



Focus  
**Ukraine**

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

Research team  
**Alexander Valchyshen**  
**Alexander Martynenko**  
**Taras Kotovych**

# Daily Insight

## Metinvest announces 1H14 results

### Contents

<b>Bonds: News &amp; Comments</b>	<b>2</b>
Liquidity continues to recover .....	2
Eurobond YTM's decline .....	2
Metinvest announces 1H14 results; offers exchange for 2015s bondholders ....	2
Chart page: Local bond market & Eurobond markets .....	4
<b>FX: News &amp; Comments</b>	<b>6</b>
US inflation data revives growth bets .....	6
Chart page #1: Foreign-exchange market .....	7
Chart page #2: ICU's UAH trade-weighted indices .....	8

THURSDAY, 23 OCTOBER 2014

### UX Index (3 months to 23 Oct 2014)



Source: UX.

### Key market indicators (as of 22 Oct 2014)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	13.0100	+0.08	+57.89
USD/UAH (1Y NDF)	16.3000	+3.49	+73.04
EUR/USD	1.2728	+0.09	-7.39
USD/RUB	40.9486	+0.09	+24.58
KievPRIME O/N (%)	9.60	+0bp	+180bp
KievPRIME 1M (%)	16.00	+0bp	-25bp
<b>SOVEREIGN EUROBONDS: yields and spreads</b>			
Ukraine 15, Eurobond (%)	19.98	-11bp	+1,162bp
Ukraine 17, Eurobond (%)	14.28	-75bp	+472bp
Ukraine 22, Eurobond (%)	11.04	-5bp	+169bp
Ukraine 23, Eurobond (%)	10.77	-5bp	+173bp
Ukraine 5Y CDS	1,270bp	-61bp	+454bp
<b>EQUITIES</b>			
<b>Stock market indices</b>			
UX (Ukraine)	1,091.31	-0.38	+19.92
MSCI World	404.82	-0.16	-0.91
MSCI EM	987.09	+0.54	-1.56
RTS (Russia)	1,069.82	+0.56	-25.85
WIG-20 (Poland)	2,429.10	+0.24	+1.17
S&P 500 (USA)	1,927.11	-0.73	+4.26

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

Sources: Bloomberg, UX, Investment Capital Ukraine LLC.

# Bonds: News & Comments

## Liquidity continues to recover

Broader banking sector liquidity continued to recover yesterday, up UAH1.44bn to UAH48.58bn as banks' correspondent accounts with the NBU rose UAH0.45bn to UAH29.51bn while total CDs outstanding rose UAH0.98bn to UAH12.68bn and total local currency debt repayments scheduled for the next 30 days remained steady at UAH6.40bn.

KyivPrime interest rates remained steady as the KyivPrime ON interest rate stayed at 9.60% and the KyivPrime 1M interest rate held firm at 16.00%.

**Investment implications: Once more liquidity slightly rose without any support from the NBU, while the NBU continued to absorb liquidity and increased the volume of CDs outstanding. The source of this increase could be the MoF's increase in budget expenditures using recently raised budget proceeds.**

**Taras Kotovych, Kiev, +38044 2200120 ext.724**

## Eurobond YTM's decline

Ukrainian Eurobond YTM's adjusted to the range of 10.78-19.99% yesterday. UKRAIN 6.875% '15 declined 11bp to 19.99%, UKRAIN 6.58% '16 was down 75bp to 14.41%, UKRAIN 6.75% '17 slid 30bp to 12.87%, UKRAIN 9.25% '17 declined 75bp to 14.28%, while UKRAIN 7.95% '21, UKRAIN 7.80% '22 and UKRAIN 7.50% '23 slid 4bp to 11.43%, 11.04% and 10.78%, respectively. The 5-year CDS declined to 1,270bp.

**Investment implications: Yields declined as spreads to the benchmark slightly tightened, especially at the short-term end of the yield curve. The main reason for these improvements could be news of a possible resolution of Naftogaz's debt repayments to Gazprom, particularly in settling on a new price for this winter. This positive news could improve the situation further as the financial situation in Ukraine could become more clear and predictable.**

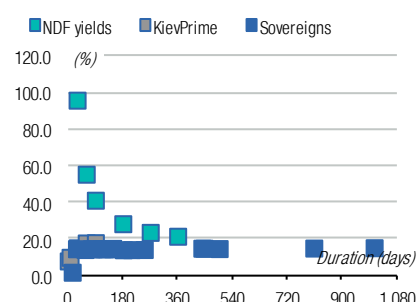
**Taras Kotovych, Kiev, +38044 2200120 ext.724**

## Metinvest announces 1H14 results; offers exchange for 2015s bondholders

In its unaudited 1H14 results announcement on Tuesday, Metinvest reported revenues down 8% YoY to US\$6bn while EBITDA increased 29% YoY to US\$1.6bn and net income up 46% YoY to US\$653m. The company reduced its total debt by 10% to US\$3.87bn as of 30 June 2014 from US\$4.3bn as of 31 December 2013. Metinvest's net debt/LTM EBITDA ratio declined to 1.5x as of 30 June 2014 from 1.9x as of 31 December 2013.

