



Focus  
**Ukraine**

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

Research team  
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# Daily Insight

## New CAD200m loan approved

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**TUESDAY, 16 SEPTEMBER 2014**

### UX Index (3 months to 16 Sep 2014)



Source: UX.

### Key market indicators (as of 15 Sep 2014)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	12.9550	-0.15	+57.22
USD/UAH (1Y NDF)	15.3000	-0.65	+62.42
EUR/USD	1.2940	-0.18	-5.84
USD/RUB	38.3315	+1.54	+16.62
KievPRIME O/N (%)	8.33	+2bp	+53bp
KievPRIME 1M (%)	15.83	+33bp	-42bp
<b>SOVEREIGN EUROBONDS: yields and spreads</b>			
Ukraine 15, Eurobond (%)	16.54	+423bp	+818bp
Ukraine 17, Eurobond (%)	12.68	+67bp	+312bp
Ukraine 22, Eurobond (%)	10.21	+28bp	+86bp
Ukraine 23, Eurobond (%)	10.11	+23bp	+106bp
Ukraine 5Y CDS	1,150bp	+33bp	+334bp
<b>EQUITIES</b>			
<b>Stock market indices</b>			
UX (Ukraine)	1,060.70	-5.78	+16.56
MSCI World	425.34	-0.19	+4.11
MSCI EM	1,055.78	-0.54	+5.29
RTS (Russia)	1,194.73	-1.53	-17.19
WIG-20 (Poland)	2,489.77	-0.30	+3.70
S&P 500 (USA)	1,984.13	-0.07	+7.35

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 declines slightly

Broader banking sector liquidity declined UAH0.27bn to UAH50.99bn yesterday, as banks' correspondent accounts with the NBU fell UAH0.08bn to UAH32.40bn and total CDs outstanding decreased UAH0.19bn to UAH12.48bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH6.11bn.

KyivPrime interest rates slightly rose again: the KyivPrime ON interest rate was up 2bp to 8.33% while the KyivPrime 1M interest rate rose 33bp to 15.83%.

**Investment implications: Liquidity remained steady amidst slight changes.**

## Eurobond YTM's up slightly

Ukrainian Eurobond spreads to the benchmark slightly widened, causing yields to rise yet again, pushing the yield curve above 10%. At yesterday's close, the yield curve adjusted to the range of 10.13-16.54%, as UKRAIN 6.875% '15 rose 423bp to 16.54%, UKRAIN 9.25% '17 rose 57bp to 12.68%, UKRAIN 7.95% '21 was up 40bp to 10.49%, UKRAIN 7.80% '22 and UKRAIN 7.50% '23 increased 30bp and 25bp to 10.23% and 10.13%, respectively. The 5-year CDS rose to 1,150bp.

**Investment implications: Yields rose yesterday, possibly in response to news of the gas talks being postponed, after they had slightly corrected at the end of last week.**

## New CAD200m loan approved

The Ukrainian Cabinet of Ministers approved the issuance of a new CAD200m loan at a 3% interest rate with a 0.3% fee. This loan will be likely the debut of the Ukrainian government borrowing in Canadian dollars.

**Investment implications: This loan likely will be issued by state-owned or government-operated banks as the interest rate is significantly below Ukrainian Eurobond quotes. While the Canadian bond yield curve is very similar to US Treasury yields, this loan's interest rate is significantly higher than current yields on Canadian bonds, which are at about 1.75% now.**

## Primary auction announcement

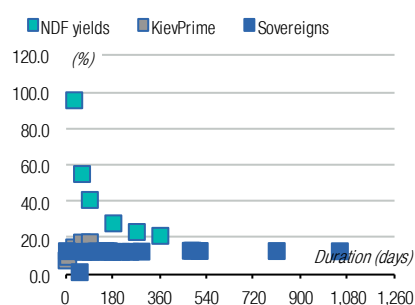
The MoF will offer two 2-year bonds today, one of which will be denominated in US dollars. Two weeks ago, local currency bonds were sold at 16.50%, while USD-denominated bonds were last sold at the end of July after which they received no bids at three auctions since then.

