



Focus  
**Ukraine**

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

Research team  
**Alexander Valchyshen**

# Daily Insight

## Hryvnia stable, external environment challenging

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**MONDAY, 6 OCTOBER 2014**

### UX Index (3 months to 6 Oct 2014)



Source: UX.

### Key market indicators (as of 3 Oct 2014)

|  | Last     | Daily chg (%) | YTD chg (%) |
|--|----------|---------------|-------------|
| <b>FX &amp; MONEY RATES</b>                    |          |               |             |
| USD/UAH  | 12.9500  | +0.00         | +57.16      |
| USD/UAH (1Y NDF)                               | 16.0500  | +0.00         | +70.38      |
| EUR/USD  | 1.2516   | -0.98         | -8.93       |
| USD/RUB  | 39.9381  | +0.96         | +21.50      |
| KievPRIME O/N (%)                              | 8.00     | -50bp         | +20bp       |
| KievPRIME 1M (%)                               | 15.00    | -33bp         | -125bp      |
| <b>SOVEREIGN EUROBONDS: yields and spreads</b> |          |               |             |
| Ukraine 15, Eurobond (%)                       | 19.19    | +43bp         | +1,084bp    |
| Ukraine 17, Eurobond (%)                       | 14.43    | +15bp         | +487bp      |
| Ukraine 22, Eurobond (%)                       | 10.56    | +12bp         | +122bp      |
| Ukraine 23, Eurobond (%)                       | 10.48    | +12bp         | +144bp      |
| Ukraine 5Y CDS                                 | 1,313bp  | +8bp          | +496bp      |
| <b>EQUITIES</b>                                |          |               |             |
| <b>Stock market indices</b>                    |          |               |             |
| UX (Ukraine)                                   | 1,075.59 | -1.30         | +18.19      |
| MSCI World                                     | 411.43   | +0.44         | +0.70       |
| MSCI EM  | 997.27   | +0.48         | -0.54       |
| RTS (Russia)                                   | 1,092.12 | -2.17         | -24.30      |
| WIG-20 (Poland)                                | 2,444.06 | +0.40         | +1.79       |
| S&P 500 (USA)                                  | 1,967.90 | +1.12         | +6.47       |

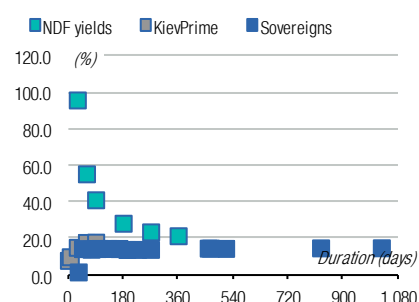
Notes: Chg – percentage change, if not otherwise indicated; [1] – total traded volume for stocks listed in green- or red-shaded box means gain or loss, respectively, of the index or security.

Sources: Bloomberg, UX, Investment Capital Ukraine LLC.

# Bonds: News & Comments

## Yield curve of the local bond market

(as of market close on 3 Oct 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

## Bond market indicators (as of 3 Oct 2014)

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

### MONEY MARKET KIEV PRIME RATES (%)

|     |       |       |       |       |        |
|-----|-------|-------|-------|-------|--------|
| 0/n | 8.00  | -50bp | +0bp  | -10bp | +20bp  |
| 1wk | 10.25 | -17bp | -13bp | +0bp  | +45bp  |
| 1m  | 15.00 | -33bp | -38bp | -50bp | -125bp |
| 2m  | 18.00 | +0bp  | +0bp  | +0bp  | +160bp |
| 3m  | 18.00 | +0bp  | +0bp  | +0bp  | +200bp |

### LIQUIDITY WIDE MEASUREMENT (UAHm)

|                       |               |              |              |              |               |
|-----------------------|---------------|--------------|--------------|--------------|---------------|
| CB acc's <sup>1</sup> | 32,235        | +14.56       | +8.13        | +1.53        | -1.43         |
| CDs <sup>2</sup>      | 12,320        | -1.27        | -35.40       | -1.56        | +1,647.5      |
| Sovgns <sup>3</sup>   | 5,269         | +0.00        | -7.38        | +19.10       | +252.4        |
| <b>Total</b>          | <b>49,824</b> | <b>+8.58</b> | <b>-8.70</b> | <b>+2.33</b> | <b>+42.75</b> |

### HOLDERS OF UAH SOVEREIGN BONDS (UAHm)

|                      |                |              |              |              |               |
|----------------------|----------------|--------------|--------------|--------------|---------------|
| C.bank               | 268,366        | +0.00        | +0.74        | +13.37       | +85.27        |
| Banks                | 84,504         | -0.24        | -0.30        | -5.43        | +5.41         |
| Resid's <sup>4</sup> | 14,182         | +0.97        | -0.20        | -15.89       | +14.40        |
| Non-res <sup>5</sup> | 19,526         | +0.21        | +0.22        | -0.02        | +66.91        |
| <b>Total</b>         | <b>386,577</b> | <b>-0.01</b> | <b>+0.45</b> | <b>+6.65</b> | <b>+55.18</b> |