## Yield curve of the local bond market

(as of market close on 22 Oct 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

## Bond market indicators (as of 22 Oct 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
O/n	9.60	+0bp	-15bp	+120bp	+180bp
1wk	11.00	+0bp	+25bp	+65bp	+120bp
1m	16.00	+0bp	+25bp	+40bp	-25bp
2m	17.80	+0bp	-20bp	-20bp	+140bp
3m	18.00	+0bp	+0bp	+0bp	+200bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	29,508	+1.56	-1.52	-7.37	-9.77
CDs <sup>2</sup>	12,676	+8.39	-8.30	-24.25	+1,698.0
Sovgns <sup>3</sup>	5,091	-19.45	-11.66	-33.43	+240.5
<b>Total</b>	<b>47,275</b>	<b>+0.44</b>	<b>-4.59</b>	<b>-15.94</b>	<b>+35.45</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	273,642	+0.00	+0.74	+13.39	+88.91
Banks	83,551	-0.07	+0.29	-5.84	+4.22
Resid's <sup>4</sup>	14,523	-0.06	-2.03	-61.96	+17.15
Non-res <sup>5</sup>	19,454	+0.32	+0.18	-3.28	+66.29
<b>Total</b>	<b>391,170</b>	<b>+0.00</b>	<b>+0.51</b>	<b>+0.73</b>	<b>+57.02</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	+17bp	+17bp	+301bp	-78ppt
<b>EUROBONDS USD SOVEREIGN BOND YIELDS (%)</b>					
CDS 5yr	1,270	-61bp	-79bp	+87bp	+454bp
Jun '16	14.95	-75bp	-127bp	+3bp	+606bp
Jul '17	14.28	-75bp	-171bp	-41bp	+472bp
Sep '20	11.46	-4bp	-36bp	+62bp	+227bp
Sep '21	11.43	-4bp	-30bp	+59bp	+221bp
Sep '22	11.04	-5bp	-7bp	+69bp	+169bp
Feb '23	10.77	-5bp	-21bp	+41bp	+173bp

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.

**Table 1. Metinvest's Eurobond quotation as of market close, 13 August 2014**

Issuer	Moody's/S&P /Fitch	Ccy	Volume	Coupon (%)	Maturity	Price (%)	YTW (%)	Spread (bp)
Metinvest	Caa2/--/CCC	USD	500m	10.25	20-May-15	79.432	58.358	5,831
Metinvest	Caa2/--/CCC	USD	750m	8.75	14-Feb-18	69.625	22.198	2,146

Source: Bloomberg

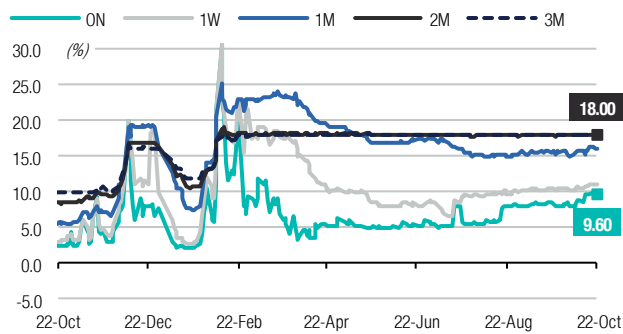
**Investment implications:** *The hryvnia devaluation was critical to allow Metinvest to boost its 1H14 earnings despite weak steel markets in Ukraine and Russia, slipping iron ore sales, and falling benchmark iron ore prices. However, the heavy impact of the military conflict in Donbass, together with the ongoing decline in iron prices, has yet to seriously hit the company's EBITDA in 2H14. Please see our recent note for further details.*

*We believe that the proposed exchange offers a reasonable solution for investors, whereas remaining in 2015s would leave bondholders with a high risk of default, given the US\$936m debt due to be paid by Metinvest in 1H15, the company's significant exposure to the military conflict, and no significant progress towards an official truce in Donbass. We see a high likelihood for the exchange to occur, possibly with the terms to some degree to be renegotiated in favor of the bondholders.*

