



Focus  
**Ukraine**

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

Research team  
**Alexander Valchyshen  
Taras Kotovych**

# Daily Insight

## Primary auction announcement

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**WEDNESDAY, 29 OCTOBER 2014**

### UX Index (3 months to 29 Oct 2014)



Source: UX.

### Key market indicators (as of 28 Oct 2014)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	12.9900	-0.08	+57.65
USD/UAH (1Y NDF)	15.7500	+0.00	+67.20
EUR/USD	1.2734	+0.28	-7.34
USD/RUB	42.4595	+0.44	+29.18
KievPRIME O/N (%)	8.67	-33bp	+87bp
KievPRIME 1M (%)	15.92	-58bp	-33bp
<b>SOVEREIGN EUROBONDS: yields and spreads</b>			
Ukraine 15, Eurobond (%)	16.71	-36bp	+836bp
Ukraine 17, Eurobond (%)	13.07	-1bp	+351bp
Ukraine 22, Eurobond (%)	10.27	+3bp	+92bp
Ukraine 23, Eurobond (%)	9.97	+3bp	+92bp
Ukraine 5Y CDS	1,183bp	-2bp	+367bp
<b>EQUITIES</b>			
<b>Stock market indices</b>			
UX (Ukraine)	1,137.45	+0.96	+24.99
MSCI World	413.24	+1.11	+1.15
MSCI EM	992.54	+1.51	-1.01
RTS (Russia)	1,051.03	+1.11	-27.15
WIG-20 (Poland)	2,456.73	+0.78	+2.32
S&P 500 (USA)	1,985.05	+1.19	+7.40

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

## Banking sector liquidity: significant increase in CDs

The NBU sold a significant volume of ON CDs on Monday, increasing total CDs outstanding yesterday morning by UAH2.33bn to UAH14.62bn. Banks' correspondent accounts with the NBU declined UAH1.22bn to UAH26.96bn and total local currency debt repayments scheduled for the next 30 days rose UAH0.61bn to UAH5.85bn. As a result, broader banking sector liquidity increased UAH1.72bn to UAH47.43bn.

KyivPrime interest rates declined as the KyivPrime ON interest rate fell 33bp to 8.67% and KyivPrime 1M interest rate fell 58bp to 15.92%.

**Investment implications: Although the NBU absorbed extra liquidity on Monday, today's indicators could be lower as calculations are based on data published the previous day. Due to higher demand for FX and month-end tax payments, combined with no NBU support yesterday, liquidity should decline today.**

## Eurobonds continue to rebound

Following the market's positive response to preliminary election results in Ukraine as spreads tightened significantly on Monday, yields continued to decline even further, following US Treasury movements. As US Treasury YTM's rose yesterday to 1.52% and 2.30%, respectively, for 5-year and 10-year bonds, spreads tightened to the range of 768-1,632bp as the Ukrainian Eurobond yield curve adjusted to the range of 9.97-16.71% yesterday. UKRAIN 6.875% '15 declined 37bp to 16.71%, UKRAIN 9.25% '17 remained steady at 13.07%, UKRAIN 7.95% '21 declined 2bp to 10.18%, while UKRAIN 7.80% '22 and UKRAIN 7.50% '23 rose 3bp to 10.28% and 9.97%, respectively. The 5-year CDS slid to 1,183bp.

**Investment implications: This improvement was only a reaction to the election results. Without a significant improvement in Ukraine's economy, yields should remain high and not acceptable for new issues. The situation in eastern Ukraine also has a negative impact on markets based on decreased ability to pay.**

## Primary auction announcement

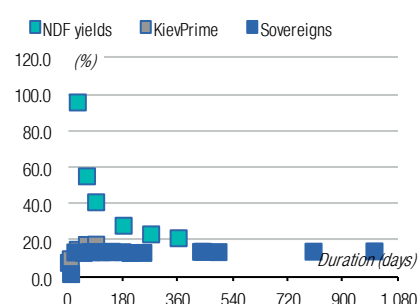
The MoF announced a new primary auction for today, offering two bonds, with one denominated in local currency and another denominated in Euros. The local currency bond will have a 20-year maturity, while the EUR-denominated bond will have a 1.5 year maturity with a redemption date in April 2016.