### NDF IMPLIED YIELDS (%)

|     |       |        |        |        |        |
|-----|-------|--------|--------|--------|--------|
| 3m  | 52.88 | +77bp  | +15bp  | +17bp  | +41bp  |
| 6m  | 33.57 | -116bp | +687bp | +11bp  | +20bp  |
| 9m  | 27.49 | -155bp | +482bp | +817bp | +13bp  |
| 1yr | 24.64 | +0bp   | +340bp | +657bp | +966bp |

### LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)

|                      |     |        |      |        |        |
|----------------------|-----|--------|------|--------|--------|
| 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 |

### EUROBONDS USD SOVEREIGN BOND YIELDS (%)

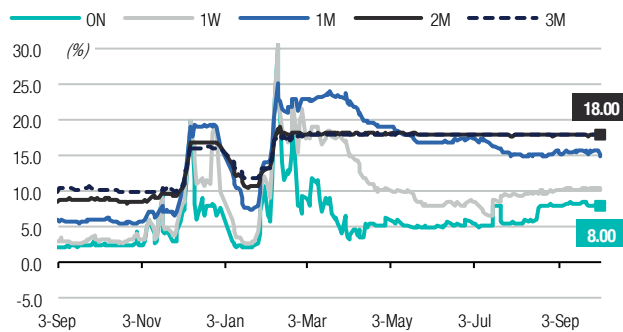
|         |       |       |       |        |        |
|---------|-------|-------|-------|--------|--------|
| CDS 5yr | 1,313 | +8bp  | +9bp  | +245bp | +496bp |
| Jun '16 | 14.91 | +25bp | -74bp | +231bp | +602bp |
| Jul '17 | 14.43 | +15bp | -67bp | +239bp | +487bp |
| Sep '20 | 11.10 | +7bp  | +2bp  | +73bp  | +190bp |
| Sep '21 | 11.11 | +7bp  | +1bp  | +86bp  | +189bp |
| Sep '22 | 10.56 | +12bp | -11bp | +63bp  | +122bp |
| Feb '23 | 10.48 | +12bp | -7bp  | +65bp  | +144bp |

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.

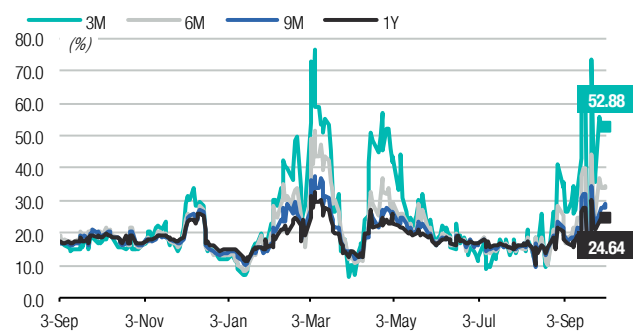
Chart page: Local bond market & Eurobond markets

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



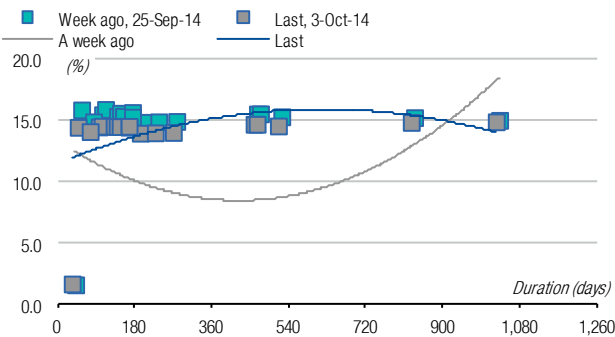
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



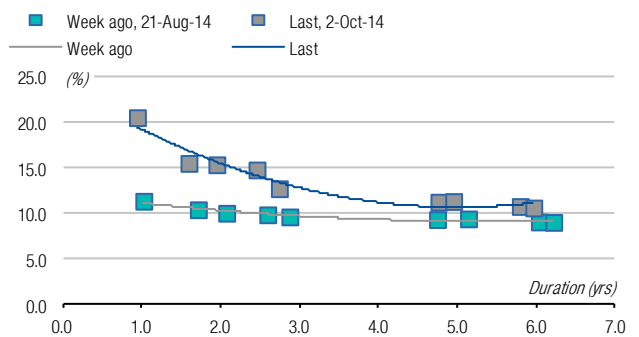
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