*Alexander Martynenko, Kiev, +38044 2200120 ext.726*

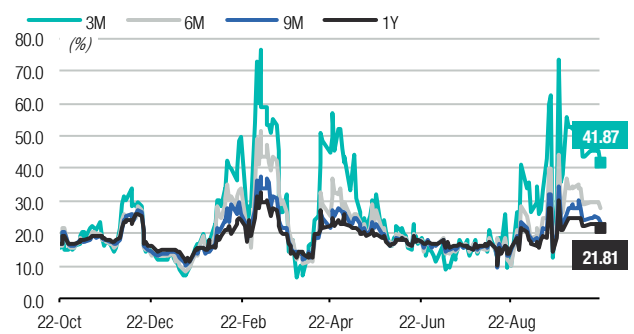
Chart page: Local bond market & Eurobond markets

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



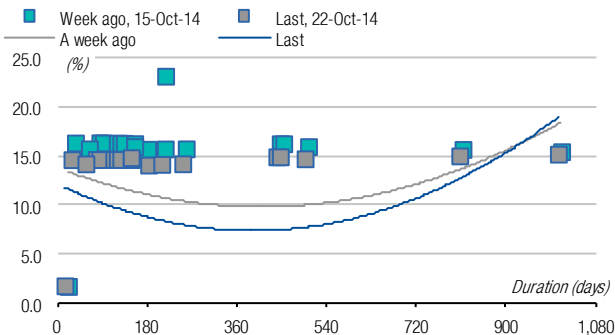
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



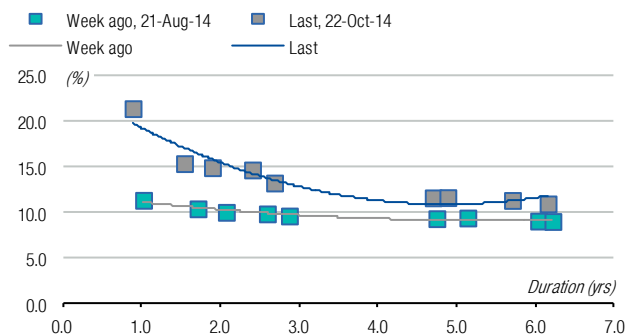
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 22 Oct 2014



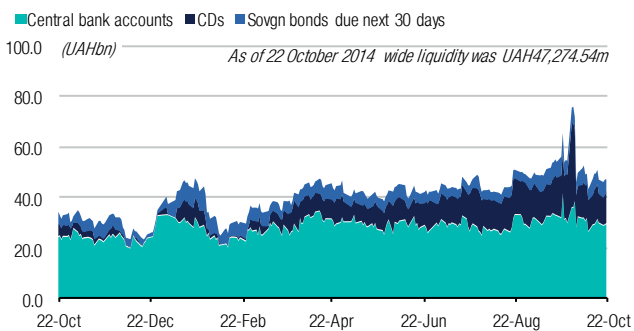
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 22 Oct 2014



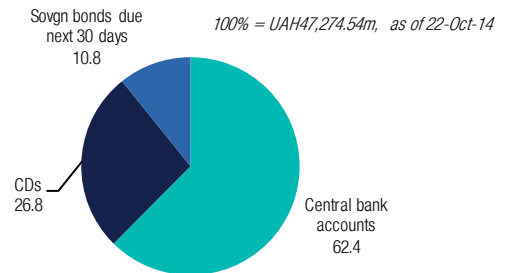
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



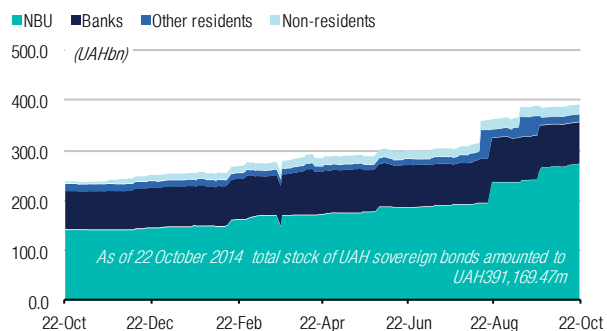
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 22 Oct 2014



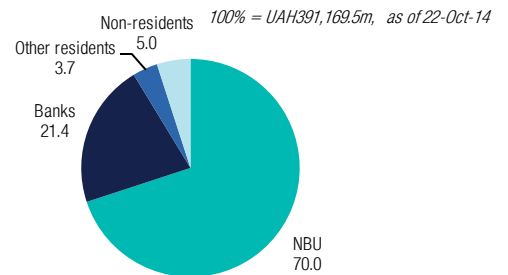
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 22 Oct 2014



