

Daily Insight

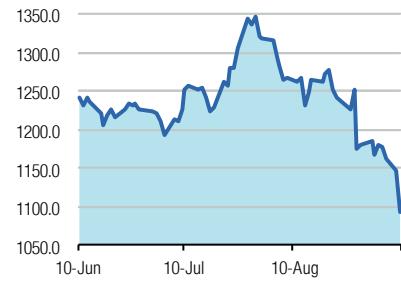
Failed primary auction; UAH holds steady

Contents

| | |
|--|----------|
| Bonds: News & Comments | 2 |
| Liquidity steady on reallocations..... | 2 |
| Eurobond YTMs increase slightly | 2 |
| Primary auction results | 2 |
| Chart page: Local bond market & Eurobond markets | 3 |
| | |
| FX: News & Comments | 5 |
| Hryvnia holds steady | 5 |
| Chart page #1: Foreign-exchange market | 6 |
| Chart page #2: ICU's UAH trade-weighted indices | 7 |

WEDNESDAY, 10 SEPTEMBER 2014

UX Index (3 months to 10 Sep 2014)



Source: UX.

Key market indicators (as of 9 Sep 2014)

| | Last | Daily chg (%) | YTD chg (%) |
|-----------------------------|---------|---------------|-------------|
| FX & MONEY RATES | | | |
| USD/UAH | 12.6500 | -1.17 | +53.52 |
| USD/UAH (1Y NDF) | 14.8000 | +0.00 | +57.11 |
| EUR/USD | 1.2937 | +0.33 | -5.86 |
| USD/RUB | 37.0461 | +0.24 | +12.71 |
| KievPRIME O/N (%) | 8.25 | -8bp | +45bp |
| KievPRIME 1M (%) | 15.50 | -17bp | -75bp |

SOVEREIGN EUROBONDS: yields and spreads

| | | | |
|--------------------------|---------|-------|--------|
| Ukraine 15, Eurobond (%) | 12.25 | +40bp | +389bp |
| Ukraine 17, Eurobond (%) | 12.33 | +42bp | +278bp |
| Ukraine 22, Eurobond (%) | 10.34 | +62bp | +99bp |
| Ukraine 23, Eurobond (%) | 10.29 | +62bp | +124bp |
| Ukraine 5Y CDS | 1,065bp | +49bp | +248bp |

EQUITIES

Stock market indices

| | | | |
|-----------------|----------|-------|--------|
| UX (Ukraine) | 1,093.07 | -4.66 | +20.11 |
| MSCI World | 428.14 | -0.64 | +4.80 |
| MSCI EM | 1,087.54 | -0.68 | +8.46 |
| RTS (Russia) | 1,246.64 | +0.09 | -13.59 |
| WIG-20 (Poland) | 2,542.88 | -0.34 | +5.91 |
| S&P 500 (USA) | 1,988.44 | -0.65 | +7.58 |

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 steady on reallocations

Banks' correspondent accounts with the NBU declined slightly UAH0.64bn to UAH29.02bn yesterday as the NBU absorbed some funds via CDs, increased total CDs outstanding UAH0.85bn to UAH13.23bn. At the same time, total local currency debt repayments scheduled for the next 30 days rose a significant UAH2.29bn to UAH6.72bn, causing broader banking sector liquidity to rise UAH2.51bn to UAH48.97bn.

KyivPrime interest rates slightly declined: the KyivPrime ON interest rate slid 8bp to 8.25% while the KyivPrime 1M interest rate declined 17bp to 15.50%.

Investment implications: As liquidity was steady on Monday, yesterday's indicators changed little. The NBU's absorption of a small portion of liquidity did not have a negative impact on money market rates. Future debt repayments significantly rose yesterday as the MoF is scheduled to repay UAH1.50bn in a month, providing extra liquidity to the market if these repayments are not refinanced.

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Eurobond YTMs increase slightly

Ukrainian Eurobond YTMs once more crossed the 10% level and the yield curve adjusted to the range of 10.29-12.47% yesterday, as UKRAIN 6.875% '15 declined 46bp to 12.26%, while UKRAIN 6.58% '16 was up 74bp to 11.92%, UKRAIN 6.75% '17 rose 121bp to 11.24%, and UKRAIN 9.25% '17 rose 111bp to 12.33%, while UKRAIN 7.95% '21 was up 48bp to 10.52%, UKRAIN 7.80% '22 rose 85bp to 10.34% and UKRAIN 7.50% '23 increased 40bp to 10.29%. The 5-year CDS rose to 1,065bp.

Investment implications: YTMs rose because the EU postponed its decision to impose new sanctions on Russia, causing negative anticipations of Russia's moves in Ukraine to increase.

