



Focus  
**Ukraine**

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

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# Daily Insight

## Pro-democracy and pro-EU agenda wins

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MONDAY, 27 OCTOBER 2014

### UX Index (3 months to 27 Oct 2014)



Source: UX.

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

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	13.0000	+0.00	+57.77
USD/UAH (1Y NDF)	15.7500	-3.37	+67.20
EUR/USD	1.2671	+0.20	-7.80
USD/RUB	41.8085	+0.19	+27.20
KievPRIME O/N (%)	9.80	-10bp	+200bp
KievPRIME 1M (%)	16.35	+0bp	+10bp
<b>SOVEREIGN EUROBONDS: yields and spreads</b>			
Ukraine 15, Eurobond (%)	18.19	-179bp	+983bp
Ukraine 17, Eurobond (%)	13.45	-83bp	+390bp
Ukraine 22, Eurobond (%)	10.53	-51bp	+118bp
Ukraine 23, Eurobond (%)	10.32	-45bp	+128bp
Ukraine 5Y CDS	1,225bp	-41bp	+409bp
<b>EQUITIES</b>			
<b>Stock market indices</b>			
UX (Ukraine)	1,115.77	+0.78	+22.61
MSCI World	409.23	+0.45	+0.17
MSCI EM	984.38	+0.27	-1.83
RTS (Russia)	1,036.68	+0.07	-28.14
WIG-20 (Poland)	2,426.20	-0.31	+1.05
S&P 500 (USA)	1,964.58	+0.71	+6.29

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.

## Economics: News & Comments

### Exit polls: Pro-democracy and pro-EU agenda wins

Yesterday's Parliamentary election late night exit poll results (see table below) revealed a win for the pro-democracy, pro-EU and pro-reforms majority. The fact that all exit poll results are quite similar signifies that no manipulation (a customary element of the past) has occurred. Final result should mirror the exit poll through which 53% of the votes have been counted so far.

**Table 1. Exit polls (% share of votes)**

	National exit poll	Int'l exit poll	Ukraine. Elections '14	Shuster exit poll
<b>Poroshenko's Bloc</b>	23.0	22.2	23.1	23.2
<b>People's Front</b>	21.3	21.8	19.7	20.7
<b>Self-Assistance</b>	13.2	14.2	11.0	13.0
<b>Radical Party</b>	6.4	6.4	6.6	6.8
<b>Opposition Bloc</b>	7.6	7.8	9.9	8.0
<b>Svoboda</b>	6.3	5.8	5.8	5.8
<b>Batkivschyna</b>	5.6	5.6	5.7	5.5

Sources: Pravda.com.ua

President Poroshenko's bloc received 23.0% of the votes, which is below both the target and most recent opinion poll.

PM Yatsenyuk's party, known as The People's Front, received a superb 22.1% share, while a week ago it ranked third in the polls with a share below 10%. It most likely managed to attract voters from the undecided camp which accounted for one-third of the voters.

Another big surprise of the elections is strong showing by the Self-Assistance party, which received 12% of the votes. Its leader, Andriy Sadoviy, the mayor of Lviv and a rising star of Ukraine politics, is not coming to parliament as he needs at least a 17% share to achieve this. It appears he intentionally did not want to win this election in order to make way for his party's breed of young professionals to enter the parliament. Instead, with higher aims, he appears to be preparing to run for president in the next election.

Oleh Lyashko's Radical Party received just a 6% share, well below expectations as polls had placed this party second in this election.

The former Party of Regions and openly pro-Kremlin group, now called the Opposition Bloc, received 8% of the votes, considered a strong showing for these voters.

Svoboda and Tymoshenko's Batkivschyna party showed poor results of 6% and 5%, respectively.

The majority will be formed by Poroshenko's bloc, the People's Front, Self-Assistance, and Svoboda. They are likely to command a total of 300 MPs. Tymoshenko and Lyashko, while both have elements of the pro-EU mindset, are considered to be populists that are pro-Maidan activists who will occasionally join the majority to pass laws that require broader support.

Arseniy Yatsenyuk is likely to retain the post of prime minister. Although the government will be reshuffled to reflect the changed political structure of the parliament, the Self-Assistance party said yesterday that it would take part in the ruling majority and would call to form a government based more on merit than on party affiliation and quotas. Such an

announcement could signify the formation of a new administration that is more reform-focused than the previous one.