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

Table 2. Ukrainian stocks (closing prices as of 22-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	9.50 GBP	+0.0	-15.6	-8.4	-33.3	0.15	35.2	-12.4	40.2	14.2	0.0	24.8	0.09	1,069	Neg.	N/A	N/A	1.8	N/A	N/A	Neg.	N/A	N/A	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.55 UAH	+0.2	+2.0	+58.2	+46.1	0.58	213.6	268.0	21.7	46.4	11.5	102.8	0.05	1,915	5.7	5.0	7.5	0.3	3.9	4.1	0.5	0.3	0.3	1.1	16.3
Coal Energy	CLE PW	Warsaw	0.83 PLN	+9.2	-13.5	-21.0	-67.7	0.25	11.2	137.1	25.0	2.8	25.0	44.8	0.42	239	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	30.62 UAH	+0.4	+12.5	+11.0	+26.0	2.35	55.5	116.4	14.2	7.9	1.2	19.4	0.10	1,048	1.4	1.3	1.4	0.1	1.9	1.5	0.3	0.2	0.3	1.1	25.1
JKX Oil & Gas	JKX LN	London	37.50 GBP	+0.0	-13.3	-47.6	-47.2	0.60	103.4	108.5	47.2	48.8	8.2	31.5	0.07	1,471	15.9	17.2	3.1	1.6	2.1	1.7	0.6	0.7	0.6	0.2	5.5
Regal Petroleum	RPT LN	London	6.50 GBP	+0.0	-27.8	-50.0	-58.7	0.10	33.5	3.3	80.9	27.1	0.0	8.1	0.04	2,740	Neg.	16.7	N/A	0.0	0.1	0.3	0.1	0.1	0.1	0.3	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	162.00 UAH	+0.0	+21.9	+79.2	+110.4	12.42	158.8	248.1	5.0	7.9	0.0	2.4	0.06	1,568	3.6	N/A	N/A	1.6	N/A	N/A	0.3	N/A	N/A	1.4	0.0
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.03 UAH	+2.0	+7.9	-34.3	-38.6	0.00	50.4	2,245.9	3.9	1.9	3.0	6.8	0.11	892	Neg.	Neg.	N/A	Neg.	Neg.	N/A	2.0	1.2	N/A	N/A	85.7
Avdiivsky Cok...	AVDK UK	Kiev, UX	2.58 UAH	+6.6	+7.5	-12.8	-20.5	0.20	38.6	34.8	4.0	1.5	5.5	7.6	0.16	635	Neg.	251.6	0.6	0.1	0.7	0.3	0.1	0.0	0.0	0.1	0.1
Azovstal	AZST UK	Kiev, UX	0.70 UAH	+0.3	+9.0	+4.5	+3.7	0.05	225.6	N/A	4.1	9.2	4.9	13.4	0.21	478	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	91.95 GBP	+3.4	-26.7	-50.5	-48.8	1.48	868.7	1,071.2	22.4	194.6	1,229.8	1,059.3	0.91	110	3.3	3.3	7.2	2.1	2.3	3.4	0.7	0.7	0.8	0.8	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.45 UAH	+0.0	+0.0	-15.1	-23.9	0.03	9.4	10.3	9.0	0.8	0.0	3.8	0.12	822	Neg.	0.9	0.5	0.1	0.4	0.3	0.0	0.0	0.0	0.1	0.0
Yenakievo Steel	ENMZ UK	Kiev, UX	28.77 UAH	-0.4	+15.1	-10.1	-14.4	2.21	23.3	13.2	9.4	2.2	0.5	8.0	0.14	711	Neg.	Neg.	N/A	2.3	0.4	N/A	0.0	0.0	N/A	1.3	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	0.51 EUR	+2.0	-35.4	-58.9	-62.8	0.65	59.6	114.2	34.0	20.3	12.9	9.9	0.12	830	Neg.	N/A	N/A	Neg.	N/A	N/A	1.7	N/A	N/A	1.1	35.9
