

Daily Insight

Minsk ceasefire agreement in tatters

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MONDAY, 3 NOVEMBER 2014

UX Index (3 months to 3 Nov 2014)



Source: UX.

Key market indicators (as of 31 Oct 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	13.0005	-0.02	+57.77
USD/UAH (1Y NDF)	15.7500	+0.00	+67.20
EUR/USD	1.2525	-0.70	-8.86
USD/RUB	43.0095	+3.63	+30.85
KievPRIME O/N (%)	10.50	+112bp	+270bp
KievPRIME 1M (%)	16.50	+0bp	+25bp
SOVEREIGN EUROBONDS: yields and spreads			
Ukraine 15, Eurobond (%)	16.93	+69bp	+858bp
Ukraine 17, Eurobond (%)	13.24	-10bp	+368bp
Ukraine 22, Eurobond (%)	10.14	-18bp	+79bp
Ukraine 23, Eurobond (%)	10.09	+7bp	+104bp
Ukraine 5Y CDS	1,181bp	-4bp	+364bp
EQUITIES			
Stock market indices			
UX (Ukraine)	1,114.38	+0.76	+22.45
MSCI World	419.45	+1.09	+2.67
MSCI EM	1,016.07	+0.85	+1.33
RTS (Russia)	1,091.44	-0.66	-24.35
WIG-20 (Poland)	2,463.68	+0.90	+2.61
S&P 500 (USA)	2,018.05	+1.17	+9.18

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

Minsk ceasefire agreement in tatters

On Sunday, pro-Kremlin militants carried out elections in the parts of the Donetsk and Luhansk oblasts under their control. While Kiev officially views the elections there as a farce and the EU and the West in general do not acknowledge them as legitimate, the Kremlin has been supportive not only in words, but also in the delivery of another convoy of so-called humanitarian aid which included soldiers and armaments. Social media provided many instances of these shipments in Donetsk and Luhansk. The talks in Kiev are about the Donbass region being flooded with Russian army soldiers. The Kremlin has violated the Minsk ceasefire agreement, and a new wave of geopolitical complications is likely.

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Bonds: News & Comments

Liquidity decline due to tax payments

Last Friday, broader banking sector liquidity fell UAH 4.28bn to UAH44.67bn as Thursday was the last day of tax payments. Banks' correspondent accounts with the NBU declined UAH1.96bn to UAH24.18bn and total CDs outstanding were down UAH2.33bn to UAH15.46bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH5.03bn.

KyivPrime interest rates continued to rise last Friday: the KyivPrime ON interest rate rose 112bp to 10.50% while the KyivPrime 1M interest rate remained steady at 16.50%.

Investment implications: Liquidity fell most likely due to month-end tax payments through last Thursday. Friday's indicators fell due to these outflows.

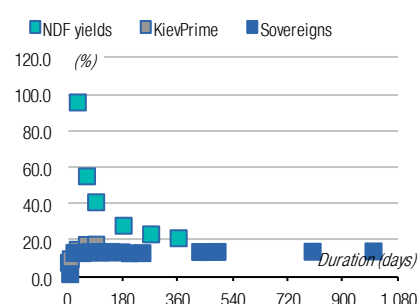
Eurobonds volatile

The Ukrainian Eurobond yield curve adjusted to the range of 10.02-17.16% last Friday. UKRAIN 6.875% '15 rose 22bp to 17.16%, UKRAIN 6.58% '16 was up 53bp to 13.41%, UKRAIN 6.75% '17 rose 3bp to 11.32%, and UKRAIN 7.95% '21 was up 3bp to 10.37%, while UKRAIN 9.25% '17 declined 10bp to 13.11%, UKRAIN 7.80% '22 and UKRAIN 7.50% '23 slid 1bp to 10.07% and 10.02%, respectively. The 5-year CDS slid to 1,181bp.