**Investment implications: As the MoF has not sold EUR-denominated bonds since last December, this auction most likely was announced to refinance the EUR60m redemption scheduled for today. It appears that raised funds will be paid immediately for the new bonds as the settlement date is the following day (Thursday).**

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

## Yield curve of the local bond market

(as of market close on 28 Oct 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

## Bond market indicators (as of 28 Oct 2014)

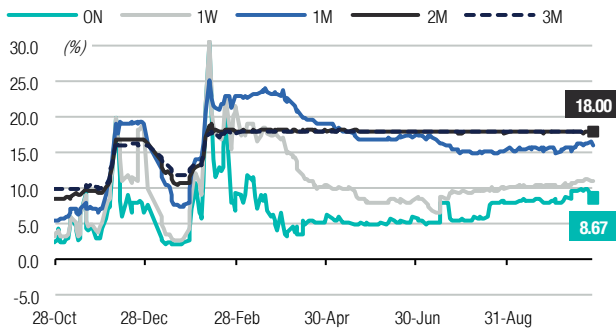
	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
O/n	8.67	-33bp	-93bp	+67bp	+87bp
1wk	11.00	+0bp	+0bp	+62bp	+120bp
1m	15.92	-58bp	-8bp	+54bp	-33bp
2m	18.00	+0bp	+20bp	+0bp	+160bp
3m	18.00	+0bp	+0bp	+0bp	+200bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	26,960	-4.33	-7.21	-9.56	-17.56
CDs <sup>2</sup>	14,618	+18.99	+24.99	-23.35	+1,973.5
Sovgns <sup>3</sup>	5,601	+0.00	-11.38	-1.54	+274.6
<b>Total</b>	<b>47,179</b>	<b>+2.41</b>	<b>+0.23</b>	<b>-13.55</b>	<b>+35.17</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	275,942	+0.00	+0.84	+3.58	+90.50
Banks	84,165	+0.29	+0.66	-0.70	+4.98
Resid's <sup>4</sup>	14,351	+0.11	-1.24	+0.99	+15.77
Non-res <sup>5</sup>	18,902	-1.35	-2.53	-2.98	+61.57
<b>Total</b>	<b>393,359</b>	<b>+0.00</b>	<b>+0.56</b>	<b>+2.21</b>	<b>+57.90</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	+0bp	+301bp	-78ppt
<b>EUROBONDS USD SOVEREIGN BOND YIELDS (%)</b>					
CDS 5yr	1,183	-2bp	-148bp	-121bp	+367bp
Jun '16	12.98	+15bp	-272bp	-267bp	+409bp
Jul '17	13.07	-1bp	-196bp	-203bp	+351bp
Sep '20	10.24	-7bp	-127bp	-83bp	+104bp
Sep '21	10.17	-2bp	-130bp	-93bp	+95bp
Sep '22	10.27	+3bp	-82bp	-41bp	+92bp
Feb '23	9.97	+3bp	-86bp	-59bp	+92bp

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.

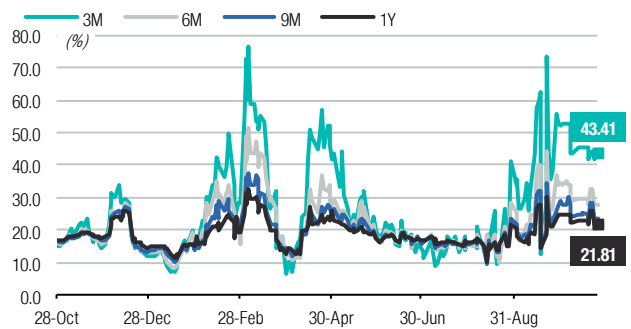
Chart page: Local bond market & Eurobond markets