**Investment implications: We do not anticipate large demand at today's primary auction. The USD-denominated bonds could receive a few market bids, while the local currency bonds could attract some domestic QE support.**

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## Yield curve of the local bond market

(as of market close on 15 Sep 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

## Bond market indicators (as of 15 Sep 2014)

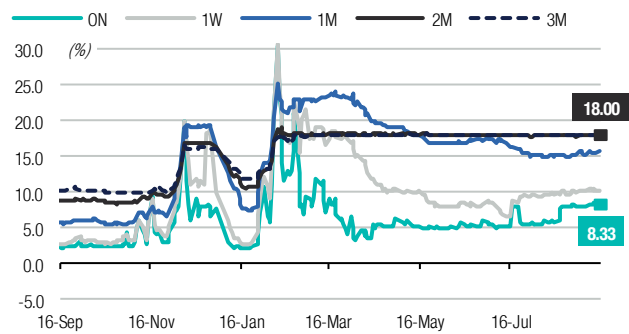
	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
O/n	8.33	+2bp	+0bp	+258bp	+53bp
1wk	10.33	+2bp	-5bp	+83bp	+53bp
1m	15.83	+33bp	+16bp	+70bp	-42bp
2m	18.00	+0bp	+0bp	+0bp	+160bp
3m	18.00	+0bp	+0bp	+0bp	+200bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	32,400	-0.26	+9.25	+18.26	-0.92
CDs <sup>2</sup>	12,480	-1.48	+0.81	-3.28	+1,670.2
Sovgns <sup>3</sup>	6,980	+14.16	+3.92	+87.53	+366.9
<b>Total</b>	<b>51,860</b>	<b>+1.16</b>	<b>+6.37</b>	<b>+17.80</b>	<b>+48.59</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	240,719	+0.00	+1.69	+23.56	+66.18
Banks	87,240	-0.11	-1.87	-1.31	+8.82
Resid's <sup>4</sup>	38,388	-0.01	+91.64	-32.89	+209.7
Non-res <sup>5</sup>	19,536	-0.16	+0.65	+9.03	+67.00
<b>Total</b>	<b>385,883</b>	<b>-0.03</b>	<b>+5.70</b>	<b>+7.69</b>	<b>+54.90</b>
<b>NDF IMPLIED YIELDS (%)</b>					
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
<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	+542bp	+542bp	+542bp	-81ppt
<b>EUROBONDS USD SOVEREIGN BOND YIELDS (%)</b>					
CDS 5yr	1,150	+33bp	+134bp	+185bp	+334bp
Jun '16	12.88	+68bp	+81bp	+256bp	+399bp
Jul '17	12.68	+67bp	+76bp	+289bp	+312bp
Sep '20	10.48	+47bp	+67bp	+92bp	+129bp
Sep '21	10.47	+38bp	+57bp	+88bp	+125bp
Sep '22	10.21	+28bp	+49bp	+101bp	+86bp
Feb '23	10.11	+23bp	+44bp	+98bp	+106bp

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.

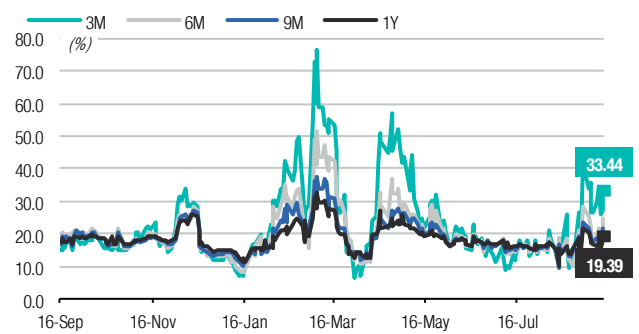
Chart page: Local bond market & Eurobond markets