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Yield curve of the local bond market

(as of market close on 31 Oct 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 31 Oct 2014)

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

MONEY MARKET KIEV PRIME RATES (%)

O/n	10.50	+112bp	+70bp	+230bp	+270bp
1wk	11.50	+25bp	+30bp	+100bp	+170bp
1m	16.50	+0bp	+15bp	+80bp	+25bp
2m	18.00	+0bp	+0bp	+0bp	+160bp
3m	18.00	+0bp	+0bp	+0bp	+200bp

LIQUIDITY WIDE MEASUREMENT (UAHm)

CB acc's ¹	24,183	-7.50	-9.07	-32.62	-26.05
CDS ²	15,461	-13.07	+19.60	-54.18	+2,093.0
Sovgns ³	4,720	+0.00	-7.28	-28.15	+215.7
Total	44,364	-8.81	-0.56	-41.78	+27.11

HOLDERS OF UAH SOVEREIGN BONDS (UAHm)

C.bank	277,641	+0.31	+1.09	+4.22	+91.67
Banks	82,972	+0.07	-0.99	-3.00	+3.50
Resid's ⁴	14,360	-0.38	+0.15	+1.13	+15.84
Non-res ⁵	18,958	+0.00	-1.64	-2.43	+62.05
Total	393,932	+0.22	+0.48	+2.17	+58.13

NDF IMPLIED YIELDS (%)

3m	41.86	+7bp	-2bp	-11ppt	+30bp
6m	28.02	+3bp	-1bp	-555bp	+15bp
9m	23.78	+2bp	+0bp	-372bp	+976bp
1yr	21.82	+2bp	+1bp	-284bp	+683bp

LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)

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

EUROBONDS USD SOVEREIGN BOND YIELDS (%)

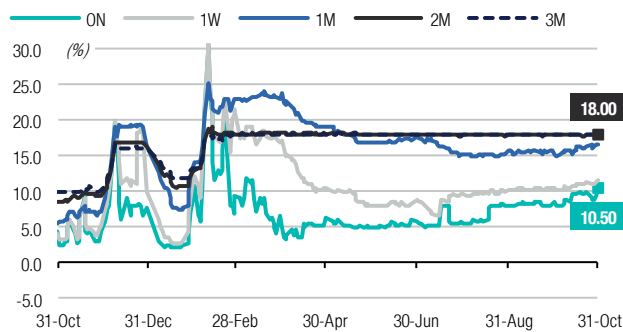
CDS 5yr	1,181	-4bp	-45bp	-138bp	+364bp
Jun '16	13.11	+0bp	-110bp	-221bp	+423bp
Jul '17	13.24	-10bp	-21bp	-129bp	+368bp
Sep '20	10.42	+6bp	-34bp	-71bp	+122bp
Sep '21	10.39	+15bp	-34bp	-78bp	+117bp
Sep '22	10.14	-18bp	-39bp	-41bp	+79bp
Feb '23	10.09	+7bp	-24bp	-32bp	+104bp

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.

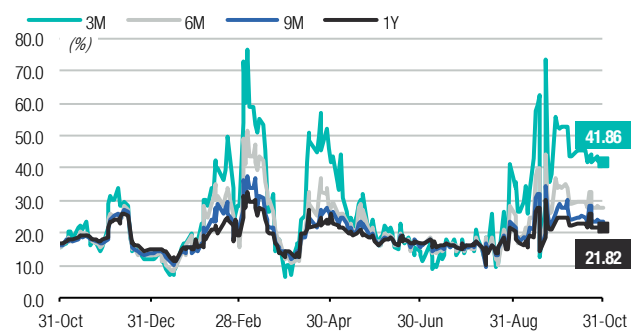
Chart page: Local bond market & Eurobond markets

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



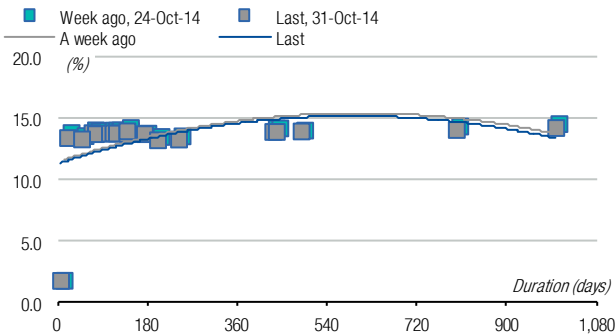
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



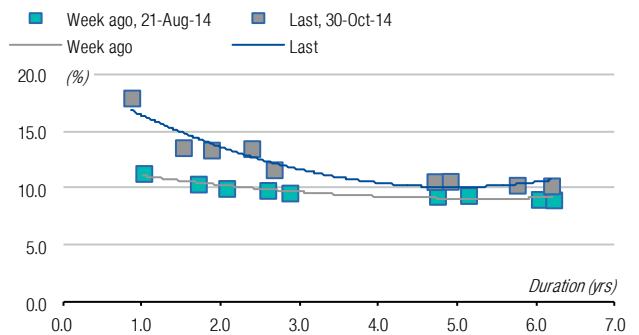
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 31 Oct 2014



