



Focus  
**Ukraine**

Scope  
**Economics, bonds, equity & FX markets**

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# Daily Insight

## Highly fragile ceasefire holding

### Contents

<b>Economics: News &amp; Comments</b>	<b>2</b>
Highly fragile ceasefire holding, more complications ahead .....	2
Inflation in August: No sign of abating .....	2
<b>Bonds: News &amp; Comments</b>	<b>3</b>
Liquidity down slightly .....	3
Eurobond YTM's continue to decline .....	3
Chart page: Local bond market & Eurobond markets .....	4
<b>FX: News &amp; Comments</b>	<b>6</b>
Hryvnia weakens further .....	6
Chart page #1: Foreign-exchange market .....	7
Chart page #2: ICU's UAH trade-weighted indices .....	8

MONDAY, 8 SEPTEMBER 2014

### UX Index (3 months to 8 Sep 2014)



Source: UX.

### Key market indicators (as of 5 Sep 2014)

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

USD/UAH	12.8000	+0.79	+55.34
USD/UAH (1Y NDF)	14.8600	+0.00	+57.75
EUR/USD	1.2951	+0.05	-5.76
USD/RUB	37.0460	+0.13	+12.71
KievPRIME O/N (%)	8.10	+0bp	+30bp
KievPRIME 1M (%)	15.10	+0bp	-115bp

#### SOVEREIGN EUROBONDS: yields and spreads

Ukraine 15, Eurobond (%)	12.35	-113bp	+400bp
Ukraine 17, Eurobond (%)	11.32	-72bp	+176bp
Ukraine 22, Eurobond (%)	9.83	-10bp	+49bp
Ukraine 23, Eurobond (%)	9.78	-5bp	+74bp
Ukraine 5Y CDS	990bp	-76bp	+174bp

#### EQUITIES

##### Stock market indices

UX (Ukraine)	1,161.55	-1.38	+27.64
MSCI World	432.37	+0.07	+5.83
MSCI EM	1,096.83	-0.31	+9.39
RTS (Russia)	1,257.26	+1.27	-12.86
WIG-20 (Poland)	2,541.42	+0.13	+5.85
S&P 500 (USA)	2,007.71	+0.50	+8.62

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

### Highly fragile ceasefire holding, more complications ahead

Over the weekend in Donbass, pro-Kremlin militants, allegedly supported by the Russian army, made numerous attempts to elicit counterattacks from the Ukrainian army to cause the fragile ceasefire to be broken. They reportedly shelled Ukrainian army positions in Mariupol and also attempted to take over the airport in Donetsk from the Ukrainian military. However, top officials, rather than declare a failed effort at peace, instead adhere to the ceasefire that was agreed upon last Friday in Minsk.

In the meantime, the EU is planning to implement additional sanctions on Russian state-run energy and military companies to pressure the Kremlin to withdraw its military forces from Ukraine.

In our opinion, the Kremlin will not relent. Instead, it will complicate the situation even further. As the West continues to pile even more severe sanctions on Russia to pressure it into submission, the Ukrainian economy will be pulled into a depression in 2014-15.

### Inflation in August: No sign of abating

Month-on-month headline CPI and PPI rose 0.8% and 2.6%, respectively, in August. The hryvnia's extended weakness most likely caused higher petrol prices that pushed up other components that involve transportation. In the producer price segment, the war in Donbass caused disruptions in established supply chains that resulted in supply side shortages. In year-on-year terms, CPI and PPI accelerated to 14.2% and 24.2%, up 1.7ppts and 1.8ppts, respectively. The ongoing war in Donbass despite last Friday's ceasefire and uncertain FX expectations should sustain high, unabated and accelerating inflation. In the current environment, the Ukrainian debt crisis is not expected to subside, and the 5yr CDS should remain at around 1,000bp.

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# Bonds: News & Comments

## Liquidity down slightly

Liquidity declined slightly last Friday as postponed FX demand was satisfied last Thursday with funds for FX purchases that were deposited three days earlier. Broader banking sector liquidity declined UAH0.95bn to UAH48.99bn last Friday as banks' correspondent accounts with the NBU declined UAH0.47bn to UAH31.33bn while total CDs outstanding declined UAH0.48bn to UAH13.23bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH4.42bn.

