



Focus
Ukraine

Scope
Economics, bonds, equity & FX markets

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Daily Insight

DTEK 1H14 EBITDA down 6% YoY

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MONDAY, 15 SEPTEMBER 2014

UX Index (3 months to 15 Sep 2014)



Source: UX.

Key market indicators (as of 12 Sep 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	12.9750	-0.02	+57.46
USD/UAH (1Y NDF)	15.4000	+1.32	+63.48
EUR/USD	1.2963	+0.29	-5.68
USD/RUB	37.7520	+0.60	+14.85
KievPRIME O/N (%)	8.31	-29bp	+51bp
KievPRIME 1M (%)	15.50	+10bp	-75bp
SOVEREIGN EUROBONDS: yields and spreads			
Ukraine 15, Eurobond (%)	12.30	-79bp	+394bp
Ukraine 17, Eurobond (%)	12.02	-77bp	+246bp
Ukraine 22, Eurobond (%)	9.90	-77bp	+55bp
Ukraine 23, Eurobond (%)	9.85	-76bp	+80bp
Ukraine 5Y CDS	1,117bp	+83bp	+300bp
EQUITIES			
Stock market indices			
UX (Ukraine)	1,125.73	+1.26	+23.70
MSCI World	426.17	-0.46	+4.31
MSCI EM	1,061.53	-0.74	+5.87
RTS (Russia)	1,213.27	-0.38	-15.90
WIG-20 (Poland)	2,497.38	-0.17	+4.02
S&P 500 (USA)	1,985.54	-0.60	+7.42

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 continues to recover

Broader liquidity continued to recover, rising UAH1.43bn to UAH51.27bn on Friday, above UAH50.0bn for the first time this month. Banks' correspondent accounts with the NBU rose UAH1.46bn to UAH32.48bn while total CDs outstanding slid UAH0.03bn to UAH12.67bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH6.11bn.

KyivPrime interest rates once more slightly declined: the KyivPrime ON interest rate fell 29bp to 8.31%, after having increased for several days, while the KyivPrime 1M interest rate rose 10bp to 15.50%.

Investment implications: Liquidity once more rose last Friday likely on the NBU's support last Wednesday, and in the apparent absence of outflows. This week, liquidity could remain near the current level of UAH50.0bn as month-end tax payments are scheduled next week.

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Eurobond YTM's slightly volatile

After Ukrainian Eurobonds declined slightly last Thursday, yields remained rather stable last Friday with slight volatility, partially due to 5-year and 10-year US Treasury YTM's rising 3bp and 6bp to 1.82% and 2.61%, respectively. At last Friday's close, the yield curve adjusted to the range of 9.88-12.31%, as UKRAIN 6.875% '15 remained steady at 12.30%, UKRAIN 6.58% '16 was up 63bp to 12.28%, UKRAIN 6.75% '17 rose 1bp to 10.97%, UKRAIN 9.25% '17 rose 10bp to 12.11%, while UKRAIN 7.95% '21 was up 4bp to 10.10%, and UKRAIN 7.80% '22 and UKRAIN 7.50% '23 increased 5bp to 9.93% and 9.88%, respectively. The 5-year CDS rose to 1,117bp.

Investment implications: Following last Friday's announcement of further European sanctions on Russia, Ukrainian Eurobonds were rather stable without significant movements. However, the new sanctions launched by the US and Ukrainian government could instigate a negative reaction from Russia, causing investor sentiment to become more negative.

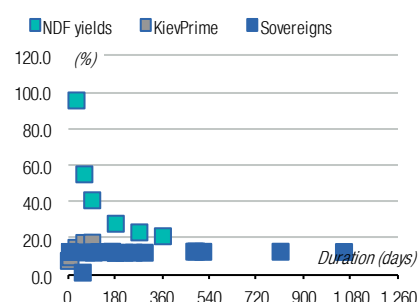
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DTEK 1H14 EBITDA down 6% YoY

DTEK reported that revenues from sales declined 21% YoY to US\$4.3bn in its 1H14 financial results announcement last Thursday, EBITDA declined 6% YoY to US\$829m and the company recorded a net loss of US\$738m versus having positive net income of US\$147m in 1H13. The company's gross debt was largely flat YoY at US\$3.4bn, while net debt increased 8% YoY to US\$3bn, with a resulting net debt to EBITDA ratio of 2.1x versus 1.5x as of end-1H13.

