

Focus
Ukraine

Scope

Economics, bonds, equity & FX markets

Research team

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Daily Insight

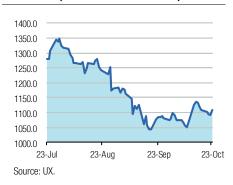
Weak ruble raises hryvnia's TWI

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FRIDAY, 24 OCTOBER 2014

UX Index (3 months to 24 Oct 2014)



Key market indicators (as of 23 Oct 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	13.0000	-0.08	+57.77
USD/UAH (1Y NDF)	16.3000	+0.00	+73.04
EUR/USD	1.2646	-0.64	-7.98
USD/RUB	41.7281	+1.90	+26.95
KievPRIME O/N (%)	9.90	+30bp	+210bp
KievPRIME 1M (%)	16.35	+35bp	+10bp

SOVEREIGN EUROBONDS: yields and spreads Ukraine 15, Eurobond (%) 18 19 -179hr

OKIAITIE 13, LUIODOITU (70)	10.19	-17 anh	-aoonh
Ukraine 17, Eurobond (%)	13.45	-83bp	+390bp
Ukraine 22, Eurobond (%)	10.53	-51bp	+118bp
Ukraine 23, Eurobond (%)	10.32	-45bp	+128bp
Ukraine 5Y CDS	1,266bp	-4bp	+450bp

EQUITIES

1,107.10	+1.45	+21.65
407.38	+0.63	-0.29
981.75	-0.54	-2.09
1,035.91	-3.17	-28.20
2,433.84	+0.20	+1.37
1,950.82	+1.23	+5.54
	407.38 981.75 1,035.91 2,433.84	407.38 +0.63 981.75 -0.54 1,035.91 -3.17 2,433.84 +0.20

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 fund reallocations

Wednesday's deals caused a mere reallocation of funds yesterday. Broader banking sector liquidity increased only UAH0.28bn to UAH48.86bn as banks' correspondent accounts with the NBU slid UAH0.79bn to UAH28.71bn and total local currency debt repayments scheduled for the next 30 days declined UAH1.15bn to UAH5.25bn. Total CDs outstanding rose UAH2.23bn to UAH14.90bn.

KyivPrime interest rates slightly rose: the KyivPrime ON interest rate increased 30bp to 9.90% and the KyivPrime 1M interest rate was up 35bp to 16.35%.

Investment implications: The NBU continued to absorb extra liquidity as it increased its CDs outstanding. All funds injected by the MoF and some funds from banks' correspondent accounts with the NBU also were absorbed. At the same time, KyivPrime interest rates continued to increase, indicating high potential for liquidity to decline soon.

Eurobond YTMs improve significantly

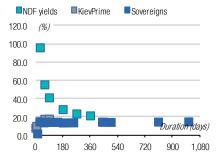
Ukrainian Eurobond YTMs adjusted to the range of 10.34-18.20% yesterday. UKRAIN 6.875% '15 declined 179bp to 18.20%, UKRAIN 6.58% '16 was down 96bp to 13.45% and UKRAIN 9.25% '17 slid 81bp to 13.47%, while UKRAIN 6.75% '17 declined 74bp to 12.87%, UKRAIN 7.95% '21 declined 68bp to 10.75%, and UKRAIN 7.80% '22 and UKRAIN 7.50% '23 slid 49bp and 44bp to 10.55% and 10.34%, respectively. The 5-year CDS declined to 1,266bp.

Investment implications: Ukrainian Eurobond YTMs continued to decline yesterday due to the increase in positive anticipations following this weekend's elections in Ukraine. The decline in yields was due to spreads tightening to the range of 807-1,781bp. However, US Treasury yields rose slightly yesterday.

