722	-0.03	+5.78	+23.18	+63.42
Banks	90,305	+0.32	+2.24	+12.92	+12.64
Resid's ⁴	15,809	-1.22	-43.38	+19.75	+27.53
Non-res ⁵	20,389	+0.03	+3.78	+25.87	+74.28
Total	363,226	+0.01	+0.98	+20.45	+45.81
NDF IMPLIED YIELDS (%)					
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
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	-160bp	+0bp	-63bp	-87ppt
EUROBONDS USD SOVEREIGN BOND YIELDS (%)					
CDS 5yr	994	+38bp	+85bp	+174bp	+178bp
Jun '16	11.02	+50bp	+142bp	+247bp	+213bp
Jul '17	10.72	+32bp	+122bp	+208bp	+116bp
Sep '20	9.65	+3bp	+49bp	+86bp	+46bp
Sep '21	9.68	+3bp	+49bp	+85bp	+46bp
Sep '22	9.37	+3bp	+48bp	+80bp	+2bp
Feb '23	9.50	+12bp	+50bp	+107bp	+45bp

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.

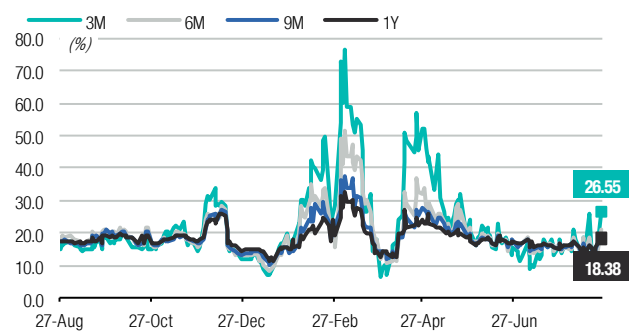
Chart page: Local bond market & Eurobond markets

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



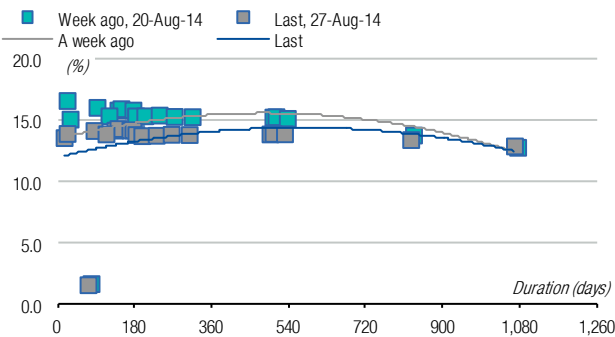
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



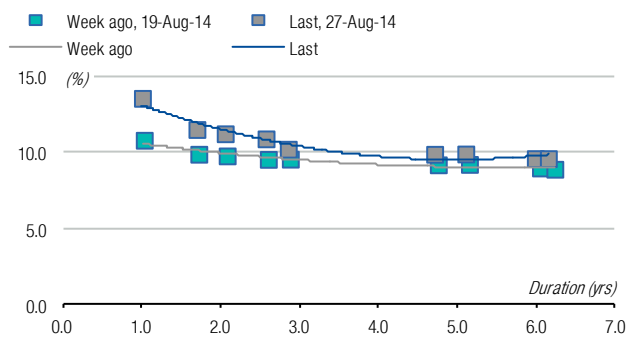
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 27 Aug 2014



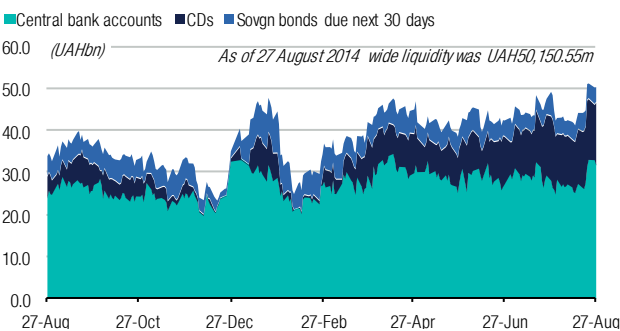
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 27 Aug 2014



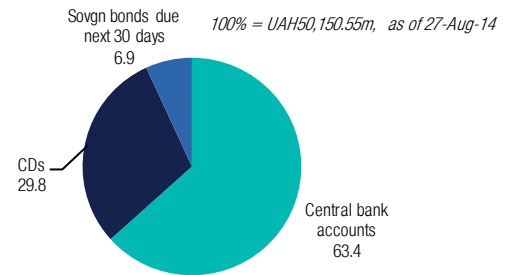
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



