



Focus
Ukraine

Scope
Economics, bonds, equity & FX markets

Research team
**Alexander Valchyshen
Taras Kotovych**

Daily Insight

IMF provides next tranche

Contents

Economics: News & Comments	2
IMF provides next tranche	2
Bonds: News & Comments	3
Liquidity declines slightly	3
Yields up slightly	3
Chart page: Local bond market & Eurobond markets	4
FX: News & Comments	6
UAH continues to trade at a low level	6
Chart page #1: Foreign-exchange market	7
Chart page #2: ICU's UAH trade-weighted indices	8

MONDAY, 1 SEPTEMBER 2014

UX Index (3 months to 1 Sep 2014)



Source: UX.

Key market indicators (as of 29 Aug 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	13.2000	-2.22	+60.19
USD/UAH (1Y NDF)	15.9500	+3.24	+69.32
EUR/USD	1.3132	-0.38	-4.45
USD/RUB	37.1189	+1.07	+12.93
KievPRIME O/N (%)	8.00	-13bp	+20bp
KievPRIME 1M (%)	15.17	-8bp	-108bp
SOVEREIGN EUROBONDS: yields and spreads			
Ukraine 15, Eurobond (%)	14.66	+218bp	+630bp
Ukraine 17, Eurobond (%)	11.98	+126bp	+242bp
Ukraine 22, Eurobond (%)	9.85	+48bp	+50bp
Ukraine 23, Eurobond (%)	9.80	+30bp	+75bp
Ukraine 5Y CDS	1,085bp	+25bp	+268bp
EQUITIES			
Stock market indices			
UX (Ukraine)	1,181.10	+0.52	+29.79
MSCI World	431.54	+0.23	+5.63
MSCI EM	1,087.88	+0.08	+8.50
RTS (Russia)	1,190.23	-2.40	-17.50
WIG-20 (Poland)	2,416.97	-0.18	+0.67
S&P 500 (USA)	2,003.37	+0.33	+8.39

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

IMF provides next tranche

After some concern over the past month, the IMF approved the next tranche of SDR0.92bn or US1.39bn for immediate disbursement. After nearly one month's delay, most likely in reaction to Russian militaristic moves in eastern Ukraine, the IMF said it would assist Ukraine going forward by providing two tranches at once later this year.

In our view, Ukraine will most likely follow the IMF program as it turns around its economy amidst the imminent war with Russia and a potential economic depression.

Alexander Valchyshen, Kiev, +38044 2200120 ext.242

Bonds: News & Comments

Liquidity declines slightly

Broader banking sector liquidity slid last Friday on last Thursday's cash flows, down UAH0.18bn to UAH49.28bn. Banks' correspondent accounts with the NBU rose UAH0.01bn to UAH29.25bn while total CDs outstanding declined UAH0.19bn to UAH16.59bn and total local currency debt repayments scheduled for the next 30 days remained steady at UAH3.44bn.

KyivPrime interest rates slightly declined as the KyivPrime ON interest rates declined 13bp to 8.00% and the KyivPrime 1M interest rate slid 8bp to 15.17%.

Investment implications: Last Friday, liquidity movements were not significant as they included last Thursday's cash flows and the final day of month-end tax payments. We anticipate today's indicators will move more significantly.

Taras Kotovych, Kiev, +38044 2200120 ext.244

Yields up slightly

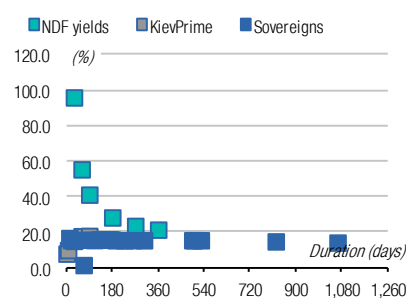
Last Friday, YTM of Ukrainian Eurobonds continued to increase above 10%. At the close, the yield curve adjusted to the range of 10.00-15.15% as UKRAIN 6.875% '15 rose 49bp to 15.15%, UKRAIN 9.25% '17 was up 50bp to 12.47%, and UKRAIN 7.95% '21 rose 22bp to 10.39%, while UKRAIN 7.80% '22 and UKRAIN 7.50% '23 rose 21bp to 10.06% and 10.00%, respectively.

Investment implications: The IMF's decision last Friday had no impact as developments in the Ukraine-Russia armed conflict caused the yield curve to move up all last week.