Yield curve of the local bond market

(as of market close on 12 Sep 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 12 Sep 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
O/n	8.31	-29bp	+21bp	+256bp	+51bp
1wk	10.31	-14bp	+6bp	+68bp	+51bp
1m	15.50	+10bp	+40bp	+37bp	-75bp
2m	18.00	+0bp	+0bp	+0bp	+160bp
3m	18.00	+0bp	+0bp	+0bp	+200bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	32,485	+4.69	+3.68	+27.59	-0.66
CDs ²	12,668	-0.24	-4.27	+4.58	+1,696.9
Sovgns ³	6,114	+0.00	+38.21	+51.25	+309.0
Total	51,267	+2.86	+4.65	+23.19	+46.89
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	240,719	+0.00	+1.69	+23.56	+66.18
Banks	87,333	+0.11	-0.27	-0.13	+8.94
Resid's ⁴	38,392	+0.00	+88.78	+151.4	+209.7
Non-res ⁵	19,569	+0.15	+3.21	+11.98	+67.27
Total	386,012	+0.03	+6.17	+22.54	+54.95
NDF IMPLIED YIELDS (%)					
3m	33.44	+627bp	+676bp	+21bp	+21bp
6m	24.61	+391bp	+602bp	+12bp	+11bp
9m	21.46	+282bp	+385bp	+911bp	+744bp
1yr	19.39	+158bp	+263bp	+480bp	+440bp
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	+542bp	+542bp	+542bp	-81ppt
EUROBONDS USD SOVEREIGN BOND YIELDS (%)					
CDS 5yr	1,117	+83bp	+127bp	+134bp	+300bp
Jun '16	12.20	-79bp	+8bp	+195bp	+331bp
Jul '17	12.02	-77bp	+70bp	+179bp	+246bp
Sep '20	9.98	-77bp	-18bp	+4bp	+79bp
Sep '21	10.07	-77bp	+2bp	+39bp	+85bp
Sep '22	9.90	-77bp	+7bp	+70bp	+55bp
Feb '23	9.85	-76bp	+7bp	+57bp	+80bp

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.

During the company's conference call, management stated that although the company's production process has not been significantly affected by the military conflict in Eastern Ukraine, supplies of coal from DTEK's mines located in the combat zone were significantly undermined by military shelling that destroyed parts of the transportation infrastructure. According to DTEK, 42-50% of its coal mining assets and 30-35% of its power generation assets are located in the conflict area. One of DTEK's coal mining assets, Komsomolets Donbassa, has been out of operation since 1 August, while two of the four blocks at DTEK's Lugansk TPP remain shut down due to difficulties with coal supplies.

Investment implications: DTEK's 2H14 performance remains highly uncertain even after the announced ceasefire in Eastern Ukraine, as the truce is fragile and occasional skirmishes continue. The recovery of logistics is critical as approximately 8% of DTEK's TPPs' coal consumption and 46% of the company's coal production depend on anthracite produced by mines located in the conflict area. The looming deficit of anthracite in Ukraine could threaten DTEK's export of both coal and electricity which will decrease USD-denominated earnings amidst the hryvnia's ongoing devaluation. We believe that both the company's earnings, even if affected by the crisis, and its cash balance are sufficient to pay the US\$218m loans coming due in 2H14 and the US\$200m Eurobond repayment scheduled in 1H15. However, the company's ability to meet or refinance US\$742m of other debt maturing in 2015 critically depends on peace in the Donetsk and Lugansk regions, infrastructure repairs, and the industry's return to business as usual.

Table 1. DTEK Eurobond quotation as of market close, 12 September 2014

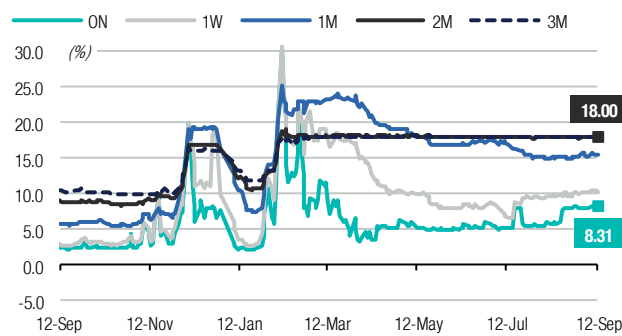
Issuer	Moody's/S&P/Fitch	Ccy	Volume	Coupon rate (%)	Maturity	Price (%)	YTW (%)	Spread (bp)
DTEK	Caa2/--/CCC	USD	500m	9.50	28-Apr-15	75.25	66.022	6,575
DTEK	Caa2/--/CCC	USD	750m	7.875	04-Apr-18	66.5	21.955	2,013