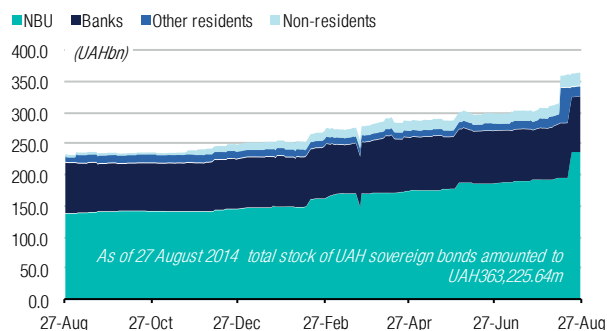
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 27 Aug 2014



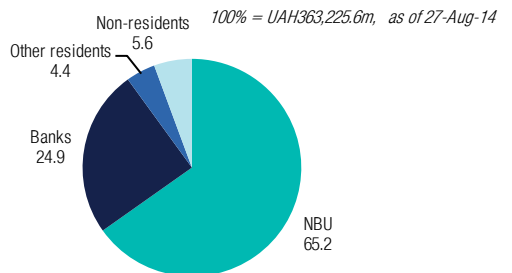
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 27 Aug 2014



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

Table 1. Ukrainian stocks (closing prices as of 27-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 (%)
ENERGY																											
Cadogan Petrol...	CAD LN	London	11.63 GBp	+0.0	+2.2	+12.0	-27.3	0.19	44.6	-18.5	40.2	17.9	0.0	19.9	0.14	710	Neg.	Neg.	Neg.	2.8	N/A	N/A	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.97 UAH	+0.3	-1.6	+67.2	+58.8	0.57	211.4	256.9	21.7	45.9	48.8	356.8	0.19	536	6.0	6.1	3.8	0.5	4.7	2.4	0.5	0.4	0.3	1.2	12.2
Coal Energy	CLE PW	Warsaw	0.86 PLN	-5.5	-17.3	-18.1	-64.9	0.27	12.2	122.4	25.0	3.0	8.9	14.7	0.44	228	Neg.	Neg.	3.0	5.4	15.3	4.2	1.0	1.2	1.1	0.1	39.8
Donbasenergo	DOEN UK	Kiev, UX	37.68 UAH	+0.4	-8.3	+36.6	+66.4	2.71	64.0	98.1	14.2	9.1	9.4	54.4	0.14	723	1.7	2.3	2.1	0.4	2.3	1.2	0.2	0.2	0.2	1.4	17.8
JKX Oil & Gas	JKX LN	London	44.88 GBp	-0.8	-0.3	-37.2	-32.5	0.74	127.9	133.0	47.2	60.4	10.0	35.6	0.05	2,215	19.7	11.3	4.6	2.0	1.8	1.5	0.7	0.7	0.6	0.3	5.5
Regal Petroleum	RPT LN	London	7.00 GBp	+3.7	-23.3	-46.2	-59.4	0.12	37.2	10.4	80.9	30.1	0.0	6.7	0.03	3,721	Neg.	18.6	N/A	0.5	0.4	N/A	0.3	0.2	N/A	0.1	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	138.20 UAH	+0.0	-5.5	+52.9	+65.5	9.92	126.9	107.8	5.0	6.3	0.0	2.9	0.00	53,583	3.1	N/A	N/A	0.7	N/A	N/A	0.1	N/A	N/A	3.4	0.0
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.03 UAH	-0.9	-8.4	-12.7	-11.2	0.00	62.7	1,070.6	3.9	2.4	5.3	27.0	0.13	748	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	3.00 UAH	-0.2	-8.1	+1.2	-6.3	0.22	41.9	39.3	4.0	1.7	2.0	23.7	0.09	1,065	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	0.88 UAH	+2.7	-3.0	+31.9	+42.8	0.06	266.8	260.8	4.1	10.9	4.3	18.2	0.07	1,520	Neg.	N/A	Neg.	N/A	8.7	0.2	N/A	0.2	0.3	0.0	
Ferrexpo PLC	FXPO LN	London	136.40 GBp	+1.0	-2.2	-26.6	-18.7	2.26	1,332.3	1,534.8	22.4	298.4	945.6	1,586.5	0.41	243	5.1	4.8	7.6	3.1	3.0	4.0	1.0	1.0	1.0	1.2	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.60 UAH	-7.7	-14.3	+13.2	+6.2	0.04	11.8	12.8	9.0	1.1	17.9	5.3	0.15	686	Neg.	1.2	0.6	0.1	0.6	0.4	0.1	0.0	0.0	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	38.20 UAH	+1.8	-14.3	+19.3	+14.4	2.74	28.9	25.2	9.4	2.7	6.9	30.1	0.14	711	5.8	N/A	Neg.	Neg.	N/A	0.9	0.0	N/A	0.0	0.9	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	0.87 EUR	+2.4	-9.4	-29.8	-37.9	1.15	106.1	163.2	34.0	36.1	6.4	14.5	0.03	3,269	Neg.	N/A	N/A	Neg.	N/A	N/A	2.3	N/A	N/A	1.9	35.9