Taras Kotovych, Kiev, +38044 2200120 ext.244

Yield curve of the local bond market

(as of market close on 29 Aug 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 29 Aug 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)

MONEY MARKET KIEV PRIME RATES (%)

O/n	8.00	-13bp	+0bp	+250bp	+20bp
1wk	10.00	-6bp	+25bp	+55bp	+20bp
1m	15.17	-8bp	+17bp	+7bp	-108bp
2m	17.83	-17bp	-17bp	+3bp	+143bp
3m	18.00	+0bp	+0bp	+0bp	+200bp

LIQUIDITY WIDE MEASUREMENT (UAHm)

CB acc's ¹	29,254	+0.03	-11.70	+10.34	-10.54
CDs ²	8,072	-51.89	-44.05	-50.03	+1,045.0
Sovgns ³	3,437	+0.00	-0.97	-38.46	+129.9
Total	40,763	-17.58	-20.12	-15.52	+16.79

HOLDERS OF UAH SOVEREIGN BONDS (UAHm)

C.bank	236,721	+0.00	-0.03	+23.18	+63.42
Banks	90,820	-0.37	+2.17	+9.61	+13.29
Resid's ⁴	16,811	+6.14	+5.58	+9.32	+35.61
Non-res ⁵	20,262	-1.92	+0.79	+22.70	+73.20
Total	364,615	+0.06	+0.80	+18.80	+46.36

NDF IMPLIED YIELDS (%)

3m	41.24	+22bp	+31bp	+23bp	+29bp
6m	28.37	+11bp	+18bp	+12bp	+15bp
9m	23.63	+737bp	+866bp	+698bp	+962bp
1yr	21.52	+643bp	+618bp	+477bp	+653bp

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 (%)

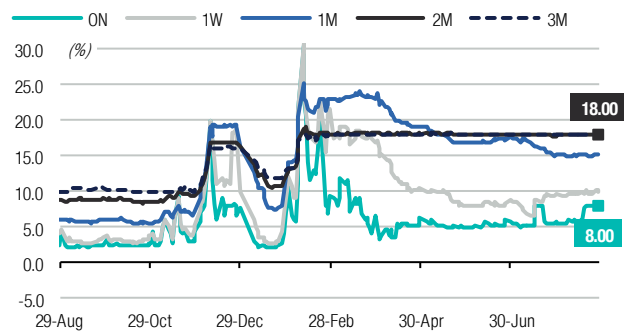
CDS 5yr	1,085	+25bp	+137bp	+256bp	+268bp
Jun '16	12.06	+104bp	+231bp	+368bp	+317bp
Jul '17	11.98	+126bp	+229bp	+336bp	+242bp
Sep '20	10.18	+53bp	+104bp	+137bp	+99bp
Sep '21	10.12	+43bp	+89bp	+127bp	+90bp
Sep '22	9.85	+48bp	+94bp	+127bp	+50bp
Feb '23	9.80	+30bp	+88bp	+142bp	+75bp

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.

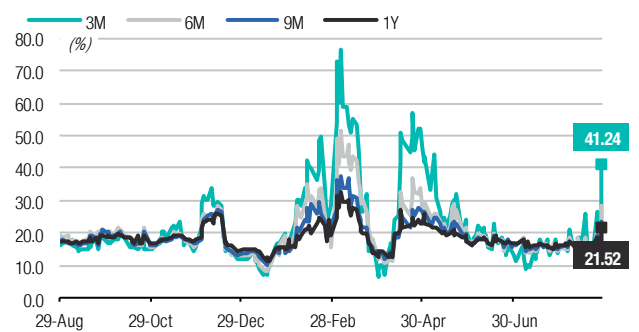
Chart page: Local bond market & Eurobond markets

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



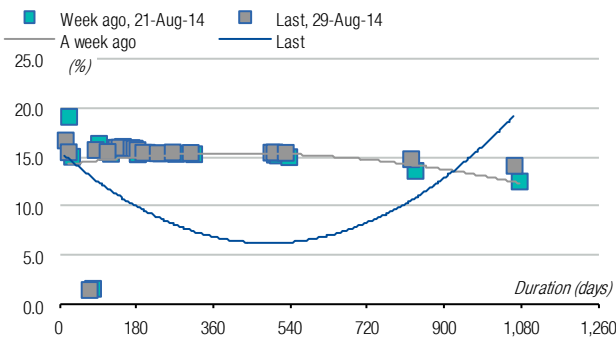
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