Agroliga	AGL PW	Warsaw	13.10 PLN	+4.0	-14.7	-49.5	-56.2	3.91	6.0	6.9	16.7	1.0	13.8	2.5	0.35	289	1.5	N/A	N/A	2.0	N/A	N/A	0.3	N/A	N/A	0.5	5.7
Agroton	AGT PW	Warsaw	1.86 PLN	+2.8	-11.8	-4.6	-22.8	0.56	12.0	57.3	26.2	3.2	10.8	53.7	0.58	172	Neg.	1.7	1.5	21.4	19.1	N/A	0.7	0.7	0.7	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	33.97 PLN	-0.1	-7.4	-49.2	-52.0	10.15	253.7	500.1	31.0	78.7	0.6	101.3	0.08	1,243	7.8	25.1	3.9	6.6	4.0	4.5	1.1	1.0	1.0	0.7	38.2
Avangard	AVGR LI	London Intl	6.50 USD	+0.5	-18.6	-44.7	-48.0	6.50	415.2	548.9	21.7	90.1	56.0	90.5	0.10	1,036	1.8	2.9	2.5	1.8	3.1	3.0	0.8	0.9	0.9	0.4	17.8
IMC	IMC PW	Warsaw	6.85 PLN	+0.0	-10.8	-43.6	-53.7	2.05	64.1	205.2	23.9	15.3	0.4	16.2	0.10	989	2.5	Neg.	1.6	3.8	3.8	3.7	1.8	1.1	1.1	0.4	38.7
Kernel Holding...	KER PW	Warsaw	23.05 PLN	+0.7	-9.4	-39.5	-56.1	6.89	548.7	1,233.7	58.8	322.5	501.5	782.7	0.18	558	Neg.	3.7	3.1	6.6	3.8	3.7	0.5	0.5	0.5	0.5	39.1
KSG Agro	KSG PW	Warsaw	1.04 PLN	+3.0	-27.3	-90.4	-91.1	0.31	4.7	115.8	34.4	1.6	92.1	170.2	3.58	28	Neg.	0.4	0.2	13.3	N/A	N/A	1.6	1.2	1.0	0.3	44.5
MHP	MHPC LI	London Intl	11.50 USD	+0.0	-7.0	-32.6	-27.0	11.50	1,215.2	2,425.5	22.3	271.2	7.6	1,050.8	0.06	1,559	7.8	10.7	4.2	6.2	5.1	4.8	1.6	1.7	1.5	2.1	47.0
Milkiland	MLK PW	Warsaw	3.55 PLN	+1.4	-13.4	-71.6	-73.8	1.06	33.1	160.3	20.0	6.6	11.6	7.5	0.15	679	2.4	Neg.	7.7	4.8	4.2	4.6	0.4	0.4	0.4	0.2	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	0.58 EUR	+0.0	-60.3	-89.4	-87.9	0.73	77.3	805.1	20.0	15.5	0.0	1.3	0.01	18,299	0.9	0.9	0.3	4.9	3.0	2.7	1.6	1.9	1.9	0.2	45.3
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Xetra	0.16 EUR	+0.0	-32.5	-48.9	-53.0	0.20	10.6	186.2	13.1	1.4	0.0	0.1	0.01	13,032	Neg.	N/A	N/A	Neg.	N/A	N/A	5.5	N/A	N/A	0.1	45.5
<b>FINANCIAL SERVICES</b>																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.12 UAH	-0.4	-5.3	+7.9	+27.6	0.01	281.5	N/A	3.8	10.8	6.9	18.6	0.10	1,000	3.6	Neg.	12.5	N/A	N/A	N/A	N/A	N/A	N/A	0.5	22.4
Ukrsotsbank	USCB UK	Kiev, UX	0.14 UAH	+0.0	-3.4	-25.3	-25.3	0.01	194.7	N/A	4.5	8.7	0.0	2.3	0.00	37,966	Neg.	10.4	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