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



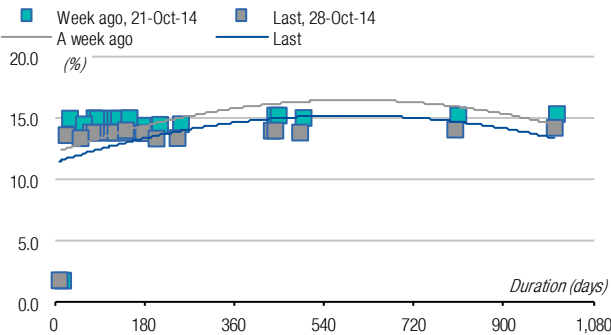
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



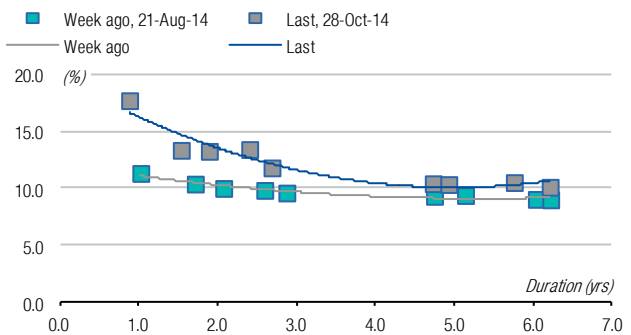
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 28 Oct 2014



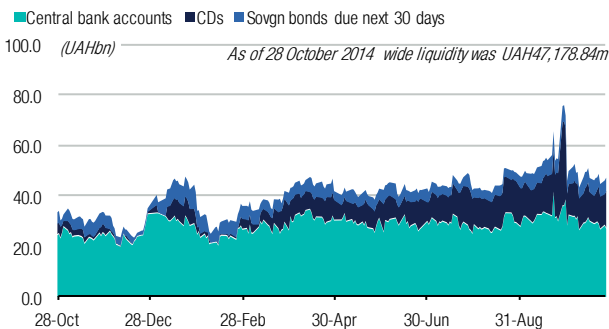
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 28 Oct 2014



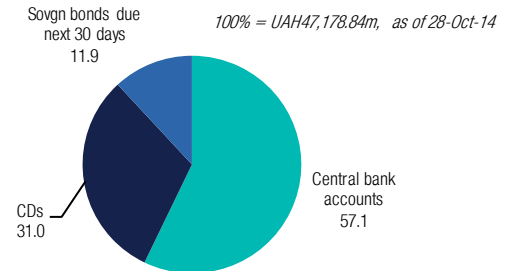
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



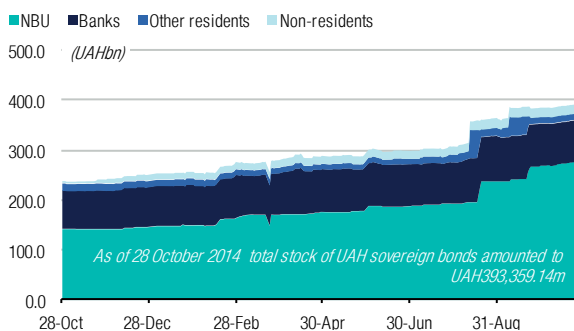
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 28 Oct 2014



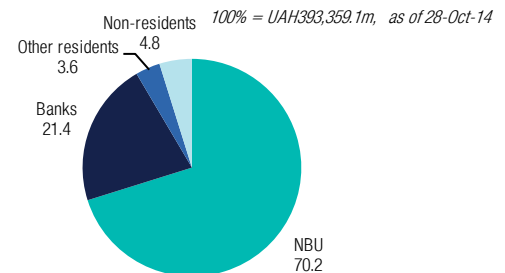
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 28 Oct 2014



