Focus	Scope	Research team
Ukraine	**Economics, bonds, equity & FX markets**	**Alexander Valchyshen** **Taras Kotovych**

Daily Insight

YTMs increase; UAH stays at 13/USD

THURSDAY, 11 SEPTEMBER 2014

Contents

UX Index (3 months to 11 Sep 2014)

Source: UX.

Key market indicators (as of 10 Sep 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	12.9000	+1.98	+56.55
USD/UAH (1Y NDF)	14.8000	+0.00	+57.11
EUR/USD	1.2917	-0.15	-6.01
USD/RUB	37.3249	+0.75	+13.55
KievPRIME O/N (%)	8.38	+13bp	+58bp
KievPRIME 1M (%)	15.50	+0bp	-75bp
SOVEREIGN EUROBONDS: yields and spreads			
Ukraine 15, Eurobond (%)	13.09	+84bp	+474bp
Ukraine 17, Eurobond (%)	12.79	+46bp	+323bp
Ukraine 22, Eurobond (%)	10.67	+33bp	+132bp
Ukraine 23, Eurobond (%)	10.61	+32bp	+156bp
Ukraine 5Y CDS	1,053bp	-12bp	+237bp
EQUITIES			
Stock market indices			
UX (Ukraine)	1,123.53	+2.79	+23.46
MSCI World	428.16	+0.00	+4.80
MSCI EM	1,075.22	-1.13	+7.23
RTS (Russia)	1,239.09	-0.61	-14.11
WIG-20 (Poland)	2,536.44	-0.25	+5.64
S&P 500 (USA)	1,995.69	+0.36	+7.97

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.

READ FIRST THE DISCLOSURES SECTION FOR IMPORTANT DISCLOSURES AND ANALYST CERTIFICATION

Bonds: News & Comments

Liquidity stable on reallocations

Broader banking sector liquidity slightly rose yesterday on fund reallocations. The broader indicator rose UAH0.27bn to UAH49.24bn while banks' correspondent accounts with the NBU recovered UAH0.73bn to UAH29.75bn and total CDs outstanding declined UAH0.46bn to UAH12.78bn. At the same time, total local currency debt repayments scheduled for the next 30 days remained steady at UAH6.72bn.

KyivPrime interest rates slightly diverged: the KyivPrime ON interest rate rose 13bp to 8.38% while the KyivPrime 1M interest rate remained steady at 15.50%.

Investment implications: Banks' accounts were supported by the NBU via a portion of CD redemptions. Slight changes could occur following FX market regulations and FX purchasing postponement for three days. As a result, without large outflows, liquidity should remain mostly steady. We could see slightly greater changes after yesterday's debt repayments, but as yesterday's repayments were mostly in FX, it will be insignificant.

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Eurobond YTMs increase slightly

Ukrainian Eurobond YTMs rose further yesterday, with the yield curve adjusting to the range of 10.61-13.09%, as UKRAIN 6.875% '15 rose 84bp to 13.09%, UKRAIN 6.58% '16 and UKRAIN 6.75% '17 rose 51bp to 12.43% and 11.75% respectively, UKRAIN 9.25% '17 rose 46bp to 12.79%, while UKRAIN 7.95% '21, UKRAIN 7.80% '22 and UKRAIN 7.50% '23 increased 33bp to 10.85%, 10.67% and 10.61%, respectively. The 5-year CDS declined to 1,053bp.

Investment implications: With no positive news about the situation in eastern Ukraine, the signing of a new law in Ukraine, and no clarity on the nature of the sanctions to be imposed on Russia all drive yields higher yesterday. We do not expect market sentiment to change anytime soon, and the yield should remain above 10.0%, set to rise even higher on negative news.

