



Focus
Ukraine

Scope
Economics, bonds, equity & FX markets

Research team
**Alexander Valchyshen
Taras Kotovych**

Daily Insight

Domestic liquidity flat, bond auction results

WEDNESDAY, 3 SEPTEMBER 2014

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UX Index (3 months to 3 Sep 2014)



Source: UX.

Key market indicators (as of 2 Sep 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	12.4500	-0.80	+51.09
USD/UAH (1Y NDF)	14.9000	-0.33	+58.17
EUR/USD	1.3133	+0.04	-4.44
USD/RUB	37.4515	+0.43	+13.94
KievPRIME O/N (%)	8.00	+0bp	+20bp
KievPRIME 1M (%)	15.63	-20bp	-62bp
SOVEREIGN EUROBONDS: yields and spreads			
Ukraine 15, Eurobond (%)	17.33	+219bp	+898bp
Ukraine 17, Eurobond (%)	13.39	+91bp	+383bp
Ukraine 22, Eurobond (%)	10.45	+38bp	+111bp
Ukraine 23, Eurobond (%)	10.35	+32bp	+131bp
Ukraine 5Y CDS	1,121bp	+36bp	+305bp
EQUITIES			
Stock market indices			
UX (Ukraine)	1,168.20	-1.35	+28.37
MSCI World	431.17	-0.10	+5.54
MSCI EM	1,086.73	-0.35	+8.38
RTS (Russia)	1,177.93	+0.02	-18.35
WIG-20 (Poland)	2,463.10	+0.82	+2.59
S&P 500 (USA)	2,002.28	-0.05	+8.33

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.

Bonds: News & Comments

Liquidity reallocation

Broader banking sector liquidity rose UAH1.24bn to UAH47.54bn yesterday thanks to the UAH1.30bn increase in total local currency debt repayments scheduled for the next 30 days to UAH UAH4.74bn. Banks' correspondent accounts with the NBU rose UAH2.24bn to UAH29.89bn as the NBU decreased total CDs outstanding by the similar volume, UAH2.30bn to UAH12.91bn.

KyivPrime interest rates slightly diverged: the KyivPrime ON interest rate remained steady at 8.00% while the KyivPrime 1M interest rate slid 20bp to 15.63%.

Investment implications: Liquidity remained unchanged as funds were reallocated from CDs to banks' correspondent accounts. The increase in broader liquidity was only due to upcoming large debt repayments which will have an impact in a month.

Primary auction results

The MoF sold UAH11.75m (par value) of 2-year bonds at 16.50% to one bidder for UAH11.98m in budget proceeds.

Investment implications: Having raised insufficient proceeds to cover today's scheduled debt interest repayments, the MoF most likely did not need to attract significant financing. At a rate 80bp below that of previously sold bonds at a similar maturity, this interest rate was the same as that of 3-year bonds sold two weeks ago on 22 August.

Eurobond YTM's up

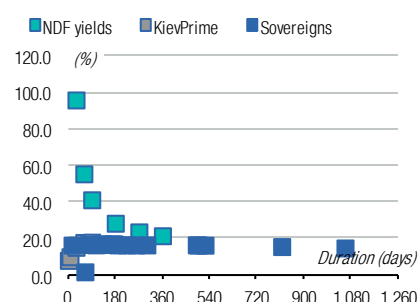
At the yesterday's close, the yield curve adjusted to the range of 9.97-15.68% as UKRAIN 6.875% '15 increased 53bp to 15.68%, UKRAIN 6.58% '16 was up 81bp to 12.84%, UKRAIN 6.75% '17 rose 32bp to 11.28%, UKRAIN 9.25% '17 rose 16bp to 12.63%, UKRAIN 7.95% '21 was up 45bp to %, UKRAIN 7.50% '23 increase 5bp to 10.05% while UKRAIN 7.80% '22 slid 8bp to 9.97%. The 5-year CDS rose to 1,121bp.