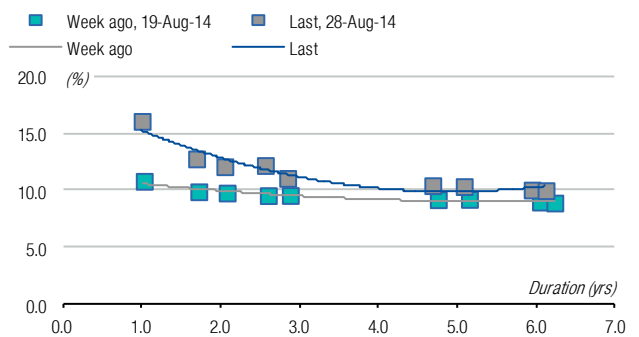
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



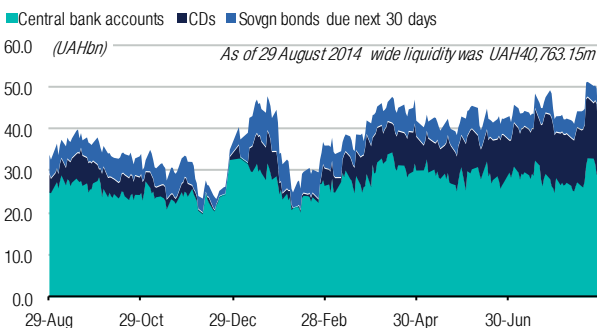
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



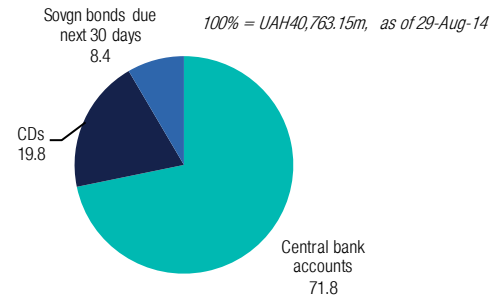
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



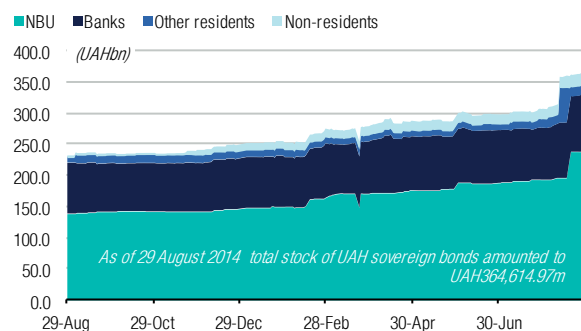
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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



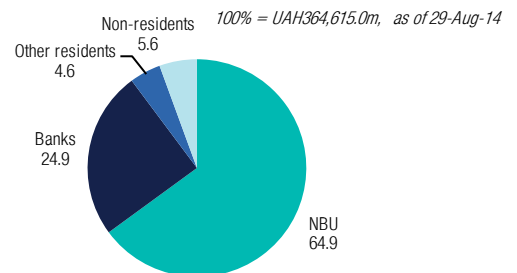
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 29 Aug 2014