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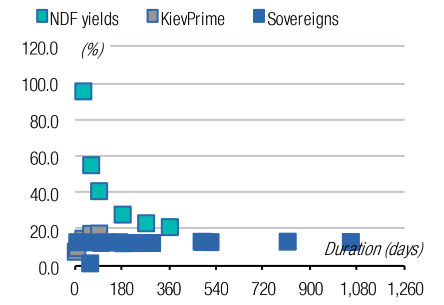
Yield curve of the local bond market

(as of market close on 10 Sep 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 10 Sep 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
O/n	8.38	+13bp	+28bp	+248bp	+58bp
1wk	10.31	-7bp	+6bp	+56bp	+51bp
1m	15.50	+0bp	+0bp	+50bp	-75bp
2m	18.00	+0bp	+0bp	+0bp	+160bp
3m	18.00	+0bp	+0bp	+0bp	+200bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's[1]	29,747	+2.51	-6.31	+8.99	-9.04
CDs[2]	12,777	-3.44	+2.09	+10.51	+1,712.3
Sovgns[3]	6,114	-8.97	+38.21	+77.75	+309.0
Total	**48,638**	-0.67	-0.10	+14.99	+39.36
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	N/A	N/A	N/A	N/A	N/A
Banks	N/A	N/A	N/A	N/A	N/A
Resid's[4]	N/A	N/A	N/A	N/A	N/A
Non-res[5]	N/A	N/A	N/A	N/A	N/A
Total	**N/A**	N/A	N/A	N/A	N/A
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	1,053	-12bp	-15bp	+53bp	+237bp
Jun '16	12.99	+51bp	+39bp	+163bp	+410bp
Jul '17	12.79	+46bp	+75bp	+185bp	+323bp
Sep '20	10.75	+32bp	+39bp	+40bp	+156bp
Sep '21	10.84	+32bp	+59bp	+85bp	+162bp
Sep '22	10.67	+33bp	+73bp	+107bp	+132bp
Feb '23	10.61	+32bp	+78bp	+104bp	+156bp

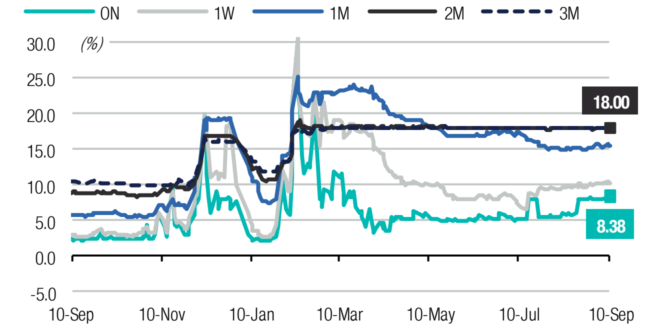
Notes: [1] banks' account balance at NBU; [2] certificates of deposits issued by NBU; [3] UAH sovereign bonds due next 30 days; [4] residents; [5] non-residents; [6] VAT bond.

Sources: Bloomberg, Investment Capital Ukraine LLC.

Section on Bond market is continued on next page.

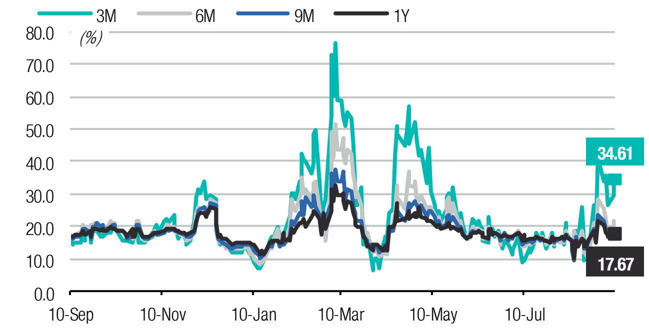
Chart page: Local bond market & Eurobond markets

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



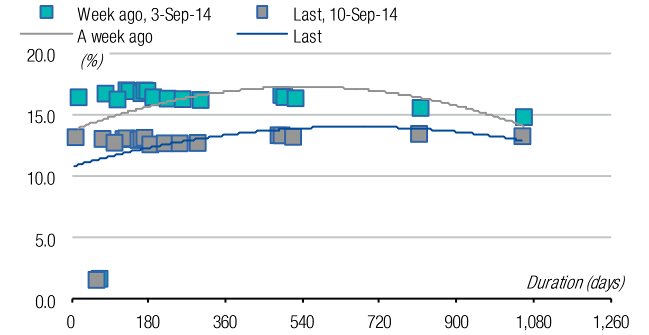
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