KyivPrime interest rates unchanged with the KyivPrime ON rate at 8.10% and the KyivPrime 1M rate at 15.10%.

**Investment implications: Although liquidity slightly increased last Monday through Wednesday as new NBU FX market regulations postponed outflows for three days, last Thursday's deals caused liquidity to decline last Friday. As this decline was anticipated and volume was not significant, interest rates remained unchanged.**

## Eurobond YTM's continue to decline

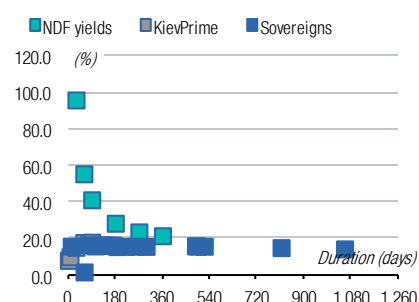
At last Friday's close, the yield curve adjusted to the range of 9.38-11.62% as UKRAIN 6.875% '15 fell 187bp to 11.62%, UKRAIN 6.58% '16 declined 75bp to 11.03%, UKRAIN 6.75% '17 slid 50bp to 10.33%, and UKRAIN 9.25% '17 declined 61bp to 11.43%, while UKRAIN 7.95% '21 declined 64bp to 9.60%, UKRAIN 7.80% '22 and UKRAIN 7.50% '23 slid 49bp and 44bp to 9.43% and 9.38%, respectively. The 5-year CDS declined to 990bp.

**Investment implications: In response to the ceasefire agreement attained in Minsk and cooled militarization in eastern Ukraine, market sentiment reversed as the yield curve of Ukrainian Eurobonds significantly declined at Friday's close after having risen significantly over the course of last week.**

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## Yield curve of the local bond market

(as of market close on 5 Sep 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

## Bond market indicators (as of 5 Sep 2014)

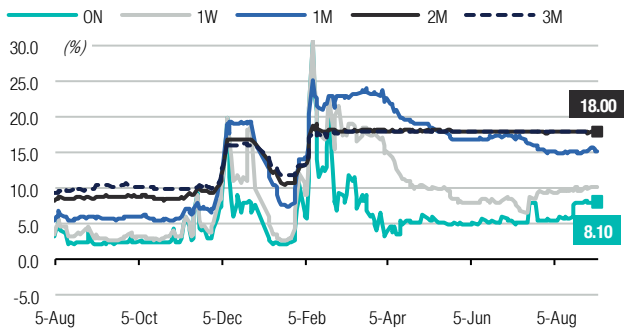
	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
O/n	8.10	+0bp	+10bp	+260bp	+30bp
1wk	10.25	+0bp	+25bp	+90bp	+45bp
1m	15.10	+0bp	-7bp	+0bp	-115bp
2m	18.00	+0bp	+17bp	+0bp	+160bp
3m	18.00	+0bp	+0bp	+0bp	+200bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	31,332	-1.49	+7.10	+14.77	-4.19
CDs <sup>2</sup>	13,233	-3.47	-20.25	+10.66	+1,777.0
Sovgns <sup>3</sup>	4,424	+0.00	+28.71	+12.93	+195.9
<b>Total</b>	<b>48,989</b>	<b>-1.90</b>	<b>-0.60</b>	<b>+13.46</b>	<b>+40.36</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	236,717	+0.00	+0.00	+23.28	+63.42
Banks	87,571	-0.03	-3.58	+4.93	+9.23
Resid's <sup>4</sup>	20,336	+20.96	+20.97	+14.94	+64.05
Non-res <sup>5</sup>	18,960	-0.02	-6.42	+12.24	+62.07
<b>Total</b>	<b>363,585</b>	<b>+0.97</b>	<b>-0.28</b>	<b>+17.26</b>	<b>+45.95</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	26.69	-5bp	-15ppt	+10bp	+15bp
6m	18.59	+199bp	-979bp	+282bp	+518bp
9m	17.60	-119bp	-603bp	+110bp	+359bp
1yr	16.75	-91bp	-476bp	+19bp	+177bp
<b>LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)</b>					
Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	N/A	+320bp	+0bp	+0bp	-676bp
Aug '15 <sup>6</sup>	N/A	-160bp	+0bp	+48bp	-87ppt
<b>EUROBONDS USD SOVEREIGN BOND YIELDS (%)</b>					
CDS 5yr	990	-76bp	-95bp	+88bp	+174bp
Jun '16	12.12	-48bp	+6bp	+277bp	+323bp
Jul '17	11.32	-72bp	-66bp	+146bp	+176bp
Sep '20	10.16	-20bp	-2bp	+111bp	+97bp
Sep '21	10.05	-20bp	-7bp	+96bp	+83bp
Sep '22	9.83	-10bp	-1bp	+97bp	+49bp
Feb '23	9.78	-5bp	-2bp	+92bp	+74bp

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.

