



Focus  
**Ukraine**

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

Research team  
**Taras Kotovych**

# Daily Insight

## Unscheduled primary auction

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**TUESDAY, 30 SEPTEMBER 2014**

### UX Index (3 months to 30 Sep 2014)



Source: UX.

### Key market indicators (as of 29 Sep 2014)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	12.9500	+0.39	+57.16
USD/UAH (1Y NDF)	15.9250	+2.41	+69.06
EUR/USD	1.2685	+0.01	-7.70
USD/RUB	39.4475	+0.71	+20.01
KievPRIME O/N (%)	8.00	+0bp	+20bp
KievPRIME 1M (%)	15.70	+32bp	-55bp
<b>SOVEREIGN EUROBONDS: yields and spreads</b>			
Ukraine 15, Eurobond (%)	19.93	+67bp	+1,157bp
Ukraine 17, Eurobond (%)	14.54	-56bp	+499bp
Ukraine 22, Eurobond (%)	10.48	-20bp	+113bp
Ukraine 23, Eurobond (%)	10.31	-25bp	+126bp
Ukraine 5Y CDS	1,306bp	+2bp	+490bp
<b>EQUITIES</b>			
<b>Stock market indices</b>			
UX (Ukraine)	1,073.37	-0.62	+17.95
MSCI World	417.86	-0.45	+2.28
MSCI EM	1,009.43	-1.41	+0.67
RTS (Russia)	1,126.21	-2.59	-21.94
WIG-20 (Poland)	2,485.51	+0.06	+3.52
S&P 500 (USA)	1,977.80	-0.25	+7.00

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 up significantly

Broader banking sector liquidity rose UAH20.41bn to UAH74.89bn yesterday, setting a new record high since 2012, as a result of a UAH6.14bn increase in banks' correspondent accounts with the NBU to UAH35.95bn and a UAH14.27bn rise in total CDs outstanding to UAH33.34bn, the highest level since 2011. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH5.60bn.

KyivPrime interest rates slightly diverged: the KyivPrime ON interest rate remained steady at to 8.00% while the KyivPrime 1M interest rate rose 32bp to 15.70%.

**Investment implications: Yesterday's increase in liquidity was not caused by the NBU or MoF. Bondholders' structure was not changed significantly, as total government bonds outstanding rose by the same UAH0.72bn, while the NBU issued only UAH11.50m of ON loans. The largest increase was in CDs outstanding, as the NBU sold UAH15.35bn of 5-days CDs to two banks last Friday, an unusual maturity for this instrument. The exact source for this increase remains uncertain.**

## Eurobond YTM's down slightly

At yesterday's, the close yield curve adjusted to the range of 10.30-19.93% as UKRAIN 6.875% '15 rose 76bp to 19.93%, UKRAIN 7.95% '21 was up 6bp to 11.10%, while UKRAIN 6.58% '16 slid 9bp to 14.81%, UKRAIN 6.75% '17 fell 40bp to 12.50%. UKRAIN 9.25% '17 fell 50bp to 14.54%, UKRAIN 7.80% '22 slid 14bp to 10.47% and UKRAIN 7.50% '23 declined 19bp to 10.30%. The 5-year CDS rose to 1,306bp.

**Investment implications: Ukrainian Eurobond YTM's slightly fell yesterday, mostly due to the decline in YTM's of US Treasuries on increased demand for safe haven assets due to the civil protests in Hong Kong. Spreads of Ukrainian Eurobonds to the benchmark did not move significantly.**

## Unscheduled primary auction

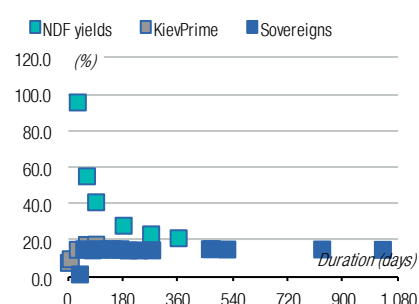
The MoF held an unscheduled primary auction yesterday and sold UAH300.00m of bonds (par value) of 7-year bonds at 15.50% to one bidder.