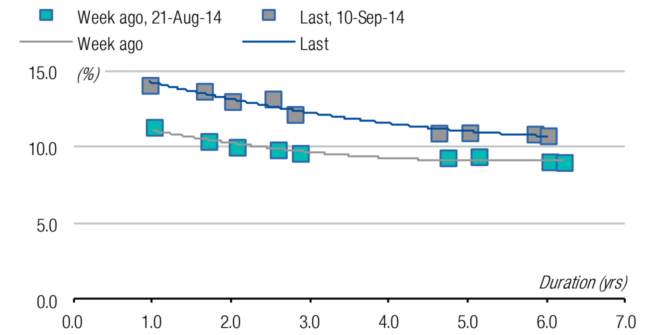
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 10 Sep 2014



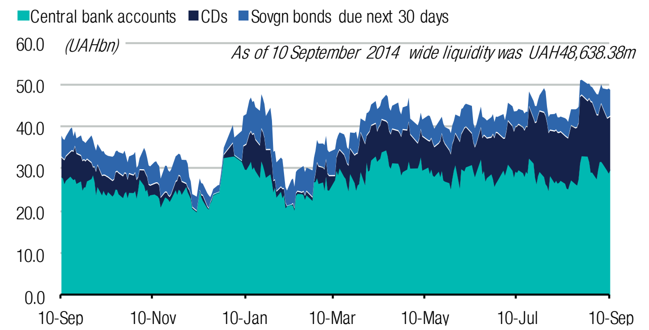
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 10 Sep 2014



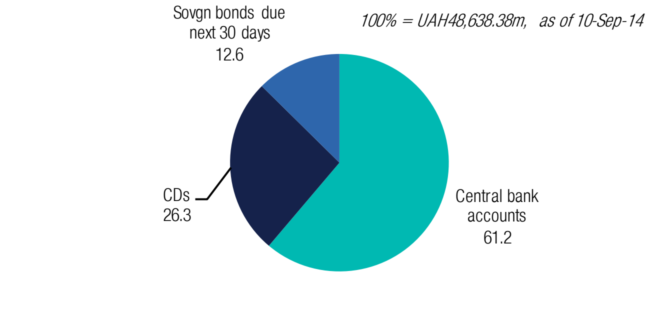
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



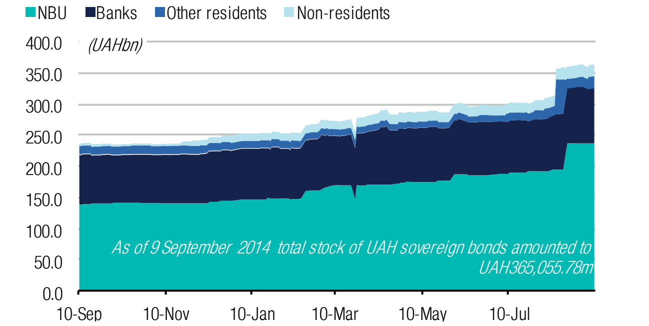
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 10 Sep 2014



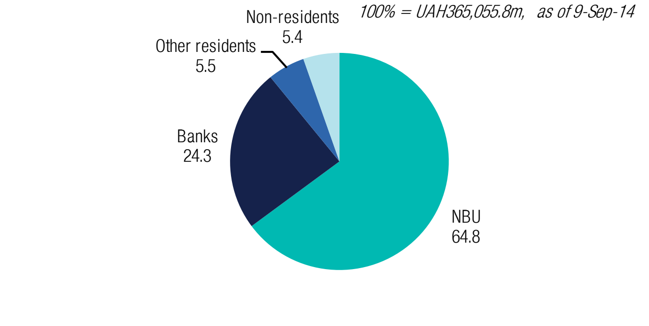
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 10 Sep 2014



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

Table 1. Ukrainian stocks (closing prices as of 10-Sep-2014)

