



Focus  
**Ukraine**

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

Research team  
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# Daily Insight

## FX market under tight grip of authorities

THURSDAY, 25 SEPTEMBER 2014

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### UX Index (3 months to 25 Sep 2014)



Source: UX.

### Key market indicators (as of 24 Sep 2014)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	13.2500	+0.00	+60.80
USD/UAH (1Y NDF)	16.1250	-5.83	+71.18
EUR/USD	1.2780	-0.52	-7.01
USD/RUB	38.1862	-1.05	+16.17
KievPRIME O/N (%)	8.00	-38bp	+20bp
KievPRIME 1M (%)	15.33	-30bp	-92bp
<b>SOVEREIGN EUROBONDS: yields and spreads</b>			
Ukraine 15, Eurobond (%)	18.17	-196bp	+981bp
Ukraine 17, Eurobond (%)	14.32	-98bp	+476bp
Ukraine 22, Eurobond (%)	10.42	-33bp	+107bp
Ukraine 23, Eurobond (%)	10.24	-53bp	+119bp
Ukraine 5Y CDS	1,234bp	-12bp	+417bp
<b>EQUITIES</b>			
<b>Stock market indices</b>			
UX (Ukraine)	1,084.71	-0.06	+19.19
MSCI World	423.72	+0.41	+3.71
MSCI EM	1,035.31	+0.24	+3.25
RTS (Russia)	1,189.23	+1.88	-17.57
WIG-20 (Poland)	2,475.05	-0.41	+3.08
S&P 500 (USA)	1,998.30	+0.78	+8.11

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

After rising significantly on Tuesday, banking sector liquidity fell a whopping UAH9.85bn to UAH55.81bn yesterday as banks' correspondent accounts with the NBU declined UAH10.26bn to UAH31.17bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH7.56bn and total CDs outstanding rose UAH0.42bn to UAH17.08bn.

KyivPrime interest rates slightly declined: the KyivPrime ON interest rate fell 38bp to 8.00% while the KyivPrime 1M interest rate declined 30bp to 15.33%.

**Investment implications: On Monday and Tuesday, the NBU purchased a significant volume of government bonds, most likely to provide FX funds for Naftogaz, causing high volatility. Although these deals were mostly technical, total CDs outstanding rose to this year's record high yesterday, showing that banks have sufficient liquidity to avert bond or loan issuances.**

## Eurobond YTM's correct slightly

At yesterday's close, the yield curve adjusted to the range of 10.24-18.28% as UKRAIN 6.875% '15 fell 186bp to 18.28%, UKRAIN 6.58% '16 declined 74bp to 14.56%, and UKRAIN 6.75% '17 declined 58bp to 12.64%, while UKRAIN 9.25% '17 declined 96bp to 14.31%, UKRAIN 7.95% '21 was up 59bp to 10.81%, UKRAIN 7.80% '22 slid 30bp to 10.42% and UKRAIN 7.50% '23 declined 49bp to 10.24%. The 5-year CDS slid to 1,234bp.

**Investment implications: The significant increase on Tuesday corrected yesterday and the yield curve slightly adjusted to below 20% but remained above 10.0% on high risks of an imminent default. Despite the negative expectations, the MoF most likely fulfil the scheduled debt repayment as well as the Naftogaz Eurobond redemption.**

## Unscheduled primary auction

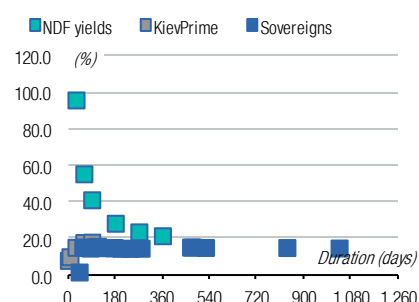
The MoF held an unscheduled auction and offered only one 10-year bond yesterday. Demand was likely supported by domestic QE as the MoF decreased the interest rate by 200bp and increased the maturity tenfold compared with the auction held one day earlier.