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Yield curve of the local bond market

(as of market close on 23 Oct 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 23 Oct 2014)

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

MUNEY IV	IAKKET KI	EV PRIME F	RATES (%))	
0/n	9.90	+30bp	+27bp	+152bp	+210bp
1wk	11.25	+25bp	+37bp	+87bp	+145bp
1m	16.35	+35bp	+47bp	+72bp	+10bp
2m	18.00	+20bp	+12bp	+0bp	+160bp
3m	18.00	+0bp	+0bp	+0bp	+200bp
LIQUIDITY	WIDE ME	ASUREMEN	IT (UAHm))	
CB acc's ¹	28,713	-2.69	-7.96	-30.70	-12.20
CDs ²	14,902	+17.56	+6.03	-10.55	+2,013.8

HUI DEBG	UE IIVH O	COVEREIC	и вомпе	/IIAHm)	
Total	48,706	+3.03	-4.53	-25.91	+39.55
Sovgns ³	5,091	+0.00	-11.66	-33.43	+240.5
CDs ²	14,902	+17.56	+6.03	-10.55	+2,013.8
CB acc's'	28,713	-2.69	-7.96	-30.70	-12.20

HOLDERS	S OF UAH S	SOVEREIGI	N BONDS	(UAHm)	
C.bank	274,642	+0.37	+1.10	+7.92	+89.60
Banks	83,699	+0.18	+0.68	-5.87	+4.40
Resid's4	14,400	-0.85	-3.13	-42.42	+16.16
Non-res ⁵	19,324	-0.67	-1.01	-4.25	+65.18
Total	392,065	+0.23	+0.74	+0.89	+57.38
NDF IMP	LIED YIELI	DS (%)			

NUT INITLIE	TIELDS	(70)			
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

LUCAL CON	INENUI	UALLOUVE	ntidiv bui	ND TILLUS	(70)
Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	N/A	+320bp	+0bp	+0bp	-676bp
Aug '15 ⁶	N/A	+17bp	+0bp	+301bp	-78ppt

EUKOROND	S USD S	OVEREIGN	ROND AIF	LDS (%)	
CDS 5yr	1,266	-4bp	-149bp	+20bp	+450bp
Jun '16	14.22	-74bp	-277bp	-194bp	+533bp
Jul '17	13.45	-83bp	-282bp	-184bp	+390bp
Sep '20	10.76	-70bp	-124bp	-64bp	+157bp
Sep '21	10.73	-70bp	-118bp	-70bp	+151bp
Sep '22	10.53	-51bp	-87bp	-22bp	+118bp
Feb '23	10.32	-45bp	-86bp	-45bp	+128bp

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.

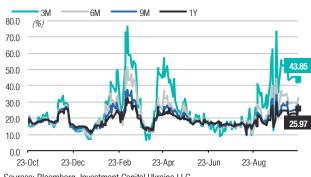


Chart page: Local bond market & Eurobond markets

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



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



Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 23 Oct 2014

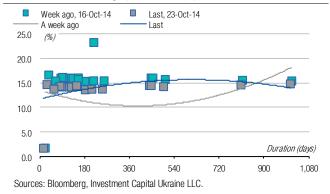


Chart 4. USD sovereign yield curve (%) as of 23 Oct 2014

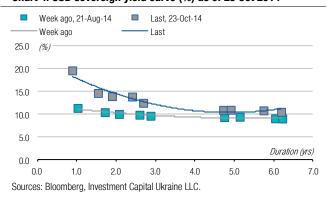


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

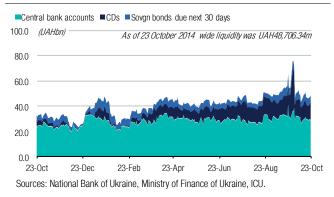
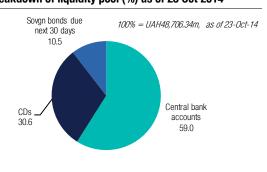


Chart 6. Breakdown of liquidity pool (%) as of 23 Oct 2014

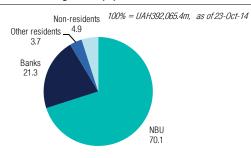


Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 7. Holders of sovereign bonds (UAHbn), last 12 months