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

Table 1. Ukrainian stocks (closing prices as of 28-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	10.00 GBP	+0.0	-8.0	-3.6	-25.9	0.16	37.3	-10.3	40.2	15.0	0.0	25.8	0.09	1,055	Neg.	N/A	N/A	1.5	N/A	N/A	Neg.	N/A	N/A	0.3	0.0
Centrenerg	CEEN UK	Kiev, UX	7.81 UAH	+0.8	+7.2	+63.7	+55.6	0.61	224.2	279.3	21.7	48.7	95.6	80.8	0.09	1,160	5.9	5.1	7.8	0.4	4.0	4.2	0.5	0.3	0.3	1.1	16.3
Coal Energy	CLE PW	Warsaw	0.85 PLN	-7.6	-10.5	-19.0	-65.7	0.26	11.6	137.5	25.0	2.9	28.0	47.5	0.46	216	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	34.51 UAH	+0.6	+25.4	+25.1	+41.5	2.68	63.4	125.2	14.2	9.0	7.8	17.6	0.06	1,608	1.5	1.5	1.6	0.1	2.1	1.6	0.3	0.2	0.3	1.2	25.1
JKX Oil & Gas	JKX LN	London	38.75 GBP	+1.6	-18.4	-45.8	-47.6	0.63	107.5	112.6	47.2	50.7	4.1	27.6	0.06	1,731	16.5	17.9	3.3	1.7	2.2	1.8	0.6	0.7	0.6	0.2	5.5
Regal Petroleum	RPT LN	London	6.25 GBP	+0.0	-24.2	-51.9	-57.6	0.10	32.4	2.2	80.9	26.2	0.0	7.9	0.01	9,740	Neg.	16.2	N/A	0.0	0.1	0.2	0.1	0.1	0.1	0.3	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	174.90 UAH	+7.8	+19.1	+93.5	+108.2	13.60	173.9	264.4	5.0	8.7	0.1	2.4	0.05	2,016	3.9	N/A	N/A	1.8	N/A	N/A	0.3	N/A	N/A	1.5	0.0
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.03 UAH	+0.8	+7.8	-32.5	-35.1	0.00	52.5	2,279.2	3.9	2.0	0.6	4.1	0.06	1,586	Neg.	Neg.	N/A	Neg.	Neg.	N/A	2.0	1.2	N/A	N/A	85.7
Avdiivsky Cok...	AVDK UK	Kiev, UX	2.60 UAH	-2.9	+14.8	-12.1	-19.0	0.20	39.4	35.6	4.0	1.6	0.3	5.8	0.14	713	Neg.	253.7	0.7	0.1	0.7	0.3	0.1	0.0	0.0	0.1	0.1
Azovstal	AZST UK	Kiev, UX	0.82 UAH	+6.6	+28.5	+22.5	+25.5	0.06	268.3	N/A	4.1	11.0	17.7	15.1	0.15	649	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	86.55 GBP	+1.2	-24.8	-53.4	-53.3	1.40	822.7	1,025.1	22.4	184.3	1,144.2	1,044.8	0.91	110	3.1	3.1	6.8	2.0	2.2	3.3	0.6	0.7	0.8	0.7	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.46 UAH	+0.0	+7.0	-13.2	-21.6	0.04	9.8	10.6	9.0	0.9	0.0	3.7	0.08	1,261	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	29.10 UAH	-1.0	+14.1	-9.1	-13.2	2.26	23.9	13.6	9.4	2.2	0.2	5.6	0.08	1,208	Neg.	Neg.	N/A	2.4	0.4	N/A	0.0	0.0	N/A	1.3	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	0.50 EUR	+2.0	-33.3	-59.7	-63.8	0.64	58.8	113.9	34.0	20.0	31.3	10.6	0.11	881	Neg.	N/A	N/A	Neg.	N/A	N/A	1.7	N/A	N/A	1.1	35.9
Agroliga	AGL PW	Warsaw	12.80 PLN	-0.6	-12.7	-50.6	-57.8	3.87	5.9	6.8	16.7	1.0	9.9	2.8	0.40	249	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	2.09 PLN	-3.2	+0.5	+7.2	-11.1	0.63	13.7	59.0	26.2	3.6	73.9	65.3	0.93	108	Neg.	2.0	1.7	22.0	19.7	N/A	0.7	0.7	0.7	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	32.24 PLN	-2.3	-16.3	-51.8	-52.9	9.74	243.6	491.7	31.0	75.6	1.7	87.6	0.02	4,493	7.4	23.9	3.7	6.5	3.9	4.4	1.0	1.0	1.0	0.7	38.2
Avangard	AVGR LI	London Intl	6.30 USD	+0.0	-21.0	-46.4	-51.5	6.30	402.4	536.2	21.7	87.3	0.0	80.8	0.08	1,197	1.7	2.8	2.4	1.8	3.0	3.0	0.8	0.9	0.8	0.4	17.8
IMC	IMC PW	Warsaw	7.18 PLN	+2.6	+3.8	-40.9	-47.7	2.17	67.9	209.0	23.9	16.2	3.7	17.2	0.09	1,123	2.6	Neg.	1.7	3.9	3.8	3.7	1.8	1.1	1.1	0.4	38.7
Kernel Holding...	KER PW	Warsaw	25.98 PLN	+3.3	+4.3	-31.8	-41.0	7.85	625.6	1,310.6	58.8	367.7	912.6	872.7	0.17	592	Neg.	4.2	3.5	7.0	4.1	3.9	0.5	0.5	0.5	0.6	39.1
KSG Agro	KSG PW	Warsaw	1.43 PLN	+0.0	+11.7	-86.8	-88.1	0.43	6.5	117.6	34.4	2.2	353.8	246.5	3.18	31	Neg.	0.5	0.3	13.5	N/A	N/A	1.6	1.2	1.1	0.4	44.5
MHP	MHPC LI	London Intl	10.90 USD	-2.0	-5.3	-36.1	-31.4	10.90	1,151.8	2,362.1	22.3	257.1	534.9	1,024.0	0.17	599	7.4	10.1	4.0	6.0	5.0	4.7	1.6	1.7	1.5	2.0	47.0
Milkiland	MLK PW	Warsaw	3.49 PLN	+0.0	-8.9	-72.1	-73.8	1.05	33.0	161.0	20.0	6.6	17.5	8.6	0.17	600	2.4	Neg.	7.6	4.9	4.2	4.6	0.4	0.4	0.4	0.2	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	0.65 EUR	+0.0	-55.2	-88.0	-86.4	0.83	87.9	815.6	20.0	17.6	2.4	1.5	0.00	26,191	1.0	1.0	0.4	4.9	3.0	2.7	1.6	1.9	1.9	0.2	45.3
Ovostar Union	OVO PW	Warsaw	71.00 PLN	+3.1	+1.4	-29.0	-28.3	21.46	128.7	136.3	25.0	32.2	19.8	22.3	0.01	6,954	4.2	6.6	6.5	3.7	5.2	4.8	1.5	1.8	1.4	1.0	8.5
<b>TRANSPORTATION</b>																											
KDM Shipping	KDM PW	Warsaw	6.90 PLN	+0.0	+15.0	-78.0	-78.4	2.09	19.4	2.8	10.9	2.1	1.1	0.7	0.01	9,718	2.9	N/A	N/A	0.3	N/A	N/A	0.1	N/A	N/A	0.3	5.6
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Xetra	0.16 EUR	+0.0	-32.5	-48.9	-45.3	0.21	10.7	186.3	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	0.13 UAH	+2.6	+0.0	+12.3	+23.0	0.01	297.1	N/A	3.8	11.4	74.3	20.0	0.13	782	3.8	Neg.	13.0	N/A	N/A	N/A	N/A	N/A	N/A	0.6	22.4