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# Bonds: News & Comments

## Liquidity falls significantly

Broader banking sector liquidity fell UAH4.09bn to UAH44.77bn last Friday as banks' correspondent accounts with the NBU declined UAH2.12bn to UAH26.60bn and total CDs outstanding were down UAH1.98bn to UAH12.93bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH5.25bn.

KyivPrime interest rates slightly diverged: the KyivPrime ON interest rate slid 10bp to 9.80% while the KyivPrime 1M interest rate held steady at 16.35%.

**Investment implications: Liquidity fell likely due to month-end tax payments and the lack of NBU support. This week we will see liquidity remain low and possibly decline further if the NBU provides no new support.**

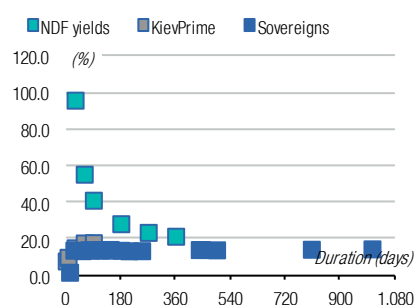
## Eurobond YTM remain steady

Prior to the parliamentary elections in Ukraine, Ukrainian Eurobond YTM remained steady with insufficient changes last Friday as the yield curve adjusted to the range of 10.34-18.19%. UKRAIN 6.875% '15 slid 1bp to 18.19%, UKRAIN 7.95% '21 declined 20bp to 10.55%, while UKRAIN 6.58% '16, UKRAIN 6.75% '17, UKRAIN 9.25% '17, UKRAIN 7.80% '22 and UKRAIN 7.50% '23 remained steady at 13.45%, 12.13%, 13.47%, 10.55% and 10.34%, respectively. The 5-year CDS declined to 1,225bp.

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## Yield curve of the local bond market

(as of market close on 24 Oct 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

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

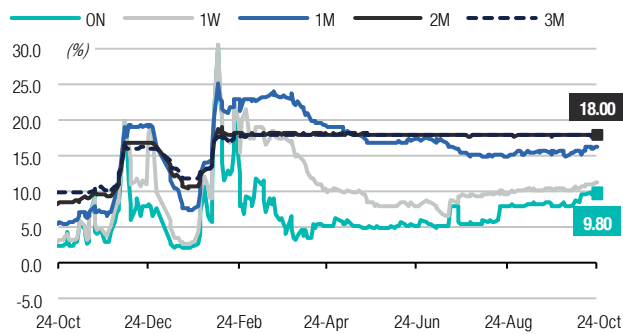
	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
0/n	9.80	-10bp	+5bp	+180bp	+200bp
1wk	11.20	-5bp	+18bp	+95bp	+140bp
1m	16.35	+0bp	+10bp	+102bp	+10bp
2m	18.00	+0bp	+0bp	+17bp	+160bp
3m	18.00	+0bp	+0bp	+0bp	+200bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	26,597	-7.37	-10.64	-14.68	-18.67
CDS <sup>2</sup>	8,214	-44.88	-28.75	-51.90	+1,065.1
Sovgns <sup>3</sup>	5,091	+0.00	-11.66	-10.51	+240.5
<b>Total</b>	<b>39,902</b>	<b>-18.08</b>	<b>-15.20</b>	<b>-26.02</b>	<b>+14.32</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	274,642	+0.00	+0.73	+4.76	+89.60
Banks	83,806	+0.13	+0.64	-5.91	+4.54
Resid's <sup>4</sup>	14,339	-0.42	-2.61	-17.55	+15.67
Non-res <sup>5</sup>	19,275	-0.25	-1.28	-4.38	+64.76
<b>Total</b>	<b>392,062</b>	<b>+0.00</b>	<b>+0.49</b>	<b>+0.84</b>	<b>+57.38</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	41.87	-232bp	-350bp	-255bp	+30bp
6m	28.03	-463bp	-181bp	-137bp	+15bp
9m	23.78	-464bp	-125bp	-225bp	+976bp
1yr	21.81	-426bp	-97bp	-60bp	+682bp
<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	+0bp	+301bp	-78ppt
<b>EUROBONDS USD SOVEREIGN BOND YIELDS (%)</b>					
CDS 5yr	1,225	-41bp	-148bp	-9bp	+409bp
Jun '16	14.22	-74bp	-277bp	-96bp	+533bp
Jul '17	13.45	-83bp	-282bp	-86bp	+390bp
Sep '20	10.76	-70bp	-124bp	-7bp	+157bp
Sep '21	10.73	-70bp	-118bp	-8bp	+151bp
Sep '22	10.53	-51bp	-87bp	+11bp	+118bp
Feb '23	10.32	-45bp	-86bp	+8bp	+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.