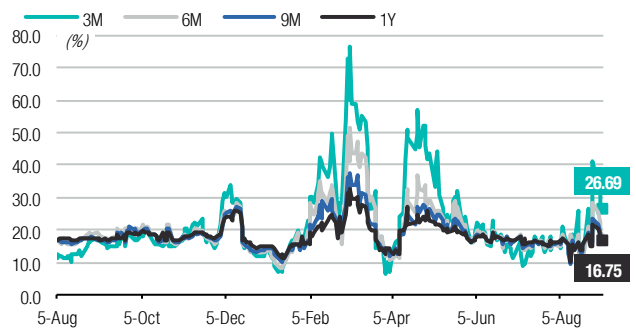
Chart page: Local bond market & Eurobond markets

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



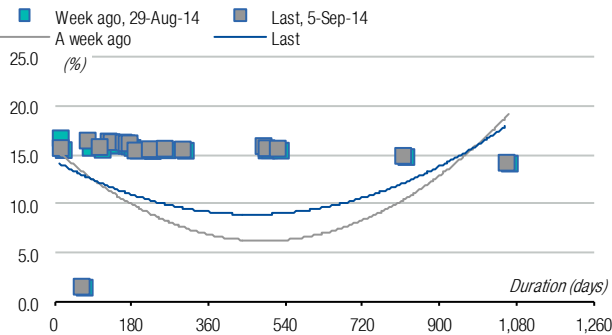
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



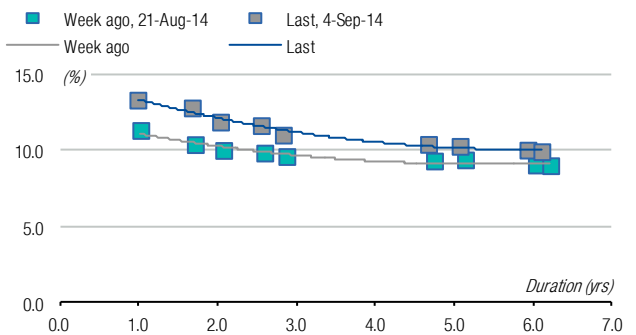
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 5 Sep 2014



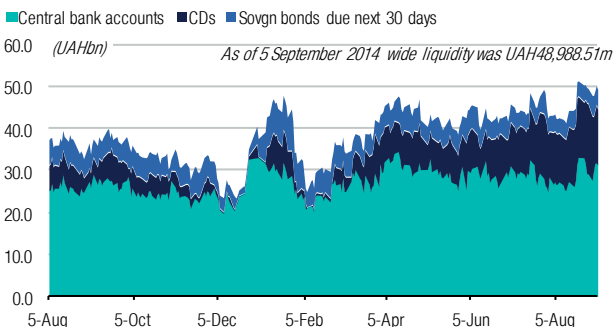
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 5 Sep 2014



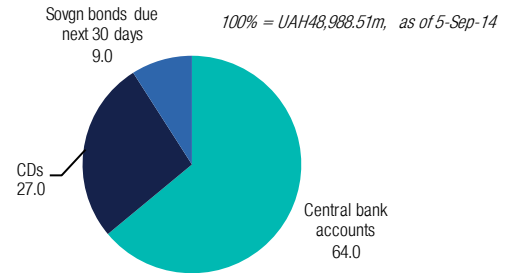
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