**Investment implications: While the MoF appears to have used domestic QE to support this auction, the interest rate remained the same as that for the 10-year bonds sold last week. There was no market demand despite the significant increase in liquidity.**

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## Yield curve of the local bond market

(as of market close on 29 Sep 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

## Bond market indicators (as of 29 Sep 2014)

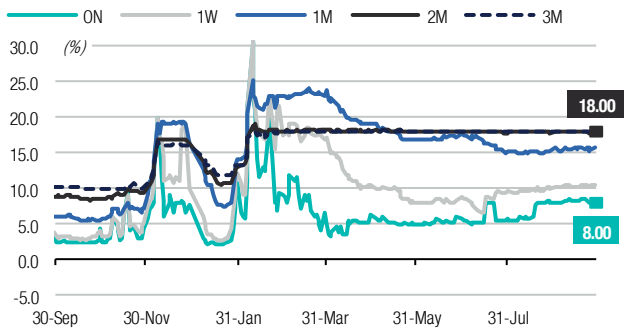
	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
O/n	8.00	+0bp	-40bp	+0bp	+20bp
1wk	10.50	+12bp	+15bp	+50bp	+70bp
1m	15.70	+32bp	+10bp	+53bp	-55bp
2m	18.00	+0bp	+0bp	+17bp	+160bp
3m	18.00	+0bp	+0bp	+0bp	+200bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	35,947	+20.58	+12.84	+22.88	+9.92
CDs <sup>2</sup>	33,342	+74.82	+99.24	+100.9	+4,629.4
Sovgns <sup>3</sup>	6,569	+15.48	-14.10	+91.14	+339.4
<b>Total</b>	<b>75,858</b>	<b>+39.01</b>	<b>+34.89</b>	<b>+53.92</b>	<b>+117.3</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	266,396	+0.00	+10.39	+12.54	+83.91
Banks	85,515	+0.89	-3.62	-5.84	+6.67
Resid's <sup>4</sup>	14,224	+0.09	-62.74	-15.39	+14.74
Non-res <sup>5</sup>	19,434	-0.25	-3.38	-4.09	+66.12
<b>Total</b>	<b>385,570</b>	<b>+0.19</b>	<b>-0.71</b>	<b>+5.75</b>	<b>+54.78</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	1,306	+2bp	+123bp	+221bp	+490bp
Jun '16	15.33	-33bp	+41bp	+327bp	+644bp
Jul '17	14.54	-56bp	-15bp	+256bp	+499bp
Sep '20	11.07	+0bp	+22bp	+89bp	+188bp
Sep '21	11.11	+1bp	+27bp	+100bp	+189bp
Sep '22	10.48	-20bp	+13bp	+63bp	+113bp
Feb '23	10.31	-25bp	-6bp	+51bp	+126bp

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.

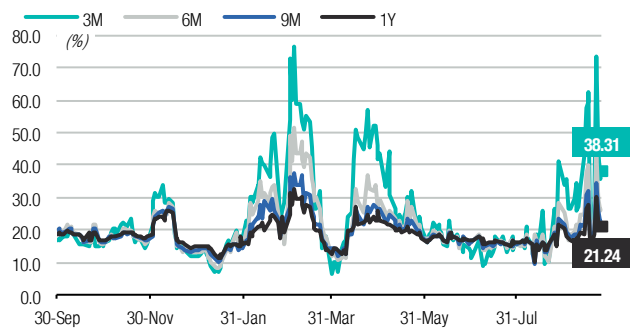
Chart page: Local bond market & Eurobond markets

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



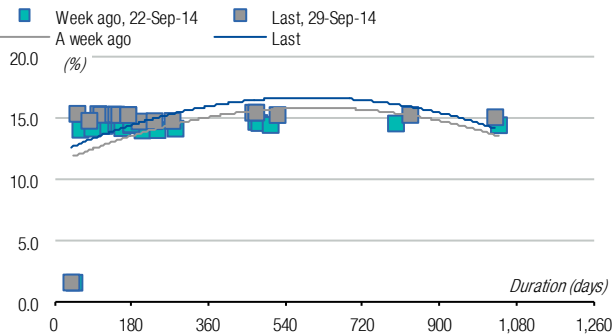
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