Chart 8. Domestic sovereign debt (%) as of 23 Oct 2014



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

Table 1. Ukrainian stocks (closing prices as of 23-Oct-2014)

			Share pri	ce perforn	nance (% change	e)	Valu	uation (U	n (US\$) Free float (FF) & Liquidity						P/E		EV/EBITDA				V/Sales	Rati	.08			
Company	Bloomberg Ticker	Listing	Last price	Daily	MoM	YTD	YoY		Market cap (m)	EV (m)	FF (%)	mkt cap	Last day turnover (US\$ 000)	turnover	FF share traded (%)	FF turnover (days)	2013	2014E	2014E	2013	2014E	2014E	2013	2014E	2014E		Debt/ Assets (%)
ENERGY																											
Cadogan Petrol	. CAD LN	London	9.75 GBp	+2.6	-12.4	-6.0	-31.6	0.16	36.1	-11.5	40.2	14.5	12.5	24.7	0.09	1,117	Neg.	N/A	N/A	1.7	N/A	N/A	Neg.	N/A	N/A	0.3	0.0
Centrenergo	CEEN UK	Kiev, UX	7.60 UAH	+0.0	+2.1	+59.3	+46.5	0.58	215.9	270.4	21.7	46.9	87.9	97.7	0.06	1,645	5.8	5.0	7.6	0.4	3.9	4.1	0.5	0.3	0.3	1.1	16.3
Coal Energy	CLE PW	Warsaw	0.78 PLN	-6.0	-20.4	-25.7	-69.3	0.23	10.5	136.4	25.0	2.6	13.2	42.4	0.40	251	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	31.92 UAH	+0.0	+14.9	+15.7	+29.4	2.46	58.1	119.2	14.2	8.3	2.8	19.5	0.08	1,188	1.4	1.4	1.5	0.1	2.0	1.5	0.3	0.2	0.3	1.1	25.1
JKX Oil & Gas	JKX LN	London	37.38 GBp	-0.3	-16.9	-47.7	-47.0	0.60	102.9	108.1	47.2	48.6	12.2	30.5	0.07	1,465	15.8	17.2	3.1	1.6	2.1	1.7	0.6	0.6	0.6	0.2	5.5
Regal Petroleum	RPT LN	London	6.50 GBp	+0.0	-29.7	-50.0	-57.7	0.10	33.4	3.3	80.9	27.0	0.0	8.1	0.03	3,031	Neg.	16.7	N/A	0.0	0.1	0.2	0.1	0.1	0.1	0.3	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	162.00 UAH	+0.0	+21.9	+79.2	+90.6	12.46	159.4	248.9	5.0	8.0	0.0	2.4	0.06	1,576	3.6	N/A	N/A	1.6	N/A	N/A	0.3	N/A	N/A	1.4	0.0
METALLURGY																											
Alchevsky Meta	ALMK UK	Kiev, UX	0.03 UAH	+0.0	+9.4	-33.8	-39.3	0.00	51.0	2,254.3	3.9	2.0	0.3	6.2	0.11	948	Neg.	Neg.	N/A	Neg.	Neg.	N/A	2.0	1.2	N/A	N/A	85.7
Avdiyivsky Cok	AVDK UK	Kiev, UX	2.64 UAH	+0.0	+12.5	-10.8	-21.0	0.20	39.6	35.8	4.0	1.6	1.8	6.6	0.15	647	Neg.	257.5	0.7	0.1	0.7	0.3	0.1	0.0	0.0	0.1	0.1
Azovstal	AZST UK	Kiev, UX	0.72 UAH	+0.0	+11.5	+7.3	+3.8	0.06	232.5	N/A	4.1	9.5	2.4	13.3	0.20	490	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	89.00 GBp	-3.2	-30.4	-52.1	-53.4	1.43	840.2	1,042.7	22.4	188.2	2,031.8	1,044.8	0.95	105	3.2	3.2	7.0	2.1	2.2	3.3	0.7	0.7	8.0	0.8	35.1
Yasynivsky Cok	. YASK UK	Kiev, UX	0.47 UAH	+0.0	+2.2	-11.3	-17.5	0.04	9.9	10.7	9.0	0.9	0.4	4.0	0.12	844	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	29.67 UAH	+0.0	+18.6	-7.3	-12.7	2.28	24.1	13.9	9.4	2.3	0.1	7.3	0.14	737	Neg.	Neg.	N/A	2.4	0.4	N/A	0.0	0.0	N/A	1.4	0.0