Agroliga	AGL PW	Warsaw	17.34 PLN	-0.9	-9.2	-33.1	-20.5	5.45	8.4	9.3	16.7	1.4	4.0	1.9	0.07	1,405	2.0	N/A	N/A	2.7	N/A	N/A	0.4	N/A	N/A	0.7	5.7
Agroton	AGT PW	Warsaw	2.10 PLN	-1.4	-19.8	+7.7	-2.3	0.66	14.3	59.6	26.2	3.7	18.2	81.9	1.16	86	Neg.	2.0	1.8	22.3	6.3	3.7	0.7	0.7	0.7	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	37.69 PLN	-0.2	-3.3	-43.7	-45.1	11.85	296.2	553.5	31.0	91.9	3.2	131.4	0.08	1,190	8.7	9.5	4.7	7.3	4.3	4.9	1.1	1.1	1.1	0.8	38.2
Avangard	AVGR LI	London Intl	8.89 USD	+5.8	-3.3	-24.4	-10.7	8.89	567.5	798.5	21.7	123.1	200.8	179.4	0.06	1,631	2.4	2.9	2.6	2.7	3.4	3.1	1.2	1.2	1.0	0.4	17.8
IMC	IMC PW	Warsaw	8.80 PLN	+4.3	+6.3	-27.6	-40.9	2.77	86.6	237.6	23.9	20.7	12.2	47.7	0.03	3,441	3.3	7.8	1.9	4.4	4.4	4.3	2.1	1.3	1.3	0.6	38.7
Kernel Holding...	KER PW	Warsaw	27.58 PLN	+0.3	-7.8	-27.6	-41.6	8.67	690.9	1,597.6	58.8	406.1	301.3	1,977.3	0.15	673	6.2	17.1	4.9	5.5	6.5	4.9	0.6	0.6	0.6	0.6	30.6
KSG Agro	KSG PW	Warsaw	1.45 PLN	-51.7	-68.0	-86.6	-87.1	0.46	6.8	118.0	34.4	2.4	22.1	0.4	0.07	1,524	Neg.	0.6	0.3	4.5	3.0	2.5	1.7	1.2	1.1	0.4	44.0
MHP	MHPC LI	London Intl	12.00 USD	-0.2	-9.7	-29.6	-20.5	12.00	1,268.0	2,428.9	22.3	283.0	119.1	1,034.9	0.29	349	8.1	4.9	4.1	6.2	5.0	4.6	1.6	1.6	1.4	2.2	47.0
Milkiland	MLK PW	Warsaw	4.61 PLN	+0.4	-22.7	-63.1	-60.7	1.45	45.3	171.8	20.0	9.1	0.6	5.9	0.03	3,138	3.2	N/A	2.3	5.2	3.4	3.1	0.4	0.4	0.4	0.2	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	1.81 EUR	-4.7	-60.2	-66.5	-59.5	2.39	254.0	981.8	20.0	50.8	0.0	6.3	0.02	5,534	2.9	2.9	1.1	6.0	3.6	3.3	2.0	2.3	2.3	0.6	45.3
Ovostar Union	OVO PW	Warsaw	71.00 PLN	+0.0	+4.3	-29.0	-16.5	22.32	133.9	141.5	25.0	33.5	0.9	36.3	0.11	879	4.4	7.2	6.3	3.8	5.2	4.2	1.6	1.8	1.3	1.0	8.5
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.19 EUR	+0.0	-12.7	-39.4	-56.1	0.25	13.1	188.7	13.1	1.7	0.0	0.1	N/A	N/A	Neg.	N/A	N/A	Neg.	N/A	N/A	5.6	N/A	N/A	0.1	45.5
FINANCIAL SERVICES																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.14 UAH	-0.6	-7.5	+21.4	+40.8	0.01	296.6	N/A	3.8	11.3	6.6	25.2	0.15	659	4.1	Neg.	11.6	N/A	N/A	N/A	N/A	N/A	N/A	0.6	28.3
Ukrsofsbank	USCB UK	Kiev, UX	0.18 UAH	+5.3	-3.7	-6.7	+35.8	0.01	227.9	N/A	4.5	10.2	1.8	13.8	0.01	14,965	Neg.	14.8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.4	30.9

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; *** - P/E is above 10,000x. Sources: Bloomberg, ICU.