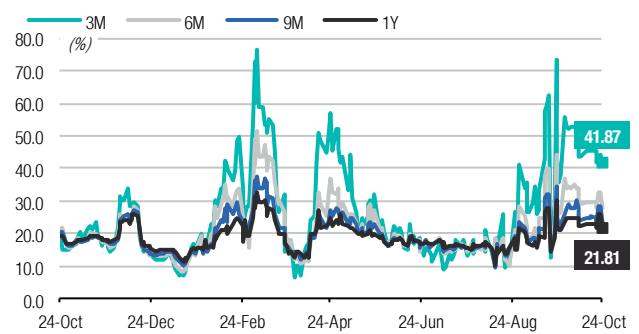
Chart page: Local bond market & Eurobond markets

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



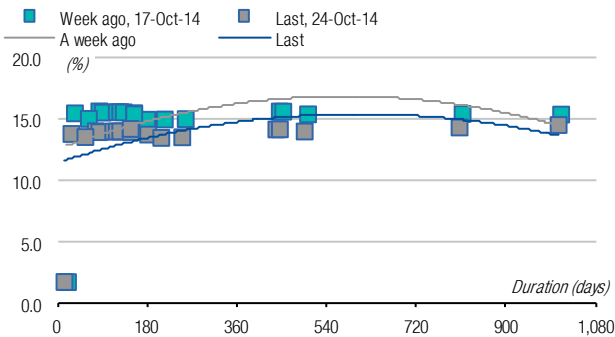
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



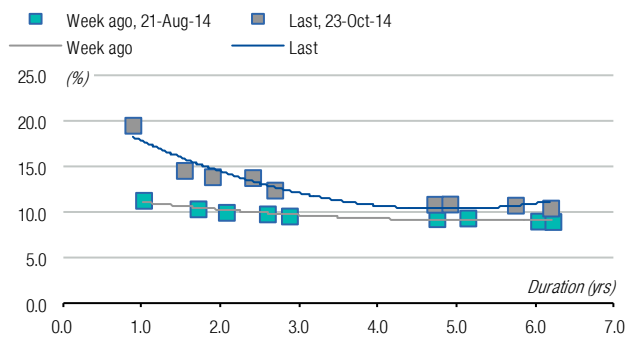
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



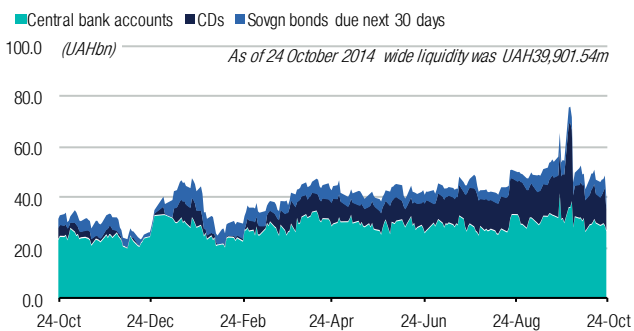
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



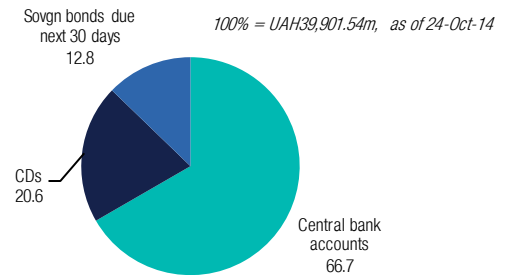
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



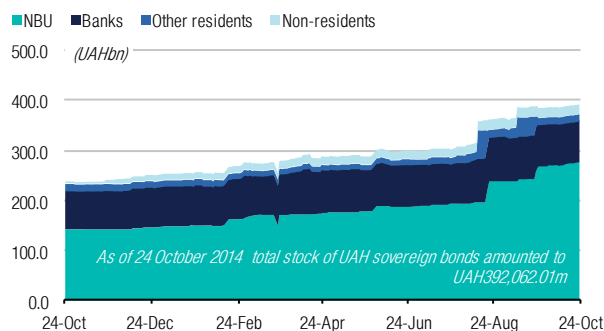
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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