Investment implications: Ukrainian Eurobond investor sentiment is still pessimistic as the yield curve remains very close to the record high of this year as seen in mid-March. The situation in eastern Ukraine has escalated further following the Russian invasion, significantly increasing risks on Ukrainian debt. If the situation does not improve, we could see even higher yields increase on heightened anticipations that the conflict could escalate more significantly.

Taras Kotovych, Kiev, +38044 2200120 ext.724

Yield curve of the local bond market

(as of market close on 2 Sep 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 2 Sep 2014)

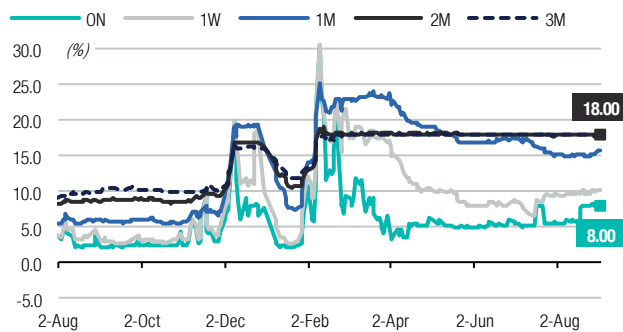
	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
O/n	8.00	+0bp	+0bp	+250bp	+20bp
1wk	10.06	-2bp	+6bp	+56bp	+26bp
1m	15.63	-20bp	+46bp	+53bp	-62bp
2m	18.00	+0bp	+0bp	+10bp	+160bp
3m	18.00	+0bp	+0bp	+0bp	+200bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	29,892	+8.09	-9.56	+5.20	-8.59
CDs ²	12,910	-15.14	-1.64	+19.55	+1,731.2
Sovgns ³	4,737	+0.00	+22.19	+31.47	+216.9
Total	47,539	-0.14	-5.02	+11.03	+36.21
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	236,720	+0.00	-0.03	+23.28	+63.42
Banks	89,686	-1.99	-0.37	+7.86	+11.87
Resid's ⁴	16,806	-0.15	+5.01	+8.96	+35.57
Non-res ⁵	19,789	-2.99	-2.91	+17.85	+69.15
Total	363,000	-0.67	-0.05	+18.09	+45.72
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	+48bp	-87ppt
EUROBONDS USD SOVEREIGN BOND YIELDS (%)					
CDS 5yr	1,121	+36bp	+165bp	+319bp	+305bp
Jun '16	14.05	+149bp	+354bp	+590bp	+516bp
Jul '17	13.39	+91bp	+300bp	+485bp	+383bp
Sep '20	10.88	+46bp	+126bp	+218bp	+168bp
Sep '21	10.76	+42bp	+111bp	+218bp	+154bp
Sep '22	10.45	+38bp	+111bp	+202bp	+111bp
Feb '23	10.35	+32bp	+98bp	+206bp	+131bp

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.

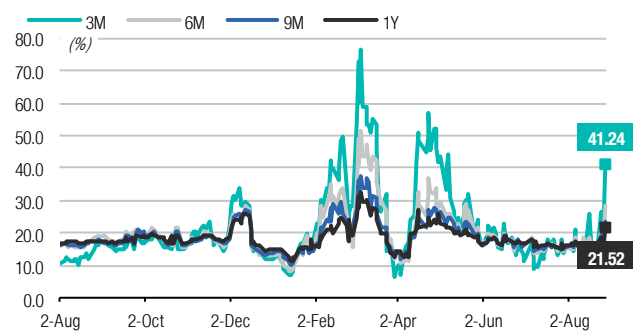
Chart page: Local bond market & Eurobond markets

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



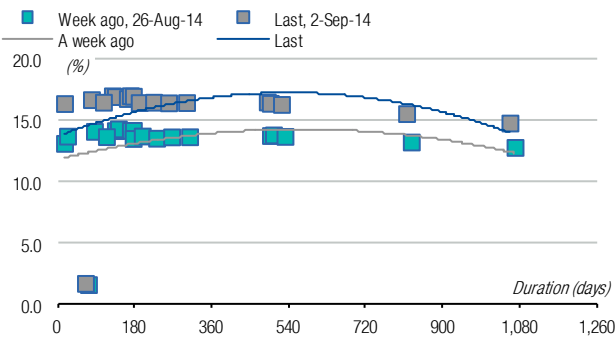
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