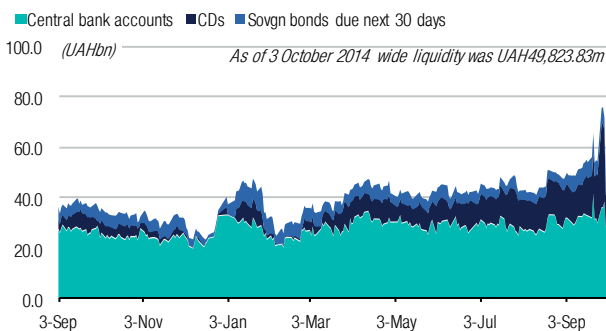
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 3 Oct 2014



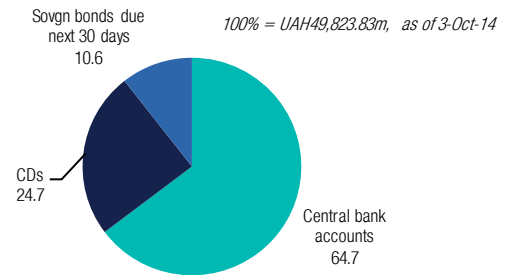
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



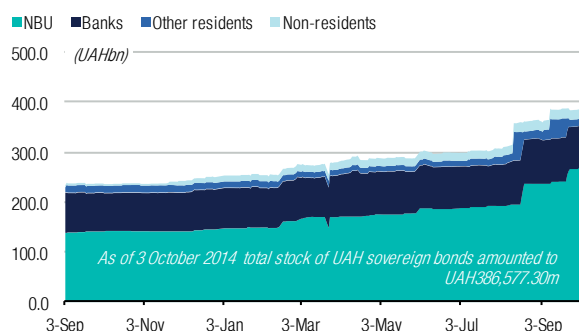
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 3 Oct 2014



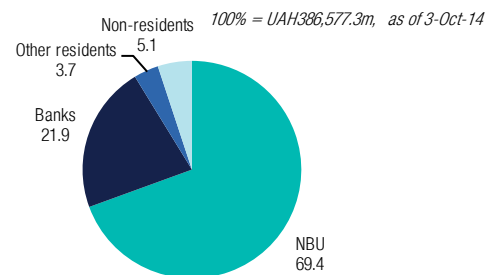
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 3 Oct 2014