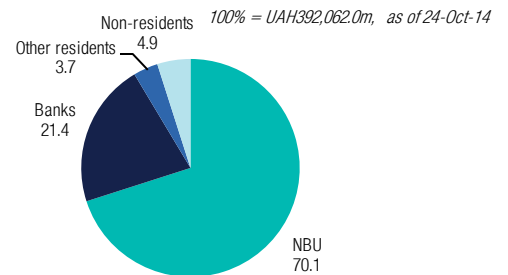
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 24 Oct 2014



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

Table 2. Ukrainian stocks (closing prices as of 24-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	9.75 GBp	+0.0	-10.3	-6.0	-29.1	0.16	36.3	-11.3	40.2	14.6	0.0	24.8	0.09	1,143	Neg.	N/A	N/A	1.7	N/A	N/A	Neg.	N/A	N/A	0.3	0.0
Centrenerg	CEEN UK	Kiev, UX	7.57 UAH	-0.4	+1.0	+58.7	+47.3	0.58	215.0	269.5	21.7	46.7	141.1	91.8	0.08	1,322	5.7	5.0	7.5	0.4	3.9	4.1	0.5	0.3	0.3	1.1	16.3
Coal Energy	CLE PW	Warsaw	0.80 PLN	+2.6	-14.9	-23.8	-68.3	0.24	10.8	136.8	25.0	2.7	1.9	43.6	0.37	269	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	33.21 UAH	+4.0	+16.6	+20.4	+37.5	2.55	60.4	121.5	14.2	8.6	19.1	19.7	0.09	1,153	1.5	1.4	1.5	0.1	2.0	1.6	0.3	0.2	0.3	1.2	25.1
JXK Oil & Gas	JXK LN	London	38.00 GBp	+1.7	-14.6	-46.9	-46.7	0.61	105.0	110.2	47.2	49.6	12.5	28.6	0.07	1,478	16.2	17.5	3.2	1.7	2.2	1.7	0.6	0.7	0.6	0.2	5.5
Regal Petroleum	RPT LN	London	6.50 GBp	+0.0	-25.7	-50.0	-57.7	0.10	33.5	3.4	80.9	27.1	0.5	8.2	0.03	3,022	Neg.	16.8	N/A	0.0	0.2	0.3	0.1	0.1	0.1	0.3	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	162.00 UAH	+0.0	+15.4	+79.2	+95.2	12.46	159.4	248.9	5.0	8.0	0.0	2.4	0.05	1,876	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	+1.9	+6.9	-32.5	-36.9	0.00	51.9	2,255.3	3.9	2.0	0.2	5.9	0.09	1,108	Neg.	Neg.	N/A	Neg.	Neg.	N/A	2.0	1.2	N/A	N/A	85.7
Avdiyivsky Cok...	AVDK UK	Kiev, UX	2.66 UAH	+0.7	+11.4	-10.2	-19.1	0.20	39.9	36.1	4.0	1.6	0.4	6.4	0.15	659	Neg.	259.2	0.7	0.1	0.7	0.3	0.1	0.0	0.0	0.1	0.1
Azovstal	AZST UK	Kiev, UX	0.75 UAH	+4.2	+16.3	+11.8	+10.3	0.06	242.2	N/A	4.1	9.9	9.3	13.8	0.20	502	Neg.	N/A	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	87.15 GBp	-2.1	-26.3	-53.1	-53.8	1.40	825.7	1,028.1	22.4	184.9	842.7	1,029.8	0.96	105	3.2	3.1	6.9	2.0	2.2	3.3	0.7	0.7	0.8	0.7	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.47 UAH	+0.0	+5.9	-11.3	-19.0	0.04	9.9	10.7	9.0	0.9	0.0	3.8	0.08	1,218	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	29.47 UAH	-0.7	+11.7	-7.9	-12.0	2.27	23.9	13.8	9.4	2.2	0.3	6.5	0.14	732	Neg.	Neg.	N/A	2.4	0.4	N/A	0.0	0.0	N/A	1.4	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	0.49 EUR	+0.0	-35.5	-60.5	-64.7	0.62	57.4	112.2	34.0	19.5	6.8	9.8	0.12	826	Neg.	N/A	N/A	Neg.	N/A	N/A	1.6	N/A	N/A	1.1	35.9