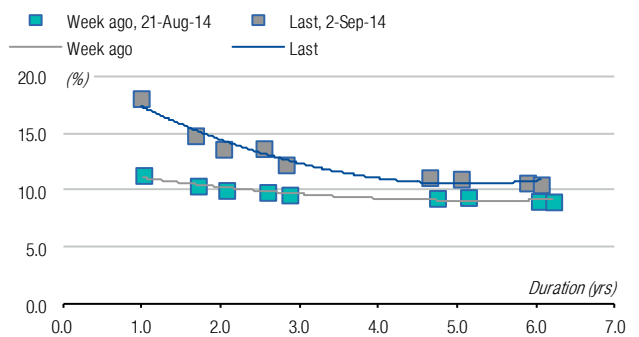
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 2 Sep 2014



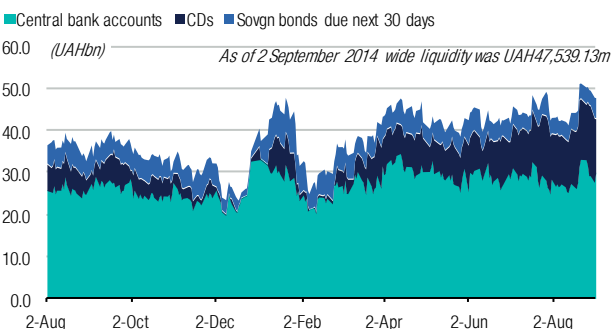
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 2 Sep 2014



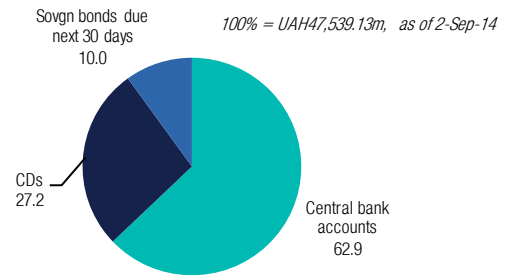
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



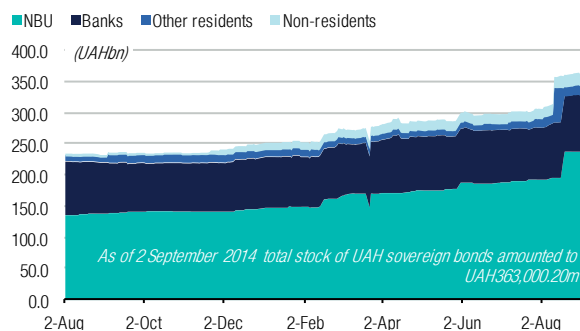
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 2 Sep 2014



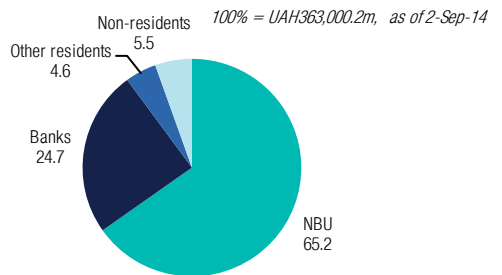
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 2 Sep 2014