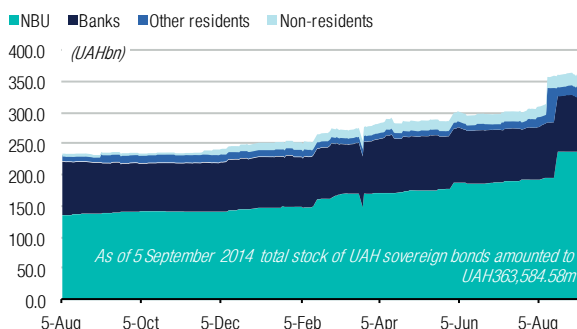
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 5 Sep 2014



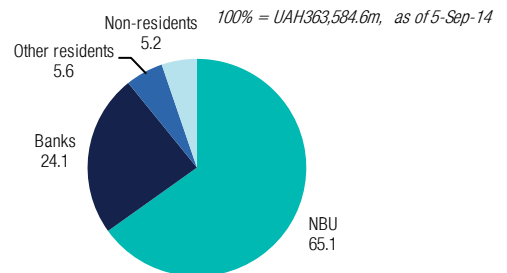
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 5 Sep 2014



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

Table 1. Ukrainian stocks (closing prices as of 5-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)	2013	2014E	2014E	2013	2014E	2014E	2013	2014E	2014E	P/B (x)	Debt/Assets (%)
<b>ENERGY</b>																											
Cadogan Petrol...	CAD LN	London	11.75 GBp	+0.0	+3.3	+13.3	-28.2	0.19	43.9	-19.1	40.2	17.7	16.1	28.0	0.19	525	Neg.	Neg.	Neg.	2.9	N/A	N/A	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.77 UAH	-0.1	-0.7	+62.9	+54.1	0.61	223.9	273.4	21.7	48.6	14.6	366.5	0.13	785	5.9	5.4	3.7	0.5	4.3	2.3	0.5	0.4	0.3	1.2	12.2
Coal Energy	CLE PW	Warsaw	0.99 PLN	+16.5	+6.5	-5.7	-52.9	0.31	13.8	124.0	25.0	3.4	414.7	40.0	2.07	48	Neg.	Neg.	3.4	5.5	15.5	4.3	1.0	1.2	1.1	0.1	39.8
Donbasenergo	DOEN UK	Kiev, UX	31.27 UAH	-4.3	-21.6	+13.3	+43.9	2.44	57.7	94.8	14.2	8.2	19.3	47.6	0.14	714	1.4	1.7	1.8	0.4	1.9	1.1	0.2	0.2	0.2	1.1	17.8
JKX Oil & Gas	JKX LN	London	46.50 GBp	+1.6	+27.4	-35.0	-33.1	0.75	129.2	134.3	47.2	61.0	12.4	34.9	0.02	4,649	19.9	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	7.00 GBp	+5.7	+24.4	-46.2	-52.5	0.11	36.3	9.5	80.9	29.4	1.4	8.6	0.04	2,321	Neg.	18.2	N/A	0.4	0.4	N/A	0.3	0.2	N/A	0.1	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	130.00 UAH	+0.0	-12.8	+43.8	+51.7	10.14	129.7	108.9	5.0	6.5	0.0	2.9	0.01	17,077	2.9	N/A	N/A	0.7	N/A	N/A	0.1	N/A	N/A	3.2	0.0
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.03 UAH	-1.6	-12.2	-18.8	-15.7	0.00	63.3	1,158.4	3.9	2.5	2.1	27.2	0.14	705	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	2.56 UAH	-5.0	-17.1	-13.4	-18.7	0.20	39.0	36.2	4.0	1.6	1.5	22.1	0.25	397	Neg.	250.0	0.6	Neg.	0.7	0.3	0.1	0.0	0.0	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.75 UAH	-3.6	-16.6	+12.1	+19.8	0.06	246.3	239.8	4.1	10.1	10.2	16.1	0.08	1,217	Neg.	N/A	Neg.	Neg.	N/A	6.5	0.1	N/A	0.1	0.2	0.0
Ferrexpo PLC	FXPO LN	London	132.00 GBp	-1.0	+2.6	-29.0	-23.4	2.14	1,257.3	1,459.8	22.4	281.6	1,324.1	1,458.1	0.42	237	4.8	4.5	7.2	2.9	2.9	3.8	0.9	1.0	1.0	1.1	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.52 UAH	-1.9	-24.6	-1.9	-5.8	0.04	11.1	12.2	9.0	1.0	6.3	5.6	0.53	189	Neg.	1.0	0.6	0.1	0.5	0.4	0.1	0.0	0.0	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	33.70 UAH	-1.7	-22.7	+5.3	-0.3	2.63	27.7	23.7	9.4	2.6	6.0	27.7	0.20	491	5.1	N/A	Neg.	Neg.	N/A	0.7	0.0	N/A	0.0	0.8	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	0.86 EUR	+0.0	-5.5	-30.6	-38.6	1.11	102.8	158.6	34.0	34.9	6.9	9.3	0.02	5,071	Neg.	N/A	N/A	Neg.	N/A	N/A	2.3	N/A	N/A	1.9	35.9