Source: Bloomberg

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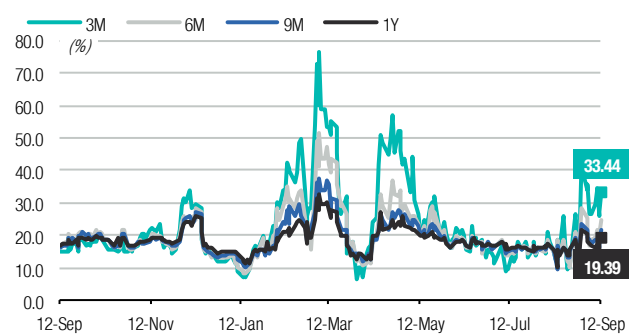
Chart page: Local bond market & Eurobond markets

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



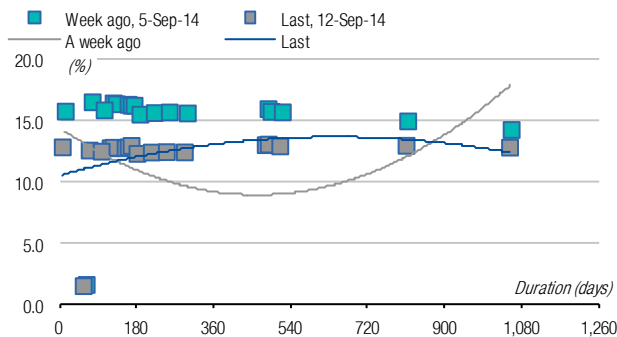
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



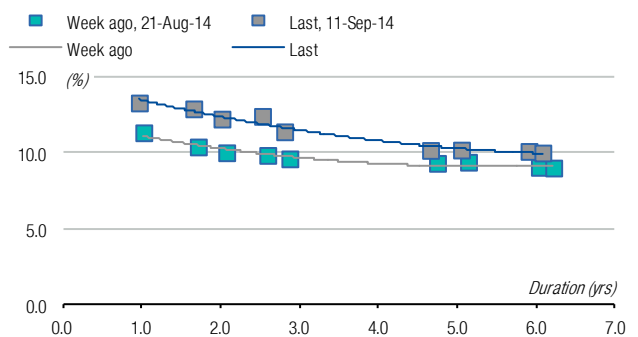
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 12 Sep 2014



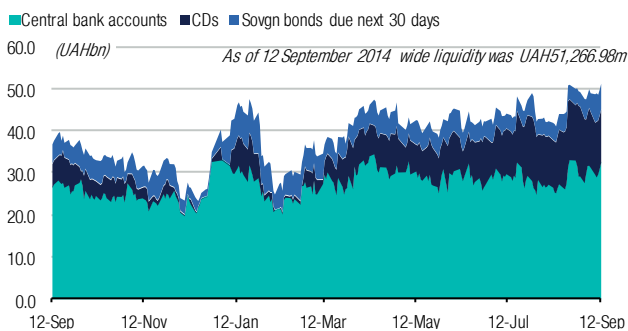
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 12 Sep 2014



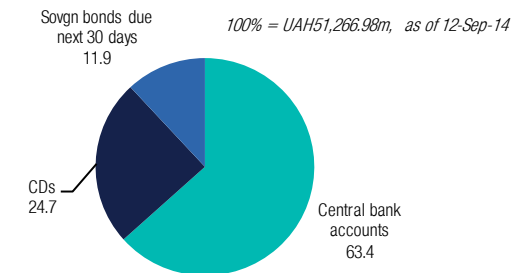
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



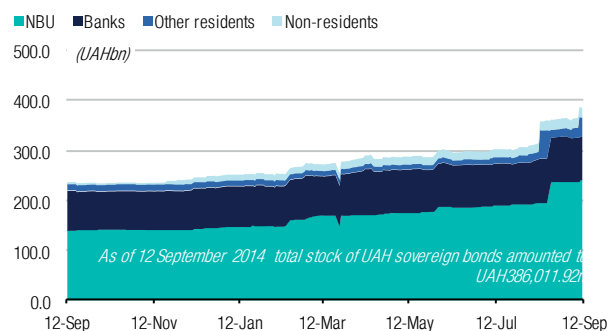
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 12 Sep 2014