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

Table 1. Ukrainian stocks (closing prices as of 2-Sep-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	-24.6	0.19	43.8	-19.3	40.2	17.6	1.9	20.5	0.11	925	Neg.	Neg.	Neg.	2.9	N/A	N/A	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.62 UAH	-1.8	-6.1	+59.9	+53.9	0.61	226.2	277.2	21.7	49.1	21.1	374.1	0.15	661	5.8	5.3	3.6	0.5	4.2	2.3	0.5	0.4	0.3	1.2	12.2
Coal Energy	CLE PW	Warsaw	0.63 PLN	+14.5	-35.1	-40.0	-72.2	0.20	8.9	119.0	25.0	2.2	172.9	15.0	1.23	81	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	34.13 UAH	-0.8	-17.6	+23.7	+55.7	2.74	64.8	103.0	14.2	9.2	10.1	53.3	0.11	936	1.5	1.9	1.9	0.4	2.0	1.2	0.2	0.2	0.2	1.2	17.8
JKX Oil & Gas	JKX LN	London	45.25 GBP	+0.8	+12.4	-36.7	-33.5	0.75	128.0	133.1	47.2	60.4	10.8	34.8	0.02	4,670	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	6.00 GBP	-14.3	-21.3	-53.8	-61.3	0.10	31.7	4.9	80.9	25.6	8.5	7.5	0.05	1,870	Neg.	15.8	N/A	0.2	0.2	N/A	0.1	0.1	N/A	0.1	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	130.00 UAH	+0.0	-12.8	+43.8	+62.5	10.44	133.6	112.1	5.0	6.7	0.0	3.1	0.00	25,833	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	-1.5	-13.0	-17.8	-14.2	0.00	66.0	1,193.6	3.9	2.6	2.5	28.4	0.14	712	Neg.	Neg.	N/A	N/A	Neg.	N/A	1.0	0.6	N/A	N/A	64.5
Avdiivsky Cok...	AVDK UK	Kiev, UX	2.72 UAH	-4.1	-12.3	-8.1	-14.7	0.22	42.6	39.7	4.0	1.7	5.2	23.9	0.13	760	Neg.	265.3	0.7	Neg.	0.8	0.4	0.1	0.0	0.0	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.78 UAH	-1.5	-11.0	+16.4	+24.6	0.06	263.4	256.7	4.1	10.8	7.3	17.0	0.08	1,193	Neg.	N/A	Neg.	Neg.	N/A	6.7	0.1	N/A	0.1	0.2	0.0
Ferrexpo PLC	FXPO LN	London	128.00 GBP	-3.0	-3.4	-31.1	-25.8	2.11	1,240.8	1,443.3	22.4	277.9	1,533.7	1,436.8	0.44	228	4.7	4.5	7.1	2.9	2.8	3.8	0.9	0.9	1.0	1.1	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.58 UAH	-3.3	-19.4	+9.4	+3.6	0.05	12.7	13.9	9.0	1.1	35.2	6.0	0.32	311	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	34.00 UAH	-6.7	-22.0	+6.2	+1.6	2.73	28.8	24.6	9.4	2.7	3.3	28.8	0.18	560	5.2	N/A	Neg.	Neg.	N/A	0.7	0.0	N/A	0.0	0.8	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	0.87 EUR	+0.0	-6.5	-29.8	-37.9	1.14	105.6	162.3	34.0	35.9	6.1	12.3	0.03	3,905	Neg.	N/A	N/A	Neg.	N/A	N/A	2.3	N/A	N/A	1.9	35.9