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Primary auction results

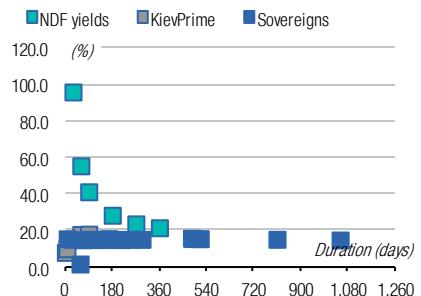
Yesterday's primary auction received no bids for the sole offering of the 2-year bond maturing in August 2016. The bond had been sold at two previous auctions held in August and last week when the MoF decreased the interest rate by 80bp to 16.50%.

Investment implications: After adjusting the yield lower, the MoF received no market or domestic QE supported bids at yesterday's auction. As today's debt repayments are relatively low and in local currency, they should be made without refinancing. We could see new offerings later this week, possibly of "military" bonds.

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Yield curve of the local bond market

(as of market close on 9 Sep 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 9 Sep 2014)

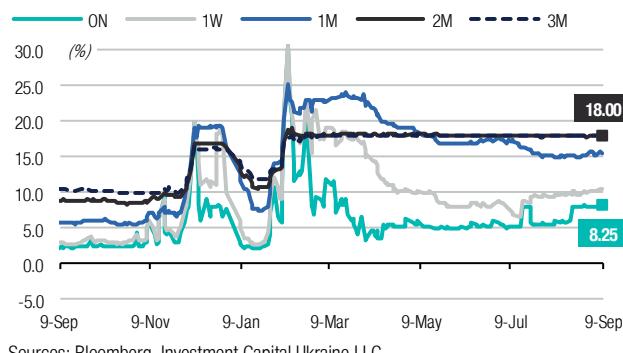
| | Last chg (%) | Daily chg (%) | Weekly chg (%) | MoM chg (%) | YTD chg (%) |
|---|----------------|---------------|----------------|-------------|-------------|
| MONEY MARKET KIEV PRIME RATES (%) | | | | | |
| 0/n | 8.25 | -8bp | +25bp | +235bp | +45bp |
| 1wk | 10.38 | +0bp | +32bp | +63bp | +58bp |
| 1m | 15.50 | -17bp | -13bp | +50bp | -75bp |
| 2m | 18.00 | +0bp | +0bp | +0bp | +160bp |
| 3m | 18.00 | +0bp | +0bp | +0bp | +200bp |
| LIQUIDITY WIDE MEASUREMENT (UAHm) | | | | | |
| CB acc's ¹ | 29,018 | -2.15 | -2.92 | +6.31 | -11.27 |
| CDs ² | 13,232 | +6.88 | +2.49 | +14.44 | +1,776.9 |
| Sovgns ³ | 6,717 | +0.00 | +41.78 | +95.27 | +349.3 |
| Total | 48,967 | +0.44 | +3.00 | +15.77 | +40.30 |
| HOLDERS OF UAH SOVEREIGN BONDS (UAHm) | | | | | |
| C.bank | 236,718 | +0.00 | +0.00 | +22.86 | +63.42 |
| Banks | 88,688 | -0.24 | -1.11 | +3.61 | +10.63 |
| Resid's ⁴ | 20,111 | +0.40 | +19.67 | +26.10 | +62.23 |
| Non-res ⁵ | 19,538 | +0.66 | -1.27 | +13.49 | +67.01 |
| Total | 365,056 | +0.00 | +0.57 | +17.22 | +46.54 |
| 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 | +0bp | -87ppt |
| EUROBONDS USD SOVEREIGN BOND YIELDS (%) | | | | | |
| CDS 5yr | 1,065 | +49bp | -56bp | +65bp | +248bp |
| Jun '16 | 12.48 | +41bp | -157bp | +135bp | +359bp |
| Jul '17 | 12.33 | +42bp | -106bp | +139bp | +278bp |
| Sep '20 | 10.43 | +62bp | -44bp | +8bp | +124bp |
| Sep '21 | 10.52 | +62bp | -24bp | +89bp | +130bp |
| Sep '22 | 10.34 | +62bp | -11bp | +74bp | +99bp |
| Feb '23 | 10.29 | +62bp | -6bp | +72bp | +124bp |

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.