**Investment implications: Yesterday's auction was held with same day settlement for the MoF to refinance debt repayments, of which it refinanced 87.61% of the UAH1.60bn in principal repayments due yesterday. Yesterday's total scheduled repayments amounted to UAH2.14bn, of which UAH0.18bn was in FX.**

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## Yield curve of the local bond market

(as of market close on 24 Sep 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

## Bond market indicators (as of 24 Sep 2014)

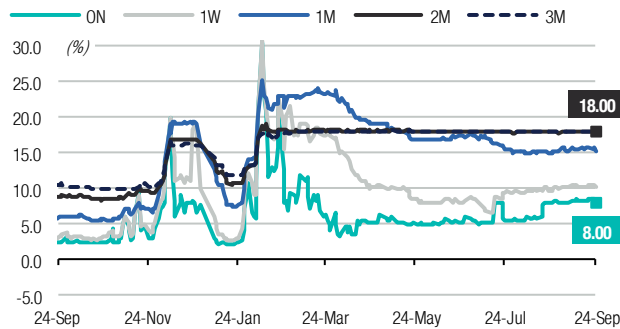
	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
O/n	8.00	-38bp	-25bp	+0bp	+20bp
1wk	10.25	-13bp	-6bp	+50bp	+45bp
1m	15.33	-30bp	-42bp	+33bp	-92bp
2m	17.83	-17bp	-17bp	-17bp	+143bp
3m	18.00	+0bp	+0bp	+0bp	+200bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	31,173	-24.77	-6.43	-5.91	-4.68
CDs <sup>2</sup>	17,077	+2.51	+18.67	+18.37	+2,322.3
Sovgns <sup>3</sup>	5,689	-25.62	-11.37	+63.92	+280.5
<b>Total</b>	<b>53,938</b>	<b>-17.96</b>	<b>-0.34</b>	<b>+5.70</b>	<b>+54.54</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	262,168	+3.01	+8.64	+10.71	+80.99
Banks	89,066	+0.17	+2.35	+0.19	+11.10
Resid's <sup>4</sup>	17,391	-30.46	-54.40	+9.22	+40.29
Non-res <sup>5</sup>	20,157	-0.12	+2.89	+0.27	+72.30
<b>Total</b>	<b>388,783</b>	<b>+0.05</b>	<b>+0.70</b>	<b>+7.48</b>	<b>+56.07</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	+0bp	+542bp	-81ppt
<b>EUROBONDS USD SOVEREIGN BOND YIELDS (%)</b>					
CDS 5yr	1,234	-12bp	+4bp	+286bp	+417bp
Jun '16	15.17	-98bp	-45bp	+543bp	+629bp
Jul '17	14.32	-98bp	-35bp	+463bp	+476bp
Sep '20	10.83	-58bp	-30bp	+169bp	+163bp
Sep '21	10.81	-63bp	-21bp	+159bp	+159bp
Sep '22	10.42	-33bp	-16bp	+151bp	+107bp
Feb '23	10.24	-53bp	-26bp	+133bp	+119bp

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.

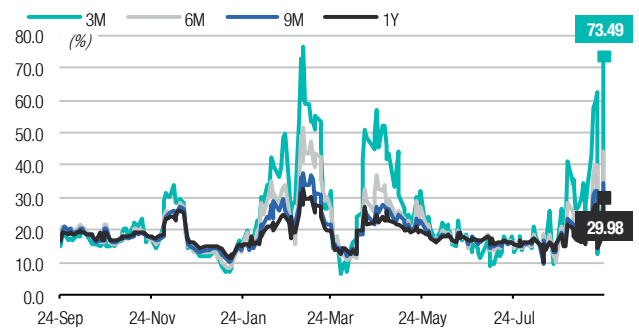
Chart page: Local bond market & Eurobond markets

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



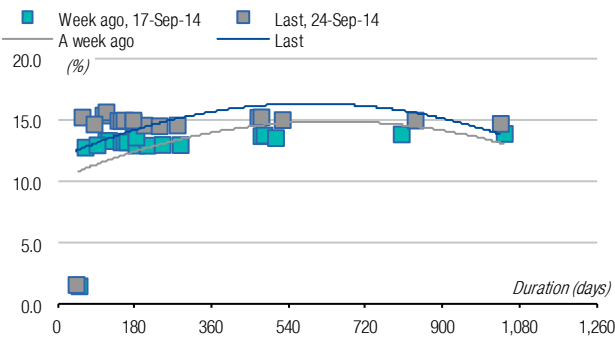
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