Agroliga	AGL PW	Warsaw	16.88 PLN	-2.0	-11.2	-34.9	-34.2	5.27	8.1	9.0	16.7	1.4	2.0	1.6	0.08	1,249	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	1.81 PLN	-3.2	-25.5	-7.2	-21.6	0.56	12.2	57.5	26.2	3.2	63.6	67.6	1.60	62	Neg.	1.7	1.5	21.5	6.1	3.6	0.7	0.7	0.7	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	36.00 PLN	+4.6	+0.0	-46.2	-47.6	11.24	280.9	536.8	31.0	87.1	2.6	114.6	0.06	1,577	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	8.40 USD	+0.0	-1.8	-28.5	-18.4	8.40	536.5	767.5	21.7	116.4	412.3	177.9	0.10	1,018	2.3	3.4	3.1	2.5	4.0	4.3	1.2	1.2	1.2	0.4	17.8
IMC	IMC PW	Warsaw	8.17 PLN	-1.0	-6.4	-32.8	-45.2	2.55	79.8	230.8	23.9	19.1	5.9	44.2	0.09	1,174	3.1	7.2	1.7	4.3	4.3	4.2	2.0	1.2	1.2	0.5	38.7
Kernel Holding...	KER PW	Warsaw	23.64 PLN	-3.1	-17.8	-37.9	-51.2	7.38	588.0	1,494.6	58.8	345.6	1,085.8	1,101.4	0.21	469	5.3	14.5	4.1	5.1	6.1	4.6	0.5	0.6	0.6	0.5	30.6
KSG Agro	KSG PW	Warsaw	0.49 PLN	-5.8	-89.2	-95.5	-95.1	0.15	2.3	113.4	34.4	0.8	359.5	17.9	7.29	14	Neg.	0.2	0.1	4.3	2.9	2.4	1.6	1.2	1.0	0.1	44.0
MHP	MHPC LI	London Intl	11.15 USD	-3.5	-14.0	-34.6	-25.7	11.15	1,178.2	2,388.5	22.3	263.0	416.4	976.8	0.34	296	7.6	7.5	4.1	6.1	5.0	4.7	1.6	1.7	1.5	2.0	47.0
Milkiland	MLK PW	Warsaw	4.16 PLN	-2.1	-26.9	-66.7	-63.2	1.30	40.6	166.4	20.0	8.1	37.5	4.6	0.06	1,572	2.9	N/A	2.1	5.0	3.3	3.0	0.4	0.4	0.4	0.2	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	1.81 EUR	+0.0	-47.5	-66.5	-59.5	2.38	252.6	980.4	20.0	50.5	0.0	6.4	0.01	7,253	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	67.59 PLN	+0.0	-3.4	-32.4	-20.3	21.10	126.6	134.2	25.0	31.6	7.4	34.8	0.13	770	4.1	6.8	5.9	3.6	5.0	4.0	1.5	1.7	1.3	0.9	8.5
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	7.94 PLN	-12.1	+34.6	-74.7	-75.9	2.48	23.0	6.5	10.9	2.5	0.1	0.8	0.02	6,654	3.4	N/A	N/A	0.6	N/A	N/A	0.2	N/A	N/A	0.3	5.6
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.16 EUR	-14.7	-26.4	-48.9	-62.0	0.21	11.0	186.6	13.1	1.4	0.0	0.1	0.01	16,043	Neg.	N/A	N/A	Neg.	N/A	N/A	5.5	N/A	N/A	0.1	45.5
FINANCIAL SERVICES																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.13 UAH	-0.7	-13.6	+12.6	+35.2	0.01	307.7	N/A	3.8	11.8	11.1	25.3	0.17	588	3.8	Neg.	10.8	N/A	N/A	N/A	N/A	N/A	N/A	0.5	28.3