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



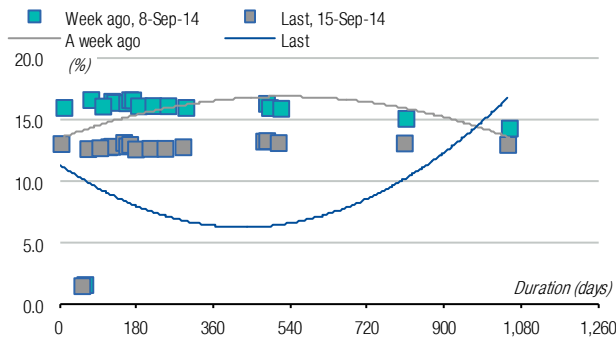
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



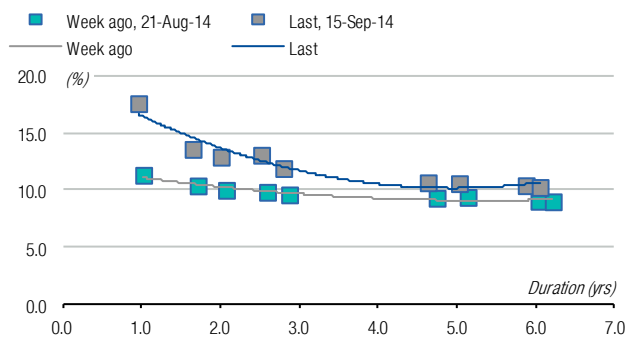
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 15 Sep 2014



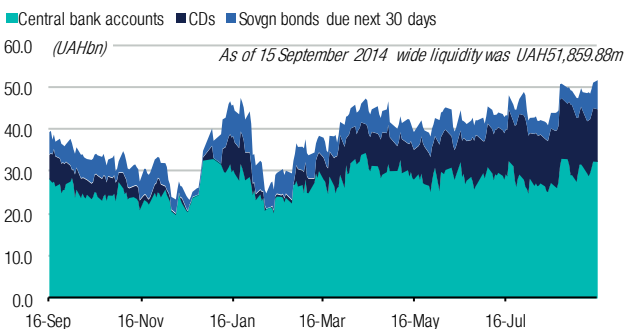
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 15 Sep 2014



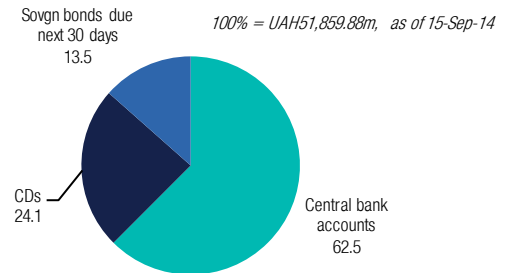
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



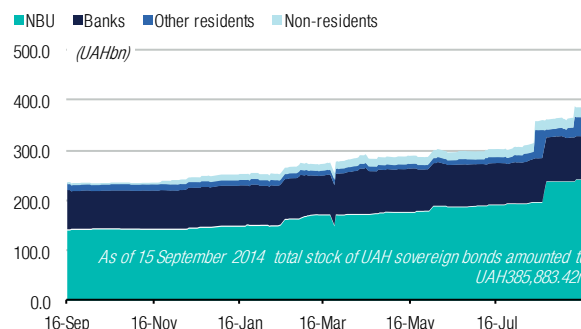
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 15 Sep 2014



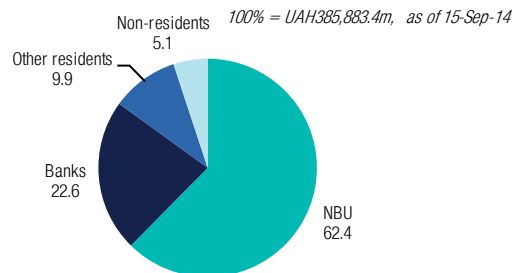
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 15 Sep 2014