			Share price performance (% change)					Valuation (US$)			Free float (FF) & Liquidity						P/E			EV/EBITDA			EV/Sales			Ratios	
Company	Bloomberg Ticker	Listing	Last price	Daily	MoM	YTD	YoY	Last price	Market cap (m)	EV (m)	FF (%)	FF mkt cap (US$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 (%)
ENERGY																											
Cadogan Petrol...	CAD LN	London	**11.75 GBp**	+1.1	+3.3	+13.3	-26.6	0.19	44.0	-19.1	40.2	17.7	68.6	28.1	0.19	526	Neg.	Neg.	Neg.	2.9	N/A	N/A	Neg.	Neg.	Neg.	0.2	0.0
Centrenergo	CEEN UK	Kiev, UX	**7.67 UAH**	+3.4	-2.7	+60.9	+49.6	0.59	219.2	268.3	21.7	47.6	37.9	345.3	0.11	899	5.8	5.2	7.6	0.5	4.1	4.0	0.5	0.4	0.3	1.2	12.2
Coal Energy	CLE PW	Warsaw	**1.09 PLN**	+13.5	+16.0	+3.8	-53.4	0.34	15.1	125.3	25.0	3.8	248.4	55.6	2.85	35	Neg.	N/A	N/A	5.6	N/A	N/A	1.0	N/A	N/A	0.1	39.8
Donbasenergo	DOEN UK	Kiev, UX	**28.50 UAH**	+9.6	-28.6	+3.3	+28.7	2.20	52.1	88.9	14.2	7.4	35.0	41.7	0.17	592	1.3	1.2	1.3	0.3	1.5	1.1	0.2	0.2	0.2	1.0	17.8
JKX Oil & Gas	JKX LN	London	**44.50 GBp**	-0.6	+18.7	-37.8	-34.6	0.72	123.8	128.9	47.2	58.4	19.0	34.1	0.02	4,246	19.0	20.6	3.8	1.9	2.4	2.0	0.7	0.8	0.7	0.3	5.5
Regal Petroleum	RPT LN	London	**7.63 GBp**	+5.2	+39.9	-41.3	-49.2	0.12	39.6	12.8	80.9	32.0	2.5	9.1	0.03	3,196	Neg.	19.8	N/A	0.6	0.5	N/A	0.3	0.3	N/A	0.1	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	**129.00 UAH**	+0.0	-13.4	+42.7	+55.6	9.98	127.6	107.0	5.0	6.4	0.0	2.9	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**	+1.7	-16.3	-21.7	-19.3	0.00	60.6	1,146.3	3.9	2.3	1.7	24.9	0.20	499	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	**2.42 UAH**	+2.5	-21.9	-18.2	-24.7	0.19	36.5	33.7	4.0	1.5	4.6	19.3	0.51	196	Neg.	236.0	0.6	Neg.	0.7	0.3	0.1	0.0	0.0	0.1	0.0
Azovstal	AZST UK	Kiev, UX	**0.69 UAH**	+3.8	-24.7	+2.7	+8.3	0.05	223.7	217.2	4.1	9.2	5.4	14.6	0.09	1,114	Neg.	N/A	Neg.	Neg.	N/A	5.9	0.1	N/A	0.1	0.2	0.0
Ferrexpo PLC	FXPO LN	London	**130.00 GBp**	-0.8	-4.6	-30.0	-28.6	2.11	1,239.6	1,442.1	22.4	277.7	1,402.3	1,446.6	0.42	236	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**	+0.8	-32.8	-4.9	-8.9	0.04	10.7	11.8	9.0	1.0	0.3	5.4	0.76	131	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	**29.45 UAH**	+4.0	-32.4	-8.0	-13.0	2.28	24.0	20.0	9.4	2.3	3.5	23.3	0.27	376	4.5	N/A	Neg.	Neg.	N/A	0.6	0.0	N/A	0.0	0.7	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	**0.85 EUR**	+0.0	-5.6	-31.5	-37.0	1.10	101.3	157.1	34.0	34.4	3.5	8.4	0.02	5,612	Neg.	N/A	N/A	Neg.	N/A	N/A	2.3	N/A	N/A	1.9	35.9