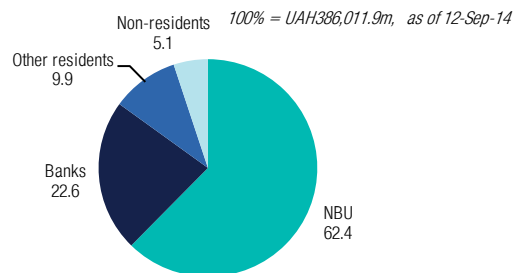
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 12 Sep 2014



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

Table 2. Ukrainian stocks (closing prices as of 12-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 (%)
ENERGY																											
Cadogan Petrol...	CAD LN	London	11.75 GBp	+0.0	+1.1	+13.3	-28.8	0.19	44.1	-19.0	40.2	17.7	3.3	28.4	0.20	496	Neg.	Neg.	Neg.	2.9	N/A	N/A	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.59 UAH	+1.3	-5.7	+59.1	+50.5	0.60	221.6	271.8	21.7	48.1	12.9	335.5	0.11	952	5.8	5.2	7.6	0.5	4.0	4.0	0.5	0.3	0.3	1.1	12.2
Coal Energy	CLE PW	Warsaw	1.05 PLN	+0.0	+11.7	+0.0	-59.0	0.32	14.6	124.7	25.0	3.6	55.6	54.5	3.22	31	Neg.	N/A	N/A	5.5	N/A	N/A	1.0	N/A	N/A	0.1	39.8
Donbasenergo	DOEN UK	Kiev, UX	29.50 UAH	+3.4	-26.4	+6.9	+36.6	2.33	55.1	92.7	14.2	7.8	26.3	43.1	0.19	537	1.3	1.3	1.4	0.4	1.5	1.2	0.2	0.2	0.2	1.1	17.8
JKX Oil & Gas	JKX LN	London	44.00 GBp	+0.0	+0.6	-38.5	-34.1	0.71	122.7	127.9	47.2	57.9	17.6	33.1	0.02	4,659	18.9	20.5	3.7	1.9	2.4	2.0	0.7	0.8	0.7	0.2	5.5
Regal Petroleum	RPT LN	London	7.99 GBp	+3.0	+38.9	-38.6	-46.8	0.13	41.6	14.8	80.9	33.6	12.9	9.7	0.03	3,485	Neg.	20.8	N/A	0.7	0.6	N/A	0.4	0.3	N/A	0.1	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	129.00 UAH	+0.0	-1.5	+42.7	+55.6	10.20	130.4	109.4	5.0	6.5	0.0	2.9	0.01	12,473	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	-12.8	-21.7	-20.3	0.00	61.9	1,171.7	3.9	2.4	0.5	24.3	0.18	569	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	2.39 UAH	+0.2	-22.2	-19.3	-24.4	0.19	36.8	34.0	4.0	1.5	5.3	18.6	0.52	194	Neg.	233.0	0.6	Neg.	0.7	0.3	0.1	0.0	0.0	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.72 UAH	+3.8	-20.7	+6.9	+14.2	0.06	237.9	231.3	4.1	9.8	7.7	13.2	0.08	1,287	Neg.	N/A	Neg.	Neg.	N/A	6.1	0.1	N/A	0.1	0.2	0.0
Ferrexpo PLC	FXPO LN	London	127.20 GBp	+0.0	-5.6	-31.6	-29.9	2.07	1,216.3	1,418.8	22.4	272.5	686.5	1,413.9	0.43	233	4.6	4.3	7.6	2.8	2.8	3.9	0.9	1.0	1.0	1.1	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.51 UAH	+2.0	-27.1	-3.8	-7.8	0.04	11.0	12.1	9.0	1.0	0.0	5.2	0.75	134	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	28.01 UAH	-2.9	-33.1	-12.5	-15.8	2.21	23.4	19.3	9.4	2.2	0.6	21.5	0.22	458	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	0.84 EUR	+0.0	-5.6	-32.3	-39.1	1.09	100.5	156.5	34.0	34.2	10.4	8.2	0.02	5,222	Neg.	N/A	N/A	Neg.	N/A	N/A	2.2	N/A	N/A	1.8	35.9