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

Table 1. Ukrainian stocks (closing prices as of 15-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	+1.1	+13.3	-27.7	0.19	44.0	-19.0	40.2	17.7	2.1	28.5	0.20	495	Neg.	Neg.	Neg.	2.9	N/A	N/A	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.17 UAH	-5.5	-10.9	+50.4	+44.2	0.55	204.8	253.9	21.7	44.5	156.7	302.6	0.12	815	5.4	4.9	7.1	0.5	3.9	3.8	0.4	0.3	0.3	1.1	12.2
Coal Energy	CLE PW	Warsaw	1.02 PLN	-2.9	+8.5	-2.9	-59.8	0.31	14.1	124.3	25.0	3.5	40.1	53.7	3.35	30	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	27.88 UAH	-5.5	-30.4	+1.1	+29.1	2.16	51.0	87.7	14.2	7.3	25.3	38.4	0.21	470	1.2	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	43.00 GBp	-2.3	-1.7	-39.9	-34.6	0.70	119.7	124.9	47.2	56.5	26.5	32.8	0.02	4,414	18.4	20.0	3.7	1.9	2.3	2.0	0.7	0.7	0.7	0.2	5.5
Regal Petroleum	RPT LN	London	8.88 GBp	+11.1	+54.3	-31.7	-42.3	0.14	46.1	19.3	80.9	37.3	22.9	11.3	0.03	3,467	Neg.	23.1	N/A	0.9	0.7	N/A	0.5	0.4	N/A	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	129.00 UAH	+0.0	-1.5	+42.7	+59.3	9.97	127.6	106.9	5.0	6.4	0.0	2.6	0.01	12,598	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	-12.2	-23.4	-31.2	-29.7	0.00	53.2	1,138.4	3.9	2.1	18.3	20.7	0.23	429	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	2.19 UAH	-8.5	-28.8	-26.1	-30.0	0.17	33.0	30.2	4.0	1.3	13.6	15.1	0.61	163	Neg.	213.3	0.6	Neg.	0.6	0.3	0.1	0.0	0.0	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.62 UAH	-13.7	-31.6	-7.8	-1.1	0.05	200.8	194.4	4.1	8.2	50.4	11.8	0.12	835	Neg.	N/A	Neg.	Neg.	N/A	5.3	0.1	N/A	0.1	0.2	0.0
Ferrexpo PLC	FXPO LN	London	126.30 GBp	-0.7	-6.3	-32.0	-30.1	2.05	1,205.5	1,408.0	22.4	270.0	518.4	1,385.8	0.42	239	4.6	4.3	7.5	2.8	2.8	3.8	0.9	1.0	1.0	1.1	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.49 UAH	-4.9	-30.7	-8.5	-12.1	0.04	10.3	11.4	9.0	0.9	41.9	5.0	1.02	98	Neg.	0.9	0.5	0.1	0.4	0.3	0.1	0.0	0.0	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	24.61 UAH	-12.1	-41.2	-23.1	-25.2	1.90	20.1	16.1	9.4	1.9	27.9	18.6	0.31	320	3.7	N/A	Neg.	Neg.	N/A	0.5	0.0	N/A	0.0	0.6	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	0.83 EUR	-1.2	-6.7	-33.1	-40.7	1.07	99.2	155.0	34.0	33.7	6.1	7.8	0.02	4,963	Neg.	N/A	N/A	Neg.	N/A	N/A	2.2	N/A	N/A	1.8	35.9
Agroliga	AGL PW	Warsaw	16.55 PLN	-1.1	-8.5	-36.2	-39.6	5.10	7.8	8.7	16.7	1.3	1.8	1.7	0.24	417	1.9	N/A	N/A	2.5	N/A	N/A	0.4	N/A	N/A	0.6	5.7
Agroton	AGT PW	Warsaw	2.19 PLN	+2.3	+5.3	+12.3	-0.9	0.67	14.6	59.9	26.2	3.8	62.5	93.8	3.57	28	Neg.	2.1	1.8	22.4	6.3	3.7	0.7	0.7	0.7	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	36.60 PLN	-2.5	-2.9	-45.3	-47.7	11.27	281.9	533.8	31.0	87.4	2.3	94.9	0.06	1,654	8.5	27.2	4.3	7.0	4.2	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	-24.7	8.28	528.9	759.8	21.7	114.8	102.2	163.4	0.14	693	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	8.11 PLN	-0.4	-2.2	-33.3	-46.6	2.50	78.2	229.2	23.9	18.7	5.0	40.6	0.10	1,001	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	25.15 PLN	+1.0	-7.2	-33.9	-50.2	7.75	617.3	1,524.0	58.8	362.8	359.0	1,080.7	0.36	275	5.5	18.3	4.4	5.2	6.4	4.7	0.5	0.6	0.6	0.6	30.6
KSG Agro	KSG PW	Warsaw	1.50 PLN	-3.2	-66.9	-86.2	-85.4	0.46	6.9	118.0	34.4	2.4	232.5	213.9	19.98	5	Neg.	0.6	0.3	4.5	3.0	2.5	1.7	1.2	1.1	0.4	44.0
MHP	MHPC LI	London Intl	12.60 USD	+2.9	+2.9	-26.1	-23.6	12.60	1,331.4	2,541.7	22.3	297.2	538.4	1,402.4	0.58	171	8.5	11.4	4.6	6.5	5.3	5.0	1.7	1.8	1.6	2.3	47.0
Milkiland	MLK PW	Warsaw	4.63 PLN	-1.5	-10.6	-63.0	-55.0	1.43	44.6	174.6	20.0	8.9	16.4	5.3	0.10	969	3.2	Neg.	2.3	5.3	4.5	5.0	0.4	0.4	0.4	0.2	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	1.81 EUR	+0.0	+25.4	-66.5	-57.4	2.34	248.8	976.5	20.0	49.8	4.7	4.5	0.02	6,143	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	70.00 PLN	+0.0	+0.7	-30.0	-22.2	21.56	129.4	136.9	25.0	32.3	3.2	36.8	0.08	1,181	4.2	6.6	6.5	3.7	5.2	4.8	1.5	1.8	1.4	1.0	8.5
<b>TRANSPORTATION</b>																											
KDM Shipping	KDM PW	Warsaw	7.36 PLN	+0.5	-18.5	-76.6	-77.6	2.27	21.1	4.5	10.9	2.3	0.3	0.8	0.01	12,097	3.1	N/A	N/A	0.4	N/A	N/A	0.1	N/A	N/A	0.3	5.6
<b>CONSTRUCTION</b>																											
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
<b>FINANCIAL SERVICES</b>																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.13 UAH	-4.5	-9.7	+12.2	+41.7	0.01	295.0	N/A	3.8	11.3	61.9	26.9	0.27	377	3.8	Neg.	13.0	N/A	N/A	N/A	N/A	N/A	N/A	0.5	28.3