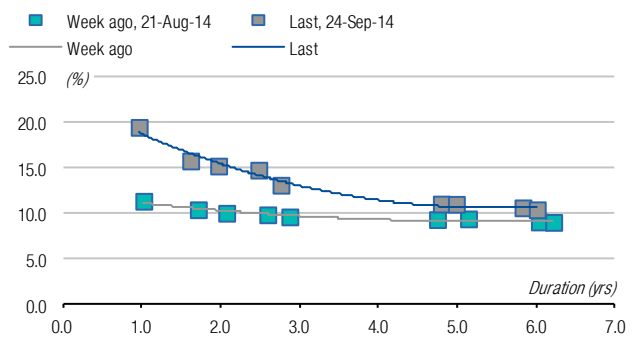
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 24 Sep 2014



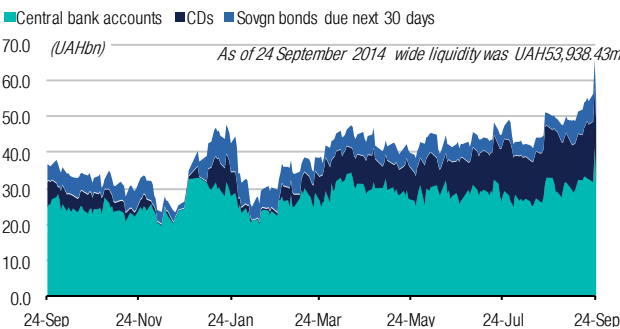
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 24 Sep 2014



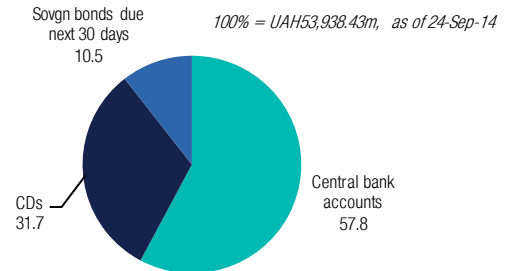
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



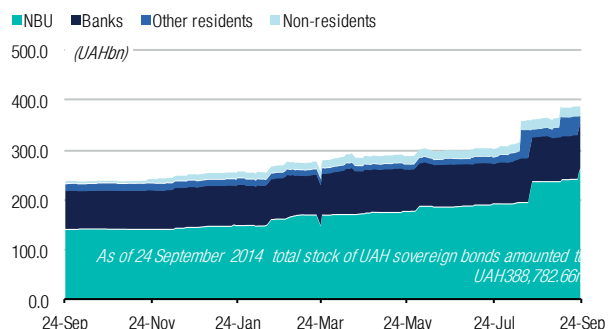
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 24 Sep 2014



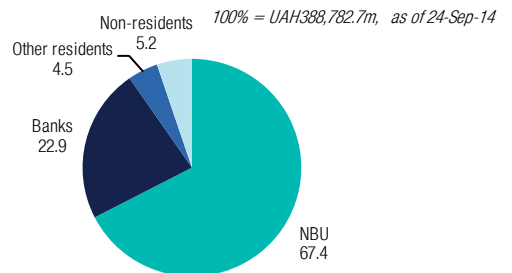
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 24 Sep 2014