FX: News & Comments

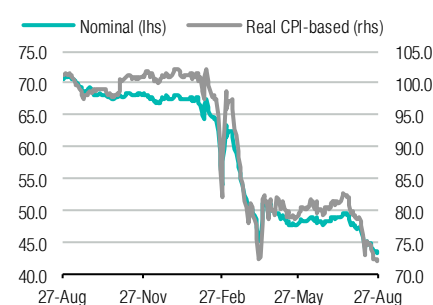
UAH hits record low of 14.41/USD

Exemplifying the desperation of market participants, the hryvnia went into a free-fall in the first half of the trading session as the lack of dollars pushed the currency lower, down nearly 5.5%. The decline was so severe that, an urgent meeting called by the NBU to convene with the CEOs of top commercial banks, the NBU governor and executive board members persuaded the banks to sell US dollars in the second half of the session to fulfill market demand. The UAH rebounded back to 14.00/USD.

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ICU's UAH trade-weighted indices

(Last 12-month history to 28 Aug 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 27 Aug 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	13.6000	+0.37	+2.26	+14.19	+65.05
NBU avg	13.8910	+1.70	+5.05	+18.19	+70.42
Ttl vlm ¹	439.15	+22.74	+14.98	+37.70	-84.33
\$ volume ²	309.34	+28.50	+4.26	+45.77	-86.01
NDF 3M	14.2000	-1.66	+4.41	+15.54	+67.35
NDF 6M	14.6900	-1.74	+4.37	+15.08	+67.31
NDF 1Y	15.5500	-2.51	+3.15	+13.46	+65.07
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	43.249	-0.48	-2.24	-10.88	-35.96
UAH real CPI	72.055	-0.48	-2.24	-10.88	-28.71
UAH real PPI	108.522	-0.48	-2.24	-10.88	-21.81
USD nom'l	82.428	-0.27	+0.25	+1.73	+2.99
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	36.1690	-0.03	-0.33	+2.92	+10.04
EUR/USD	1.3193	+0.20	-0.50	-1.76	-4.00
USD/CNY	6.1434	-0.16	+0.04	-0.78	+1.47
USD/PLN	3.1831	+0.02	+0.75	+3.12	+5.30
USD/TRY	2.1540	-0.52	-1.39	+2.86	+0.27
USD/BYR	10,425.00	+0.05	+0.29	+1.31	+9.28
USD/KZT	182.0000	+0.00	-0.01	-0.87	+17.97
OTHER MAJOR CURRENCIES					
USD/JPY	103.8800	-0.17	+0.12	+2.00	-1.36
GBP/USD	1.6576	+0.22	-0.11	-2.35	+0.11
USD/CHF	0.9148	-0.29	+0.15	+1.09	+2.45
AUD/USD	0.9337	+0.33	+0.54	-0.63	+4.71
USD/CAD	1.0865	-0.79	-0.96	+0.49	+2.28
USD/BRL	2.2471	-0.65	-0.66	+0.78	-4.87
USD/KRW	1,014.28	-0.26	-0.82	-1.16	-3.38
COMMODITIES					
Gold(\$/oz)	1,282.60	+0.11	-0.72	-1.88	+6.38
WTI crude ³	93.88	+0.02	-2.28	-11.72	-4.61
Brent crd ³	100.45	-0.23	+0.11	-5.82	-9.36
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	290.43	+0.05	+0.75	-2.65	+3.66

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>).

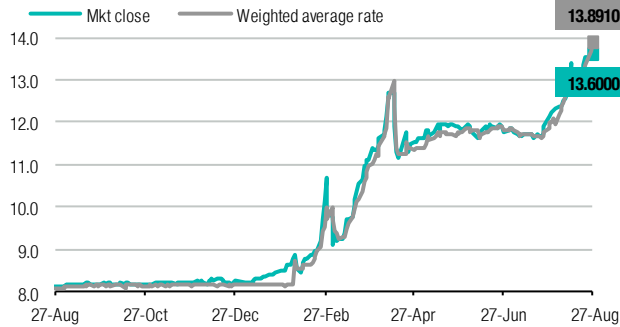
Section on FX market is continued on next page.