Agroliga	AGL PW	Warsaw	17.20 PLN	+4.3	-6.3	-33.7	-30.5	5.32	8.2	9.1	16.7	1.4	3.2	1.8	0.10	976	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	2.32 PLN	+4.5	+10.5	+19.0	+5.5	0.72	15.6	60.9	26.2	4.1	447.7	107.4	2.86	35	Neg.	2.2	1.9	22.7	6.4	3.8	0.7	0.7	0.8	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	38.75 PLN	+0.4	+12.3	-42.1	-39.5	11.99	299.8	551.7	31.0	93.0	72.6	117.8	0.06	1,561	9.0	9.6	4.9	7.3	4.4	5.0	1.2	1.1	1.1	0.8	38.2
Avangard	AVGR LI	London Intl	8.40 USD	+0.0	-0.4	-28.5	-18.0	8.40	536.5	767.5	21.7	116.4	58.7	176.7	0.11	899	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	8.09 PLN	-3.1	-1.3	-33.4	-46.1	2.50	78.4	229.3	23.9	18.7	1.1	43.5	0.09	1,158	3.0	7.1	1.7	4.2	4.2	4.1	2.0	1.2	1.2	0.5	38.7
Kernel Holding...	KER PW	Warsaw	26.02 PLN	+3.0	-5.0	-31.7	-44.9	8.05	641.6	1,548.2	58.8	377.1	4,474.0	1,275.7	0.33	301	5.8	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	1.25 PLN	+37.4	-72.4	-88.5	-87.5	0.39	5.8	116.9	34.4	2.0	1,100.3	111.8	9.95	10	Neg.	0.5	0.3	4.4	3.0	2.4	1.6	1.2	1.1	0.4	44.0
MHP	MHPC LI	London Intl	11.90 USD	-0.8	-0.8	-30.2	-24.2	11.90	1,257.4	2,467.7	22.3	280.7	8,329.1	1,276.4	0.60	165	8.1	8.0	4.3	6.3	5.2	4.9	1.6	1.7	1.6	2.2	47.0
Milkiland	MLK PW	Warsaw	4.81 PLN	-3.6	-3.8	-61.5	-53.8	1.49	46.5	170.4	20.0	9.3	19.5	5.3	0.08	1,223	3.3	N/A	2.4	5.1	3.4	3.1	0.4	0.4	0.4	0.2	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	1.90 EUR	+0.0	-20.2	-64.8	-56.3	2.46	261.1	988.9	20.0	52.2	8.6	5.8	0.01	7,183	3.0	3.0	1.2	6.0	3.6	3.3	2.0	2.3	2.3	0.6	45.3
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Xetra	0.20 EUR	+0.0	-11.4	-38.5	-55.3	0.25	13.1	188.7	13.1	1.7	0.4	0.1	0.01	9,441	Neg.	N/A	N/A	Neg.	N/A	N/A	5.6	N/A	N/A	0.1	45.5
<b>FINANCIAL SERVICES</b>																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.13 UAH	-1.4	-6.8	+17.0	+42.3	0.01	310.6	N/A	3.8	11.9	20.1	29.4	0.26	383	3.9	Neg.	11.2	N/A	N/A	N/A	N/A	N/A	N/A	0.6	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.16 UAH	-4.6	-9.1	-14.1	+29.3	0.01	227.8	N/A	4.5	10.2	1.1	13.6	0.01	11,117	Neg.	11.9	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