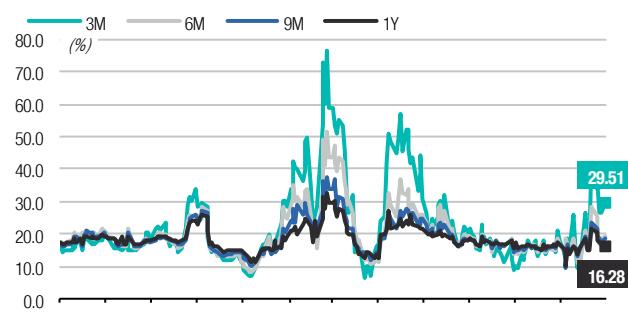
Chart page: Local bond market & Eurobond markets

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



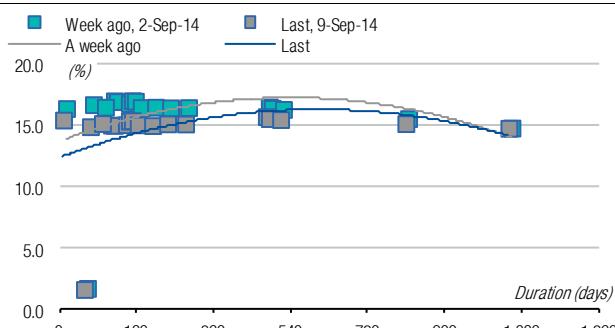
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



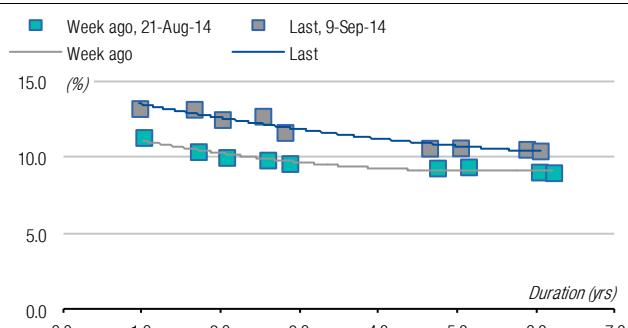
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 9 Sep 2014



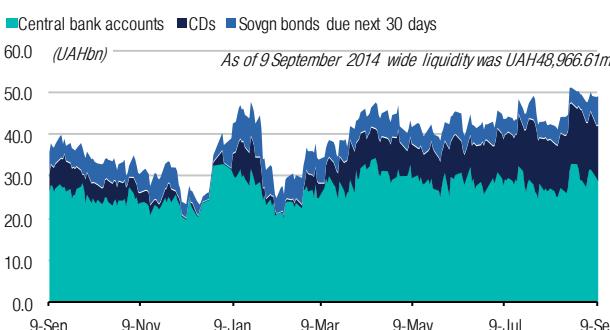
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 9 Sep 2014



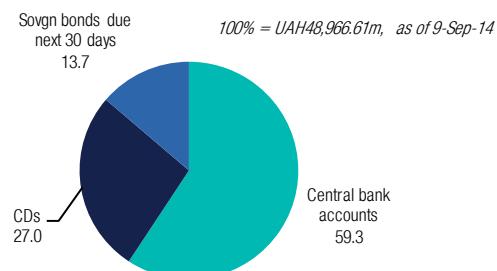
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



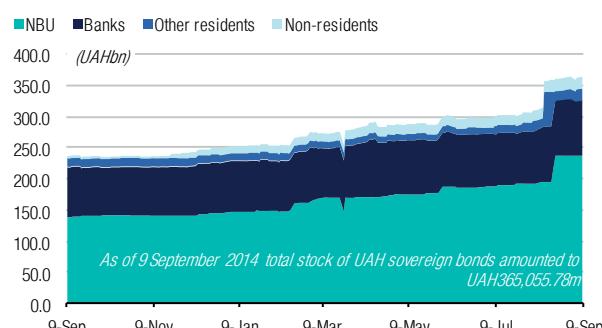
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 9 Sep 2014



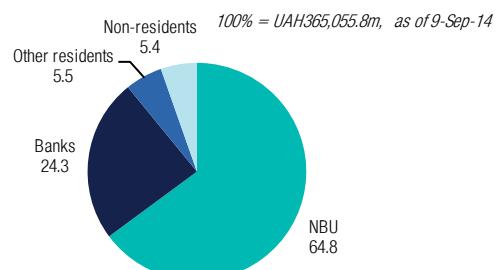
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 9 Sep 2014