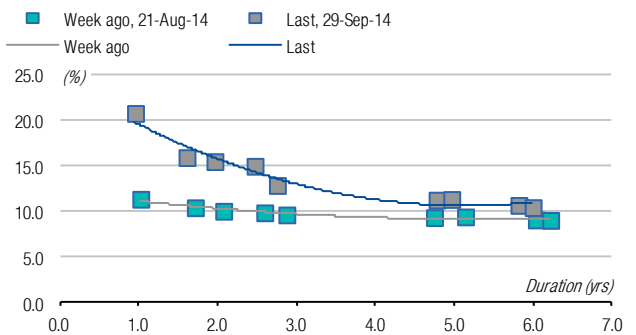
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 29 Sep 2014



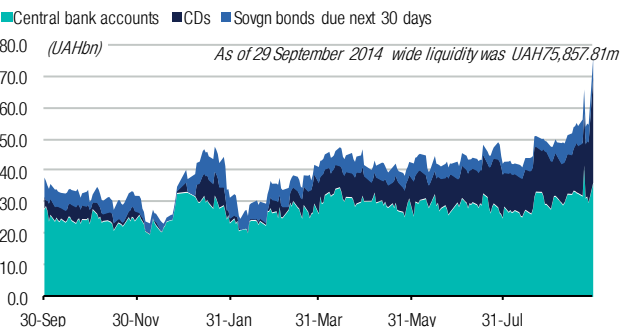
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 29 Sep 2014



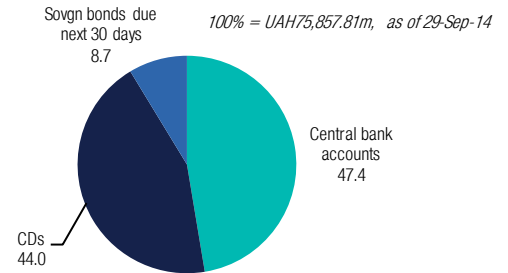
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



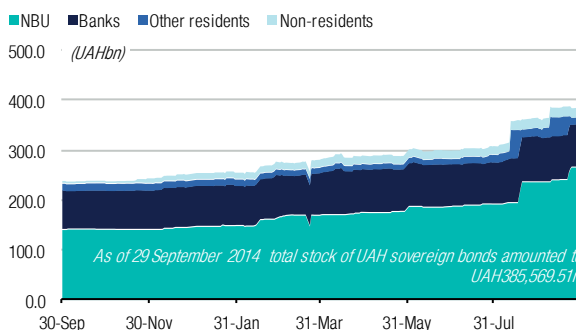
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 29 Sep 2014



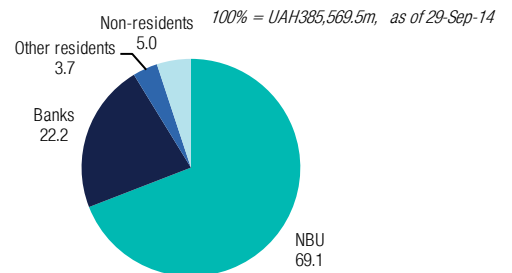
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 29 Sep 2014