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

Table 1. Ukrainian stocks (closing prices as of 24-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	11.13 GBp	-1.1	-4.3	+7.2	-32.6	0.18	42.0	-21.1	40.2	16.9	6.4	28.7	0.25	393	Neg.	Neg.	Neg.	3.2	N/A	N/A	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.44 UAH	+0.5	-6.3	+56.0	+51.4	0.57	212.2	261.2	21.7	46.1	41.2	268.9	0.14	714	5.6	4.9	7.4	0.5	3.8	3.9	0.5	0.3	0.3	1.1	12.2
Coal Energy	CLE PW	Warsaw	0.98 PLN	+2.1	+4.3	-6.7	-60.5	0.30	13.5	139.4	25.0	3.4	18.5	54.5	3.94	25	Neg.	N/A	N/A	6.2	N/A	N/A	1.1	N/A	N/A	0.1	39.8
Donbasenergo	DOEN UK	Kiev, UX	27.79 UAH	+2.1	-27.0	+0.7	+29.4	2.15	50.7	87.4	14.2	7.2	16.5	32.8	0.21	465	1.2	1.2	1.3	0.3	1.4	1.1	0.2	0.2	0.2	1.0	17.8
JKX Oil & Gas	JKX LN	London	45.00 GBp	+4.0	-0.8	-37.1	-26.8	0.73	126.1	131.3	47.2	59.5	44.9	38.3	0.05	1,852	19.4	21.0	3.8	2.0	2.4	2.1	0.7	0.8	0.7	0.3	5.5
Regal Petroleum	RPT LN	London	9.25 GBp	+2.8	+37.0	-28.8	-33.9	0.15	48.4	21.6	80.9	39.2	1.2	10.0	0.01	7,593	Neg.	24.2	N/A	1.0	0.8	N/A	0.6	0.5	N/A	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	132.90 UAH	+0.0	-3.8	+47.0	+63.5	10.26	131.3	221.2	5.0	6.6	0.0	1.8	0.01	11,621	2.9	N/A	N/A	1.5	N/A	N/A	0.3	N/A	N/A	1.1	0.0
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.02 UAH	-0.4	-31.1	-39.5	-37.3	0.00	46.8	2,258.6	3.9	1.8	0.9	15.1	0.30	328	Neg.	Neg.	N/A	N/A	Neg.	N/A	2.0	1.2	N/A	N/A	64.5
Avdiyivsky Cok...	AVDK UK	Kiev, UX	2.35 UAH	-2.3	-20.6	-20.7	-25.4	0.18	35.3	32.5	4.0	1.4	2.8	13.2	0.78	128	Neg.	228.8	0.6	Neg.	0.6	0.3	0.1	0.0	0.0	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.65 UAH	+0.5	-25.7	-3.7	+6.1	0.05	209.4	N/A	4.1	8.6	5.3	10.4	0.13	773	Neg.	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	127.90 GBp	+1.9	-7.3	-31.2	-25.9	2.09	1,228.9	1,431.4	22.4	275.3	1,027.1	1,276.4	0.44	228	4.7	4.4	7.7	2.9	2.8	3.9	0.9	1.0	1.0	1.1	35.1
Yasinivsky Cok...	YASK UK	Kiev, UX	0.46 UAH	+2.2	-29.2	-13.2	-19.7	0.04	9.7	10.8	9.0	0.9	0.0	4.9	1.17	85	Neg.	0.9	0.5	0.0	0.4	0.3	0.0	0.0	0.0	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	25.02 UAH	+0.1	-35.3	-21.8	-24.9	1.93	20.4	16.4	9.4	1.9	0.9	15.7	0.33	304	3.8	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	0.80 EUR	+1.3	-10.1	-35.5	-39.8	1.02	94.3	149.4	34.0	32.1	16.3	7.5	0.02	4,217	Neg.	N/A	N/A	Neg.	N/A	N/A	2.2	N/A	N/A	1.7	35.9