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

Table 1. Ukrainian stocks (closing prices as of 3-Oct-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      | 10.63 GBp                          | +2.4  | -9.6  | +2.4  | -33.1 | 0.17             | 39.3           | -23.8   | 40.2                        | 15.8               | 40.8                         | 28.0                        | 0.10                | 953                | Neg. | Neg.  | Neg.      | 3.6  | N/A   | N/A      | Neg. | Neg.  | Neg.   | 0.2     | 0.0              |
| Centrenerg                   | CEEN UK          | Kiev, UX    | 7.28 UAH                           | +0.0  | -6.3  | +52.7 | +46.2 | 0.56             | 207.8          | 262.5   | 21.7                        | 45.1               | 18.0                         | 207.4                       | 0.12                | 849                | 5.5  | 4.8   | 7.3       | 0.3  | 3.8   | 4.0      | 0.5  | 0.3   | 0.3    | 1.1     | 16.3             |
| Coal Energy                  | CLE PW           | Warsaw      | 0.90 PLN                           | +4.7  | -9.1  | -14.3 | -64.3 | 0.27             | 12.1           | 138.0   | 25.0                        | 3.0                | 11.0                         | 49.3                        | 2.40                | 42                 | Neg. | N/A   | N/A       | 6.1  | N/A   | N/A      | 1.1  | N/A   | N/A    | 0.1     | 39.8             |
| Donbasenergo                 | DOEN UK          | Kiev, UX    | 28.42 UAH                          | +0.0  | -9.1  | +3.0  | +19.0 | 2.19             | 51.9           | 88.6    | 14.2                        | 7.4                | 1.0                          | 28.5                        | 0.20                | 504                | 1.3  | 1.2   | 1.3       | 0.3  | 1.5   | 1.1      | 0.2  | 0.2   | 0.2    | 1.0     | 17.8             |
| JKX Oil & Gas                | JKX LN           | London      | 51.00 GBp                          | +3.0  | +9.7  | -28.7 | -17.7 | 0.82             | 140.0          | 145.2   | 47.2                        | 66.1               | 32.2                         | 44.2                        | 0.06                | 1,643              | 21.5 | 23.3  | 4.2       | 2.2  | 2.7   | 2.3      | 0.8  | 0.9   | 0.8    | 0.3     | 5.5              |
| Regal Petroleum              | RPT LN           | London      | 8.00 GBp                           | -3.0  | +14.3 | -38.5 | -44.8 | 0.13             | 41.0           | 14.2    | 80.9                        | 33.2               | 7.1                          | 10.4                        | 0.03                | 2,900              | Neg. | 20.5  | N/A       | 0.6  | 0.5   | N/A      | 0.4  | 0.3   | N/A    | 0.1     | 0.0              |
| Zakhidenergo                 | ZAEN UK          | Kiev, PFTS  | 146.50 UAH                         | +0.0  | +12.7 | +62.1 | +76.5 | 11.31            | 144.7          | 234.6   | 5.0                         | 7.2                | 7.4                          | 2.1                         | 0.02                | 4,270              | 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    | 0.03 UAH                           | +0.0  | -19.7 | -34.8 | -37.3 | 0.00             | 50.4           | 2,262.2 | 3.9                         | 1.9                | 2.9                          | 13.1                        | 0.28                | 359                | Neg. | Neg.  | N/A       | Neg. | Neg.  | N/A      | 2.0  | 1.2   | N/A    | N/A     | 85.7             |
| Avdiyivsky Cok...            | AVDK UK          | Kiev, UX    | 2.30 UAH                           | +0.0  | -10.3 | -22.3 | -28.0 | 0.18             | 34.6           | 30.8    | 4.0                         | 1.4                | 6.4                          | 10.7                        | 0.68                | 146                | Neg. | 224.2 | 0.6       | 0.1  | 0.6   | 0.3      | 0.1  | 0.0   | 0.0    | 0.1     | 0.1              |
| Azovstal                     | AZST UK          | Kiev, UX    | 0.65 UAH                           | +0.0  | -13.7 | -3.3  | +2.9  | 0.05             | 210.4          | N/A     | 4.1                         | 8.6                | 7.8                          | 11.0                        | 0.17                | 584                | 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      | 102.20 GBp                         | +0.9  | -22.6 | -45.0 | -40.2 | 1.63             | 961.8          | 1,164.3 | 22.4                        | 215.4              | 1,256.4                      | 1,037.5                     | 0.67                | 149                | 3.7  | 3.3   | 6.3       | 2.3  | 2.3   | 3.3      | 0.7  | 0.8   | 0.8    | 0.9     | 35.1             |
| Yasynivsky Cok...            | YASK UK          | Kiev, UX    | 0.47 UAH                           | +0.0  | -10.4 | -12.1 | -19.7 | 0.04             | 9.8            | 10.9    | 9.0                         | 0.9                | 0.0                          | 4.3                         | 0.82                | 122                | Neg. | 0.9   | 0.5       | 0.0  | 0.4   | 0.3      | 0.1  | 0.0   | 0.0    | 0.1     | 0.1              |
| Yenakievo Steel              | ENMZ UK          | Kiev, UX    | 25.75 UAH                          | +0.0  | -23.6 | -19.6 | -23.5 | 1.99             | 21.0           | 10.8    | 9.4                         | 2.0                | 0.7                          | 13.2                        | 0.30                | 330                | Neg. | Neg.  | N/A       | 1.9  | 0.3   | N/A      | 0.0  | 0.0   | N/A    | 1.2     | 0.0              |
| <b>FOOD AND AGRIBUSINESS</b> |                  |             |                                    |       |       |       |       |                  |                |         |                             |                    |                              |                             |                     |                    |      |       |           |      |       |          |      |       |        |         |                  |