Agroliga	AGL PW	Warsaw	12.24 PLN	-2.4	-17.8	-52.8	-61.0	3.68	5.7	6.5	16.7	0.9	0.8	2.4	0.35	285	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	1.92 PLN	+3.2	-7.7	-1.5	-17.2	0.58	12.5	57.8	26.2	3.3	16.8	55.9	0.58	174	Neg.	1.8	1.6	21.6	19.3	N/A	0.7	0.7	0.7	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	33.00 PLN	-0.6	-13.2	-50.7	-53.3	9.93	248.3	495.4	31.0	77.0	104.3	100.5	0.09	1,120	7.6	24.5	3.8	6.5	4.0	4.4	1.1	1.0	1.0	0.7	38.2
Avangard	AVGR LI	London Intl	6.47 USD	-0.5	-19.1	-45.0	-50.3	6.47	412.9	546.7	21.7	89.6	7.7	82.8	0.10	1,024	1.7	2.9	2.5	1.8	3.1	3.0	0.8	0.9	0.9	0.4	17.8
IMC	IMC PW	Warsaw	6.90 PLN	+2.8	-5.5	-43.2	-53.1	2.08	65.0	206.1	23.9	15.5	0.9	16.4	0.10	999	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	23.48 PLN	+1.5	-6.8	-38.3	-48.4	7.07	563.1	1,248.2	58.8	331.0	662.8	778.7	0.17	574	Neg.	3.8	3.2	6.6	3.9	3.7	0.5	0.5	0.5	0.5	39.1
KSG Agro	KSG PW	Warsaw	1.08 PLN	+3.8	-16.3	-90.0	-91.0	0.33	4.9	116.0	34.4	1.7	16.4	178.5	2.80	36	Neg.	0.4	0.2	13.4	N/A	N/A	1.6	1.2	1.0	0.3	44.5
MHP	MHPC LI	London Intl	11.12 USD	-2.5	-12.1	-34.8	-29.4	11.12	1,175.0	2,385.3	22.3	262.3	1,931.9	1,058.5	0.16	631	7.5	10.3	4.1	6.1	5.0	4.8	1.6	1.7	1.5	2.0	47.0
Milkiland	MLK PW	Warsaw	3.49 PLN	+0.3	-5.4	-72.1	-74.3	1.05	32.8	160.4	20.0	6.6	17.7	7.8	0.13	744	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	-88.0	0.73	77.5	805.3	20.0	15.5	0.0	1.3	0.00	28,075	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	68.49 PLN	-0.7	-1.5	-31.5	-30.3	20.61	123.7	131.3	25.0	30.9	0.4	22.4	0.01	8,549	4.0	6.3	6.2	3.6	5.0	4.6	1.5	1.7	1.4	0.9	8.5
<b>CONSTRUCTION</b>																											
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
<b>FINANCIAL SERVICES</b>																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.12 UAH	+0.2	-4.2	+7.9	+18.4	0.01	282.5	N/A	3.8	10.8	13.6	18.3	0.10	1,045	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	0.15 UAH	+7.1	+5.5	-20.5	-19.4	0.01	207.9	N/A	4.5	9.3	3.0	1.9	0.00	25,898	Neg.	11.0	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