FOOD AND AGR	IBUSINESS																										
AgroGeneration	ALAGR FP	EN Paris	0.49 EUR	-3.9	-38.8	-60.5	-64.7	0.62	57.3	112.0	34.0	19.5	15.5	9.7	0.13	791	Neg.	N/A	N/A	Neg.	N/A	N/A	1.6	N/A	N/A	1.1	35.9
Agroliga	AGL PW	Warsaw	12.54 PLN	-4.3	-17.4	-51.6	-60.1	3.76	5.8	6.6	16.7	1.0	3.3	2.4	0.35	290	1.4	N/A	N/A	1.9	N/A	N/A	0.3	N/A	N/A	0.5	5.7
Agroton	AGT PW	Warsaw	1.86 PLN	+0.0	-13.1	-4.6	-22.8	0.56	12.1	57.4	26.2	3.2	40.5	54.1	0.62	162	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	33.21 PLN	-2.2	-10.6	-50.4	-53.4	9.95	248.7	495.3	31.0	77.1	2.4	99.2	0.08	1,220	7.6	24.6	3.8	6.5	4.0	4.4	1.1	1.0	1.0	0.7	38.2
Avangard	AVGR LI I	_ondon Intl	6.50 USD	+0.0	-18.6	-44.7	-48.0	6.50	415.2	548.9	21.7	90.1	6.5	88.8	0.10	1,032	1.8	2.9	2.5	1.8	3.1	3.0	8.0	0.9	0.9	0.4	17.8
IMC	IMC PW	Warsaw	6.71 PLN	-2.0	-5.9	-44.8	-54.2	2.01	62.9	204.0	23.9	15.0	2.5	15.9	0.10	967	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	23.13 PLN	+0.3	-9.3	-39.2	-56.6	6.93	552.1	1,237.1	58.8	324.5	232.8	769.8	0.17	576	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	+0.0	-25.2	-90.4	-91.3	0.31	4.7	115.8	34.4	1.6	13.8	170.9	3.13	32	Neg.	0.4	0.2	13.3	N/A	N/A	1.6	1.2	1.0	0.3	44.5
MHP	MHPC LI L	ondon Intl	11.40 USD	-0.9	-8.4	-33.1	-26.5	11.40	1,204.6	2,414.9	22.3	268.9	2,968.3	1,080.9	0.12	841	7.7	10.6	4.2	6.2	5.1	4.8	1.6	1.7	1.5	2.1	47.0
Milkiland	MLK PW	Warsaw	3.48 PLN	-2.0	-11.9	-72.2	-74.2	1.04	32.6	159.9	20.0	6.5	7.6	7.5	0.15	683	2.4	Neg.	7.6	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	77.4	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
Ovostar Union	OVO PW	Warsaw	68.99 PLN	-2.8	-0.7	-31.0	-30.0	20.66	124.0	131.5	25.0	31.0	15.1	23.5	0.01	8,663	4.1	6.4	6.2	3.6	5.0	4.7	1.5	1.7	1.4	0.9	8.5
TRANSPORTAT	ION																										
KDM Shipping CONSTRUCTION	KDM PW	Warsaw	6.90 PLN	-6.0	+10.4	-78.0	-78.7	2.07	19.2	2.7	10.9	2.1	0.0	0.7	0.01	11,423	2.8	N/A	N/A	0.2	N/A	N/A	0.1	N/A	N/A	0.3	5.6
TMM	TR61 GF	Xetra	0.16 EUR	+0.0	-32.5	-48.9	-45.1	0.21	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
FINANCIAL SER		ποιια	0.10 LUII	- 10.0	-02.0	- 10.0	70.1	0.21	10.0	100.2	10.1	1.4	0.0	0.1	0.01	10,002	rvog.	IN/A	11077	riog.	IW/A	11//1	0.0	11//7	11//1	0.1	70.0
Raiffeisen Ban		Kiev. UX	0.12 UAH	+0.0	-5.3	+7.8	+23.7	0.01	282.0	N/A	3.8	10.8	2.7	18.5	0.09	1,099	3.6	Neg.	12.5	N/A	N/A	N/A	N/A	N/A	N/A	0.5	22.4
	DVE OIL	, 0/1	J L 0/11/	-0.0	0.0	-1.0		5.51	232.0	14// (5.0	10.0	L.1	10.0	0.00	.,000	0.0	. 109.		. 4// 1			. 4// 1	. 4// 1	. 4// 1	0.0	