Agroliga	AGL PW	Warsaw	15.19 PLN	-1.1	-15.5	-41.4	-50.5	4.64	7.1	8.0	16.7	1.2	8.8	1.9	0.38	265	1.8	N/A	N/A	2.3	N/A	N/A	0.4	N/A	N/A	0.6	5.7
Agroton	AGT PW	Warsaw	2.14 PLN	+1.4	+0.0	+9.7	-18.3	0.65	14.2	59.5	26.2	3.7	23.7	88.6	3.75	27	Neg.	2.0	1.8	22.2	6.3	3.7	0.7	0.7	0.7	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	37.16 PLN	+1.3	-1.1	-44.5	-46.9	11.36	284.0	532.7	31.0	88.1	1,434.3	134.8	0.22	461	8.7	27.8	4.4	7.0	4.3	4.7	1.1	1.1	1.1	0.8	38.2
Avangard	AVGR LI	London Intl	7.99 USD	+0.0	-11.2	-32.0	-27.4	7.99	510.3	741.3	21.7	110.7	77.2	149.8	0.16	636	2.2	3.3	2.9	2.5	3.9	4.1	1.1	1.2	1.1	0.4	17.8
IMC	IMC PW	Warsaw	7.13 PLN	-7.2	-15.5	-41.3	-52.5	2.18	68.2	219.2	23.9	16.3	22.5	32.9	0.22	445	2.6	6.8	1.5	4.1	4.0	3.9	1.9	1.2	1.2	0.4	38.7
Kernel Holding...	KER PW	Warsaw	25.50 PLN	+0.2	-7.1	-33.0	-48.9	7.80	621.3	1,527.9	58.8	365.1	575.9	1,057.5	0.41	247	5.6	37.6	4.3	5.3	6.6	4.7	0.5	0.6	0.6	0.6	30.6
KSG Agro	KSG PW	Warsaw	1.39 PLN	-2.8	-69.3	-87.2	-88.4	0.42	6.4	117.5	34.4	2.2	89.2	212.4	24.79	4	Neg.	0.5	0.3	4.5	3.0	2.4	1.7	1.2	1.1	0.4	44.0
MHP	MHPC LI	London Intl	12.44 USD	+0.6	+3.5	-27.0	-22.3	12.44	1,314.5	2,524.8	22.3	293.4	145.5	1,490.1	0.71	141	8.4	11.3	4.5	6.5	5.3	5.0	1.7	1.8	1.6	2.3	47.0
Milkiland	MLK PW	Warsaw	3.95 PLN	-3.7	-16.8	-68.4	-66.2	1.21	37.7	166.1	20.0	7.5	10.5	6.4	0.21	482	2.7	Neg.	N/A	5.0	4.3	4.8	0.4	0.4	0.4	0.2	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	1.45 EUR	+0.0	-12.7	-73.1	-66.7	1.85	196.6	924.4	20.0	39.3	0.0	3.4	0.01	10,713	2.2	2.3	0.9	5.6	3.4	3.1	1.9	2.2	2.1	0.5	45.3
Ovostar Union	OVO PW	Warsaw	69.50 PLN	-0.7	+0.1	-30.5	-31.7	21.25	127.5	135.1	25.0	31.9	285.0	37.4	0.10	1,023	4.2	6.5	6.4	3.7	5.1	4.8	1.5	1.8	1.4	0.9	8.5
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Xetra	0.24 EUR	+0.0	+9.1	-24.3	-45.5	0.31	15.9	191.5	13.1	2.1	0.0	0.2	0.02	4,691	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	-0.2	-7.9	+13.7	+47.9	0.01	298.9	N/A	3.8	11.4	29.4	25.6	0.28	356	3.8	Neg.	13.2	N/A	N/A	N/A	N/A	N/A	N/A	0.6	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.15 UAH	+0.0	-15.7	-22.7	+13.3	0.01	203.1	N/A	4.5	9.1	0.0	8.3	0.01	6,990	Neg.	10.7	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