| AgroGeneration               | ALAGR FP         | EN Paris    | 0.69 EUR                           | -4.2  | -19.8 | -44.4 | -52.4 | 0.86             | 79.8           | 133.9   | 34.0                        | 27.1               | 35.5                         | 7.7                         | 0.04                | 2,231              | Neg. | N/A   | N/A       | Neg. | N/A   | N/A      | 2.0  | N/A   | N/A    | 1.5     | 35.9             |
| Agroliga                     | AGL PW           | Warsaw      | 14.50 PLN                          | -1.2  | -15.7 | -44.1 | -52.0 | 4.34             | 6.7            | 7.5     | 16.7                        | 1.1                | 0.5                          | 2.0                         | 0.41                | 244                | 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      | 1.92 PLN                           | -7.2  | -17.2 | -1.5  | -26.2 | 0.57             | 12.4           | 57.7    | 26.2                        | 3.3                | 78.6                         | 65.0                        | 1.76                | 57                 | Neg. | 1.8   | 1.6       | 21.6 | 6.1   | 3.6      | 0.7  | 0.7   | 0.7    | 0.1     | 28.4             |
| Astarta Holdin...            | AST PW           | Warsaw      | 36.79 PLN                          | -1.2  | -5.1  | -45.0 | -47.1 | 11.01            | 275.2          | 519.2   | 31.0                        | 85.4               | 6.6                          | 116.9                       | 0.27                | 373                | 8.5  | 27.5  | 4.3       | 6.9  | 4.2   | 4.7      | 1.1  | 1.1   | 1.1    | 0.8     | 38.2             |
| Avangard                     | AVGR LI          | London Intl | 7.89 USD                           | -0.1  | -6.1  | -32.9 | -29.9 | 7.89             | 503.9          | 637.7   | 21.7                        | 109.4              | 34.0                         | 148.4                       | 0.12                | 818                | 2.1  | 3.5   | 3.0       | 2.1  | 3.6   | 3.5      | 1.0  | 1.1   | 1.0    | 0.5     | 17.8             |
| IMC                          | IMC PW           | Warsaw      | 6.65 PLN                           | +0.0  | -17.8 | -45.3 | -56.1 | 1.99             | 62.3           | 203.4   | 23.9                        | 14.9               | 6.6                          | 20.7                        | 0.17                | 574                | 2.4  | Neg.  | 1.6       | 3.8  | 3.7   | 3.6      | 1.8  | 1.1   | 1.1    | 0.4     | 38.7             |
| Kernel Holding...            | KER PW           | Warsaw      | 24.92 PLN                          | +0.0  | -4.2  | -34.5 | -50.4 | 7.46             | 594.2          | 1,500.8 | 58.8                        | 349.2              | 789.5                        | 939.1                       | 0.21                | 477                | 5.3  | 53.6  | 4.3       | 5.2  | 6.7   | 4.7      | 0.5  | 0.6   | 0.6    | 0.6     | 30.6             |
| KSG Agro                     | KSG PW           | Warsaw      | 1.30 PLN                           | +13.0 | +4.0  | -88.0 | -89.3 | 0.39             | 5.8            | 117.0   | 34.4                        | 2.0                | 165.9                        | 203.6                       | 18.47               | 5                  | 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 | 11.75 USD                          | -2.1  | -1.3  | -31.1 | -23.9 | 11.75            | 1,241.6        | 2,451.9 | 22.3                        | 277.1              | 1.0                          | 1,277.9                     | 0.31                | 321                | 8.0  | 10.7  | 4.3       | 6.3  | 5.1   | 4.9      | 1.6  | 1.7   | 1.5    | 2.1     | 47.0             |
| Milkiland                    | MLK PW           | Warsaw      | 3.84 PLN                           | +3.8  | -20.2 | -69.3 | -70.7 | 1.15             | 35.9           | 161.8   | 20.0                        | 7.2                | 3.7                          | 7.2                         | 0.20                | 508                | 2.6  | Neg.  | 8.5       | 4.9  | 4.2   | 4.7      | 0.4  | 0.4   | 0.4    | 0.2     | 30.8             |
| Ovostar Union                | OVO PW           | Warsaw      | 69.00 PLN                          | +2.4  | -2.1  | -31.0 | -29.8 | 20.65            | 123.9          | 131.5   | 25.0                        | 31.0               | 5.3                          | 34.0                        | 0.08                | 1,196              | 4.0  | 6.4   | 6.2       | 3.6  | 5.0   | 4.6      | 1.5  | 1.7   | 1.4    | 0.9     | 8.5              |
| <b>FINANCIAL SERVICES</b>    |                  |             |                                    |       |       |       |       |                  |                |         |                             |                    |                              |                             |                     |                    |      |       |           |      |       |          |      |       |        |         |                  |
| Raiffeisen Ban...            | BAVL UK          | Kiev, UX    | 0.13 UAH                           | +0.0  | -5.2  | +10.9 | +39.4 | 0.01             | 291.4          | N/A     | 3.8                         | 11.1               | 15.4                         | 20.8                        | 0.15                | 651                | 3.7  | Neg.  | 12.8      | N/A  | N/A   | N/A      | N/A  | N/A   | N/A    | 0.6     | 22.4             |
| Ukrsofsbank                  | USCB UK          | Kiev, UX    | 0.14 UAH                           | +0.0  | -10.4 | -23.0 | -19.2 | 0.01             | 202.1          | N/A     | 4.5                         | 9.1                | 0.0                          | 5.2                         | 0.01                | 8,988              | Neg. | 10.7  | N/A       | N/A  | N/A   | N/A      | N/A  | N/A   | N/A    | 0.3     | 28.2             |