Table 1. Ukrainian stocks (closing prices as of 2-Sep-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 (%)	
Ukrsotsbank	USCB UK	Kiev, UX	0.17 UAH	-0.6	-3.6	-9.4	+32.5	0.01	247.6	N/A	4.5	11.1	1.2	14.8	0.01	14,360	Neg.	12.6	N/A	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

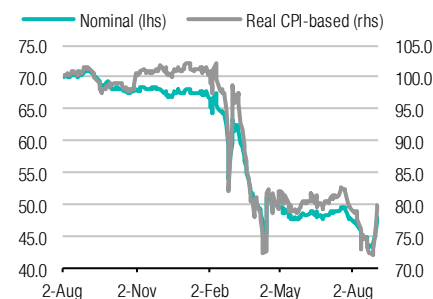
UAH extends gain in volatile trading

Extending Monday's trading when the tighter FX regulation took effect and the hryvnia rose a significant 4.9%, it rose another 0.8% yesterday as US dollar FX trading forced the NBU to buy USD at 12.5/USD. However, late breaking news signaling a major shortage of FX over the next few years, as the IMF anticipates a more severe than expected impact from the ongoing Russian invasion of eastern Ukraine, was negative for the hryvnia.

Alexander Valchyshen, Kiev, +38044 2200120 ext.242

ICU's UAH trade-weighted indices

(Last 12-month history to 3 Sep 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 2 Sep 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNYIA per US DOLLAR)					
Spot mkt	12.4500	-0.80	-8.12	+1.01	+51.09
NBU avg	13.0087	-0.80	-4.76	+8.74	+59.60
Ttl vlm ¹	N/A	N/A	N/A	N/A	N/A
\$ volume ²	N/A	N/A	N/A	N/A	N/A
NDF 3M	13.5000	-0.37	-6.51	+5.47	+59.10
NDF 6M	14.0000	-0.36	-6.35	+5.46	+59.45
NDF 1Y	14.9000	-0.33	-6.58	+4.82	+58.17
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	47.927	+1.01	+10.28	+1.33	-29.04
UAH real CPI	79.849	+1.01	+10.28	+1.33	-21.00
UAH real PPI	120.260	+1.01	+10.28	+1.33	-13.35
USD nom'l	82.992	+0.29	+0.41	+2.08	+3.69
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	37.4515	+0.43	+3.51	+4.64	+13.94
EUR/USD	1.3133	+0.04	-0.26	-2.19	-4.44
USD/CNY	6.1476	+0.07	-0.09	-0.52	+1.54
USD/PLN	3.2058	+0.13	+0.73	+2.89	+6.05
USD/TRY	2.1727	+0.57	+0.34	+1.82	+1.14
USD/BYR	10,455.00	+0.19	+0.34	+1.31	+9.59
USD/KZT	182.0600	-0.02	+0.03	-0.27	+18.01
OTHER MAJOR CURRENCIES					
USD/JPY	105.0900	+0.71	+0.99	+2.42	-0.21
GBP/USD	1.6470	-0.83	-0.42	-2.09	-0.53
USD/CHF	0.9190	-0.07	+0.16	+1.45	+2.92
AUD/USD	0.9274	-0.62	-0.34	-0.41	+4.00
USD/CAD	1.0929	+0.53	-0.21	+0.12	+2.88
USD/BRL	2.2436	-0.10	-0.80	-0.62	-5.02
USD/KRW	1,018.25	+0.50	+0.13	-1.82	-3.01
COMMODITIES					
Gold(\$/oz)	1,265.40	-1.60	-1.24	-2.16	+4.96
WTI crude ³	92.88	+0.00	-1.04	-5.11	-5.63
Brent crd ³	99.75	-1.60	-0.92	-3.68	-9.99
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	289.28	-1.19	-0.35	-1.09	+3.25

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.

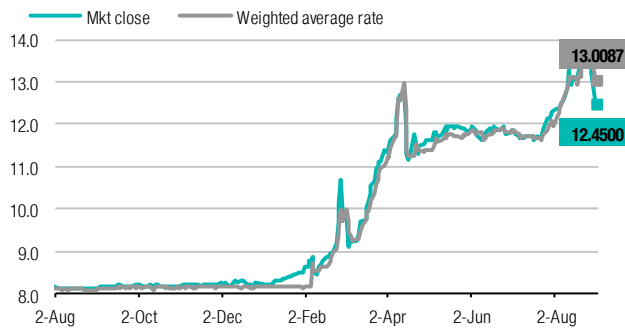
Sources: Bloomberg, Investment Capital Ukraine LLC.

Readers may follow the ICU trade-weighted indices of the local-currency, the hryvnia (UAH), on the ICU [website](#) and Bloomberg (type: ALLX UTWI <GO>).

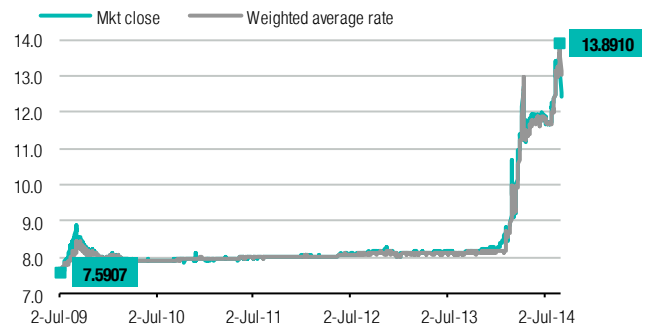
Section on FX market is continued on next page.