## FX market under tight grip of authorities

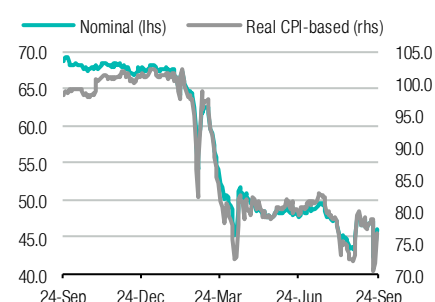
Following Monday's grand meeting that included President Poroshenko, Prime Minister Yatseniuk, NBU Governor Gontareva, and the CEOs of top corporations and banks, government officials and the executives of the top 40 banks convened for another meeting yesterday to formulate a plan to stabilize the hryvnia's FX rate. Over the past few weeks, market players have pushed the currency substantially lower despite NBU authorities' futile tightening measures and support at the auctions. As a last ditch effort, the president, prime minister and central bank governor met directly with the CEOs of the banks and key exporters and importers to demand their compliance in maintaining the USD/UAH rate at 12.9/USD rather than continue to weaken it.

In our view, this is a short term measure. Inevitably, macro data will influence the FX rate, and any stability measures will be unsustainable.

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### ICU's UAH trade-weighted indices

(Last 12-month history to 25 Sep 2014)



Source: Investment Capital Ukraine LLC.

### FX market indicators (as of 24 Sep 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)

#### USD/UAH MARKET (HRYVNIA per US DOLLAR)

Spot mkt	13.2500	+0.00	+3.11	-2.21	+60.80
NBU avg	12.9442	-4.30	-1.06	-3.15	+58.81
Ttl vlm <sup>1</sup>	390.80	-5.67	-1.12	+19.10	-86.05
\$ volume <sup>2</sup>	269.00	-8.88	+3.40	+23.70	-87.83
NDF 3M	14.7100	-6.13	-0.27	+6.02	+73.36
NDF 6M	15.1750	-6.15	-1.46	+6.68	+72.84
NDF 1Y	16.1250	-5.83	-1.38	+3.76	+71.18

#### TRADE-WEIGHTED INDICES (TWIs, points)

UAH nom'l	45.811	-0.19	-2.95	+5.63	-32.17
UAH real CPI	76.325	-0.19	-2.95	+5.63	-24.48
UAH real PPI	114.952	-0.19	-2.95	+5.63	-17.17
USD nom'l	85.037	+0.45	+0.82	+3.28	+6.25

#### FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs

USD/RUB	38.1862	-1.05	-0.49	+5.76	+16.17
EUR/USD	1.2780	-0.52	-0.66	-3.49	-7.01
USD/CNY	6.1342	-0.07	-0.09	-0.30	+1.32
USD/PLN	3.2648	+0.48	+0.29	+3.13	+8.00
USD/TRY	2.2365	-0.13	+0.57	+2.80	+4.11
USD/BYR	10,565.00	+0.14	+0.33	+1.54	+10.74
USD/KZT	181.9000	+0.10	-0.03	-0.12	+17.91

#### OTHER MAJOR CURRENCIES

USD/JPY	109.0400	+0.14	+0.62	+4.90	+3.54
GBP/USD	1.6340	-0.29	+0.39	-1.40	-1.31
USD/CHF	0.9455	+0.60	+0.46	+3.47	+5.89
AUD/USD	0.8885	+0.51	-0.83	-4.64	-0.36
USD/CAD	1.1058	-0.18	+0.55	+1.05	+4.09
USD/BRL	2.3833	-1.19	+1.08	+4.65	+0.90
USD/KRW	1,039.95	+0.00	+0.49	+2.19	-0.94

#### COMMODITIES

Gold(\$/oz)	1,217.06	-0.51	-0.53	-4.92	+0.95
WTI crude <sup>3</sup>	94.00	+1.56	-0.44	-2.13	-4.49
Brent crd <sup>3</sup>	95.06	+0.08	-2.24	-5.10	-14.22
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	280.38	+0.93	-1.31	-2.87	+0.07

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.

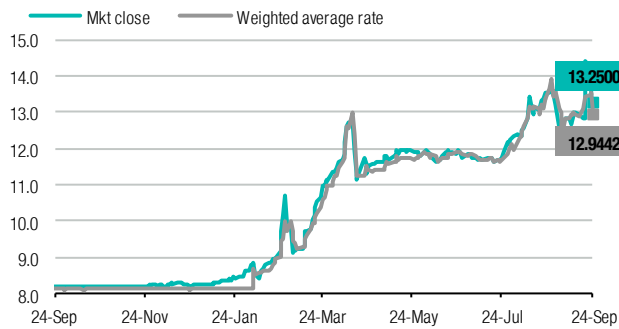
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

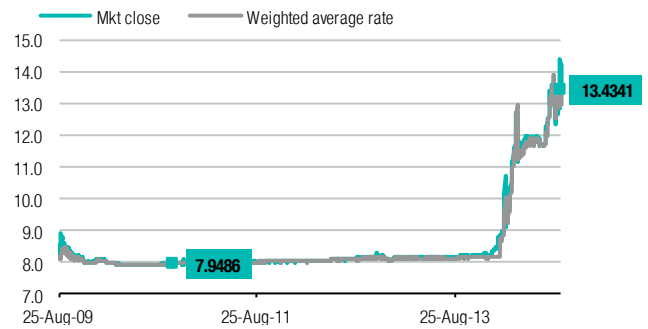
Section on FX market is continued on next page.