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

Table 1. Ukrainian stocks (closing prices as of 29-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	11.50 GBP	+0.0	+0.0	+10.8	-29.2	0.19	44.2	-18.9	40.2	17.8	6.1	19.7	0.11	947	Neg.	Neg.	Neg.	2.9	N/A	N/A	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.70 UAH	+0.8	-5.1	+61.5	+53.9	0.58	215.5	263.6	21.7	46.8	56.9	361.5	0.17	585	5.8	5.4	3.7	0.5	4.2	2.3	0.5	0.4	0.3	1.2	12.2
Coal Energy	CLE PW	Warsaw	0.63 PLN	-8.7	-35.1	-40.0	-72.5	0.20	8.8	119.0	25.0	2.2	47.2	11.5	0.76	131	Neg.	Neg.	2.2	5.3	14.9	4.1	0.9	1.2	1.1	0.1	39.8
Donbasenergo	DOEN UK	Kiev, UX	34.99 UAH	-0.6	-15.5	+26.8	+52.5	2.65	62.7	98.7	14.2	8.9	19.2	52.8	0.13	779	1.6	1.9	2.0	0.4	2.0	1.2	0.2	0.2	0.2	1.3	17.8
JKX Oil & Gas	JKX LN	London	45.13 GBP	+0.6	+12.1	-36.9	-32.9	0.75	128.8	133.9	47.2	60.8	15.3	35.9	0.04	2,705	19.8	11.4	4.6	2.0	1.8	1.5	0.7	0.7	0.6	0.3	5.5
Regal Petroleum	RPT LN	London	7.50 GBP	+7.1	-1.6	-42.3	-56.5	0.12	40.0	13.1	80.9	32.3	0.2	9.3	0.04	2,257	Neg.	20.0	N/A	0.6	0.5	N/A	0.4	0.3	N/A	0.1	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	130.00 UAH	-4.1	-12.8	+43.8	+56.6	9.85	126.0	105.8	5.0	6.3	0.4	2.9	0.00	25,249	2.9	N/A	N/A	0.7	N/A	N/A	0.1	N/A	N/A	3.2	0.0
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.03 UAH	-0.9	-12.2	-17.0	-14.4	0.00	62.9	1,126.4	3.9	2.4	3.8	27.2	0.15	659	Neg.	Neg.	N/A	N/A	Neg.	N/A	1.0	0.6	N/A	N/A	64.5
Avdiyivsky Cok...	AVDK UK	Kiev, UX	2.79 UAH	-2.5	-10.0	-5.6	-12.0	0.21	41.3	38.5	4.0	1.7	1.2	23.2	0.11	916	Neg.	272.5	0.7	Neg.	0.8	0.4	0.1	0.0	0.0	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.79 UAH	+2.5	-9.9	+17.8	+27.7	0.06	251.3	244.9	4.1	10.3	7.4	16.3	0.08	1,199	Neg.	N/A	Neg.	Neg.	N/A	6.8	0.1	N/A	0.1	0.2	0.0
Ferrexpo PLC	FXPO LN	London	132.10 GBP	+1.6	-0.3	-28.9	-18.3	2.20	1,292.3	1,494.8	22.4	289.5	854.3	1,509.2	0.43	231	4.9	4.6	7.4	3.0	2.9	3.9	0.9	1.0	1.0	1.2	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.57 UAH	+9.2	-21.0	+7.4	+0.4	0.04	11.8	12.9	9.0	1.1	2.0	5.2	0.17	587	Neg.	1.1	0.6	0.1	0.5	0.4	0.1	0.0	0.0	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	36.42 UAH	-0.1	-16.5	+13.8	+10.2	2.76	29.1	25.2	9.4	2.7	2.2	29.9	0.16	606	5.5	N/A	Neg.	Neg.	N/A	0.7	0.0	N/A	0.0	0.9	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	0.88 EUR	+0.0	-5.4	-29.0	-36.7	1.16	106.7	163.4	34.0	36.3	2.3	14.6	0.03	3,362	Neg.	N/A	N/A	Neg.	N/A	N/A	2.3	N/A	N/A	1.9	35.9
Agroliga	AGL PW	Warsaw	17.23 PLN	-0.3	-9.3	-33.6	-32.9	5.37	8.3	9.1	16.7	1.4	0.2	1.6	0.07	1,352	2.0	N/A	N/A	2.6	N/A	N/A	0.4	N/A	N/A	0.7	5.7
Agroton	AGT PW	Warsaw	1.79 PLN	-1.1	-26.3	-8.2	-24.8	0.56	12.1	57.4	26.2	3.2	50.7	67.8	1.57	64	Neg.	1.7	1.5	21.5	6.0	3.6	0.7	0.7	0.7	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	36.00 PLN	-1.3	+0.0	-46.2	-46.7	11.22	280.5	536.3	31.0	87.0	0.6	121.2	0.07	1,370	8.3	8.8	4.5	7.1	4.2	4.8	1.1	1.1	1.1	0.8	38.2
Avangard	AVGR LI	London Intl	8.80 USD	+4.8	+2.9	-25.1	-13.7	8.80	562.1	793.0	21.7	122.0	141.4	179.8	0.07	1,369	2.4	2.9	2.5	2.6	3.3	3.1	1.2	1.2	1.0	0.4	17.8
IMC	IMC PW	Warsaw	8.40 PLN	-1.1	-3.8	-30.9	-43.4	2.62	81.9	232.9	23.9	19.6	187.5	46.3	0.07	1,362	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	25.75 PLN	-4.6	-10.4	-32.4	-45.7	8.03	639.5	1,546.1	58.8	375.9	1,229.5	1,739.4	0.18	562	5.7	15.8	4.5	5.3	6.3	4.8	0.6	0.6	0.6	0.6	30.6
KSG Agro	KSG PW	Warsaw	0.38 PLN	-55.8	-91.6	-96.5	-96.3	0.12	1.8	112.9	34.4	0.6	304.0	5.2	3.22	31	Neg.	0.1	0.1	4.3	2.9	2.4	1.6	1.2	1.0	0.1	44.0
MHP	MHPC LI	London Intl	11.65 USD	-0.4	-10.1	-31.7	-22.3	11.65	1,231.0	2,441.3	22.3	274.8	59.4	1,001.8	0.29	341	7.9	7.8	4.2	6.2	5.1	4.8	1.6	1.7	1.5	2.1	47.0
Milkiland	MLK PW	Warsaw	4.50 PLN	-0.2	-20.9	-64.0	-61.2	1.40	43.8	169.6	20.0	8.8	2.1	4.9	0.04	2,777	3.1	N/A	2.3	5.1	3.4	3.1	0.4	0.4	0.4	0.2	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	1.81 EUR	-4.7	-47.5	-66.5	-59.5	2.38	252.5	980.3	20.0	50.5	0.0	6.4	0.02	5,746	2.9	2.9	1.1	5.9	3.6	3.3	2.0	2.3	2.3	0.6	45.3
Ovostar Union	OVO PW	Warsaw	69.79 PLN	+2.5	-0.3	-30.2	-16.9	21.75	130.5	138.1	25.0	32.6	6.1	36.2	0.12	803	4.3	7.0	6.1	3.7	5.1	4.1	1.5	1.7	1.3	1.0	8.5
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.19 EUR	+0.0	-12.7	-39.4	-53.6	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	0.13 UAH	-0.1	-13.8	+12.2	+33.9	0.01	289.3	N/A	3.8	11.1	33.7	23.7	0.18	568	3.8	Neg.	10.7	N/A	N/A	N/A	N/A	N/A	N/A	0.5	28.3
Ukrsofsbank	USCB UK	Kiev, UX	0.17 UAH	+0.2	-2.9	-8.7	+33.9	0.01	235.3	N/A	4.5	10.5	1.0	14.2	0.01	13,557	Neg.	12.7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.3	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