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

Table 1. Ukrainian stocks (closing prices as of 29-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	10.88 GBp	+0.0	-5.4	+4.8	-36.0	0.18	40.9	-22.2	40.2	16.4	10.2	28.7	0.20	501	Neg.	Neg.	Neg.	3.4	N/A	N/A	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.28 UAH	+0.0	-5.5	+52.7	+44.6	0.56	207.7	269.0	21.7	45.1	21.6	234.6	0.13	772	5.5	4.8	7.2	0.3	3.9	4.1	0.5	0.3	0.3	1.1	16.3
Coal Energy	CLE PW	Warsaw	0.95 PLN	+1.1	+50.8	-9.5	-61.5	0.29	13.0	138.9	25.0	3.3	8.2	53.2	3.88	26	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	27.52 UAH	+0.0	-21.3	-0.3	+23.8	2.13	50.2	86.9	14.2	7.1	4.1	28.8	0.20	493	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	47.50 GBp	+6.7	+5.3	-33.6	-24.6	0.77	132.8	137.9	47.2	62.7	82.9	40.9	0.06	1,738	20.4	22.1	4.0	2.1	2.6	2.2	0.8	0.8	0.7	0.3	5.5
Regal Petroleum	RPT LN	London	8.25 GBp	-5.7	+10.0	-36.5	-37.7	0.13	43.1	16.2	80.9	34.8	4.8	9.1	0.02	5,581	Neg.	21.5	N/A	0.7	0.6	N/A	0.4	0.4	N/A	0.1	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	146.90 UAH	+0.0	+13.0	+62.5	+69.2	11.34	145.1	235.0	5.0	7.3	0.1	2.0	0.02	5,660	3.2	N/A	N/A	1.6	N/A	N/A	0.3	N/A	N/A	1.3	0.0
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.02 UAH	+0.0	-24.5	-37.4	-41.4	0.00	48.4	2,260.2	3.9	1.9	1.0	13.8	0.27	372	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	2.27 UAH	+0.0	-18.9	-23.4	-29.2	0.17	34.1	30.4	4.0	1.4	1.9	11.3	0.79	127	Neg.	221.0	0.6	0.1	0.6	0.3	0.1	0.0	0.0	0.1	0.1
Azovstal	AZST UK	Kiev, UX	0.64 UAH	+0.0	-19.0	-4.6	+1.3	0.05	207.4	N/A	4.1	8.5	49.2	9.9	0.14	722	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	115.10 GBp	-2.7	-12.9	-38.1	-33.2	1.87	1,103.0	1,305.5	22.4	247.1	1,600.6	1,143.2	0.53	189	4.2	3.9	6.9	2.6	2.6	3.6	0.8	0.9	0.9	1.0	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.43 UAH	+0.0	-24.4	-18.9	-22.8	0.03	9.1	10.2	9.0	0.8	0.4	4.1	1.26	79	Neg.	0.8	0.5	0.0	0.4	0.3	0.0	0.0	0.0	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	25.50 UAH	+0.0	-30.0	-20.3	-24.3	1.97	20.8	16.8	9.4	1.9	23.6	14.1	0.35	287	3.9	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	0.75 EUR	-1.3	-14.8	-39.5	-46.0	0.95	88.0	142.8	34.0	29.9	21.9	7.8	0.03	3,190	Neg.	N/A	N/A	Neg.	N/A	N/A	2.1	N/A	N/A	1.6	35.9
Agroliga	AGL PW	Warsaw	14.66 PLN	-1.5	-14.9	-43.5	-51.3	4.46	6.9	7.7	16.7	1.1	1.8	2.0	0.43	233	1.7	N/A	N/A	2.2	N/A	N/A	0.4	N/A	N/A	0.6	5.7
Agroton	AGT PW	Warsaw	2.08 PLN	+0.0	+16.2	+6.7	-15.1	0.63	13.7	59.0	26.2	3.6	7.1	73.8	3.53	28	Neg.	2.0	1.7	22.1	6.2	3.7	0.7	0.7	0.7	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	38.50 PLN	+1.3	+6.9	-42.5	-46.4	11.71	292.6	540.0	31.0	90.8	323.5	123.6	0.22	449	9.0	28.8	4.5	7.1	4.3	4.8	1.2	1.1	1.1	0.8	38.2
Avangard	AVGR LI	London Intl	7.98 USD	-0.2	-9.4	-32.1	-28.8	7.98	509.4	643.1	21.7	110.5	259.2	150.2	0.15	673	2.2	3.2	2.9	2.1	3.4	3.6	1.0	1.0	1.0	0.5	17.8
IMC	IMC PW	Warsaw	6.92 PLN	-5.2	-17.6	-43.0	-55.2	2.10	65.9	207.0	23.9	15.7	17.5	27.5	0.17	596	2.5	Neg.	1.7	3.8	3.8	3.7	1.8	1.1	1.1	0.4	38.7
Kernel Holding...	KER PW	Warsaw	24.91 PLN	-1.2	-3.3	-34.6	-49.5	7.57	603.5	1,510.2	58.8	354.7	616.0	991.5	0.37	271	5.4	36.5	4.2	5.2	6.5	4.6	0.5	0.6	0.6	0.6	30.6
KSG Agro	KSG PW	Warsaw	1.28 PLN	-0.8	+236.8	-88.2	-90.1	0.39	5.8	117.0	34.4	2.0	25.8	201.6	25.85	4	Neg.	0.5	0.3	4.4	3.0	2.4	1.6	1.2	1.1	0.4	44.0
MHP	MHPC LI	London Intl	11.51 USD	-9.0	-1.2	-32.5	-27.4	11.51	1,216.2	2,426.5	22.3	271.5	197.7	1,265.9	0.74	134	7.8	10.4	4.2	6.2	5.1	4.8	1.6	1.7	1.5	2.1	47.0
Milkiland	MLK PW	Warsaw	3.83 PLN	+3.8	-14.9	-69.4	-68.7	1.16	36.4	164.1	20.0	7.3	17.2	7.1	0.25	406	2.6	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	-23.7	-73.1	-67.5	1.84	195.7	923.5	20.0	39.1	0.0	3.5	0.01	14,337	2.2	2.2	0.9	5.6	3.4	3.1	1.9	2.2	2.1	0.5	45.3
Ovostar Union	OVO PW	Warsaw	69.99 PLN	+0.7	+0.3	-30.0	-27.1	21.28	127.7	135.3	25.0	31.9	0.2	37.4	0.09	1,139	4.2	6.5	6.4	3.7	5.1	4.8	1.5	1.8	1.4	0.9	8.5
<b>TRANSPORTATION</b>																											
KDM Shipping	KDM PW	Warsaw	6.00 PLN	+10.3	-33.6	-80.9	-81.8	1.82	17.0	0.4	10.9	1.8	0.5	0.7	0.02	5,457	2.5	N/A	N/A	0.0	N/A	N/A	0.0	N/A	N/A	0.3	5.6
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Xetra	0.24 EUR	+0.0	+25.0	-24.3	-45.8	0.30	15.8	191.4	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	+0.0	+0.1	+12.3	+39.1	0.01	295.1	N/A	3.8	11.3	8.8	21.3	0.26	382	3.8	Neg.	13.0	N/A	N/A	N/A	N/A	N/A	N/A	0.6	28.3