Agroliga	AGL PW	Warsaw	16.74 PLN	+4.6	-7.5	-35.4	-34.6	5.16	7.9	8.8	16.7	1.3	1.5	2.0	0.23	426	1.9	N/A	N/A	2.5	N/A	N/A	0.4	N/A	N/A	0.7	5.7
Agroton	AGT PW	Warsaw	2.14 PLN	+0.5	+2.9	+9.7	-7.0	0.66	14.3	59.6	26.2	3.7	22.0	93.3	3.57	28	Neg.	2.0	1.8	22.3	6.3	3.7	0.7	0.7	0.7	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	37.55 PLN	+0.9	-0.4	-43.9	-45.1	11.57	289.2	541.5	31.0	89.7	9.4	96.1	0.06	1,681	8.7	27.9	4.4	7.1	4.3	4.7	1.1	1.1	1.1	0.8	38.2
Avangard	AVGR LI	London Intl	8.28 USD	+0.0	-4.7	-29.5	-26.1	8.28	528.9	759.8	21.7	114.8	18.8	176.6	0.14	705	2.2	3.4	3.0	2.5	4.0	4.2	1.1	1.2	1.1	0.4	17.8
IMC	IMC PW	Warsaw	8.14 PLN	-2.6	-1.8	-33.0	-46.4	2.51	78.5	229.4	23.9	18.7	17.7	42.8	0.10	997	3.0	7.8	1.7	4.2	4.2	4.1	2.0	1.2	1.2	0.5	38.7
Kernel Holding...	KER PW	Warsaw	24.90 PLN	-0.2	-8.1	-34.6	-52.5	7.67	611.2	1,517.8	58.8	359.2	1,651.4	1,084.1	0.37	272	5.5	18.2	4.3	5.2	6.3	4.7	0.5	0.6	0.6	0.6	30.6
KSG Agro	KSG PW	Warsaw	1.55 PLN	+9.9	-65.8	-85.7	-85.3	0.48	7.2	118.3	34.4	2.5	887.9	214.0	18.85	5	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	12.25 USD	+2.1	+0.0	-28.2	-22.9	12.25	1,294.4	2,504.7	22.3	288.9	489.6	1,338.9	0.59	168	8.3	11.1	4.4	6.4	5.2	5.0	1.7	1.8	1.6	2.2	47.0
Mriya Agrohold...	MAYA GF	Frankfurt	1.75 EUR	-2.5	+21.0	-67.7	-58.9	2.26	240.4	968.1	20.0	48.1	0.0	4.3	0.02	6,095	2.7	2.8	1.1	5.9	3.6	3.2	1.9	2.3	2.2	0.6	45.3
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	7.32 PLN	+9.9	-18.9	-76.7	-77.8	2.25	21.0	4.4	10.9	2.3	0.4	0.8	0.01	13,128	3.1	N/A	N/A	0.4	N/A	N/A	0.1	N/A	N/A	0.3	5.6
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.23 EUR	+0.0	+4.5	-27.4	-48.7	0.30	15.4	191.0	13.1	2.0	0.0	0.2	0.02	6,445	Neg.	N/A	N/A	Neg.	N/A	N/A	5.6	N/A	N/A	0.2	45.5
FINANCIAL SERVICES																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.13 UAH	+0.8	-5.5	+17.4	+45.1	0.01	315.9	N/A	3.8	12.1	3.5	27.9	0.23	437	3.9	Neg.	13.6	N/A	N/A	N/A	N/A	N/A	N/A	0.6	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.17 UAH	+8.4	-5.7	-11.1	+31.1	0.01	239.0	N/A	4.5	10.7	0.7	12.8	0.01	12,766	Neg.	12.3	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