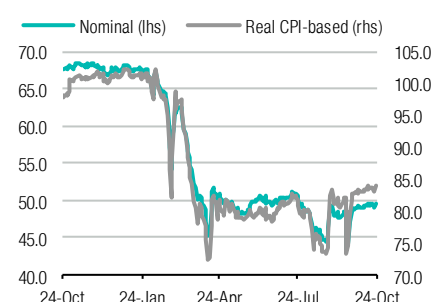
### UAH: FX controls to be phased out gradually

NBU officials last week indicated that they might phase out of the tight FX policy mix that has been in use since late August. While market sentiment is still negative, particularly regarding control of the hryvnia's nominal rate, authorities are likely trying to spread positive news after the successful elections that strongly supported the pro-democracy, pro-EU and pro-reform parties.

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### ICU's UAH trade-weighted indices

(Last 12-month history to 27 Oct 2014)



Source: Investment Capital Ukraine LLC.

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

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	13.0000	+0.00	+0.79	-1.89	+57.77
NBU avg	12.9504	+0.00	-0.01	+0.05	+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	14.3500	-0.52	+0.00	-2.45	+69.12
NDF 6M	14.8000	-1.99	+0.00	-2.47	+68.56
NDF 1Y	15.7500	-3.37	+0.00	-2.33	+67.20
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	49.509	-0.01	+0.36	+5.31	-26.70
UAH real CPI	83.782	-0.01	+0.36	+5.31	-17.11
UAH real PPI	122.193	-0.01	+0.36	+5.31	-11.96
USD nom'l	85.732	-0.13	+0.73	+0.82	+7.12
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	41.8085	+0.19	+2.86	+9.49	+27.20
EUR/USD	1.2671	+0.20	-0.71	-0.85	-7.80
USD/CNY	6.1165	-0.05	-0.14	-0.29	+1.03
USD/PLN	3.3255	-0.56	+0.59	+1.86	+10.01
USD/TRY	2.2316	-0.19	-0.64	-0.22	+3.88
USD/BYR	10,740.00	+0.42	+0.61	+1.66	+12.58
USD/KZT	180.9600	+0.02	-0.64	-0.52	+17.30
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	108.1600	-0.10	+1.20	-0.81	+2.71
GBP/USD	1.6090	+0.37	-0.02	-1.53	-2.82
USD/CHF	0.9519	-0.23	+0.59	+0.68	+6.61
AUD/USD	0.8793	+0.35	+0.56	-1.04	-1.39
USD/CAD	1.1231	+0.01	-0.41	+1.56	+5.72
USD/BRL	2.4739	-1.04	+1.58	+3.80	+4.73
USD/KRW	1,057.50	+0.13	-0.78	+1.69	+0.73
<b>COMMODITIES</b>					
Gold(\$/oz)	1,230.90	-0.08	-0.60	+1.14	+2.09
WTI crude <sup>3</sup>	81.26	-1.31	-1.80	-13.55	-17.44
Brent crd <sup>3</sup>	85.29	-0.70	+0.21	-10.28	-23.04
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	270.22	-0.81	-0.89	-3.62	-3.55

Notes: [1] trading volume in all foreign currencies (US\$m); [2] trading volume in the pair USD/UAH (US\$m); [3] crude oil price (USD per barrel); [4] the Thomson Reuters/Jefferies CRB Index. A green-/red-shaded box means gain or loss, respectively, of the investment into the asset. Currencies are gaining when their exchange rates strengthen versus USD.

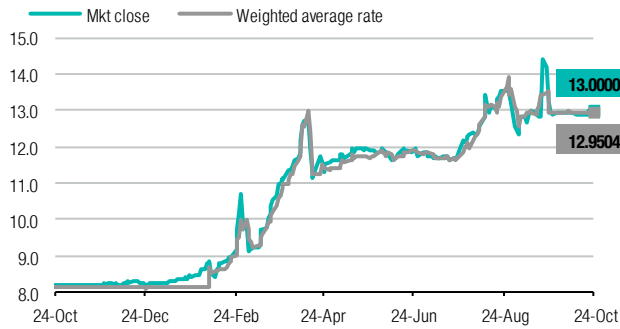
Sources: Bloomberg, Investment Capital Ukraine LLC.

Readers may follow the ICU trade-weighted indices of the local-currency, the hryvnia (UAH), on the ICU [website](#) and Bloomberg (type: ALLX UTWI <GO>).

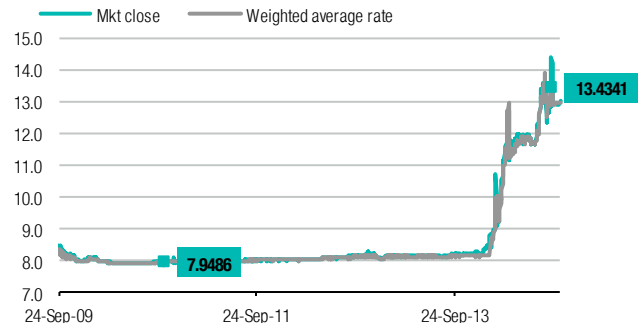
Section on FX market is continued on next page.