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 stable, external environment challenging

The hryvnia maintained its 12.95/USD level on US\$174m in trading last Friday, in accordance with authorities' demands. The NBU reported weighted average rate was 12.9405/USD.

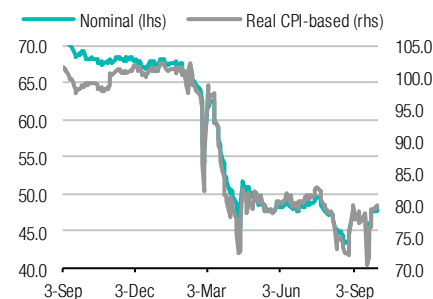
However, the US jobs report disrupted relatively calm market trading as it reported an end of the recession of 2008 after adding 248,000 jobs to the US economy in September. The US dollar rose versus major global currencies on Friday as the Euro tumbled 0.98% to 1.2516/USD and the Russian ruble sank to almost 40/USD.

The hryvnia's trade-weighted index rose 0.69% on Friday due to its nominal stability as the US Fed's monetary policy normalizes. Following this trend, the hryvnia should appreciate in trade-weighted terms further only to require nominal devaluation later.

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### ICU's UAH trade-weighted indices

(Last 12-month history to 6 Oct 2014)



Source: Investment Capital Ukraine LLC.

### FX market indicators (as of 3 Oct 2014)

|   | Last      | Daily   | Weekly  | MoM     | YTD     |
|---|-----------|---------|---------|---------|---------|
|   | chg (%)   | chg (%) | chg (%) | chg (%) | chg (%) |
| <b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>           |           |         |         |         |         |
| Spot mkt  | 12.9500   | +0.00   | +0.39   | +4.86   | +57.16  |
| NBU avg   | 12.9405   | -0.07   | +0.25   | +3.27   | +58.76  |
| Ttl vlm <sup>1</sup>                                    | 242.03    | -44.01  | +1.25   | +41.75  | -91.36  |
| \$ volume <sup>2</sup>                                  | 173.73    | -52.83  | +15.28  | +39.32  | -92.14  |
| NDF 3M  | 14.6500   | +0.17   | +3.72   | +9.04   | +72.66  |
| NDF 6M  | 15.1000   | -0.49   | +3.42   | +10.22  | +71.98  |
| NDF 1Y  | 16.0500   | +0.00   | +3.22   | +10.69  | +70.38  |
| <b>TRADE-WEIGHTED INDICES (TWIs, points)</b>            |           |         |         |         |         |
| UAH nom'l   | 48.004    | +0.69   | +0.80   | +0.02   | -28.92  |
| UAH real CPI  | 79.978    | +0.69   | +0.80   | +0.02   | -20.87  |
| UAH real PPI  | 120.455   | +0.69   | +0.80   | +0.02   | -13.21  |
| USD nom'l   | 86.694    | +1.13   | +1.23   | +4.62   | +8.32   |
| <b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b> |           |         |         |         |         |
| USD/RUB   | 39.9381   | +0.96   | +1.96   | +8.39   | +21.50  |
| EUR/USD   | 1.2516    | -0.98   | -1.32   | -4.82   | -8.93   |
| USD/CNY   | 6.1395    | +0.02   | +0.21   | -0.03   | +1.41   |
| USD/PLN   | 3.3486    | +1.43   | +1.52   | +4.94   | +10.77  |
| USD/TRY   | 2.2952    | +0.79   | +1.46   | +6.40   | +6.84   |
| USD/BYR   | 10,625.00 | -0.05   | +0.24   | +1.53   | +11.37  |
| USD/KZT   | 181.9800  | +0.04   | +0.05   | -0.02   | +17.96  |
| <b>OTHER MAJOR CURRENCIES</b>                           |           |         |         |         |         |
| USD/JPY   | 109.7600  | +0.92   | +0.43   | +4.74   | +4.23   |
| GBP/USD   | 1.5973    | -1.50   | -1.70   | -2.96   | -3.53   |
| USD/CHF   | 0.9675    | +1.30   | +1.69   | +5.43   | +8.35   |
| AUD/USD   | 0.8675    | -1.42   | -1.03   | -7.19   | -2.71   |
| USD/CAD   | 1.1244    | +1.33   | +0.81   | +3.27   | +5.85   |
| USD/BRL   | 2.4584    | -1.46   | +1.58   | +9.90   | +4.08   |
| USD/KRW   | 1,062.11  | +0.07   | +1.71   | +4.17   | +1.17   |
| <b>COMMODITIES</b>                                      |           |         |         |         |         |
| Gold(\$/oz)   | 1,191.35  | -2.23   | -2.22   | -6.15   | -1.19   |
| WTI crude <sup>3</sup>                                  | 89.74     | +0.00   | -4.06   | -6.07   | -8.82   |
| Brent crd <sup>3</sup>                                  | 91.37     | -2.35   | -4.04   | -9.80   | -17.55  |
| Urals crd <sup>3</sup>                                  | N/A       | +0.00   | +0.00   | +0.00   | +0.00   |
| TR/J CRB <sup>4</sup>                                   | 276.34    | -0.35   | -1.41   | -4.81   | -1.37   |

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.