Table 1. Ukrainian stocks (closing prices as of 29-Sep-2014)

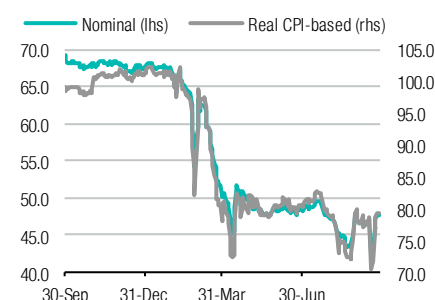
Company	Bloomberg Ticker	Listing	Share price performance (% change)				Valuation (US\$)			Free float (FF) & Liquidity					P/E			EV/EBITDA			EV/Sales			Ratios					
			Last price	Daily	MoM	YTD	YoY	Last price	Market cap (m)	EV (m)	FF (%)	FF mkt cap (US\$m)	Last day turnover (US\$ 000)	3M avg. turnover (US\$ 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	0.14 UAH	+0.0	-15.7	-23.0	-16.0	0.01	202.1	N/A	4.5	9.1	3.3	5.8	0.01	6,854	Neg.	10.7	N/A	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, ICI.

# FX: News & Comments

## ICU's UAH trade-weighted indices

(Last 12-month history to 30 Sep 2014)



Source: Investment Capital Ukraine LLC.