Table 1. Ukrainian stocks (closing prices as of 23-Oct-2014)

			Share pri	ce perform	ance (%	change)		Valuation (US	\$)		Free float (FF) & Liquidity				P/E		EV	/EBITDA		EV	//Sales	Ratios				
Company	Bloomberg	Listing	Last	Daily	MoM	YTD	YoY	Last Market	EV	FF	FF	Last day	3M avg.	FF share	FF	2013	2014E	2014E	2013	2014E 2	2014E	2013	2014E	2014E	P/B I	Debt/
	Ticker		price					price cap (m)	(m)	(%)	mkt cap	turnover	turnover	traded	turnover										(x) A:	ssets
											(US\$m)	(US\$ 000)	(US\$ 000)	(%)	(days)											(%)
Ukrsotsbank	USCB UK	Kiev, UX	0.14 UAH	+0.0	-4.1	-25.8	-26.7	0.01 194.1	N/A	4.5	8.7	0.1	2.2	0.00	36,866	Neg.	10.3	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

Weak ruble raises hryvnia's TWI

The Russian ruble declined significantly yesterday after midday news that the Russian central bank sold US\$1bn within a few hours to defend the currency. In Russia, depositors have been questioning the future path of the currency in response to rising sanctions from the West. There appears to be early signs of a potential run on the currency. The ruble lost 1.9% yesterday as it closed at an all time low of 41.73/USD. We estimate that by its real trade weighted value the ruble's market FX rate corresponds to its fundamental value, which is projected to evolve to 42-43/USD over time. However, if the ruble's market rate could decline to as low as our projection of 45-50/USD, it would signify a widening of misalignment of the ruble's market rate with its fundamental value. We believe that the Russian central bank will lean in this direction as they view a weaker currency as a long-awaited correction of past misalignment. This is not positive for the hryvnia, only signaling further weakness.

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Readers may follow the ICU trade-weighted indices of the local-currency, the hryvnia (UAH), on the ICU website and Bloomberg (type: ALLX UTWI

Section on FX market is continued on next page.

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ICU's UAH trade-weighted indices

(Last 12-month history to 24 Oct 2014)



FX market indicators (as of 23 Oct 2014)