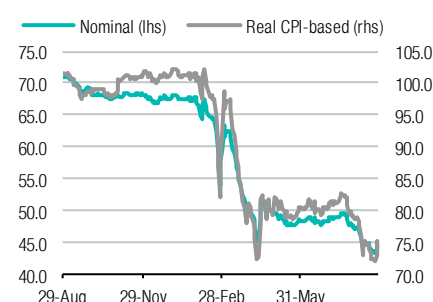
UAH continues to trade at a low level

On Friday, the hryvnia's weighted average FX rate traded around 13.6/USD, unchanged from Thursday. Despite NBU efforts to stabilise the FX rate which has fallen 8.96% over the past month, the market still resists the central bank's requests to bolster the rate. This week's anticipated report on inflation should provide more guidance. If year-on-year inflation accelerates more than expected, the market's scepticism could be justified.

Alexander Valchyshen, Kiev, +38044 2200120 ext.242

ICU's UAH trade-weighted indices

(Last 12-month history to 1 Sep 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 29 Aug 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	13.2000	-2.22	-2.58	+8.96	+60.19
NBU avg	13.6058	+1.25	+1.80	+13.50	+66.93
Ttl vlm ¹	384.06	-30.25	+17.05	+23.84	-86.29
\$ volume ²	285.11	-32.34	+31.11	+23.65	-87.10
NDF 3M	14.5500	+2.83	+4.86	+15.02	+71.48
NDF 6M	15.0500	+2.73	+5.80	+14.84	+71.41
NDF 1Y	15.9500	+3.24	+2.64	+13.40	+69.32
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	45.041	+2.75	+3.86	-6.06	-33.31
UAH real CPI	75.041	+2.75	+3.86	-6.06	-25.75
UAH real PPI	113.020	+2.75	+3.86	-6.06	-18.57
USD nom'l	82.748	+0.33	+0.50	+1.89	+3.39
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	37.1189	+1.07	+2.80	+4.40	+12.93
EUR/USD	1.3132	-0.38	-0.83	-2.07	-4.45
USD/CNY	6.1436	+0.00	-0.15	-0.61	+1.47
USD/PLN	3.2056	+0.06	+1.26	+3.56	+6.04
USD/TRY	2.1630	+0.23	-0.57	+2.20	+0.69
USD/BYR	10,430.00	+0.05	+0.24	+1.26	+9.33
USD/KZT	182.0700	+0.03	-0.03	-0.79	+18.02
OTHER MAJOR CURRENCIES					
USD/JPY	104.0900	+0.36	+0.13	+1.93	-1.16
GBP/USD	1.6598	+0.07	+0.16	-2.04	+0.25
USD/CHF	0.9182	+0.34	+0.48	+1.25	+2.83
AUD/USD	0.9339	-0.19	+0.24	-0.47	+4.73
USD/CAD	1.0878	+0.16	-0.59	+0.24	+2.40
USD/BRL	2.2359	-0.27	-1.83	+0.21	-5.34
USD/KRW	1,013.88	-0.06	-0.38	-1.04	-3.42
COMMODITIES					
Gold(\$/oz)	1,287.81	-0.15	+0.60	-0.86	+6.81
WTI crude ³	95.96	+1.49	-0.09	-4.96	-2.50
Brent crd ³	101.26	+0.94	+1.09	-4.62	-8.63
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	292.75	+0.48	+1.41	-1.31	+4.49