Table 1. Ukrainian stocks (closing prices as of 28-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	Debt/(x) Assets		
Ukrsotsbank	USCB UK	Kiev, UX	0.15 UAH	+0.0	+3.2	-20.5	-18.5	0.01	210.1	N/A	4.5	9.4	0.0	1.5	0.00	42,258	Neg.	11.0	N/A	N/A	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

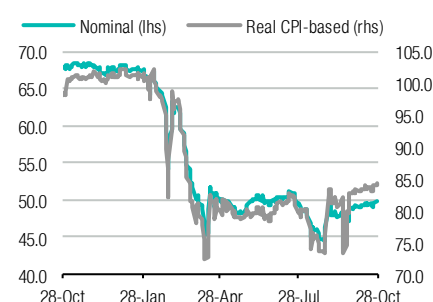
## Market allows hryvnia to weaken

The market allowed the hryvnia to weaken to the 13.0-13.4 range in anticipation that authorities will relax the existing tight FX regime. Following active NBU interventions and additional auctions throughout October, the market is probably concerned about FX reserves, with a running monthly decline of US\$1.5-2.0bn. In an effort to calm the perceived negative sentiment toward the hryvnia, the NBU announced two FX auctions. Meanwhile, the Russian ruble fell 0.44% yesterday, a development which could have a spillover effect on economies that neighbor Russia.