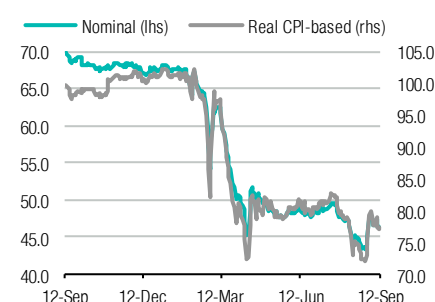
Market remains rigid as US dollar rises

While the hryvnia's NBU weighted average rate has hovered at 12.9/USD consistently in recent trading, after touching 13/USD midday last Friday, it closed at 13.9750/USD on Friday, down 0.02% from the previous day, according to Bloomberg. In the meantime, the US dollar has appreciated over the past several months, and is expected to continue to rise, while the Russian ruble has declined recently because of further sanctions on Russia by the West as well as shifting global monetary conditions. These are pushing the US dollar up and the crude oil price down, to the extent that the price of Brent crude oil has fallen 5.53% over the past month and 13% year-to-date. Following Friday's developments, the hryvnia's trade weighted value rose 0.20%.

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ICU's UAH trade-weighted indices

(Last 12-month history to 15 Sep 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 12 Sep 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	12.9750	-0.02	+1.37	-3.17	+57.46
NBU avg	12.9501	-0.20	+1.00	-1.44	+58.88
Ttl vlm ¹	299.56	+14.67	-18.70	-7.18	-89.31
\$ volume ²	187.37	+11.13	-12.95	-20.73	-91.52
NDF 3M	14.0500	+1.44	+2.97	+1.79	+65.59
NDF 6M	14.5500	+1.75	+4.15	+2.12	+65.72
NDF 1Y	15.4000	+1.32	+3.63	+0.85	+63.48
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	46.380	+0.20	-0.50	+6.05	-31.33
UAH real CPI	77.272	+0.20	-0.50	+6.05	-23.55
UAH real PPI	116.380	+0.20	-0.50	+6.05	-16.14
USD nom'l	84.240	-0.07	+0.60	+3.36	+5.25
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	37.7520	+0.60	+1.91	+4.42	+14.85
EUR/USD	1.2963	+0.29	+0.09	-3.04	-5.68
USD/CNY	6.1351	+0.08	-0.10	-0.37	+1.33
USD/PLN	3.2435	-0.11	+0.51	+3.20	+7.29
USD/TRY	2.2230	+1.00	+3.00	+2.73	+3.48
USD/BYR	10,510.00	+0.14	+0.10	+1.64	+10.17
USD/KZT	181.8900	-0.07	-0.12	-0.05	+17.90
OTHER MAJOR CURRENCIES					
USD/JPY	107.3400	+0.21	+2.14	+4.97	+1.93
GBP/USD	1.6268	+0.08	-0.36	-3.24	-1.75
USD/CHF	0.9332	-0.28	+0.23	+2.82	+4.51
AUD/USD	0.9038	-0.68	-3.63	-2.49	+1.36
USD/CAD	1.1093	+0.53	+1.96	+1.54	+4.42
USD/BRL	2.3390	+1.80	+4.34	+2.72	-0.98
USD/KRW	1,035.35	-0.06	+1.08	+0.85	-1.38
COMMODITIES					
Gold(\$/oz)	1,229.70	-0.90	-3.09	-6.09	+1.99
WTI crude ³	92.27	-0.60	-1.09	-5.24	-6.25
Brent crd ³	96.41	-1.11	-3.73	-5.53	-13.00
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	281.90	-0.31	-2.12	-3.39	+0.62

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>).

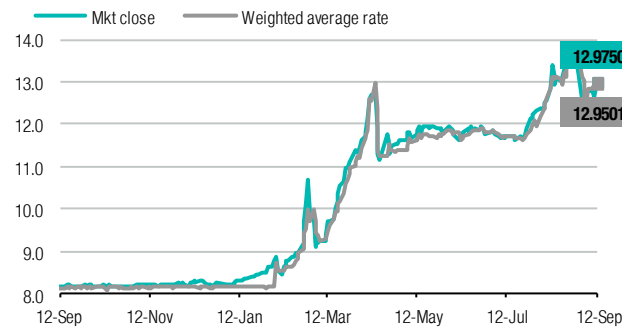
Section on FX market is continued on next page.

Notes: [1] trading volume in all foreign currencies (US\$m); [2] trading volume in the pair USD/UAH (US\$m); [3] crude oil price (USD per barrel); [4] the Thomson Reuters/Jefferies CRB Index. A green-/red-shaded box means gain or loss, respectively, of the investment into the asset. Currencies are gaining when their exchange rates strengthen versus USD.