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.

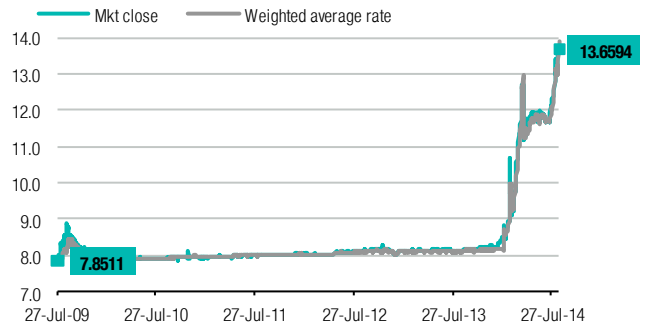
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

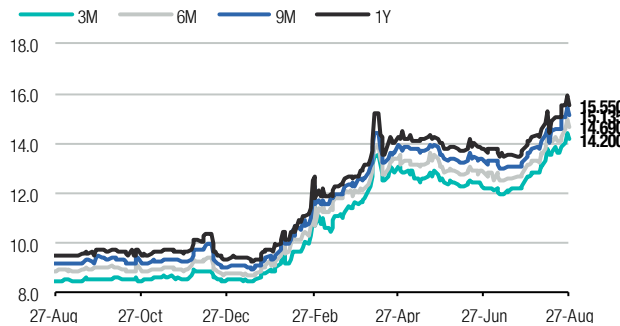


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

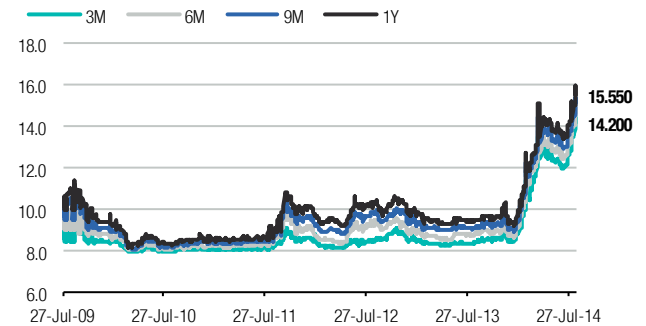


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

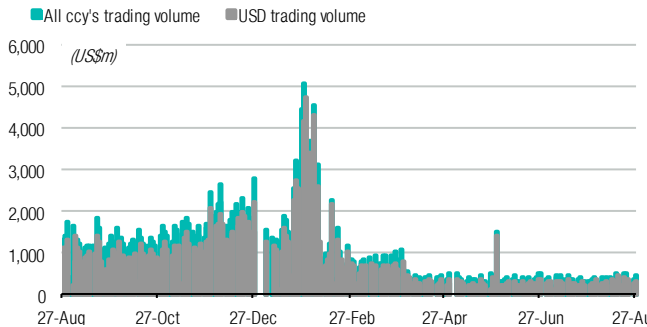


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

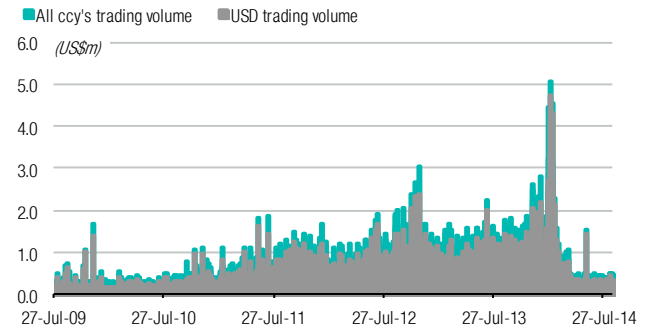


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

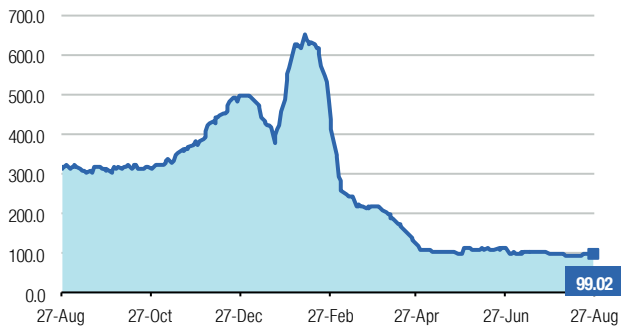


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)