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

### ICU's UAH trade-weighted indices

(Last 12-month history to 29 Oct 2014)



Source: Investment Capital Ukraine LLC.

### FX market indicators (as of 28 Oct 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	12.9900	-0.08	-0.08	+0.70	+57.65
NBU avg	12.9509	+0.00	+0.00	+0.33	+58.89
Ttl vlm <sup>1</sup>	252.76	-50.93	-7.03	+5.74	-90.98
\$ volume <sup>2</sup>	189.06	-57.42	-9.44	+25.45	-91.45
NDF 3M	14.3500	-0.35	+0.00	+1.59	+69.12
NDF 6M	14.8000	+0.00	+0.00	+1.37	+68.56
NDF 1Y	15.7500	+0.00	+0.00	+1.29	+67.20
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	49.685	+0.06	+1.17	+1.69	-26.44
UAH real CPI	84.079	+0.06	+1.17	+1.69	-16.81
UAH real PPI	122.626	+0.06	+1.17	+1.69	-11.64
USD nom'l	85.408	-0.10	+0.12	-0.27	+6.71
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	42.4595	+0.44	+3.79	+8.40	+29.18
EUR/USD	1.2734	+0.28	+0.14	+0.39	-7.34
USD/CNY	6.1143	-0.03	-0.14	-0.20	+0.99
USD/PLN	3.3113	-0.50	-0.23	+0.39	+9.54
USD/TRY	2.2062	-1.03	-1.73	-2.48	+2.70
USD/BYR	10,725.00	+0.23	+0.23	+1.18	+12.42
USD/KZT	180.9300	+0.03	-0.12	-0.53	+17.28
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	108.1600	+0.32	+1.08	-1.03	+2.71
GBP/USD	1.6130	+0.06	+0.11	-0.74	-2.58
USD/CHF	0.9472	-0.25	-0.20	-0.44	+6.08
AUD/USD	0.8856	+0.61	+0.88	+1.04	-0.68
USD/CAD	1.1166	-0.72	-0.49	+0.11	+5.11
USD/BRL	2.4610	-2.38	-0.90	+1.69	+4.19
USD/KRW	1,049.58	-0.25	-0.49	+0.51	-0.02
<b>COMMODITIES</b>					
Gold(\$/oz)	1,228.54	+0.16	-1.61	+0.83	+1.90
WTI crude <sup>3</sup>	81.42	+0.52	-1.68	-12.96	-17.27
Brent crd <sup>3</sup>	85.23	+0.74	-0.09	-10.49	-23.09
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	272.09	+0.62	-0.33	-2.92	-2.88

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.

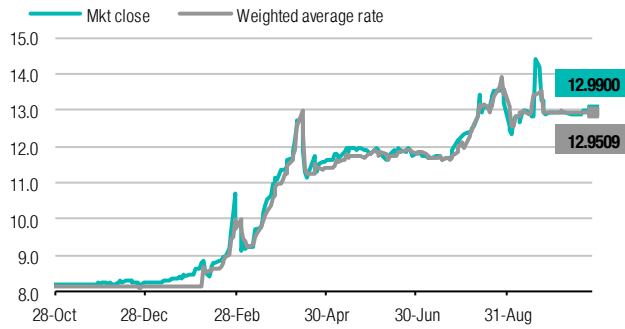
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

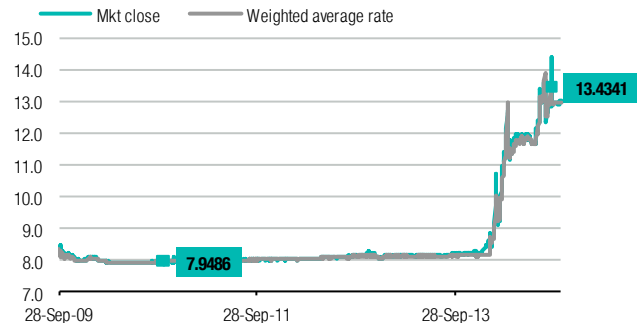
Section on FX market is continued on next page.