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

USD/UAH	MARKET (H	RYVNIA pe	r US DOLI	AR)	
Spot mkt	13.0000	-0.08	+0.78	-1.89	+57.77
NBU avg	12.9505	+0.00	-0.01	-4.26	+58.89
Ttl vlm ¹	N/A	N/A	N/A	N/A	N/A
\$ volume ²	N/A	N/A	N/A	N/A	N/A
NDF 3M	14.4250	+0.00	+0.52	-7.95	+70.01
NDF 6M	15.1000	+0.00	+2.03	-6.62	+71.98
NDF 1Y	16.3000	+0.00	+3.49	-4.80	+73.04
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	48.294	+0.94	+0.27	+5.21	-28.49
UAH real CPI	83.131	+0.94	+0.27	+5.21	-17.75
UAH real PPI	126.324	+0.94	+0.27	+5.21	-8.98
USD nom'l	85.843	+0.61	+1.05	+1.40	+7.26
FX RATES OF KEY CURRENCIES THAT SHAPE UAH'S TWIS					
USD/RUB	41.7281	+1.90	+2.12	+8.13	+26.95
EUR/USD	1.2646	-0.64	-1.27	-1.56	-7.98
USD/CNY	6.1197	+0.02	-0.06	-0.30	+1.08
USD/PLN	3.3442	+0.83	+1.28	+2.93	+10.63
USD/TRY	2.2359	-0.39	-1.17	-0.15	+4.08
USD/BYR	10,695.00	-0.09	+0.05	+1.37	+12.11
USD/KZT	180.9300	-0.02	-0.35	-0.43	+17.28
OTHER MAJOR CURRENCIES					
USD/JPY	108.2700	+1.26	+1.82	-0.57	+2.81
GBP/USD	1.6030	-0.58	-0.35	-2.18	-3.18
USD/CHF	0.9541	+0.62	+1.23	+1.51	+6.85
AUD/USD	0.8762	-0.28	+0.07	-0.88	-1.74
USD/CAD	1.1230	+0.05	-0.25	+1.37	+5.71
USD/BRL	2.5000	+0.52	+1.10	+3.65	+5.84
USD/KRW	1,056.14	+0.45	-0.51	+1.56	+0.60
COMMIDIT	TES				
Gold(\$/oz)	1,231.86	-1.28	-0.56	+0.70	+2.17
WTI crude ³	82.34	+0.00	-0.44	-11.04	-16.34
Brent crd ³	85.89	+0.83	-0.46	-9.57	-22.50
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	272.43	+0.77	-0.10	-1.93	-2.76

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.

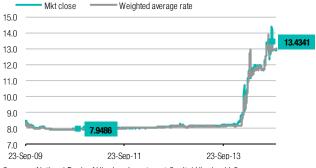
Sources: Bloomberg, Investment Capital Ukraine LLC.



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)

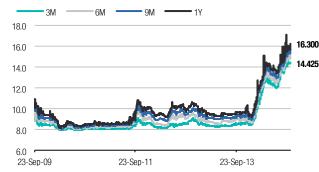




Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

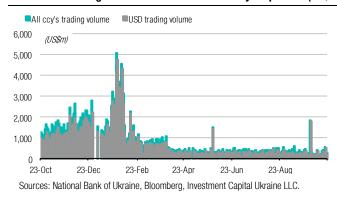
Chart 10. NDF market rates USD/UAH: last 12-month and 5-year periods (UAH per USD, left and right respectively)





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

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



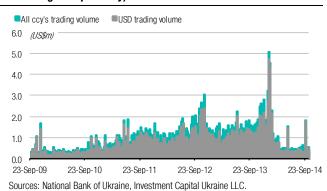


Chart 12. 30D MA* ratio of FX market turnover to merchandise trade: last 12m and 5yr periods (%, left and right respectively)





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

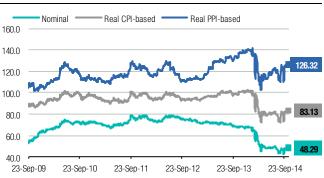
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the *Quarterly Report* "Keep the music playing" dated 31 January 2013 and, then, updated, in the *Quarterly Report* "Muddling through no more" dated 14 August 2013.

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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This research publication has been prepared by the analyst(s), whose name(s) appear on the front page of this publication. The analyst(s) hereby certifies that the views expressed within this publication accurately reflect her/his own views about the subject financial instruments or issuers and no part of her/his compensation was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views within this research publication.

EQUITY RATING DEFINITIONS

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

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

Sell: Forecasted 12-month total return significantly less than that of relevant benchmark



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