## FX market indicators (as of 29 Sep 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	12.9500	+0.39	-8.64	-1.89	+57.16
NBU avg	12.9082	+0.00	-4.31	-5.13	+58.37
Ttl vlm <sup>1</sup>	255.06	+6.70	-19.86	-33.59	-90.90
\$ volume <sup>2</sup>	184.31	+22.30	-13.81	-35.35	-91.66
NDF 3M	14.7350	+4.32	-3.06	+1.27	+73.66
NDF 6M	15.3000	+4.79	-3.16	+1.66	+74.26
NDF 1Y	15.9250	+2.41	-4.93	-0.16	+69.06
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	47.591	-0.06	+10.82	+5.66	-29.54
UAH real CPI	79.290	-0.06	+10.82	+5.66	-21.55
UAH real PPI	119.419	-0.06	+10.82	+5.66	-13.95
USD nom'l	85.591	-0.06	+0.99	+3.44	+6.94
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	39.4475	+0.71	+1.95	+6.27	+20.01
EUR/USD	1.2685	+0.01	-1.28	-3.40	-7.70
USD/CNY	6.1533	+0.43	+0.21	+0.16	+1.64
USD/PLN	3.2953	-0.10	+1.23	+2.80	+9.01
USD/TRY	2.2793	+0.76	+1.72	+5.38	+6.10
USD/BYR	10,595.00	-0.05	+0.52	+1.58	+11.06
USD/KZT	181.9100	+0.01	-0.04	-0.09	+17.92
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	109.5000	+0.19	+0.61	+5.20	+3.98
GBP/USD	1.6241	-0.06	-0.73	-2.15	-1.91
USD/CHF	0.9513	-0.01	+1.21	+3.60	+6.54
AUD/USD	0.8718	-0.54	-1.75	-6.65	-2.23
USD/CAD	1.1164	+0.09	+1.09	+2.63	+5.09
USD/BRL	2.4477	+1.14	+2.08	+9.47	+3.62
USD/KRW	1,053.88	+0.92	+1.26	+3.95	+0.39
<b>COMMODITIES</b>					
Gold(\$/oz)	1,215.82	-0.21	+0.06	-5.59	+0.84
WTI crude <sup>3</sup>	94.57	+1.10	+3.33	-1.45	-3.91
Brent crd <sup>3</sup>	95.42	+0.21	+0.15	-5.77	-13.90
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	283.14	+1.02	+1.97	-3.28	+1.06

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>).

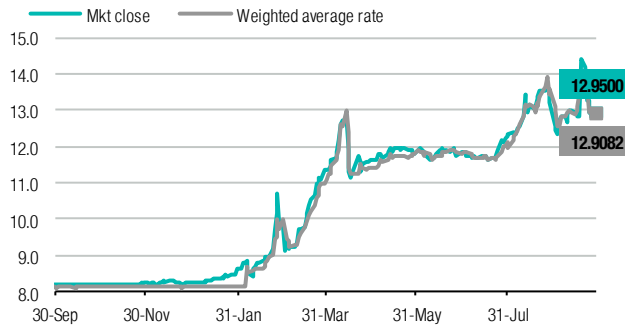
Section on FX market is continued on next page.

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.

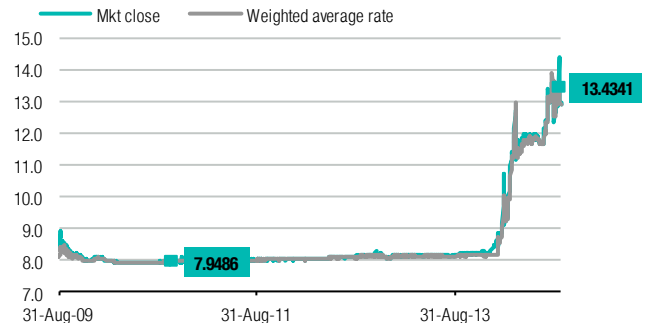
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