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

Table 1. Ukrainian stocks (closing prices as of 9-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 | P/B (x) Assets | Debt/Assets (%) | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ENERGY | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cadogan Petrol... | CAD LN | London | 11.63 GBP | -1.1 | +2.2 | +12.0 | -29.5 | 0.19 | 43.3 | -19.7 | 40.2 | 17.4 | 0.0 | 27.7 | 0.19 | 528 | Neg. | Neg. | Neg. | 3.0 | N/A | N/A | Neg. | Neg. | 0.2 | 0.0 | |
| Centrenenergo | CEEN UK | Kiev, UX | 7.42 UAH | -4.8 | -5.1 | +55.7 | +42.5 | 0.59 | 217.6 | 267.9 | 21.7 | 47.2 | 103.7 | 347.5 | 0.12 | 808 | 5.6 | 5.1 | 7.4 | 0.5 | 4.0 | 3.9 | 0.5 | 0.3 | 0.3 | 1.1 | 12.2 |
| Coal Energy | CLE PW | Warsaw | 0.96 PLN | -7.7 | +3.2 | -8.6 | -59.0 | 0.30 | 13.3 | 123.5 | 25.0 | 3.3 | 160.6 | 45.7 | 2.89 | 35 | Neg. | Neg. | 3.3 | 5.5 | 15.4 | 4.3 | 1.0 | 1.2 | 1.1 | 0.1 | 39.8 |
| Donbasenergo | DOEN UK | Kiev, UX | 26.01 UAH | -7.6 | -34.8 | -5.7 | +16.2 | 2.06 | 48.8 | 86.5 | 14.2 | 6.9 | 21.5 | 39.2 | 0.16 | 607 | 1.2 | 1.1 | 1.2 | 0.3 | 1.4 | 1.1 | 0.2 | 0.2 | 0.2 | 0.9 | 17.8 |
| JKX Oil & Gas | JKX LN | London | 44.75 GBP | -2.7 | +22.6 | -37.4 | -35.1 | 0.72 | 124.0 | 129.1 | 47.2 | 58.5 | 10.4 | 34.0 | 0.02 | 4,153 | 19.1 | 20.7 | 3.8 | 1.9 | 2.4 | 2.0 | 0.7 | 0.8 | 0.7 | 0.3 | 5.5 |
| Regal Petroleum | RPT LN | London | 7.25 GBP | -0.1 | +28.9 | -44.2 | -52.5 | 0.12 | 37.5 | 10.7 | 80.9 | 30.3 | 0.3 | 8.6 | 0.04 | 2,841 | Neg. | 18.8 | N/A | 0.5 | 0.4 | N/A | 0.3 | 0.2 | N/A | 0.1 | 0.0 |
| Zakhidenergo | ZAEN UK | Kiev, PFTS | 129.00 UAH | -0.8 | -13.4 | +42.7 | +59.3 | 10.24 | 130.9 | 109.8 | 5.0 | 6.5 | 4.9 | 3.0 | 0.01 | 10,243 | 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 | -3.9 | -16.7 | -23.0 | -21.7 | 0.00 | 61.2 | 1,175.1 | 3.9 | 2.4 | 10.2 | 25.5 | 0.21 | 480 | 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 | 2.36 UAH | -4.8 | -23.6 | -20.2 | -26.0 | 0.19 | 36.5 | 33.7 | 4.0 | 1.5 | 34.6 | 19.6 | 0.51 | 197 | Neg. | 230.3 | 0.6 | Neg. | 0.6 | 0.3 | 0.1 | 0.0 | 0.0 | 0.1 | 0.0 |
| Azovstal | AZST UK | Kiev, UX | 0.66 UAH | -11.4 | -26.3 | -1.0 | +4.7 | 0.05 | 221.2 | 214.5 | 4.1 | 9.1 | 19.6 | 14.6 | 0.10 | 1,038 | Neg. | N/A | Neg. | Neg. | N/A | 5.7 | 0.1 | N/A | 0.1 | 0.2 | 0.0 |
| Ferrexpo PLC | FXPO LN | London | 131.00 GBP | +0.0 | +1.8 | -29.5 | -28.0 | 2.11 | 1,244.2 | 1,446.7 | 22.4 | 278.7 | 1,566.2 | 1,443.8 | 0.43 | 235 | 4.7 | 4.4 | 7.7 | 2.9 | 2.9 | 3.9 | 0.9 | 1.0 | 1.0 | 1.1 | 35.1 |
| Yasynivsky Cok... | YASK UK | Kiev, UX | 0.50 UAH | -0.2 | -27.5 | -5.7 | -11.3 | 0.04 | 10.9 | 12.0 | 9.0 | 1.0 | 22.5 | 5.6 | 0.77 | 130 | Neg. | 1.0 | 0.5 | 0.1 | 0.5 | 0.3 | 0.1 | 0.0 | 0.0 | 0.1 | 0.1 |
| Yenakievo Steel | ENMZ UK | Kiev, UX | 28.31 UAH | -14.1 | -35.0 | -11.6 | -16.5 | 2.25 | 23.7 | 19.6 | 9.4 | 2.2 | 13.0 | 23.3 | 0.28 | 362 | 4.3 | N/A | Neg. | Neg. | N/A | 0.5 | 0.0 | N/A | 0.0 | 0.7 | 0.0 |