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)

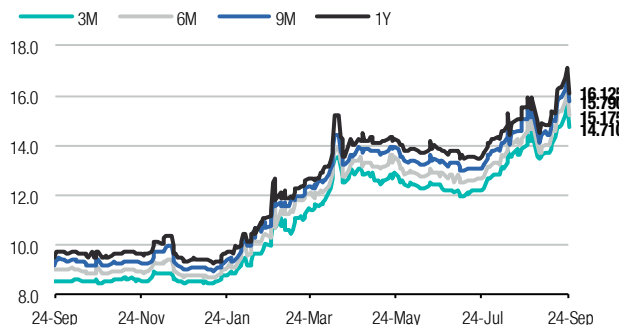


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

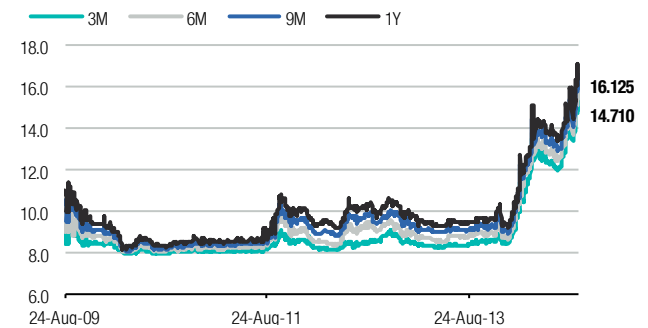


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

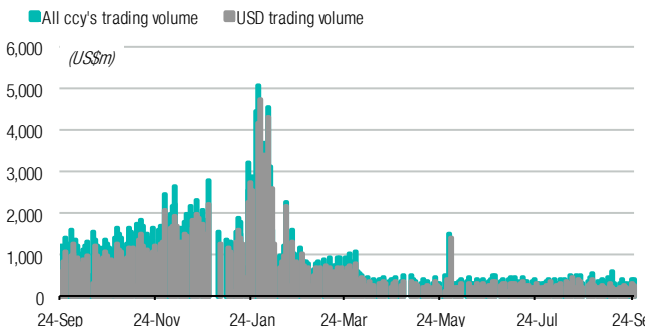


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

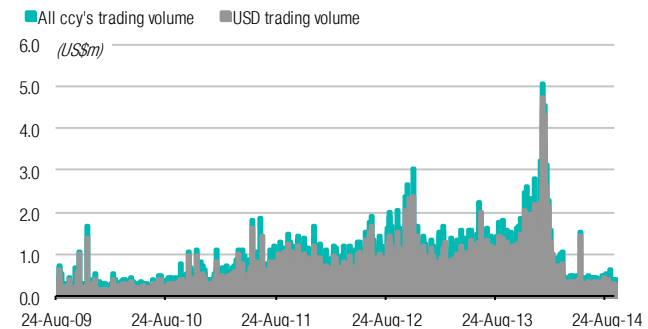


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

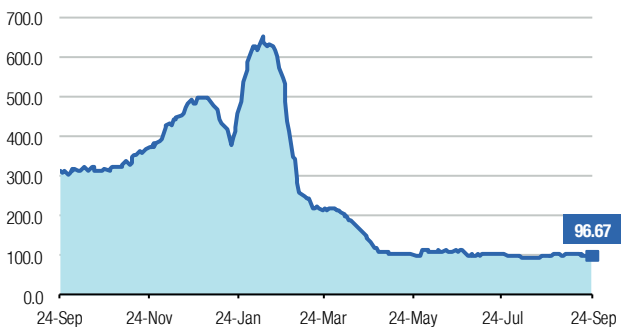


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)