Agroliga	AGL PW	Warsaw	**15.99 PLN**	-3.0	-11.6	-38.3	-37.5	4.92	7.6	8.4	16.7	1.3	3.7	1.6	0.17	597	1.9	N/A	N/A	2.4	N/A	N/A	0.4	N/A	N/A	0.6	5.7
Agroton	AGT PW	Warsaw	**2.17 PLN**	+4.3	-3.1	+11.3	-11.1	0.67	14.5	59.8	26.2	3.8	152.4	106.3	3.46	29	Neg.	2.1	1.8	22.3	6.3	3.7	0.7	0.7	0.7	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	**38.80 PLN**	+6.0	+5.7	-42.0	-44.7	11.93	298.4	549.7	31.0	92.5	0.4	114.2	0.05	2,044	9.0	28.9	4.5	7.3	4.3	4.8	1.2	1.1	1.1	0.8	38.2
Avangard	AVGR LI	London Intl	**8.20 USD**	-0.1	-3.0	-30.3	-23.8	8.20	523.4	754.4	21.7	113.6	24.5	170.6	0.13	752	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	**8.36 PLN**	+0.1	-1.5	-31.2	-45.4	2.57	80.5	231.4	23.9	19.2	2.9	44.2	0.09	1,136	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	**25.69 PLN**	+1.5	-6.4	-32.5	-49.1	7.90	629.6	1,536.3	58.8	370.1	942.5	1,162.1	0.34	292	5.7	18.7	4.5	5.3	6.4	4.7	0.5	0.6	0.6	0.6	30.6
KSG Agro	KSG PW	Warsaw	**1.61 PLN**	-2.4	-64.5	-85.2	-84.3	0.50	7.4	118.5	34.4	2.6	724.2	202.1	15.72	6	Neg.	0.6	0.4	4.5	3.0	2.5	1.7	1.2	1.1	0.4	44.0
MHP	MHPC LI	London Intl	**11.90 USD**	+0.0	-0.8	-30.2	-25.6	11.90	1,257.4	2,467.7	22.3	280.7	821.4	1,303.1	0.63	158	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	**4.76 PLN**	-0.8	-9.3	-61.9	-53.6	1.46	45.8	175.5	20.0	9.2	2.4	5.5	0.09	1,099	3.3	Neg.	2.4	5.3	4.5	5.0	0.4	0.4	0.4	0.2	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	**1.90 EUR**	+0.0	-19.1	-64.8	-55.2	2.45	260.5	988.3	20.0	52.1	14.7	6.0	0.01	6,730	2.9	3.0	1.2	6.0	3.6	3.3	2.0	2.3	2.3	0.6	45.3
Ovostar Union	OVO PW	Warsaw	**70.00 PLN**	-0.7	+0.0	-30.0	-16.6	21.53	129.2	136.8	25.0	32.3	2.2	38.2	0.15	670	4.2	6.6	6.5	3.7	5.2	4.8	1.5	1.8	1.4	1.0	8.5
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	**6.66 PLN**	-9.6	-7.5	-78.8	-79.8	2.05	19.0	2.5	10.9	2.1	0.3	0.7	0.01	12,247	2.8	N/A	N/A	0.2	N/A	N/A	0.1	N/A	N/A	0.3	5.6
CONSTRUCTION																											
TMM	TR61 GF	Xetra	**0.23 EUR**	+0.0	+2.3	-29.0	-49.4	0.29	15.0	190.6	13.1	2.0	2.3	0.2	0.02	6,305	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**	+1.2	-6.7	+17.3	+41.3	0.01	308.6	N/A	3.8	11.8	41.5	29.5	0.27	374	3.9	Neg.	13.6	N/A	N/A	N/A	N/A	N/A	N/A	0.6	28.3