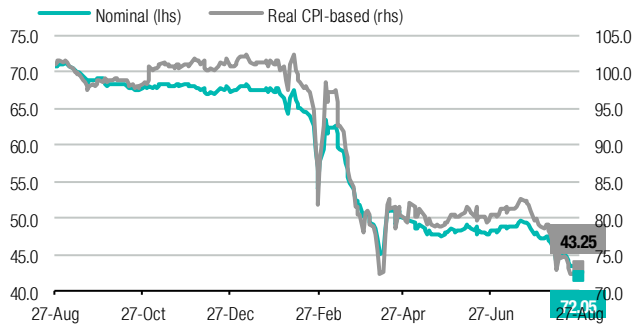
Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

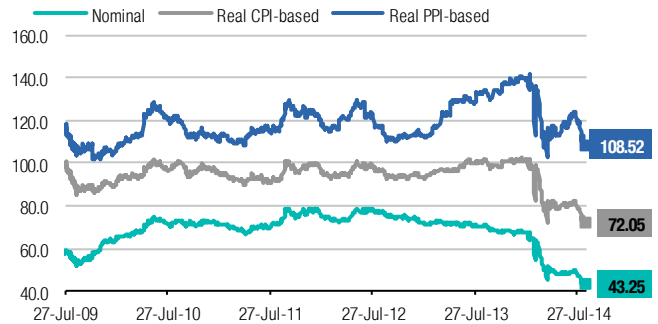
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



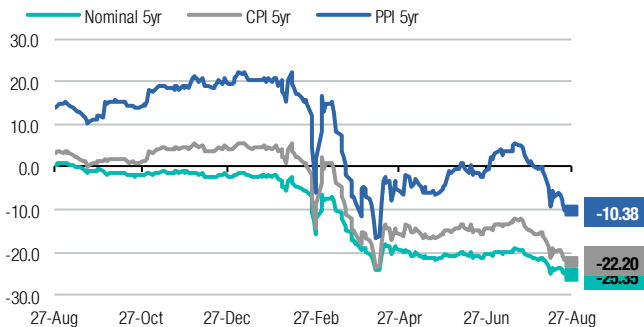
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

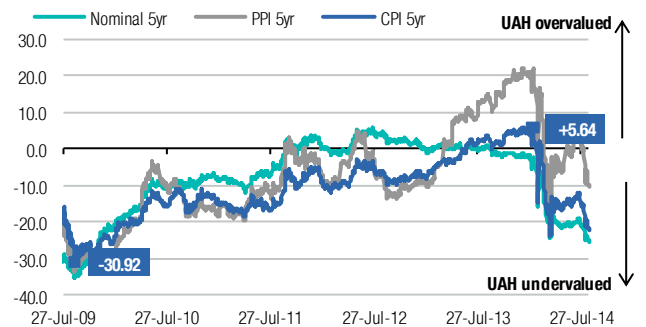


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

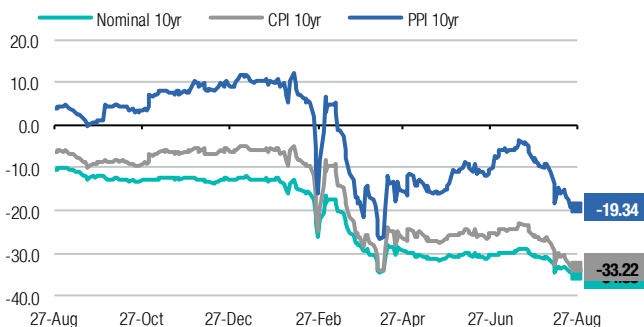


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

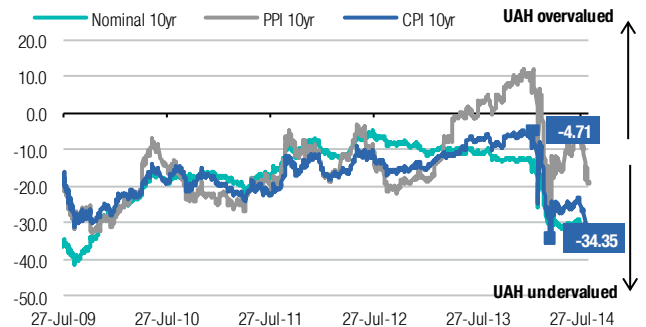


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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.

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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

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Sell: Forecasted 12-month total return significantly less than that of relevant benchmark



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