Table 1. Ukrainian stocks (closing prices as of 15-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	Debt/(x) Assets	
Ukrsotsbank	USCB UK	Kiev, UX	0.15 UAH	-7.1	-12.4	-17.4	+21.9	0.01	217.1	N/A	4.5	9.7	7.8	11.2	0.01	8,303	Neg.	11.5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.3	30.9

Notes: mln - millions; FF - free float; n/a - not available; neg. - negative; a company name (the left column of the table) is shortened to fit the column and hence in some cases is not displayed in full; \*\*\* - P/E is above 10,000x. Sources: Bloomberg, ICU.

## FX: News & Comments

### Hryvnia held back by global US dollar gains

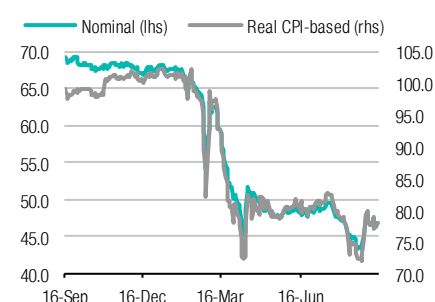
Although the hryvnia's NBU-reported weighted average rate remained for the second consecutive day at 12.9/USD, the new level of comfort, a discrepancy occurred when private sector market players pushed the market rate below 12.9/USD when Bloomberg recorded the currency's spot rate closing at 12.9550/USD, up 0.15% from the previous day. In effect, the market is refusing to hold the 12.9/USD floor.