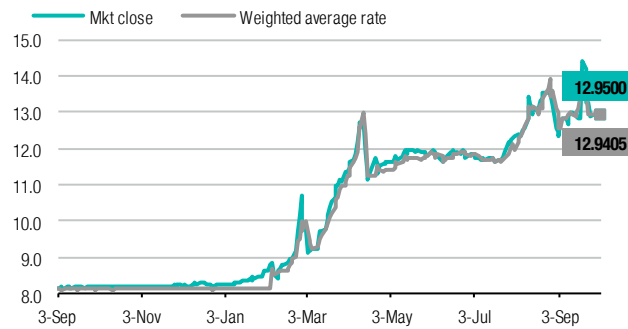
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

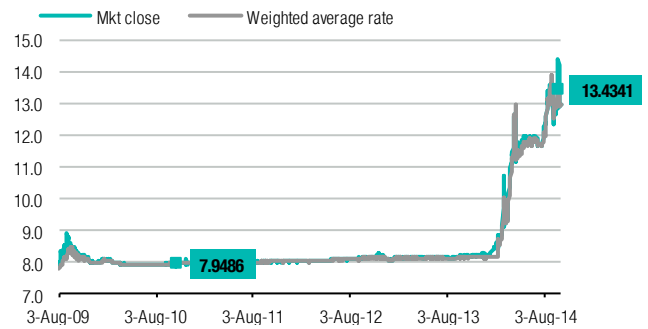
Section on FX market is continued on next page.

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)

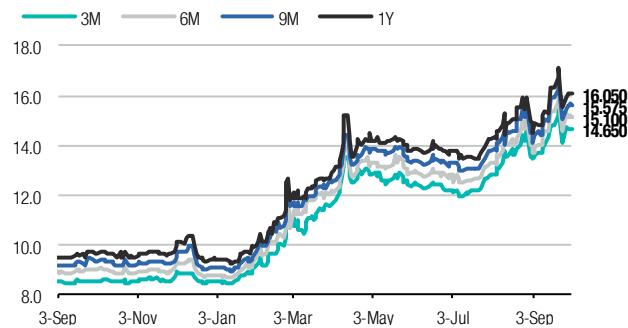


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

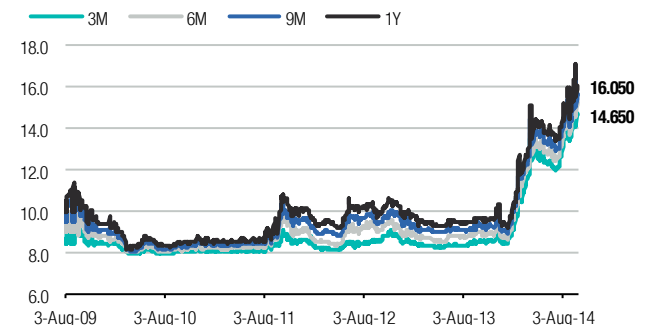


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

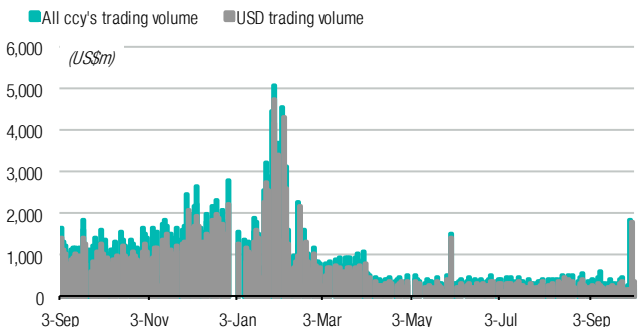


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

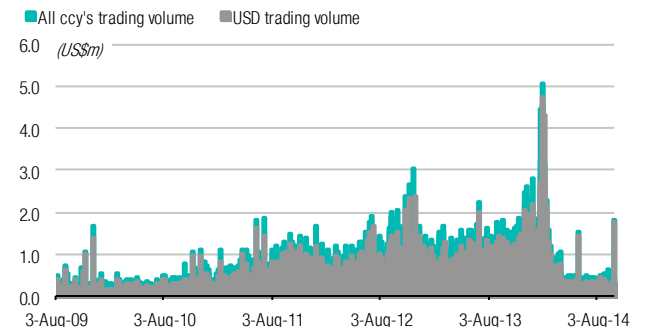


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

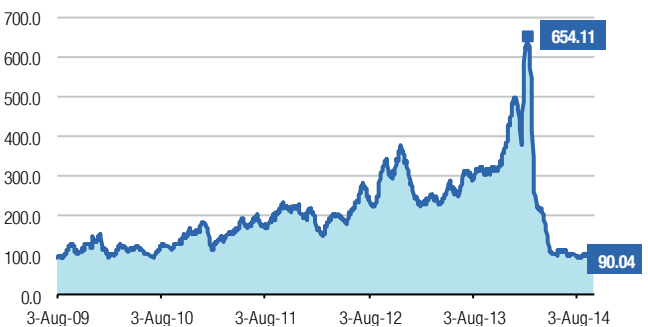
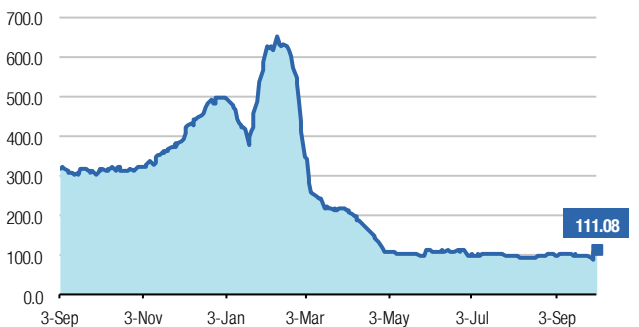