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>).

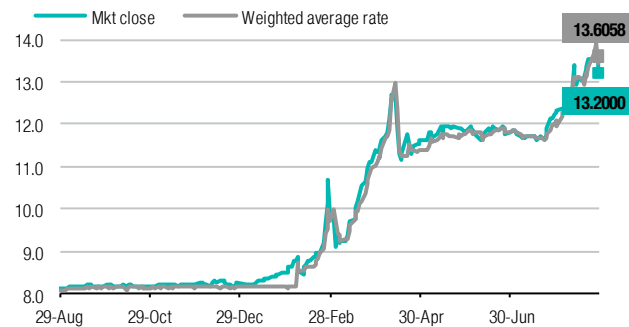
Section on FX market is continued on next page.

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.

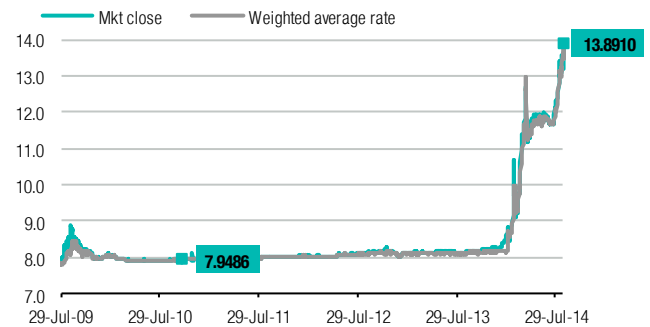
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