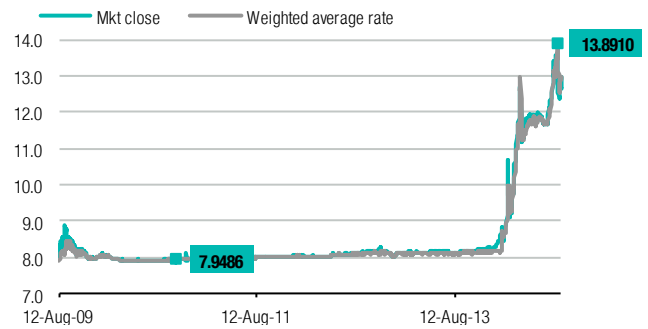
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart page #1: Foreign-exchange market

Chart 9. Spot market rates USD/UAH: last 12-month and 5-year periods (UAH per USD, left and right respectively)

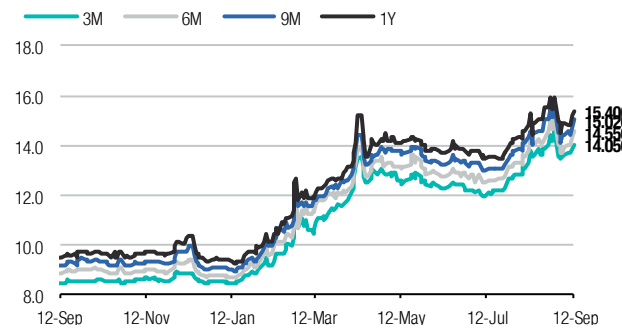


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

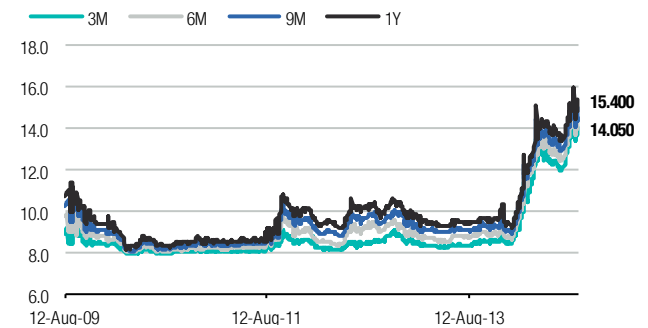


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

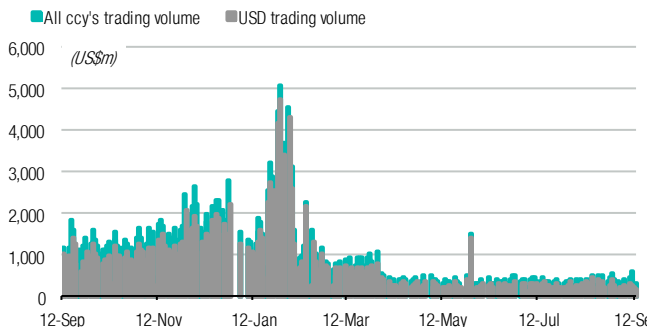


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

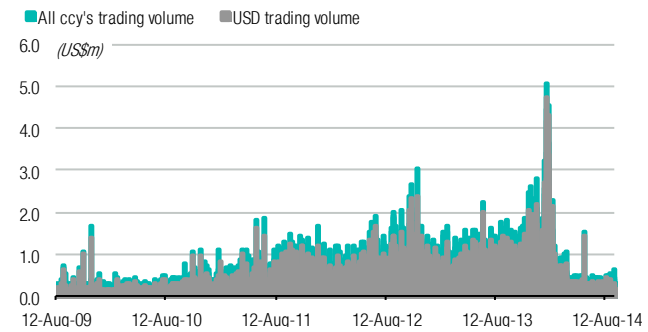


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

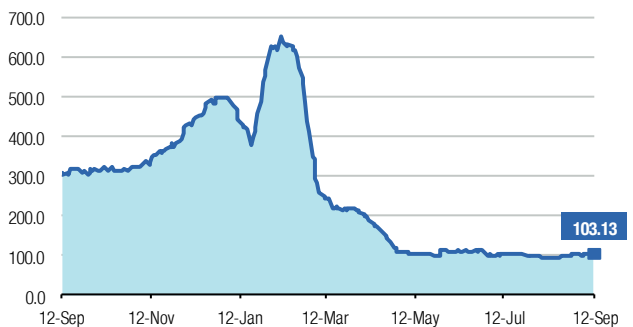


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

Chart 12. 30D MA* ratio of FX market turnover to merchandise trade: last 12m and 5yr periods (% , left and right respectively)