Chart page #1: Foreign-exchange market

Chart 9. Spot market rates USD/UAH: last 12-month and 5-year periods (UAH per USD, left and right respectively)

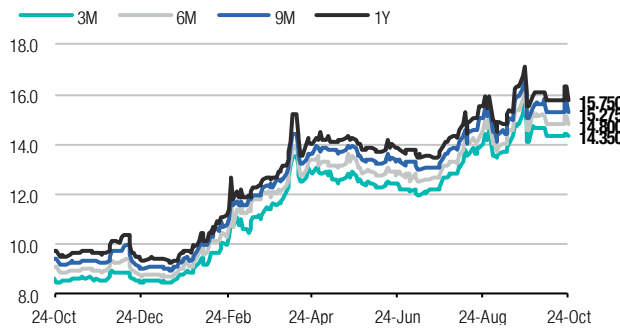


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

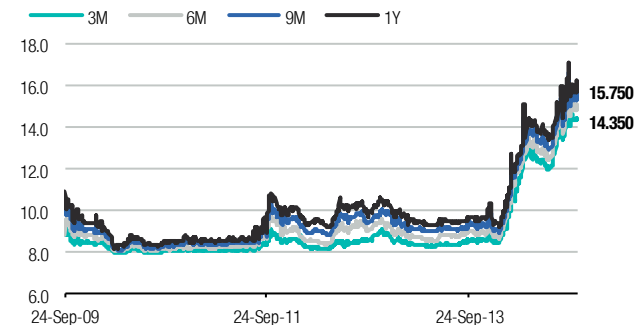


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

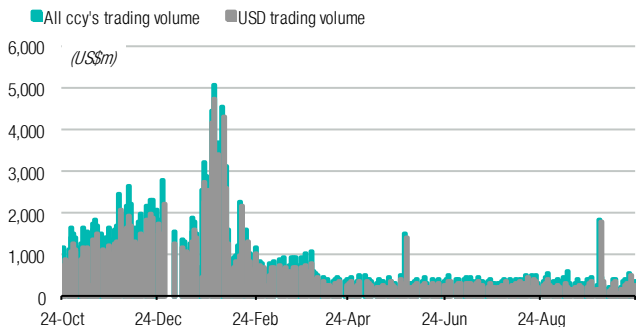


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

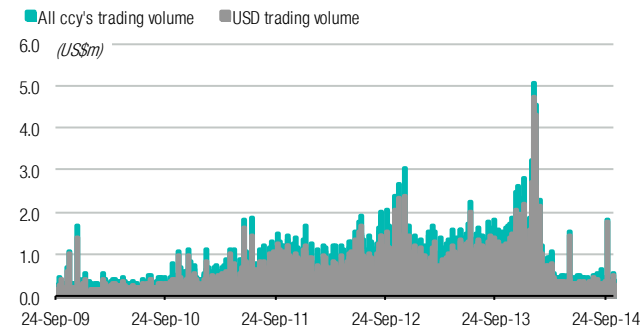


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

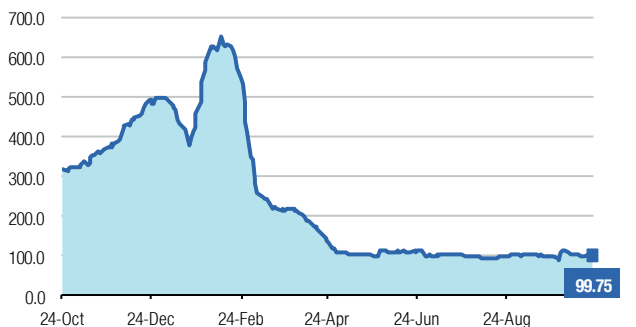


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

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



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

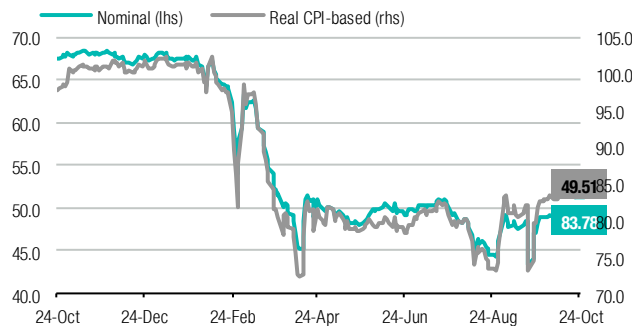




## Chart page #2: ICU's UAH trade-weighted indices

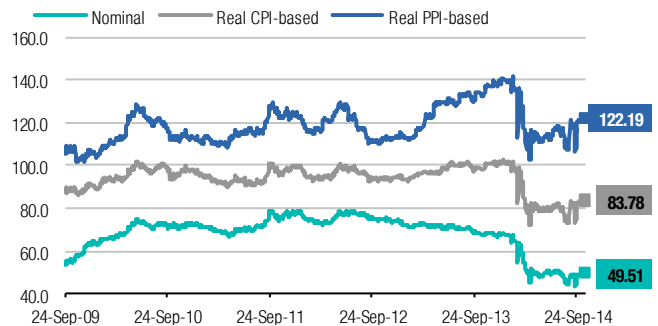
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



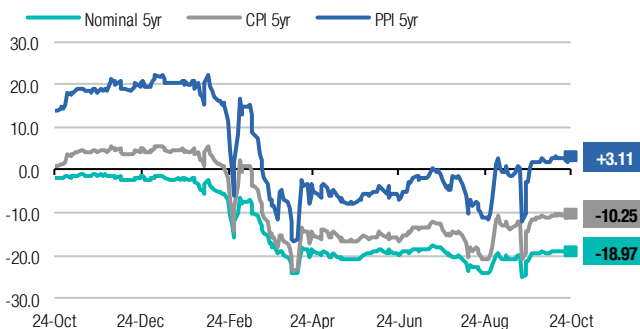
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

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