Table 1. Ukrainian stocks (closing prices as of 10-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 (%)
Ukrsotsbank	USCB UK	Kiev, UX	**0.15 UAH**	+0.0	-13.2	-18.0	+20.2	0.01	215.8	N/A	4.5	9.7	0.0	11.9	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, ICU.

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FX: News & Comments

Hryvnia stays at 13/USD

Over past week, the NBU successfully contained the UAH's steady decline. Following the failed auction on Tuesday, the NBU has successfully managed market and public sentiment, maintaining the value just below 13/USD. While yesterday's weighted average rate hit 13/USD at midday, it closed at 12.9000/USD, up 1.98% on US$234.05m in trading. Due to the weak Russian ruble that declined 0.75% yesterday and the Euro's marginal retreat of 0.15%, the hryvnia's trade-weighted index posted a quite small 1.65% decline.

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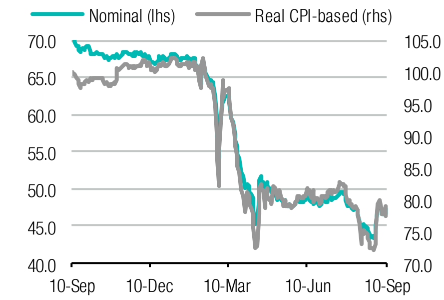
ICU's UAH trade-weighted indices

(Last 12-month history to 11 Sep 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 10 Sep 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	12.9000	+1.98	+4.45	+2.79	+56.55
NBU avg	12.9518	+0.20	+3.36	+2.74	+58.90
Ttl vlm[1]	615.93	+60.37	+260.7	+51.13	-78.02
$ volume[2]	234.05	-9.41	+87.70	-22.62	-89.41
NDF 3M	13.7350	+0.00	+2.23	+4.85	+61.87
NDF 6M	14.0000	+0.00	+2.19	+3.13	+59.45
NDF 1Y	14.8000	+0.00	+2.07	+1.54	+57.11
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	46.484	-1.65	-3.15	-0.35	-31.17
UAH real CPI	77.445	-1.65	-3.15	-0.35	-23.38
UAH real PPI	116.640	-1.65	-3.15	-0.35	-15.96
USD nom'l	84.283	+0.01	+1.71	+3.56	+5.31
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	37.3249	+0.75	+1.30	+3.15	+13.55
EUR/USD	1.2917	-0.15	-1.77	-3.68	-6.01
USD/CNY	6.1298	-0.11	-0.19	-0.43	+1.25
USD/PLN	3.2495	-0.01	+1.84	+3.74	+7.49
USD/TRY	2.1924	-0.18	+1.63	+2.20	+2.06
USD/BYR	10,505.00	+0.19	+0.38	+1.60	+10.12
USD/KZT	181.9900	-0.01	-0.02	-0.04	+17.97
OTHER MAJOR CURRENCIES					
USD/JPY	106.8600	+0.62	+1.98	+4.72	+1.47
GBP/USD	1.6211	+0.65	-1.52	-3.35	-2.09
USD/CHF	0.9367	+0.41	+2.07	+3.46	+4.91
AUD/USD	0.9155	-0.52	-2.05	-1.29	+2.67
USD/CAD	1.0938	-0.42	+0.46	-0.32	+2.97
USD/BRL	2.2885	+0.17	+2.31	+0.23	-3.12
USD/KRW	1,034.90	+0.32	+1.50	-0.15	-1.42
COMMIDITIES					
Gold($/oz)	1,249.79	-0.45	-1.55	-4.67	+3.66
WTI crude[3]	91.67	-1.16	-4.05	-6.04	-6.86
Brent crd[3]	97.20	-1.39	-4.05	-6.30	-12.29
Urals crd[3]	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB[4]	283.64	-0.75	-2.29	-3.01	+1.24

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.

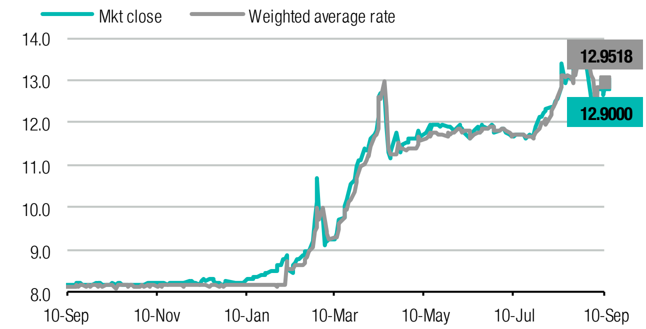
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

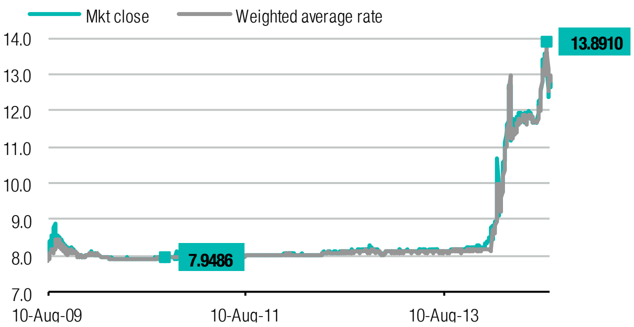
Section on FX market is continued on next page.