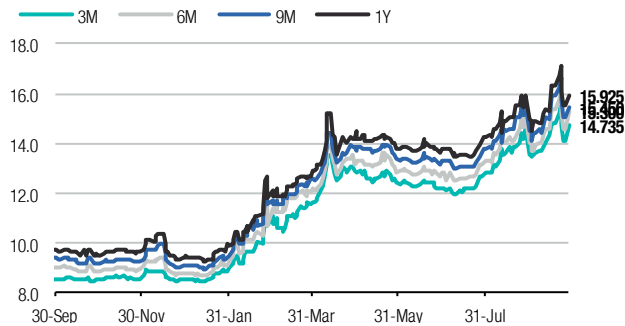


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

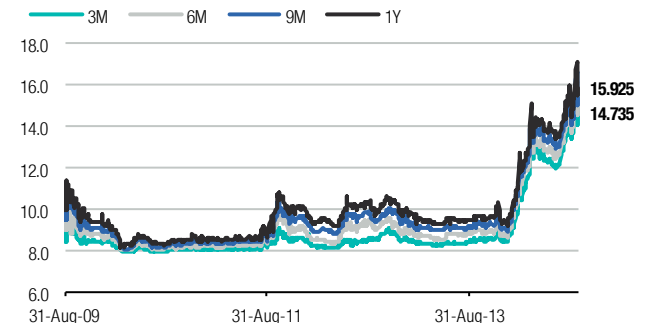


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

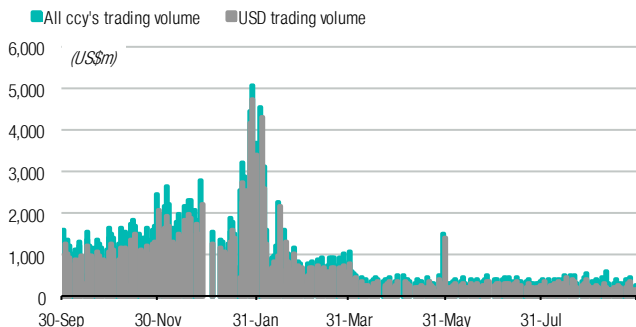


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

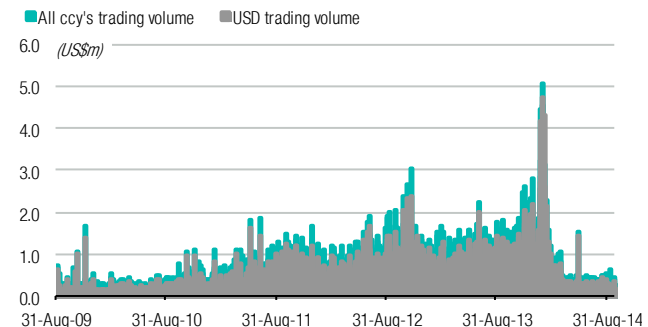


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

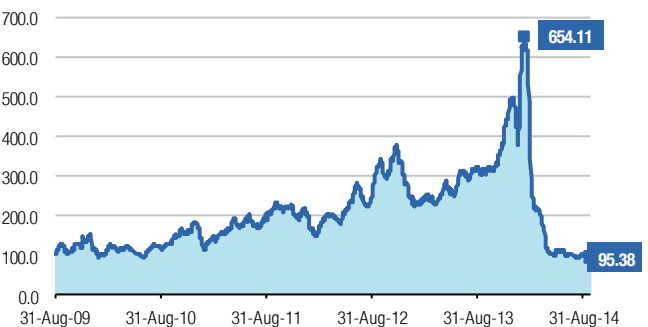
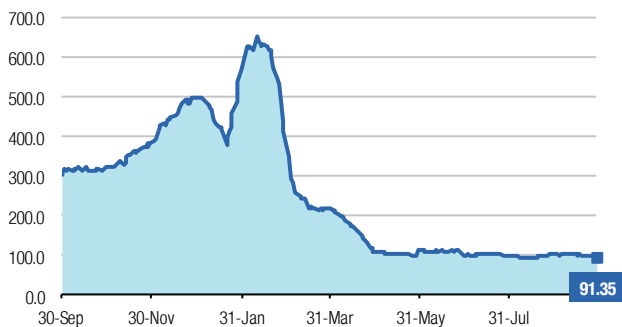


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)