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)

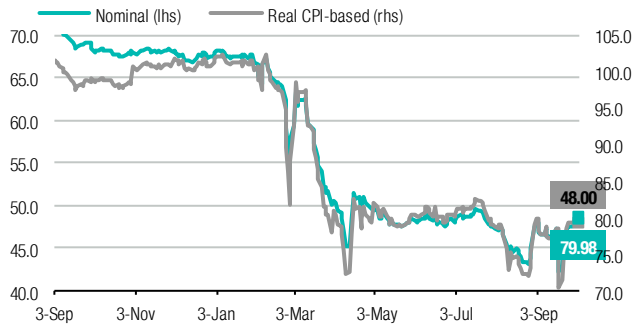


Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

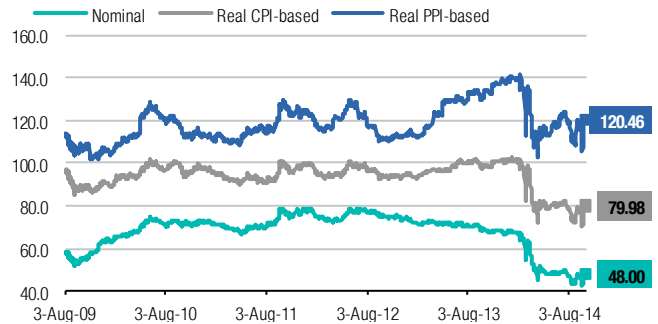
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



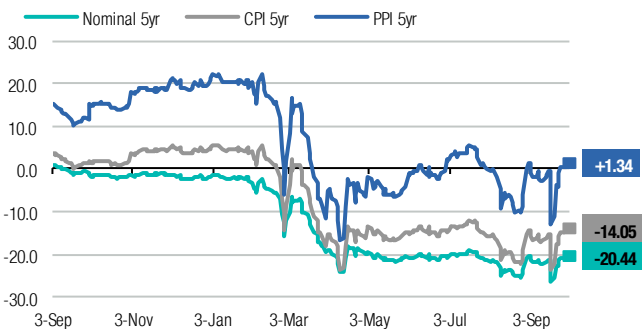
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

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

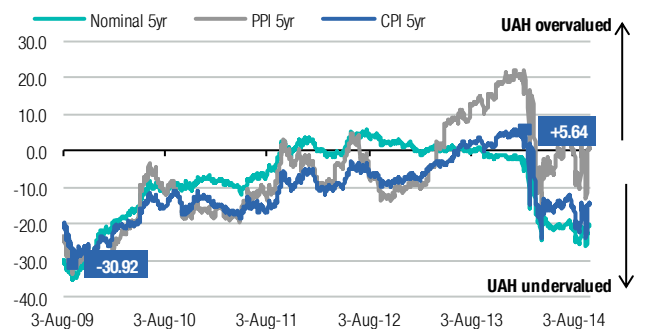


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

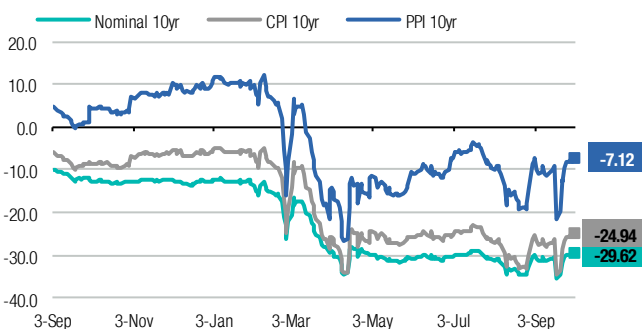


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

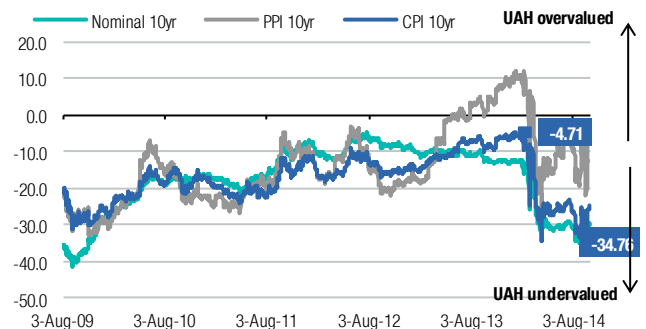


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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.

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**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

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