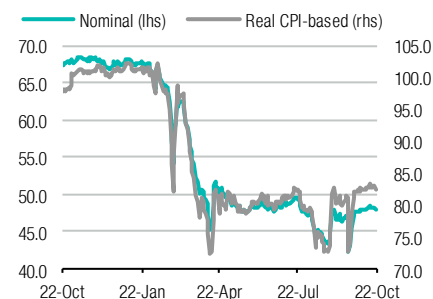
### US inflation data revives growth bets

Yesterday, the US dollar was bolstered (albeit shortly) from the economic data release that reported September CPI up 0.1% MoM while on-year inflation remained flat at 1.7% versus the previous month. This is a stark contrast to disinflation in the Eurozone, giving the Fed confidence to declare an end to its QE program next week. The US 10yr treasury yield rose to 2.23% in the mid-day while the euro slid to 1.26 and Russian ruble lowered beyond 41/USD. This effectively pushed the hryvnia's real TWI up despite its nominal stability in the spot market at 12.95/USD. (These trends reversed later in the day.)

**Alexander Valchyshen, Kiev, +38044 2200120 ext.242**

### ICU's UAH trade-weighted indices

(Last 12-month history to 23 Oct 2014)



Source: Investment Capital Ukraine LLC.

### FX market indicators (as of 22 Oct 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	13.0100	+0.08	+0.85	-8.22	+57.89
NBU avg	12.9501	+0.00	-0.02	-4.00	+58.88
Ttl vlm <sup>1</sup>	N/A	N/A	N/A	N/A	N/A
\$ volume <sup>2</sup>	N/A	N/A	N/A	N/A	N/A
NDF 3M	14.4250	+0.52	+0.52	-5.10	+70.01
NDF 6M	15.1000	+2.03	+2.03	-4.43	+71.98
NDF 1Y	16.3000	+3.49	+3.49	-2.69	+73.04
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	47.847	-0.09	-0.43	+11.41	-29.16
UAH real CPI	82.361	-0.09	-0.43	+11.41	-18.51
UAH real PPI	125.154	-0.09	-0.43	+11.41	-9.82
USD nom'l	85.326	+0.03	+0.21	+0.68	+6.61
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	40.9486	+0.09	+0.63	+5.83	+24.58
EUR/USD	1.2728	+0.09	-0.86	-0.94	-7.39
USD/CNY	6.1182	-0.08	-0.13	-0.37	+1.06
USD/PLN	3.3168	-0.07	+0.88	+1.90	+9.72
USD/TRY	2.2446	-0.02	-1.08	+0.17	+4.49
USD/BYR	10,705.00	+0.05	+0.19	+1.57	+12.21
USD/KZT	180.9600	-0.10	-0.30	-0.56	+17.30
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	106.9200	-0.07	+0.94	-1.76	+1.53
GBP/USD	1.6123	+0.06	+0.64	-1.45	-2.62
USD/CHF	0.9482	-0.09	+0.87	+0.88	+6.19
AUD/USD	0.8787	+0.09	-0.48	-0.97	-1.46
USD/CAD	1.1224	+0.03	-0.28	+1.63	+5.66
USD/BRL	2.4871	+0.15	+1.20	+3.72	+5.29
USD/KRW	1,051.41	-0.32	-1.08	+1.02	+0.15
<b>COMMODITIES</b>					
Gold(\$/oz)	1,247.77	-0.07	+0.46	+2.68	+3.49
WTI crude <sup>3</sup>	N/A	-100.0	-100.0	-100.0	-100.0
Brent crd <sup>3</sup>	85.18	-0.15	+2.48	-10.60	-23.14
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	270.35	-0.97	-0.35	-2.64	-3.51

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.

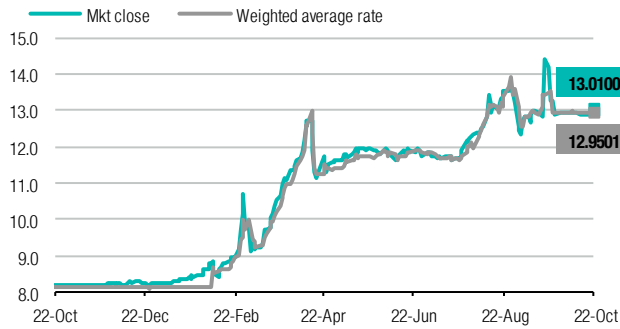
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

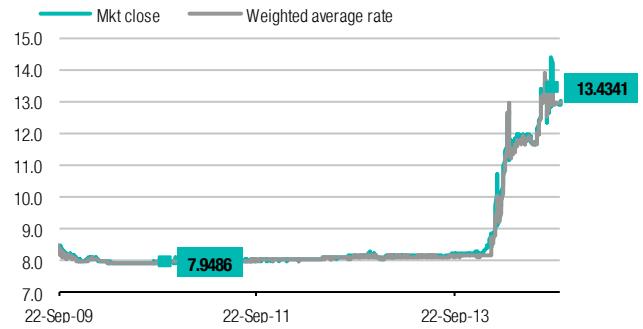
Section on FX market is continued on next page.