| FOOD AND AGRIBUSINESS | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| AgroGeneration | ALAGR FP | EN Paris | 0.85 EUR | -2.3 | -6.6 | -31.5 | -36.1 | 1.10 | 101.5 | 157.4 | 34.0 | 34.5 | 3.9 | 8.9 | 0.02 | 5,012 | Neg. | N/A | N/A | Neg. | N/A | N/A | 2.3 | N/A | N/A | 1.9 | 35.9 |
| Agroliga | AGL PW | Warsaw | 16.49 PLN | -2.9 | -10.1 | -36.4 | -34.6 | 5.07 | 7.8 | 8.7 | 16.7 | 1.3 | 9.3 | 1.7 | 0.15 | 673 | 1.9 | N/A | N/A | 2.5 | N/A | N/A | 0.4 | N/A | N/A | 0.6 | 5.7 |
| Agrotron | AGT PW | Warsaw | 2.08 PLN | -5.9 | -1.0 | +6.7 | -16.8 | 0.64 | 13.9 | 59.2 | 26.2 | 3.6 | 151.5 | 100.4 | 3.43 | 29 | Neg. | 2.0 | 1.7 | 22.1 | 6.2 | 3.7 | 0.7 | 0.7 | 0.1 | 28.4 | |
| Astarta Holdin... | AST PW | Warsaw | 36.60 PLN | -6.5 | +6.1 | -45.3 | -48.0 | 11.26 | 281.4 | 533.3 | 31.0 | 87.3 | 8.8 | 107.9 | 0.05 | 1,926 | 8.5 | 27.2 | 4.6 | 7.0 | 4.2 | 4.7 | 1.1 | 1.1 | 1.1 | 0.8 | 38.2 |
| Avangard | AVGR LI | London Intl | 8.20 USD | +0.0 | -2.8 | -30.2 | -22.6 | 8.20 | 523.7 | 754.7 | 21.7 | 113.7 | 370.9 | 182.2 | 0.14 | 722 | 2.2 | 3.3 | 3.0 | 2.5 | 4.0 | 4.2 | 1.1 | 1.2 | 1.1 | 0.4 | 17.8 |
| IMC | IMC PW | Warsaw | 8.35 PLN | +0.0 | +1.8 | -31.3 | -45.2 | 2.57 | 80.4 | 231.3 | 23.9 | 19.2 | 3.0 | 44.3 | 0.09 | 1,138 | 3.1 | 8.0 | 1.7 | 4.3 | 4.2 | 4.1 | 2.0 | 1.2 | 1.2 | 0.5 | 38.7 |
| Kernel Holding... | KER PW | Warsaw | 25.30 PLN | -0.2 | -7.6 | -33.5 | -48.4 | 7.78 | 620.0 | 1,526.6 | 58.8 | 364.4 | 339.3 | 1,179.4 | 0.34 | 293 | 5.6 | 18.4 | 4.4 | 5.3 | 6.4 | 4.7 | 0.5 | 0.6 | 0.6 | 0.6 | 30.6 |
| KSG Agro | KSG PW | Warsaw | 1.65 PLN | -2.4 | -63.6 | -84.8 | -83.7 | 0.51 | 7.6 | 118.7 | 34.4 | 2.6 | 2,870.7 | 195.7 | 13.92 | 7 | Neg. | 0.6 | 0.4 | 4.5 | 3.0 | 2.5 | 1.7 | 1.2 | 1.1 | 0.5 | 44.0 |
| MHP | MHPC LI | London Intl | 11.90 USD | -1.7 | -0.8 | -30.2 | -23.4 | 11.90 | 1,257.4 | 2,467.7 | 22.3 | 280.7 | 320.0 | 1,304.1 | 0.62 | 161 | 8.1 | 10.8 | 4.3 | 6.3 | 5.2 | 4.9 | 1.6 | 1.7 | 1.6 | 2.2 | 47.0 |
| Milkiland | MLK PW | Warsaw | 4.80 PLN | -2.0 | -4.0 | -61.6 | -53.4 | 1.48 | 46.1 | 170.0 | 20.0 | 9.2 | 5.2 | 5.5 | 0.09 | 1,113 | 3.3 | Neg. | 2.4 | 5.1 | 4.4 | 4.9 | 0.4 | 0.4 | 0.4 | 0.2 | 30.8 |
| Mriya Agrohold... | MAYA GF | Frankfurt | 1.81 EUR | +0.0 | -23.9 | -66.5 | -57.3 | 2.34 | 248.8 | 976.6 | 20.0 | 49.8 | 2.3 | 5.5 | 0.01 | 7,070 | 2.8 | 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 | 70.50 PLN | -0.6 | +0.7 | -29.5 | -15.1 | 21.68 | 130.1 | 137.7 | 25.0 | 32.5 | 0.6 | 38.6 | 0.15 | 673 | 4.3 | 6.6 | 6.5 | 3.7 | 5.2 | 4.8 | 1.5 | 1.8 | 1.4 | 1.0 | 8.5 |
| CONSTRUCTION | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TMM | TR61 GF | Xetra | 0.18 EUR | +0.0 | -20.5 | -44.8 | -59.9 | 0.23 | 11.7 | 187.3 | 13.1 | 1.5 | 0.0 | 0.1 | 0.01 | 8,473 | Neg. | 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 | -1.6 | -7.7 | +15.9 | +39.0 | 0.01 | 312.8 | N/A | 3.8 | 11.9 | 24.9 | 29.7 | 0.27 | 370 | 3.9 | Neg. | 13.4 | N/A | N/A | N/A | N/A | N/A | N/A | 0.5 | 28.3 |
| Ukrsofsbank | USCB UK | Kiev, UX | 0.15 UAH | -9.2 | -13.2 | -18.0 | +19.1 | 0.01 | 221.4 | N/A | 4.5 | 9.9 | 0.6 | 12.4 | 0.01 | 10,212 | Neg. | 11.4 | 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, ICIU.