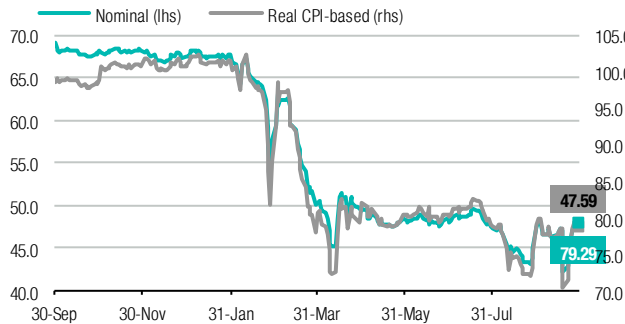


Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

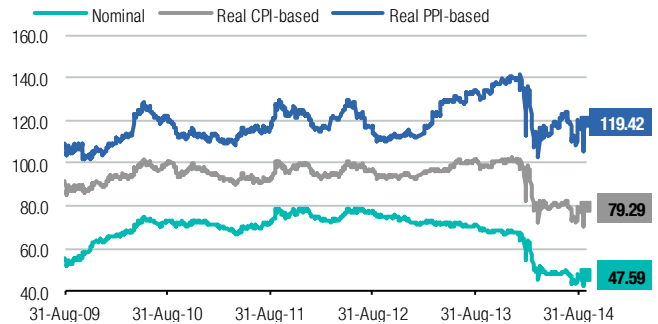
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



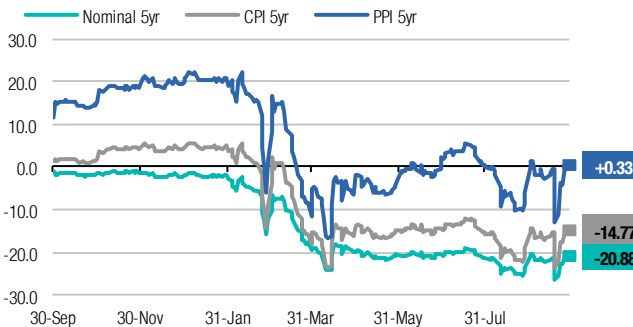
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

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

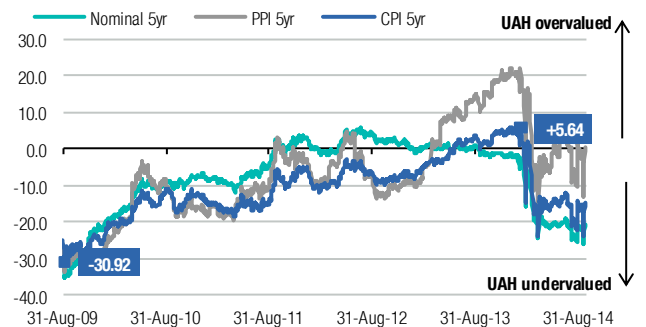


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

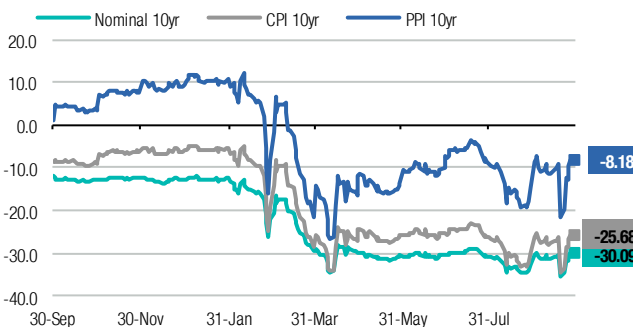


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

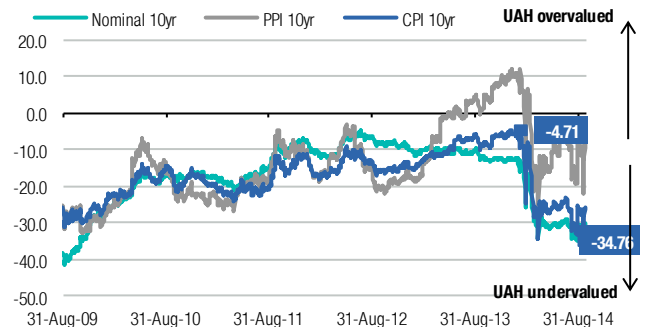


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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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**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.

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