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)

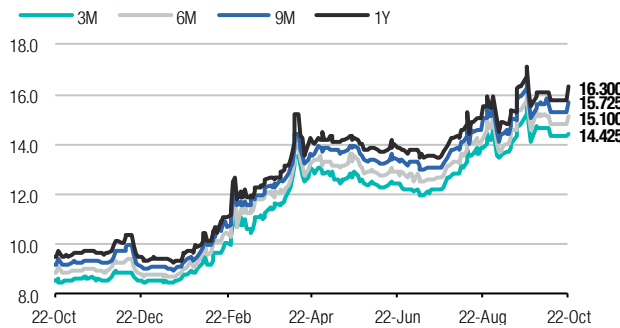


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

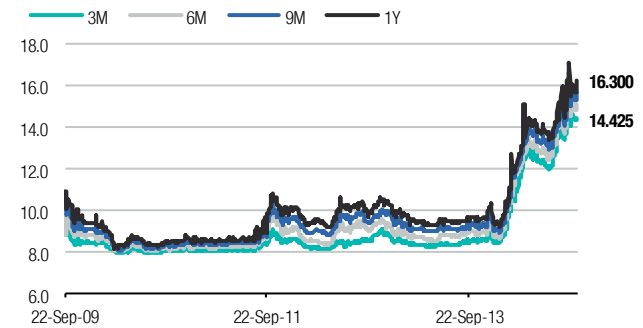


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

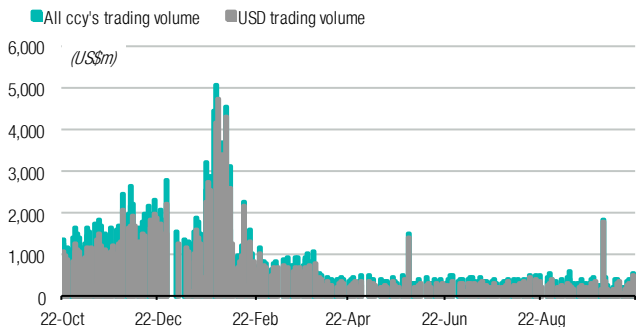


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

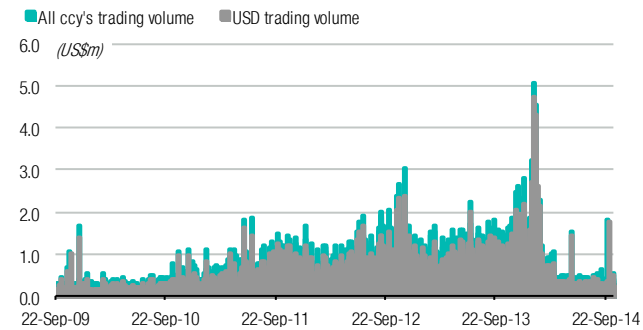


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

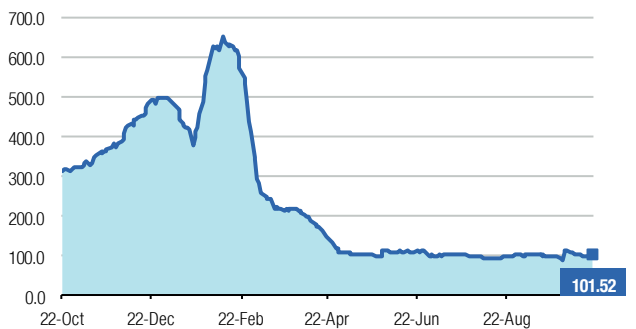


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)

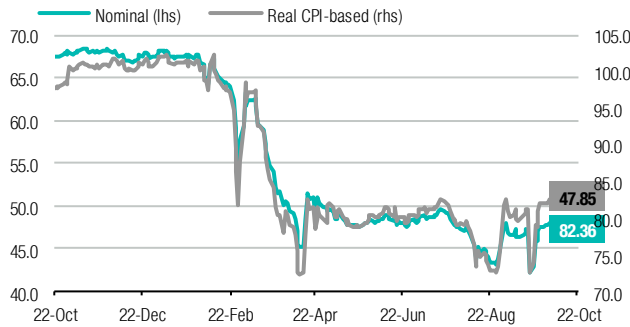


Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

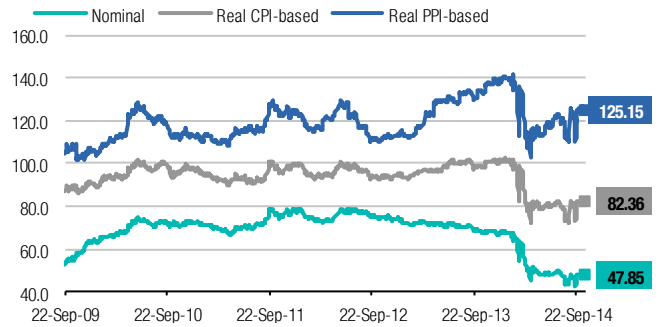
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