FX: News & Comments

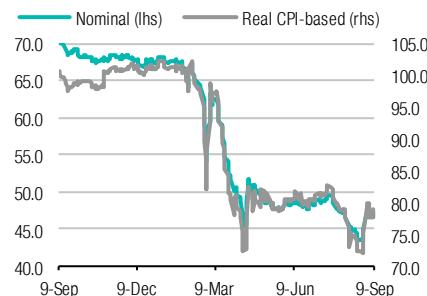
Hryvnia holds steady

The hryvnia closed at 12.9261/USD, according to NBU's weighted average rate data and nearly unchanged from the previous day's WA rate, on US\$258m in trading, down 0.81%. While the USD continued its several day long climb up in trade-weighted terms, the hryvnia's trade-weighted value increased 1.29%.

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ICU's UAH trade-weighted indices

(Last 12-month history to 10 Sep 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 9 Sep 2014)

| | Last | Daily chg (%) | Weekly chg (%) | MoM chg (%) | YTD chg (%) |
|---|-----------|---------------|----------------|-------------|-------------|
| USD/UAH MARKET (HRYVNIA per US DOLLAR) | | | | | |
| Spot mkt | 12.6500 | +1.17 | +1.61 | +0.80 | +53.52 |
| NBU avg | 12.9261 | +0.81 | -0.63 | +2.53 | +58.59 |
| Ttl vlm ¹ | 384.08 | -16.62 | +64.65 | -5.76 | -86.29 |
| \$ volume ² | 258.37 | -19.36 | +39.98 | -14.58 | -88.31 |
| NDF 3M | 13.7350 | +0.00 | +1.74 | +4.85 | +61.87 |
| NDF 6M | 14.0000 | +0.00 | +0.00 | +3.13 | +59.45 |
| NDF 1Y | 14.8000 | +0.00 | -0.67 | +1.54 | +57.11 |
| TRADE-WEIGHTED INDICES (TWIs, points) | | | | | |
| UAH nom'l | 47.262 | +1.29 | -1.39 | +1.31 | -30.02 |
| UAH real CPI | 78.741 | +1.29 | -1.39 | +1.31 | -22.09 |
| UAH real PPI | 118.592 | +1.29 | -1.39 | +1.31 | -14.55 |
| USD nom'l | 84.278 | +0.05 | +1.55 | +3.55 | +5.30 |
| FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs | | | | | |
| USD/RUB | 37.0461 | +0.24 | -1.08 | +2.38 | +12.71 |
| EUR/USD | 1.2937 | +0.33 | -1.49 | -3.53 | -5.86 |
| USD/CNY | 6.1368 | -0.07 | -0.18 | -0.32 | +1.36 |
| USD/PLN | 3.2497 | +0.25 | +1.37 | +3.75 | +7.50 |
| USD/TRY | 2.1963 | +1.04 | +1.09 | +2.38 | +2.24 |
| USD/BYR | 10,485.00 | -0.10 | +0.29 | +1.40 | +9.91 |
| USD/KZT | 182.0100 | +0.00 | -0.03 | -0.03 | +17.98 |
| OTHER MAJOR CURRENCIES | | | | | |
| USD/JPY | 106.2000 | +0.16 | +1.06 | +4.08 | +0.85 |
| GBP/USD | 1.6106 | +0.01 | -2.21 | -3.98 | -2.72 |
| USD/CHF | 0.9329 | -0.28 | +1.51 | +3.04 | +4.48 |
| AUD/USD | 0.9203 | -0.84 | -0.77 | -0.78 | +3.21 |
| USD/CAD | 1.0984 | +0.09 | +0.50 | +0.10 | +3.40 |
| USD/BRL | 2.2847 | +0.76 | +1.83 | +0.06 | -3.28 |
| USD/KRW | 1,031.62 | +0.77 | +1.31 | -0.47 | -1.73 |
| COMMODITIES | | | | | |
| Gold(\$/oz) | 1,255.50 | +0.00 | -0.78 | -4.23 | +4.13 |
| WTI crude ³ | 92.75 | +0.10 | -0.14 | -4.93 | -5.76 |
| Brent crd ³ | 98.57 | -0.86 | -1.18 | -4.97 | -11.05 |
| Urals crd ³ | N/A | +0.00 | +0.00 | +0.00 | +0.00 |
| TR/J CRB ⁴ | 285.79 | -0.33 | -1.21 | -2.27 | +2.01 |