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)

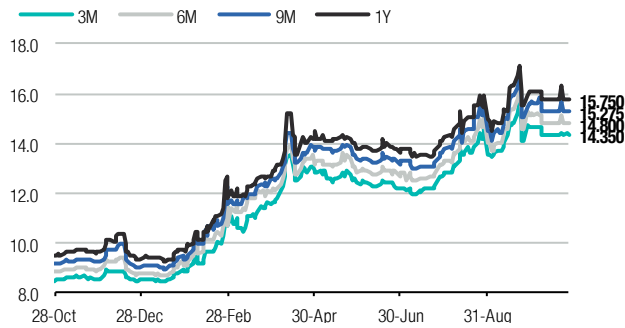


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

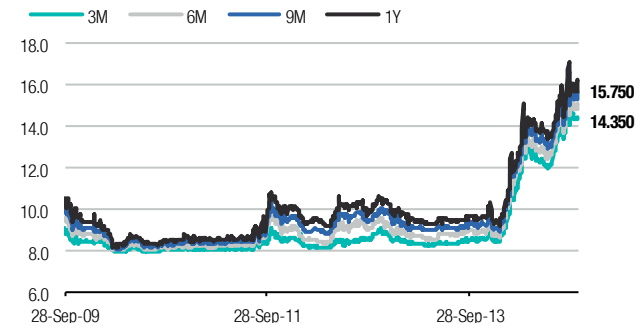


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

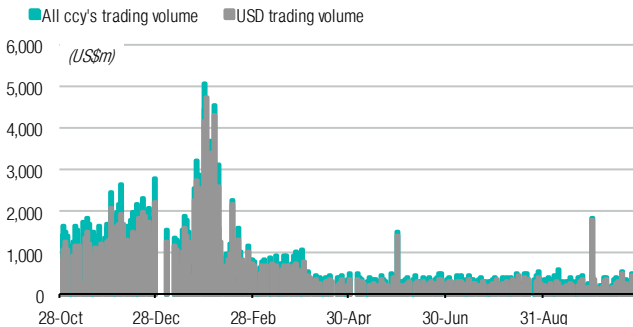


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

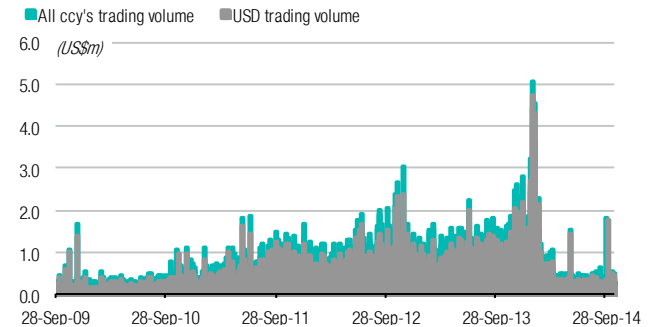


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

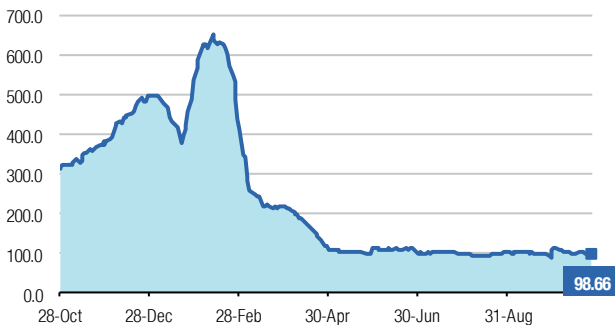


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)