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)

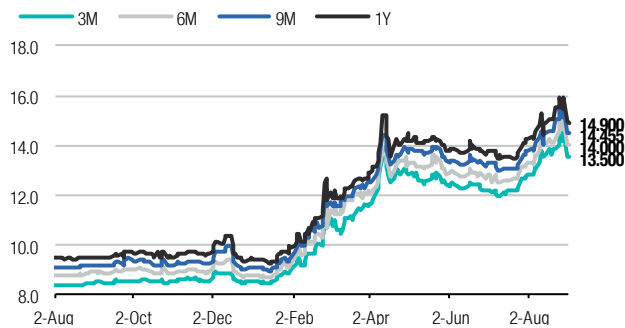


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

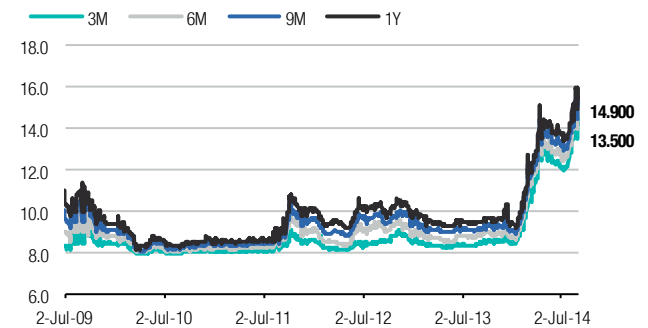


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

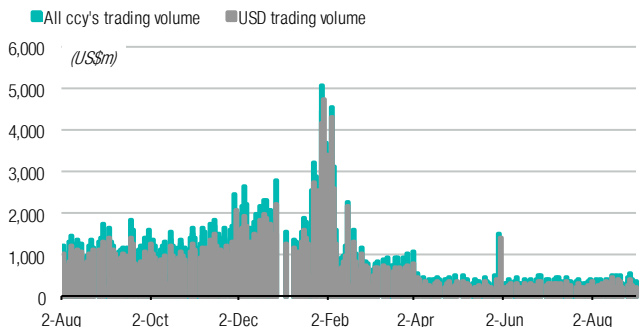


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

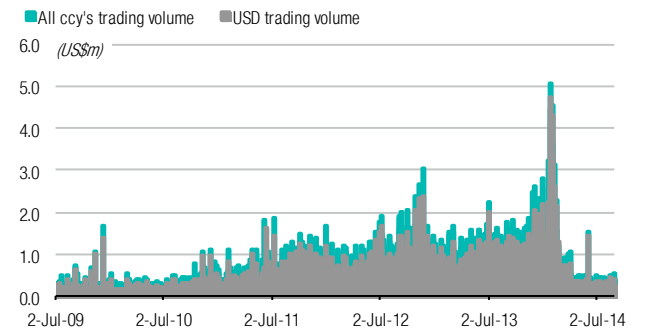


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

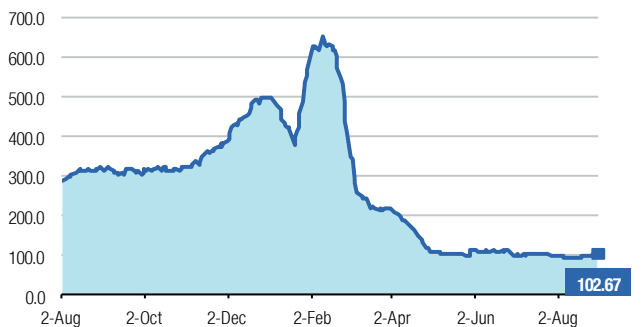


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)