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/Jeffries 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.

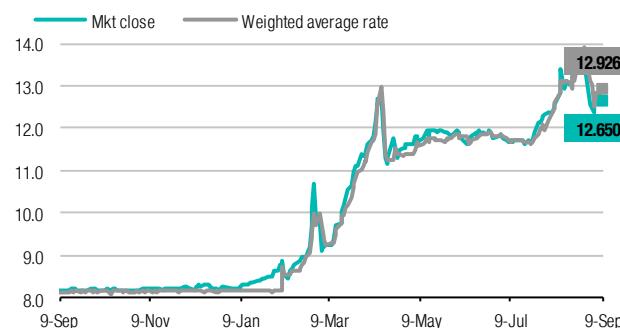
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

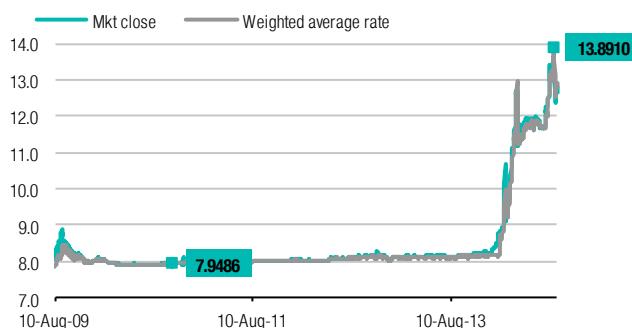
Section on FX market is continued on next page.

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)

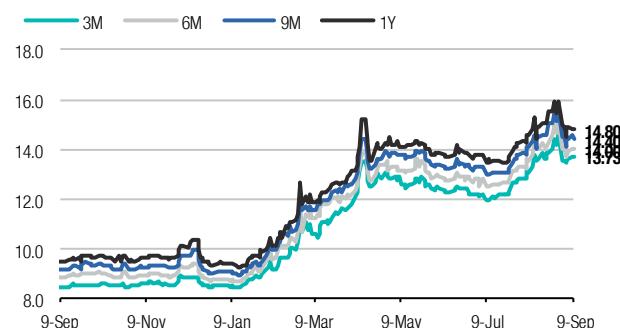


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

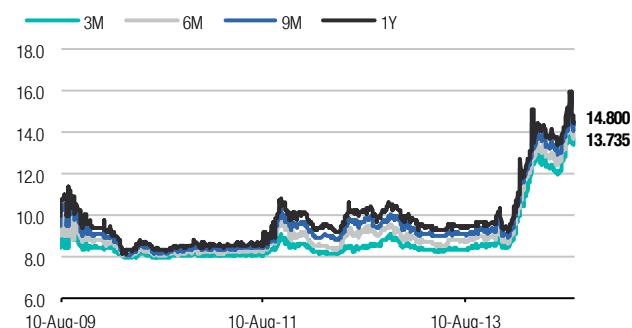


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

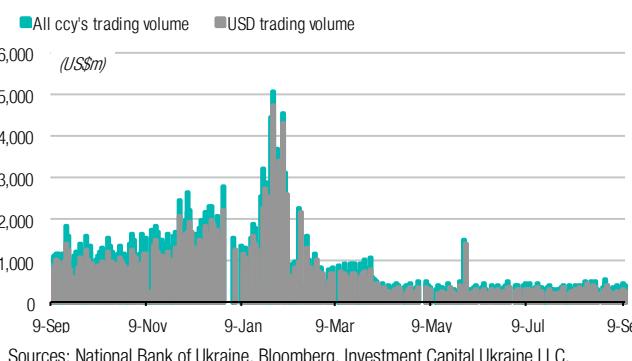


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

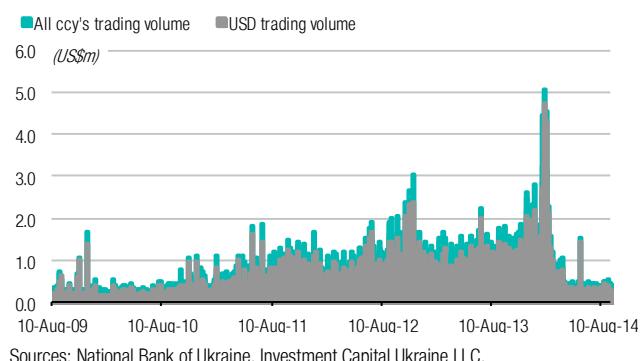


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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)