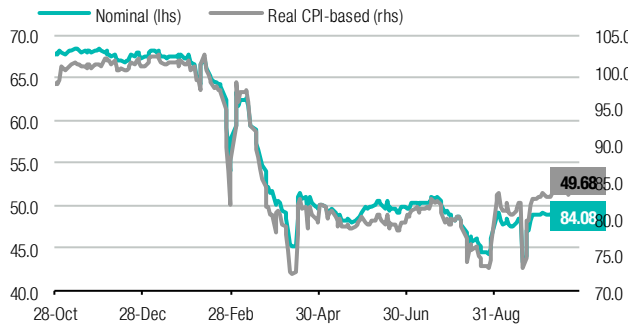


Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

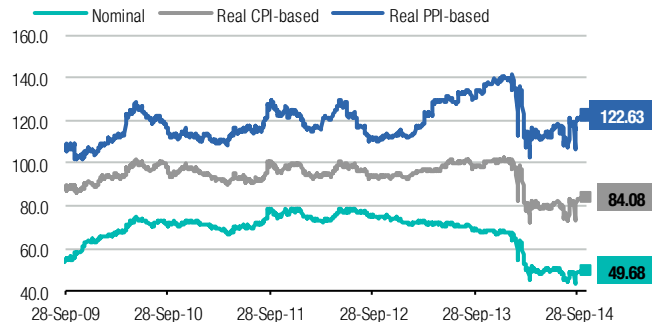
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



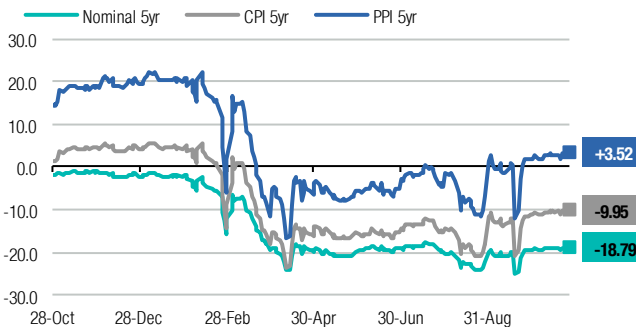
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

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

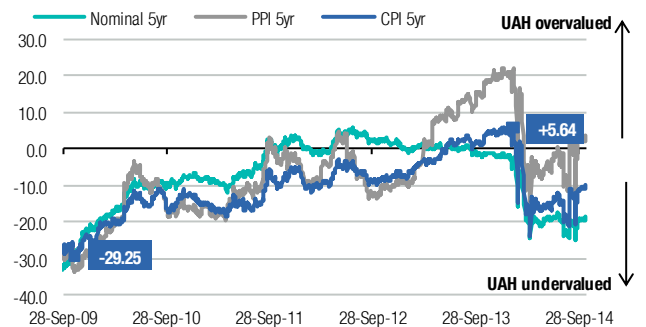


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

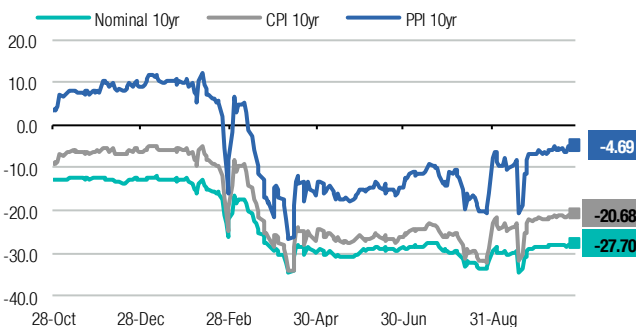


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

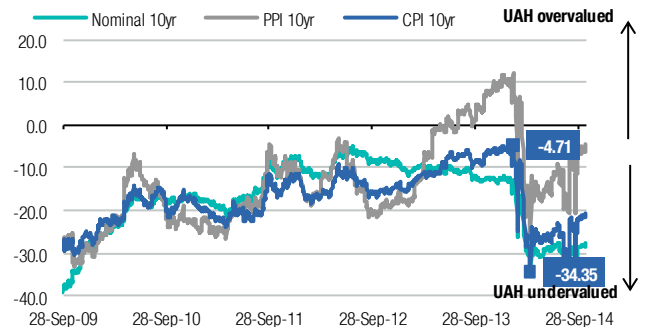


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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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**Hold:** Forecasted 12-month total return is in line with or modestly deviates from relevant benchmark

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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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