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)

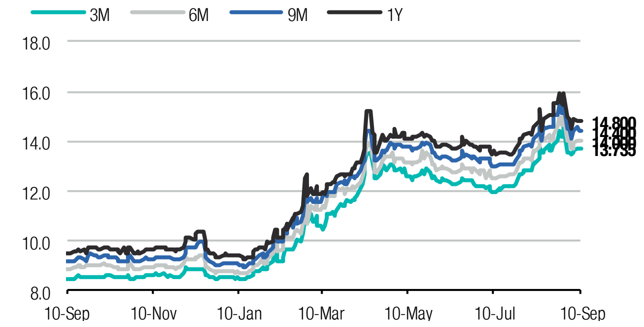


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

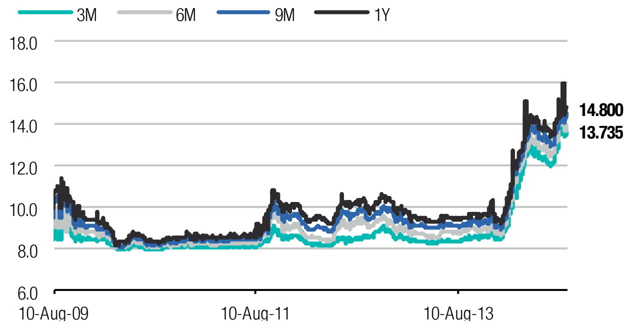


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

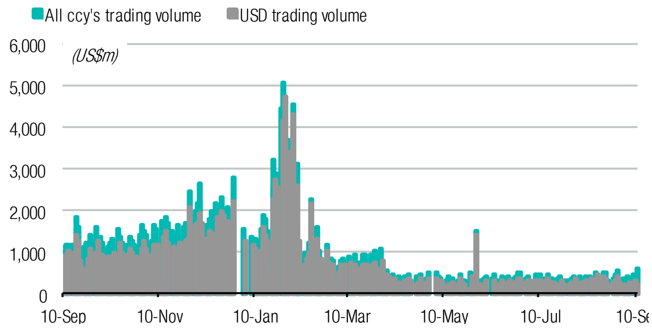


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

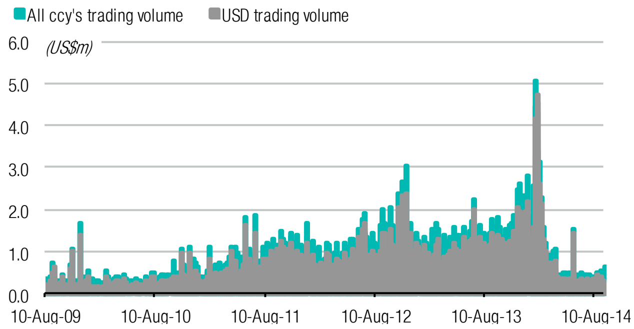


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

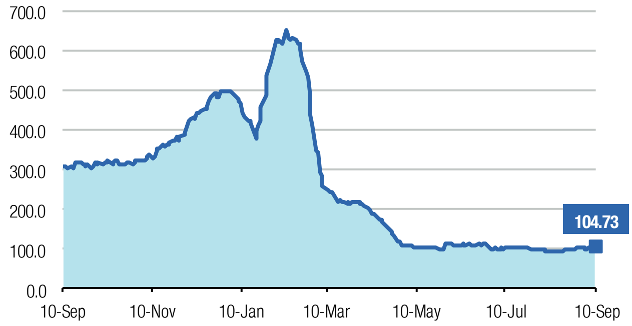


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.