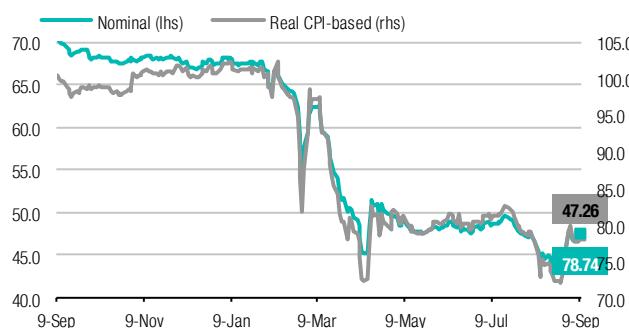
Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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.

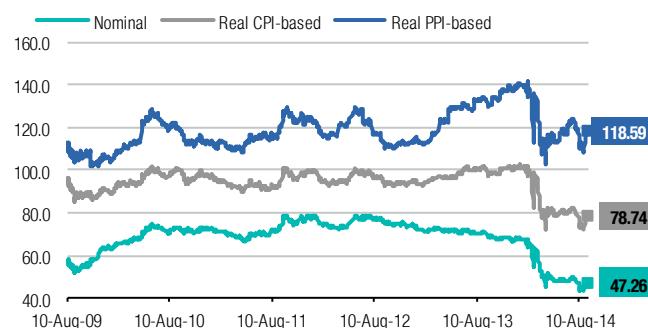
Chart 13. Nominal and CPI-based real TWIs of UAH, history of last 12-month period



Note: The boxes indicate the last values of the depicted indicators.

Source: Investment Capital Ukraine LLC.

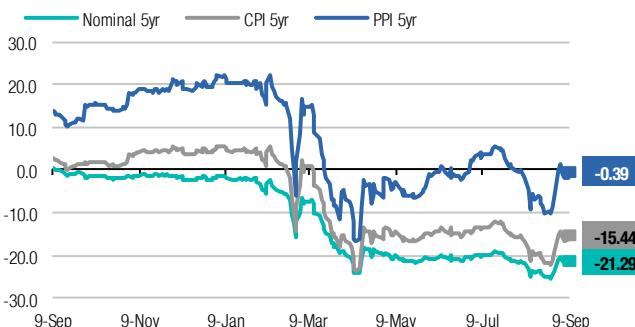
Chart 14. Nominal, CPI- and PPI-based TWIs of UAH, history of last 5-year period



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)



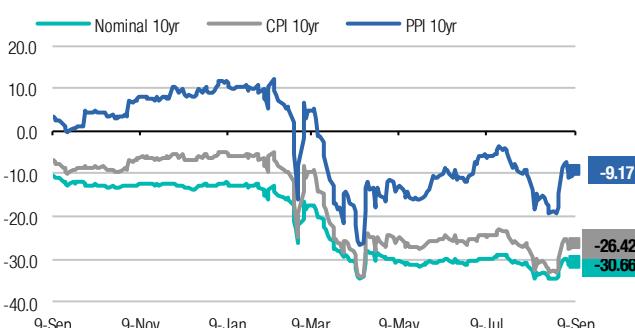
Note: The boxes indicate the last values of the depicted indicators.

Source: Investment Capital Ukraine LLC.

Note: the boxes indicate the high and low values of CPI-based TWI.

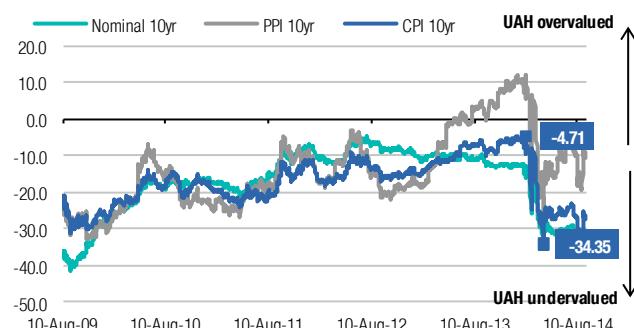
Source: Investment Capital Ukraine LLC.

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



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