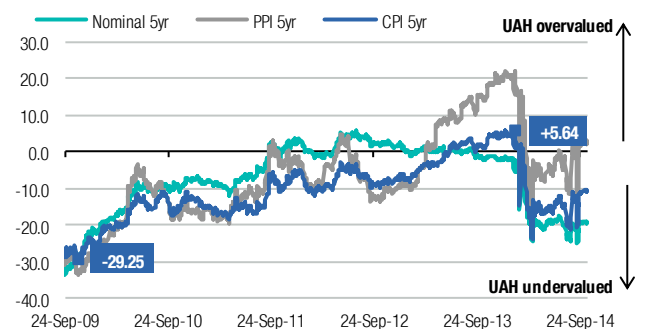


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**Chart 15. Deviation of UAH trade-weighted indices from their 5-year moving averages: last 12-month and 5-year periods (% , left and right respectively)**

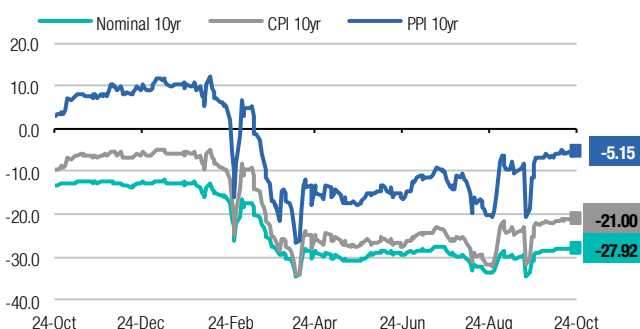


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

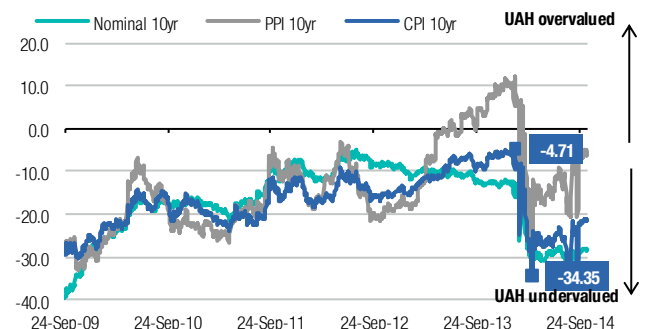


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**Chart 16. Deviation of UAH trade-weighted indices from their 10-year moving averages: last 12-month and 5-year periods (% , left and right respectively)**



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



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

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**Buy:** Forecasted 12-month total return greater than 20%

**Hold:** Forecasted 12-month total return 0% to 20%

**Sell:** Forecasted 12-month total return less than 0%

Note: total return is share price appreciation to a target price in relative terms plus forecasted dividend yield.

### DEBT RATING DEFINITIONS

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