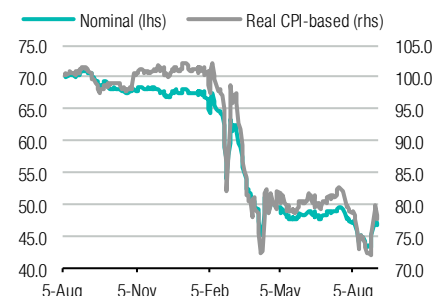
### Hryvnia weakens further

Following the ceasefire plan that was reached in the late afternoon at the Minsk peace talks last Friday, the hryvnia declined again, giving back some gains achieved during the previous few days that came from the NBU's tighter FX regulations. In nominal terms, the hryvnia's FX rate slid 0.79% on US\$215m in trading. In trade-weighted terms, the hryvnia lost 0.74% as the EUR and RUB (versus the US dollar) gained 0.05% and lost 0.13%, respectively, caused by a weak US labor report.

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### ICU's UAH trade-weighted indices

(Last 12-month history to 8 Sep 2014)



Source: Investment Capital Ukraine LLC.

### FX market indicators (as of 5 Sep 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	12.8000	+0.79	-3.03	+3.64	+55.34
NBU avg	12.8222	+2.34	-5.76	+4.27	+57.31
Ttl vlm <sup>1</sup>	368.45	-14.33	-4.06	-6.75	-86.85
\$ volume <sup>2</sup>	215.24	-23.81	-24.51	-24.71	-90.26
NDF 3M	13.6450	+0.78	-6.22	+6.19	+60.81
NDF 6M	13.9700	+1.71	-7.18	+5.00	+59.11
NDF 1Y	14.8600	+0.00	-6.83	+3.81	+57.75
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	46.613	-0.74	+3.49	-1.66	-30.98
UAH real CPI	77.661	-0.74	+3.49	-1.66	-23.16
UAH real PPI	116.965	-0.74	+3.49	-1.66	-15.72
USD nom'l	83.739	-0.10	+1.20	+2.96	+4.63
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	37.0460	+0.13	-0.20	+2.79	+12.71
EUR/USD	1.2951	+0.05	-1.38	-3.18	-5.76
USD/CNY	6.1411	+0.04	-0.04	-0.48	+1.43
USD/PLN	3.2269	-0.32	+0.66	+3.06	+6.74
USD/TRY	2.1582	-0.24	-0.22	+0.27	+0.47
USD/BYR	10,500.00	+0.38	+0.67	+1.50	+10.06
USD/KZT	182.1100	+0.05	+0.02	+0.05	+18.05
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	105.0900	-0.17	+0.96	+2.43	-0.21
GBP/USD	1.6327	-0.02	-1.63	-3.31	-1.39
USD/CHF	0.9311	-0.09	+1.40	+2.43	+4.28
AUD/USD	0.9378	+0.32	+0.42	+0.78	+5.17
USD/CAD	1.0880	+0.05	+0.02	-0.74	+2.42
USD/BRL	2.2418	-0.05	+0.26	-1.75	-5.09
USD/KRW	1,024.25	+0.52	+1.02	-0.39	-2.43
<b>COMMODITIES</b>					
Gold(\$/oz)	1,268.92	+0.55	-1.47	-1.54	+5.25
WTI crude <sup>3</sup>	93.29	-1.23	-2.78	-4.20	-5.21
Brent crd <sup>3</sup>	100.15	-0.61	-1.10	-3.58	-9.63
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	288.02	-0.21	-1.62	-1.50	+2.80

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.

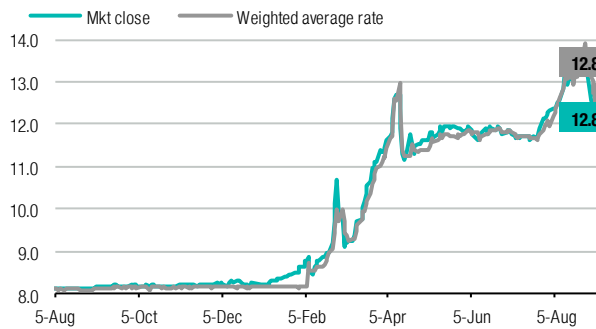
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

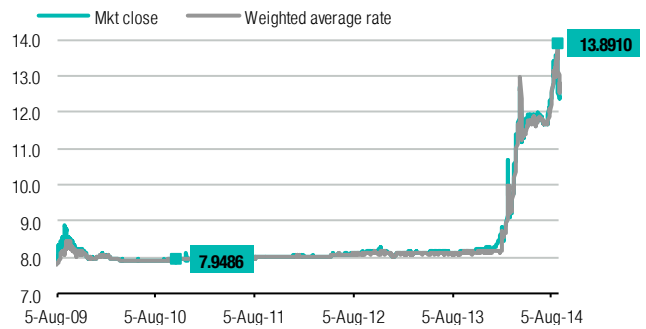
Section on FX market is continued on next page.