As the USD has continued to strengthen, the Russian ruble has fallen 1.54% to a new low nominal level of 38.3315/USD as a result not only of further sanctions imposed by the West but also because of the global trend toward weak macroeconomics, as exemplified by China's disappointing growth reading as reported yesterday. The price of crude oil rose 0.13% yesterday. As all three news events pushed the US dollar's value even higher, the hryvnia's trade weighted value rose 0.70%.

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### ICU's UAH trade-weighted indices

(Last 12-month history to 16 Sep 2014)



Source: Investment Capital Ukraine LLC.

### FX market indicators (as of 15 Sep 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	12.9550	-0.15	+1.21	-1.30	+57.22
NBU avg	12.9031	-0.36	+0.63	-1.77	+58.30
Ttl vlm <sup>1</sup>	304.87	+1.77	-33.81	-38.69	-89.12
\$ volume <sup>2</sup>	200.94	+7.24	-37.29	-53.89	-90.91
NDF 3M	14.3400	+2.06	+4.40	+5.19	+69.00
NDF 6M	14.5500	+0.00	+3.93	+3.53	+65.72
NDF 1Y	15.3000	-0.65	+3.38	+2.89	+62.42
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	46.704	+0.70	+0.09	+4.66	-30.85
UAH real CPI	77.812	+0.70	+0.09	+4.66	-23.01
UAH real PPI	117.192	+0.70	+0.09	+4.66	-15.56
USD nom'l	84.264	+0.03	+0.04	+3.49	+5.28
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	38.3315	+1.54	+3.71	+5.93	+16.62
EUR/USD	1.2940	-0.18	+0.35	-3.44	-5.84
USD/CNY	6.1414	+0.10	+0.00	-0.09	+1.44
USD/PLN	3.2419	-0.05	+0.01	+3.29	+7.24
USD/TRY	2.2145	-0.38	+1.88	+2.18	+3.09
USD/BYR	10,505.00	-0.05	+0.10	+1.11	+10.12
USD/KZT	181.9900	+0.05	-0.01	-0.03	+17.97
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	107.1900	-0.14	+1.09	+4.72	+1.79
GBP/USD	1.6233	-0.22	+0.80	-2.76	-1.96
USD/CHF	0.9352	+0.21	-0.03	+3.61	+4.74
AUD/USD	0.9028	-0.11	-2.73	-3.15	+1.24
USD/CAD	1.1055	-0.34	+0.74	+1.45	+4.07
USD/BRL	2.3429	+0.17	+3.33	+3.66	-0.81
USD/KRW	1,037.98	+0.25	+1.39	+2.10	-1.13
<b>COMMODITIES</b>					
Gold(\$/oz)	1,233.28	+0.29	-1.77	-5.48	+2.29
WTI crude <sup>3</sup>	92.92	+0.70	+0.28	-4.55	-5.59
Brent crd <sup>3</sup>	96.54	+0.13	-2.91	-5.34	-12.89
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	281.84	-0.02	-1.71	-2.79	+0.60

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.

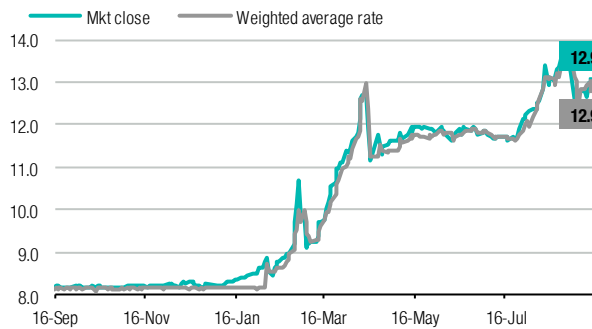
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

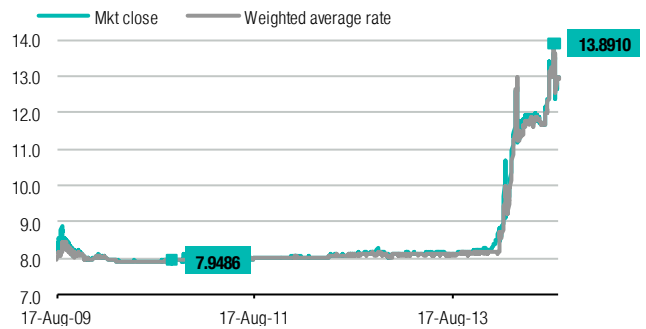
Section on FX market is continued on next page.