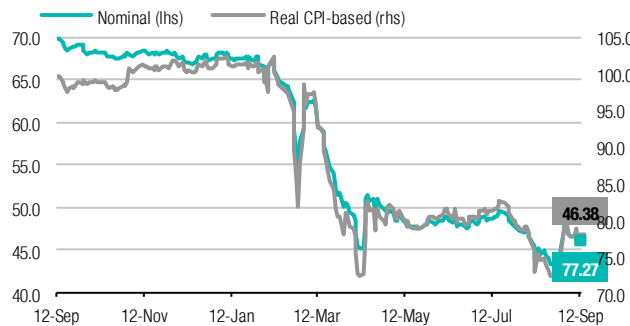


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

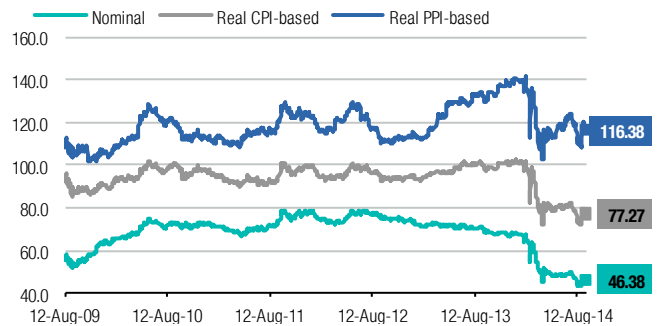
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



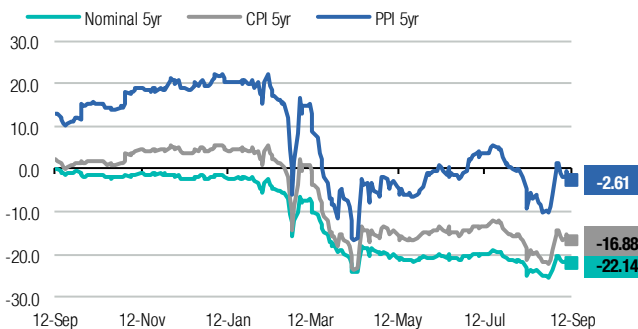
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

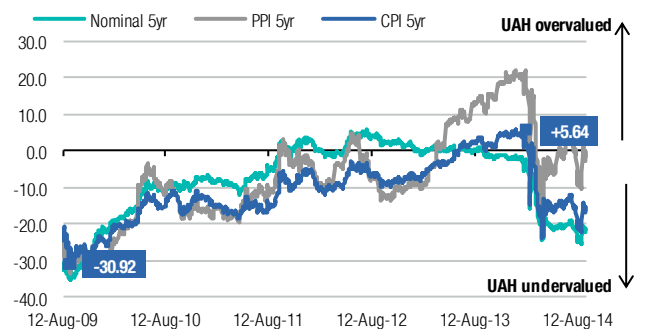


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

Chart 15. Deviation of UAH trade-weighted indices from their 5-year moving averages: last 12-month and 5-year periods (% , left and right respectively)

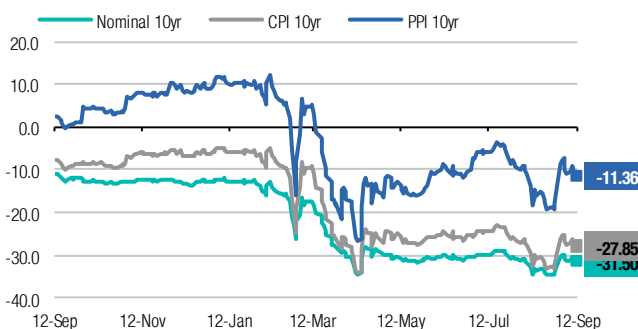


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

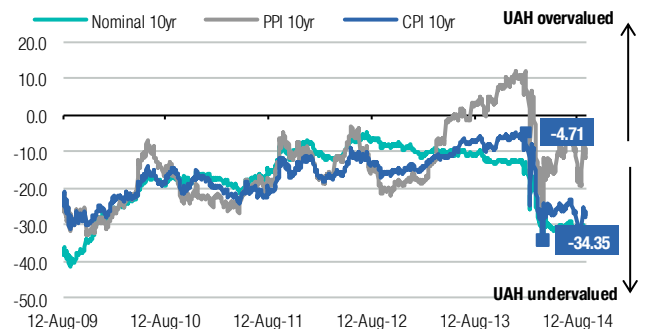


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

Chart 16. Deviation of UAH trade-weighted indices from their 10-year moving averages: last 12-month and 5-year periods (% , left and right respectively)



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



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

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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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