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)

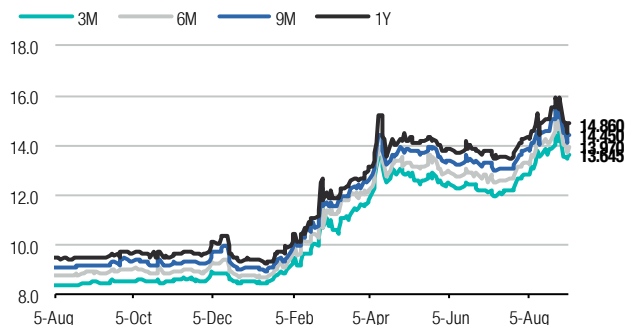


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

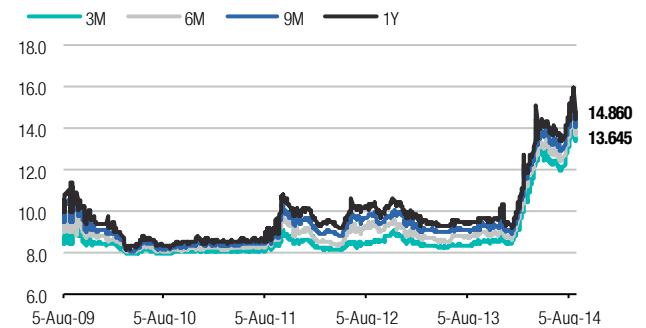


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

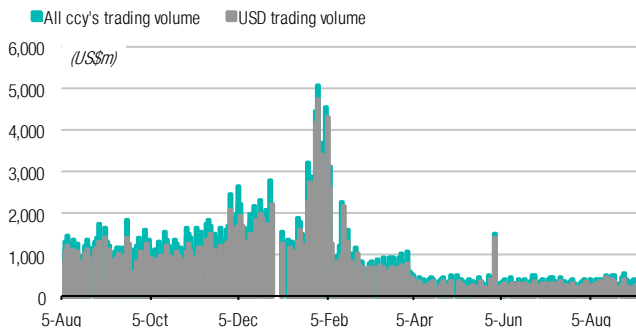


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

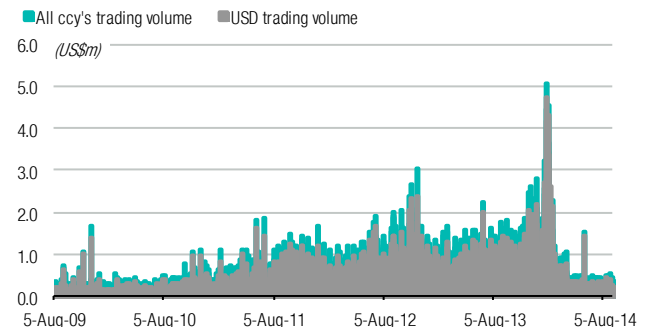


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

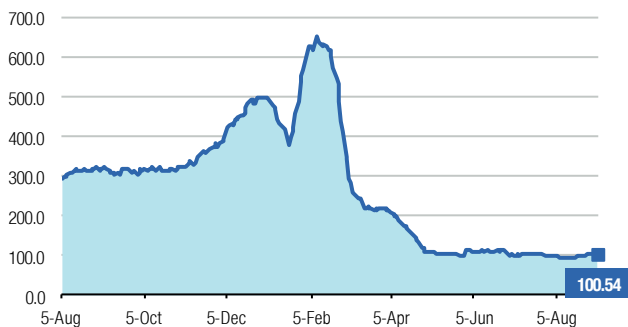


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)