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)

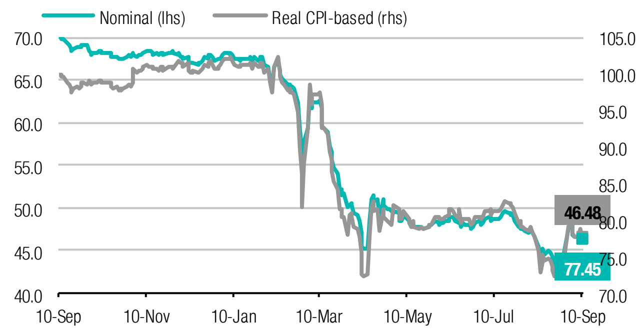


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

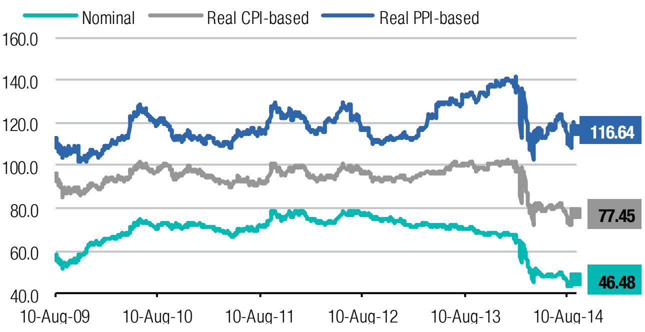
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the *Quarterly Report* "Keep the music playing" dated 31 January 2013 and, then, updated, in the *Quarterly Report* "Muddling through no more" dated 14 August 2013.

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



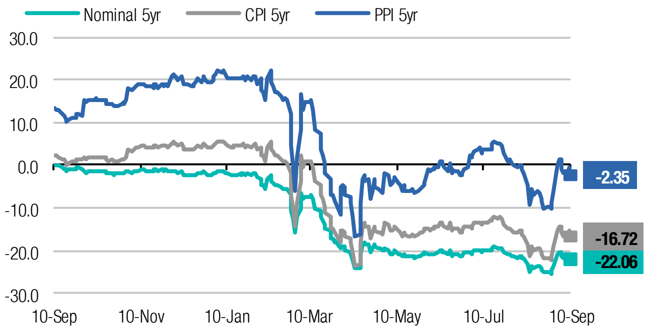
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

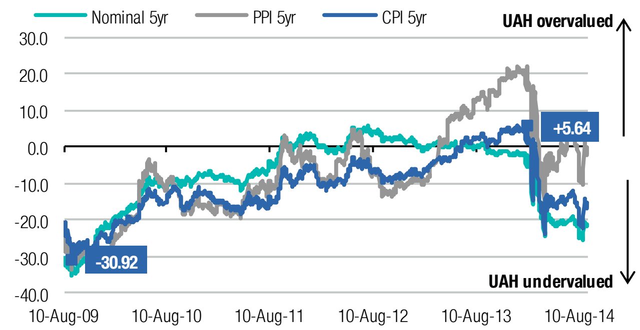


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

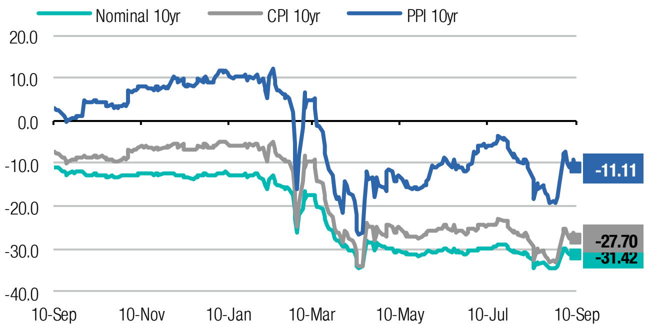


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

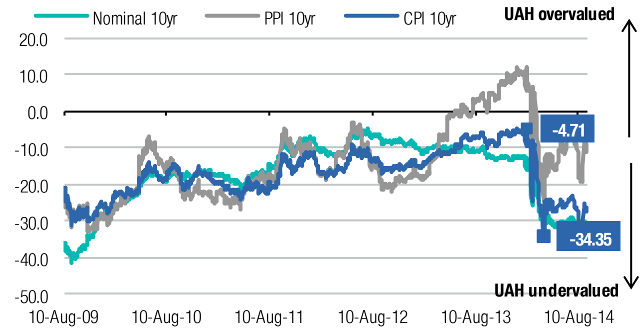


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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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