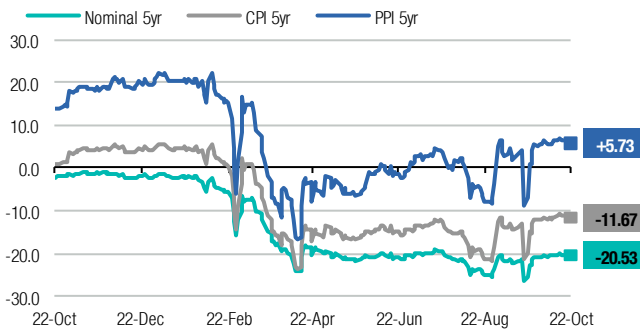
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

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

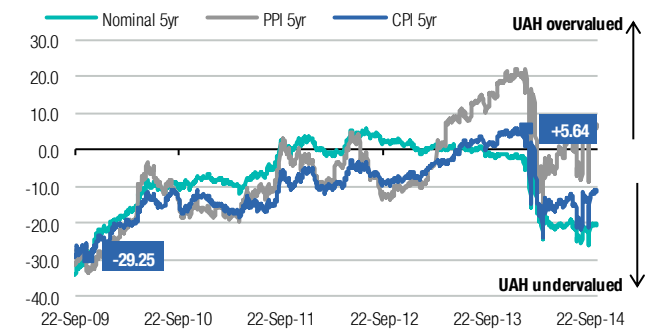


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

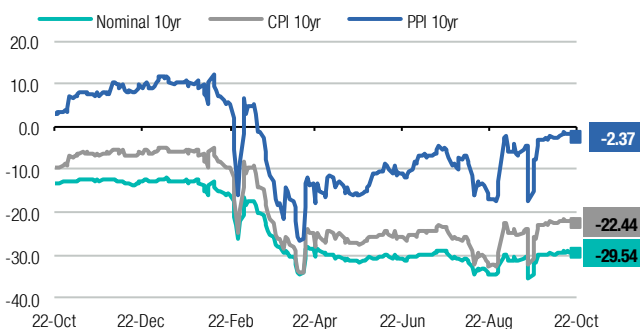


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

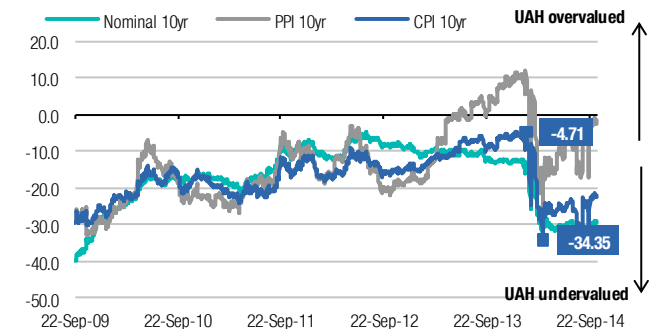


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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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11th floor, LEONARDO Business Centre  
19-21 Bogdan Khmelnytsky Street  
Kiev, 01030 Ukraine  
Phone/Fax +38 044 2200120

CORPORATE FINANCE TEL. +38 044 2200120

**Makar Paseniuk**, Managing Director  
makar.paseniuk@icu.ua

**Ruslan Kilmukhametov**, Director  
ruslan.kilmukhametov@icu.ua

SALES AND TRADING TEL. +38 044 2201621

**Konstantin Stetsenko**, Managing Director  
konstantin.stetsenko@icu.ua

**Sergiy Byelyayev**, Fixed-Income Trading  
sergiy.byelyayev@icu.ua

**Vitaliy Sivach**, Fixed-Income & FX Trading  
vitaliy.sivach@icu.ua

**Vlad Sinani**, Director,  
Strategy and Corporate Development  
vlad.sinani@icu.ua

**Julia Pecheritsa**,  
Ukraine and CIS International Sales  
julia.pecheritsa@icu.ua

**Yevgeniya Gryshchenko**,  
Fixed-Income Sales  
yevgeniya.gryshchenko@icu.ua

RESEARCH DEPARTMENT TEL. +38 044 2200120

**Alexander Valchyshen**  
Head of Research  
alexander.valchyshen@icu.ua

**Alexander Martynenko**  
Head of corporate research  
alexander.martynenko@icu.ua

**Bogdan Vorotilin**  
Financial analyst (Food & Agribusiness)  
bogdan.vorotilin@icu.ua

**Taras Kotovych**  
Senior financial analyst (Sovereign debt)  
taras.kotovych@icu.ua

**Mykhaylo Demkiv**  
Financial analyst (Banks)  
mykhaylo.demkiv@icu.ua

**Lee Daniels, Rolfe Haas**  
Editors

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