### 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)**

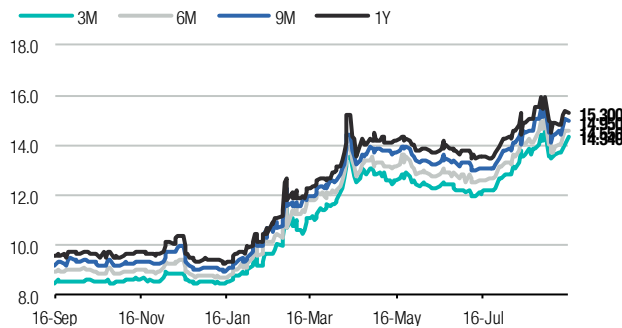


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

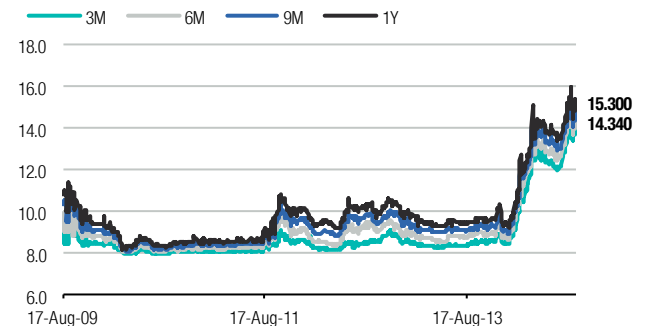


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

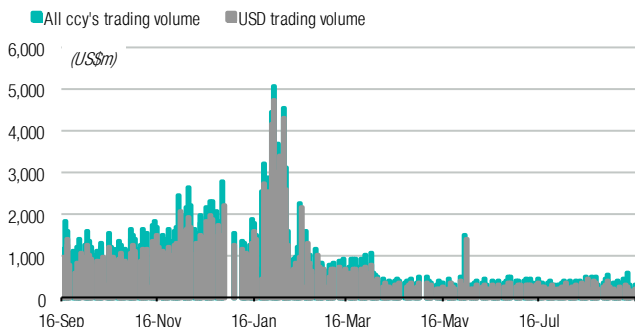


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

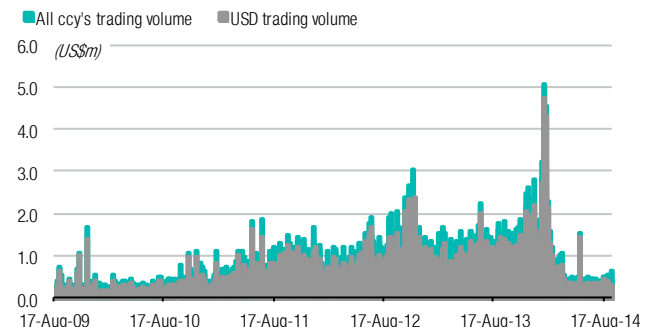


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

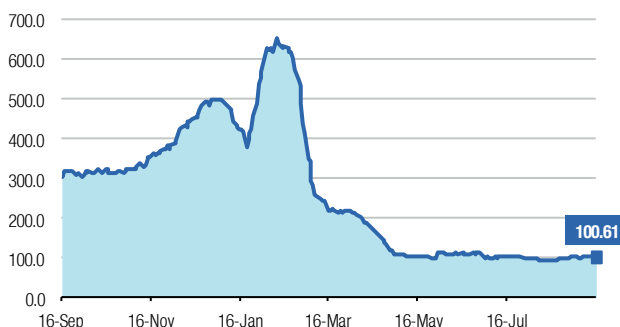


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)**



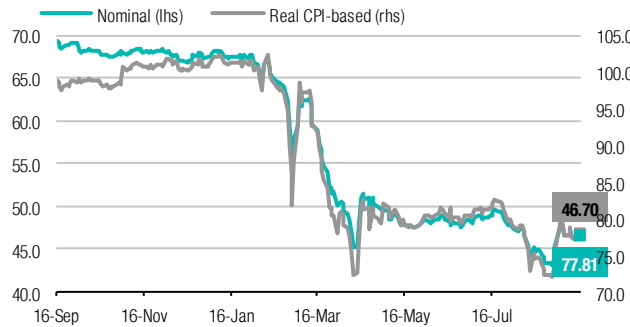
Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