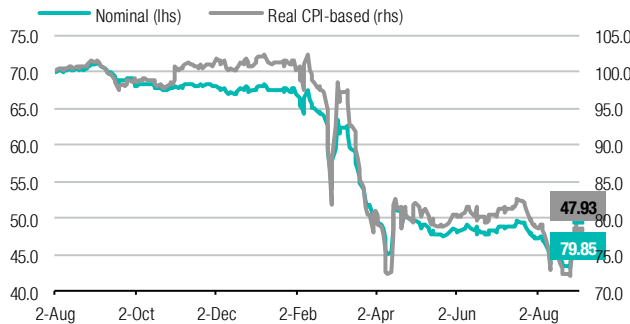
Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

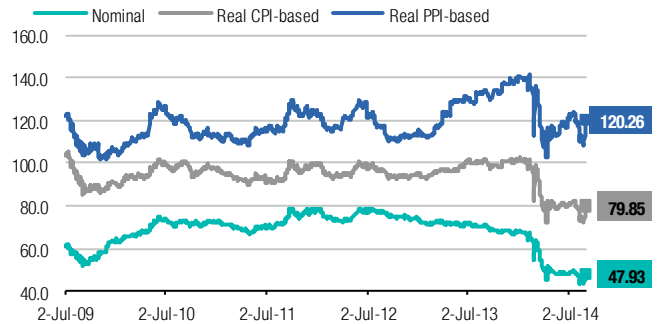
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



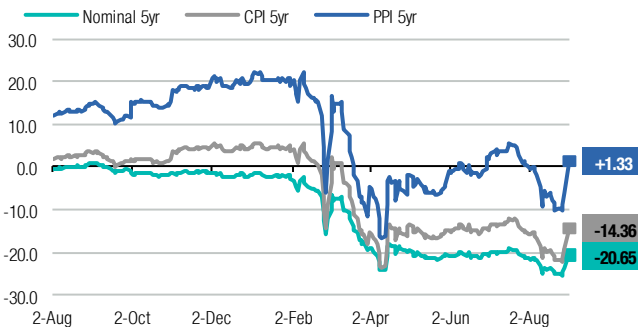
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

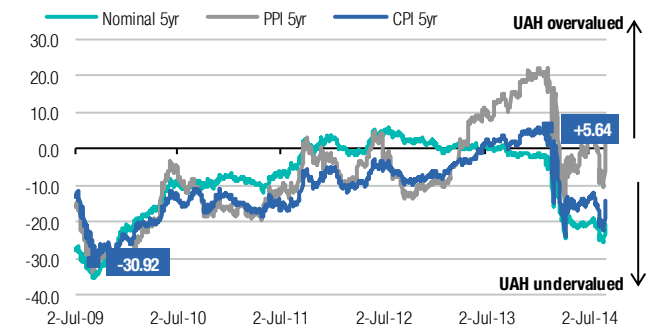


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

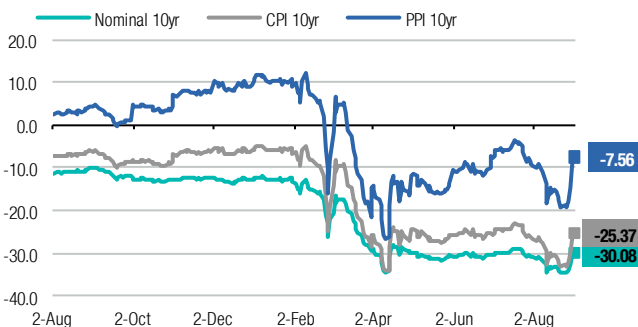


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

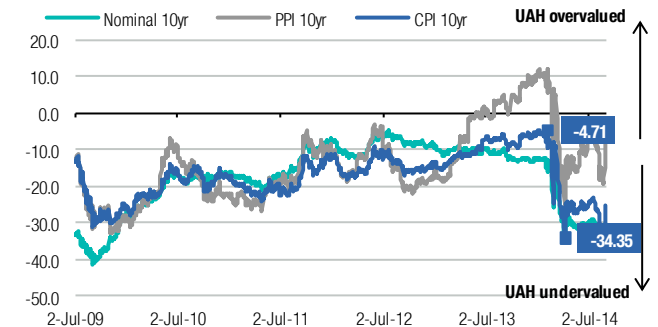


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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

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

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

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