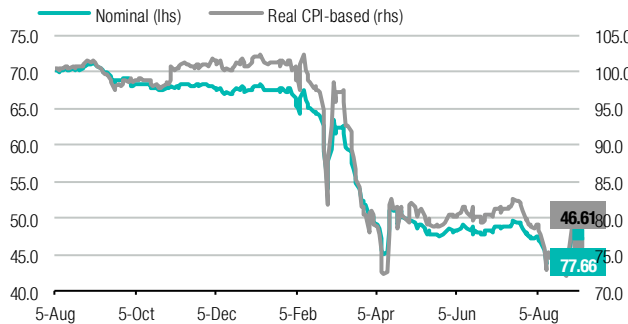


Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

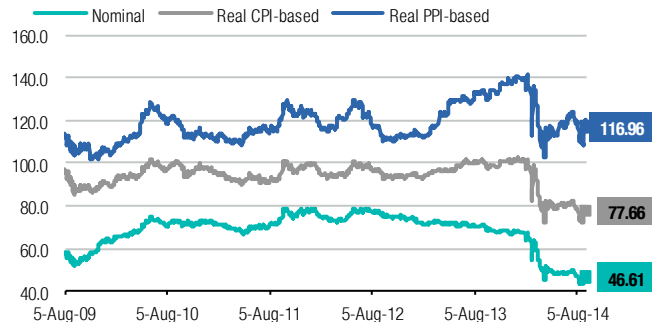
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



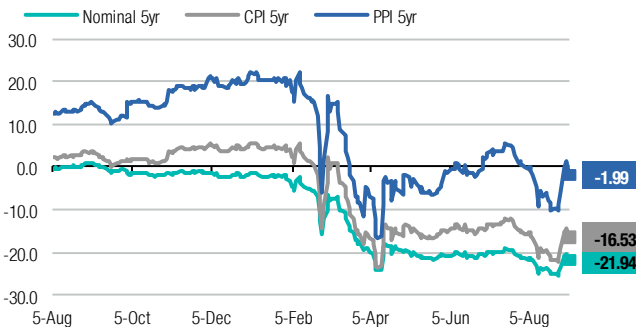
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

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

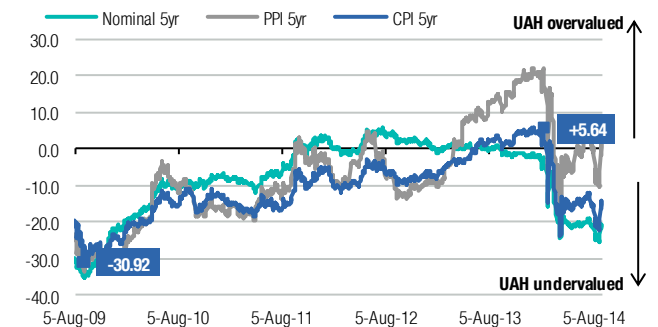


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

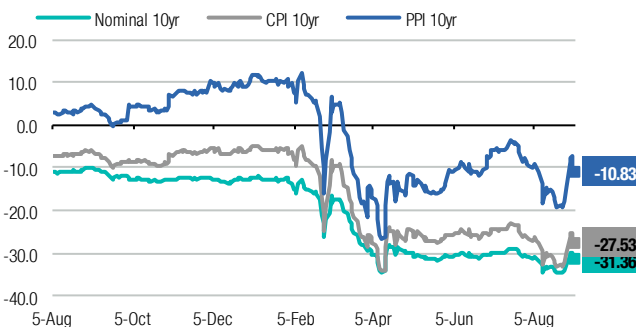


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

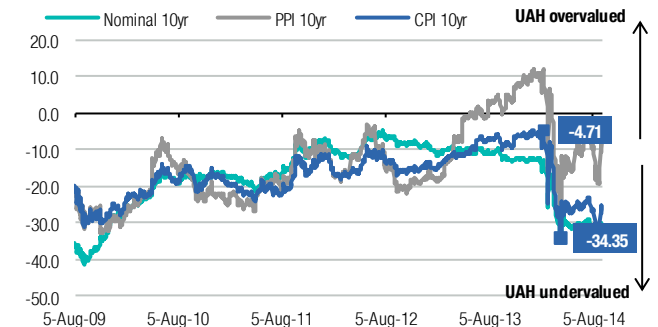


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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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**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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