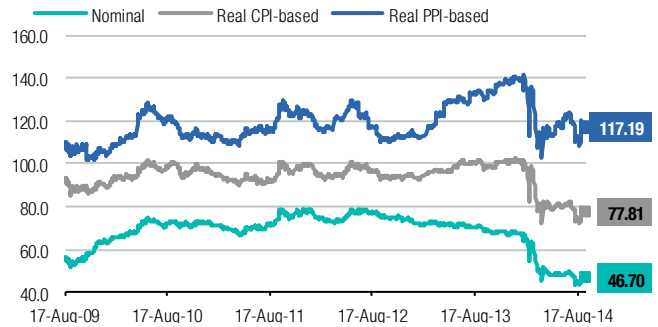
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



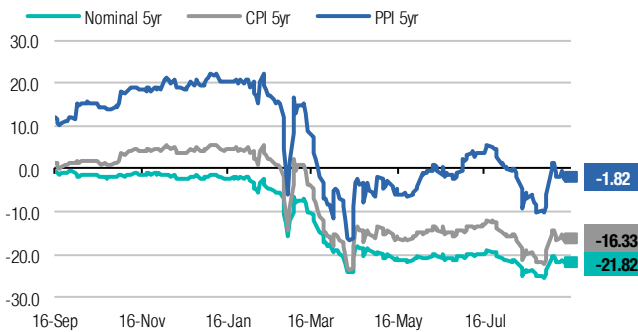
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

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

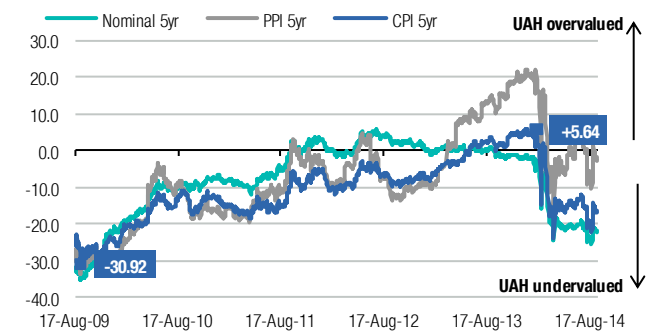


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

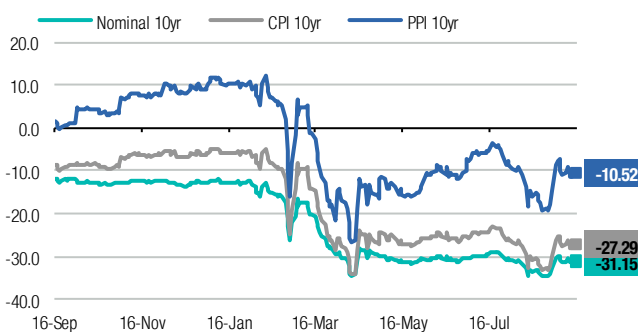


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

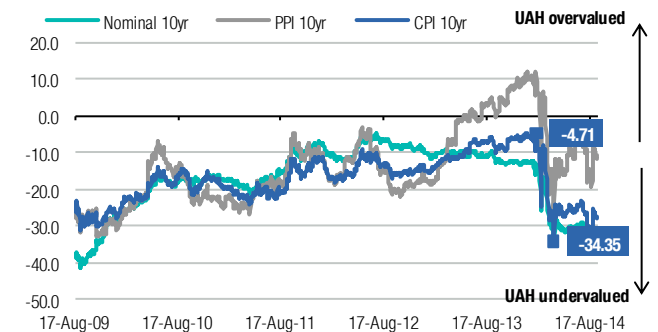


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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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