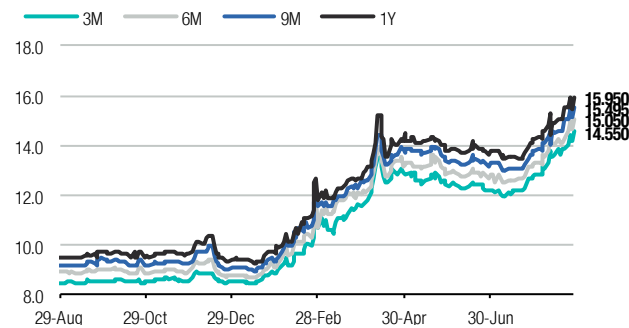


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

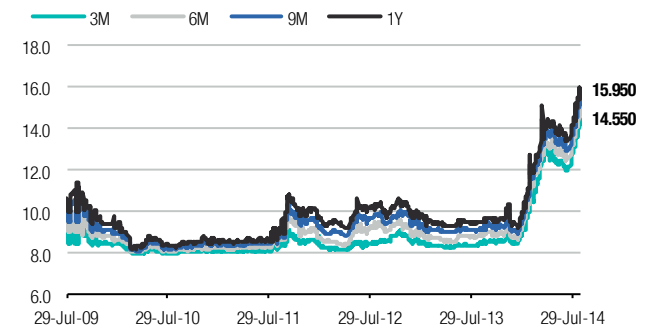


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

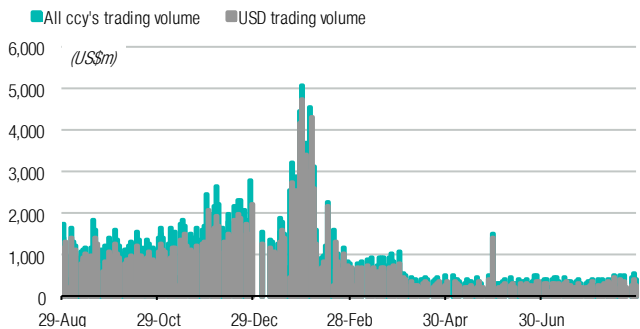


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

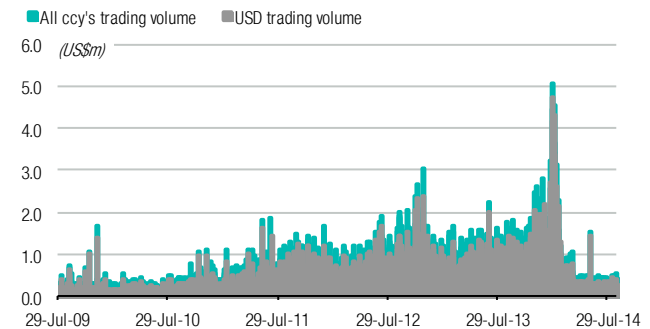


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

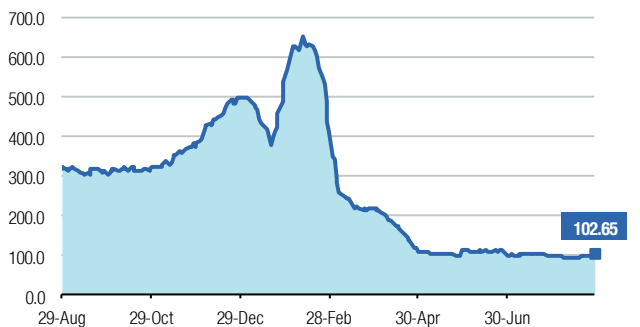


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)

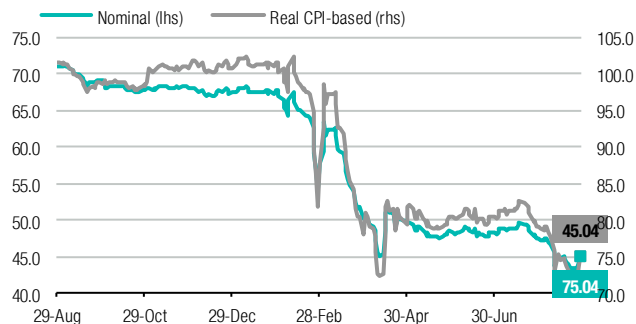


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

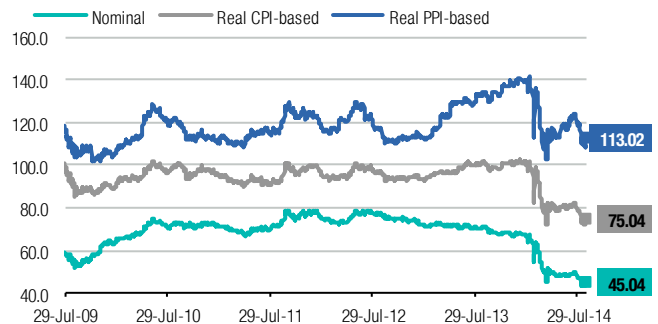
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



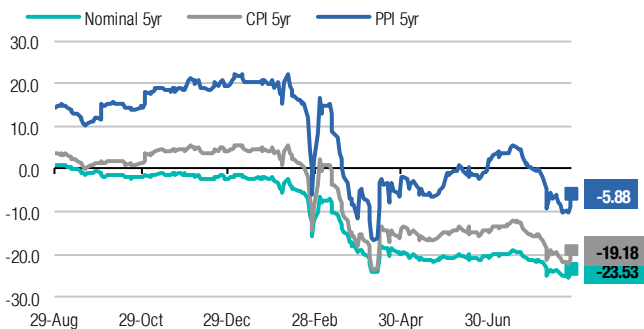
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