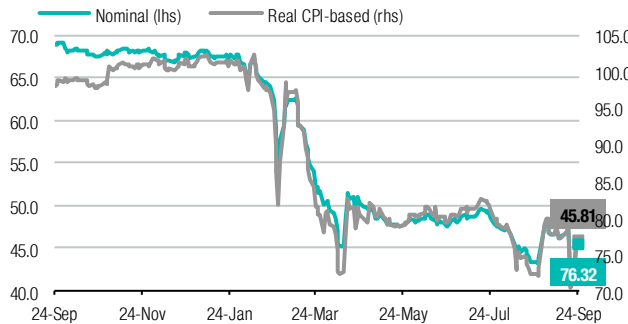


Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

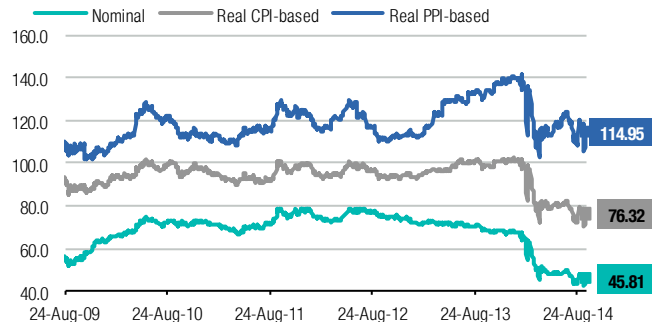
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



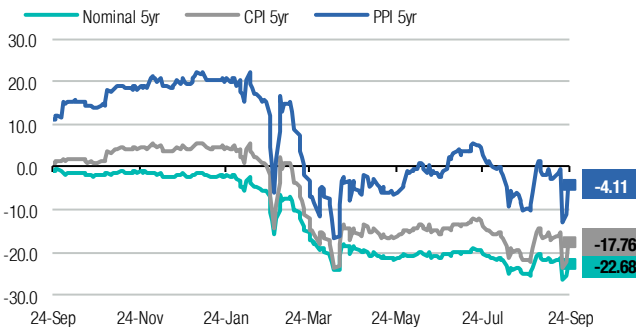
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

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

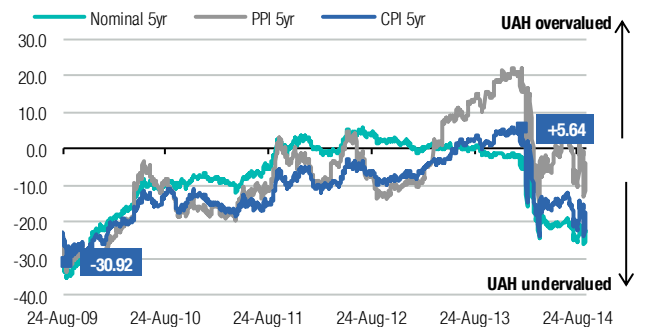


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

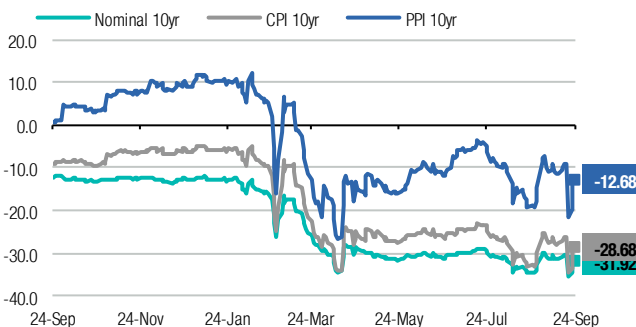


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

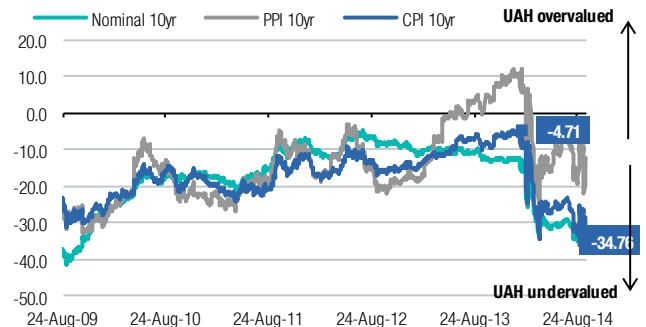


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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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**Hold:** Forecasted 12-month total return is in line with or modestly deviates from relevant benchmark

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