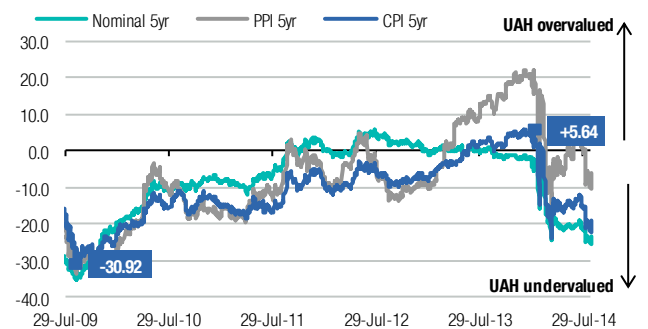


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

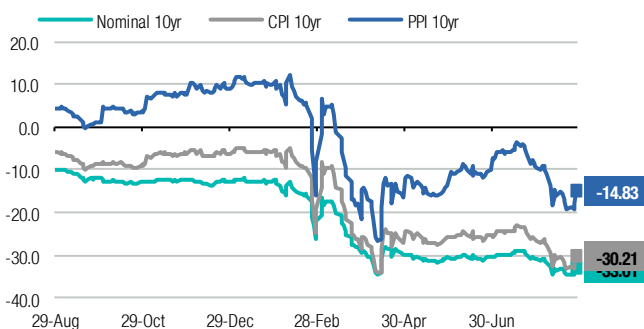


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

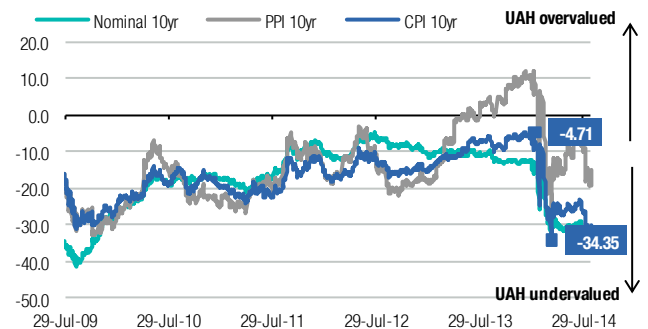


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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.

This page is intentionally left blank

Disclosures

ANALYST CERTIFICATION

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



Office 44, 11th floor, LEONARDO Business Centre
19-21 Bogdan Khmelnytsky Street
Kiev, 01030 Ukraine
Phone/Fax +38 044 2200120

CORPORATE FINANCE TEL. +38 044 2200120

Makar Paseniuk, Managing Director
makar.paseniuk@icu.ua

Volodymyr Demchyshyn, Director
volodymyr.demchyshyn@icu.ua

Ruslan Kilmukhametov, Director
ruslan.kilmukhametov@icu.ua

SALES AND TRADING TEL. +38 044 2201621

Konstantin Stetsenko, Managing Director
konstantin.stetsenko@icu.ua

Sergiy Byelyayev, Fixed-Income Trading
sergiy.byelyayev@icu.ua

Vitaliy Sivach, Fixed-Income & FX Trading
vitaliy.sivach@icu.ua

Vlad Sinani, Director,
Strategy and Corporate Development
vlad.sinani@icu.ua

Julia Pecheritsa,
Ukraine and CIS International Sales
julia.pecheritsa@icu.ua

Yevgeniya Gryshchenko,
Fixed-Income Sales
yevgeniya.gryshchenko@icu.ua

RESEARCH DEPARTMENT TEL. +38 044 2200120

Alexander Valchyshen
Head of Research
alexander.valchyshen@icu.ua

Alexander Martynenko
Head of corporate research
alexander.martynenko@icu.ua

Bogdan Vorotilin
Financial analyst (Food & Agribusiness)
bogdan.vorotilin@icu.ua

Taras Kotovych
Senior financial analyst (Sovereign debt)
taras.kotovych@icu.ua

Mykhaylo Demkiv
Financial analyst (Banks)
mykhaylo.demkiv@icu.ua

Lee Daniels, Rolfe Haas
Editors

Investment Capital Ukraine LLC is regulated by Securities and Stock Market State Commission of Ukraine (license numbers: dealer activity AE 263019, broker activity AE 263018, underwriting activity AE 263020 dated 11 April 2013).

DISCLAIMER

This research publication has been prepared by Investment Capital Ukraine LLC solely for information purposes for its clients. It does not constitute an investment advice or an offer or solicitation for the purchase or sale of any financial instrument. While reasonable care has been taken to ensure that the information contained herein is not untrue or misleading at the time of publication, Investment Capital Ukraine makes no representation that it is accurate or complete. The information contained herein is subject to change without notice. Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of Investment Capital Ukraine LLC. All rights are reserved. Any investments referred to herein may involve significant risk, are not necessarily available in all jurisdictions, may be illiquid and may not be suitable for all investors. The value of, or income from, any investments referred to herein may fluctuate and/or be affected by changes in exchange rates. Past performance is not indicative of future results. Investors should make their own investigations and investment decisions without relying on this report. Only investors with sufficient knowledge and experience in financial matters to evaluate the merits and risks should consider an investment in any issuer or market discussed herein and other persons should not take any action on the basis of this report.



Additional information is available upon request.