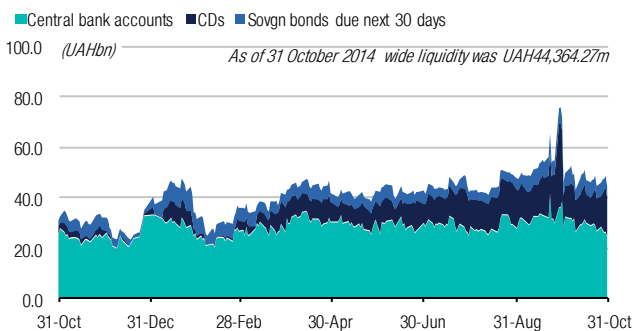
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 31 Oct 2014



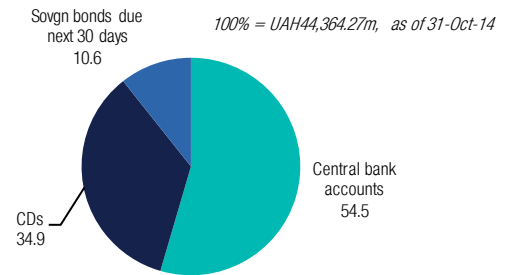
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



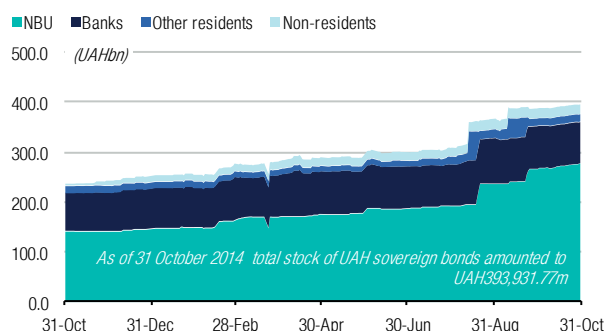
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 31 Oct 2014



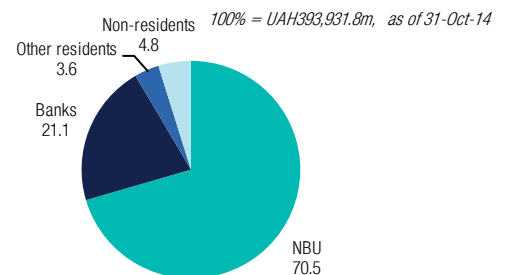
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 31 Oct 2014



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

Table 1. Ukrainian stocks (closing prices as of 31-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 (%)
ENERGY																											
Cadogan Petrol...	CAD LN	London	10.25 GBp	+0.0	-3.5	-1.2	-18.0	0.16	37.9	-9.7	40.2	15.2	0.0	21.1	0.08	1,257	Neg.	N/A	N/A	1.4	N/A	N/A	Neg.	N/A	N/A	0.3	0.0
Centrenerg	CEEN UK	Kiev, UX	7.61 UAH	-0.4	+4.5	+59.6	+51.8	0.58	214.7	268.9	21.7	46.6	73.6	58.4	0.09	1,075	5.8	5.0	7.6	0.3	3.9	4.1	0.5	0.3	0.3	1.1	16.3
Coal Energy	CLE PW	Warsaw	0.83 PLN	+1.2	-7.8	-21.0	-66.7	0.25	11.1	137.0	25.0	2.8	9.9	45.2	0.45	222	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	33.90 UAH	+0.8	+19.3	+22.9	+37.0	2.59	61.2	121.9	14.2	8.7	0.8	11.2	0.06	1,727	1.5	1.5	1.6	0.1	2.0	1.6	0.3	0.2	0.3	1.2	25.1
JKX Oil & Gas	JKX LN	London	38.25 GBp	+0.0	-25.0	-46.5	-48.7	0.61	105.0	110.1	47.2	49.5	0.6	27.1	0.06	1,605	16.1	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	6.25 GBp	+0.0	-21.9	-51.9	-57.6	0.10	32.0	1.9	80.9	25.9	4.3	7.7	0.01	10,036	Neg.	16.0	N/A	0.0	0.1	0.1	0.1	0.0	0.1	0.3	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	170.00 UAH	+6.0	+16.0	+88.1	+104.8	12.98	166.1	255.0	5.0	8.3	0.1	2.0	0.05	2,203	3.8	N/A	N/A	1.7	N/A	N/A	0.3	N/A	N/A	1.5	0.0
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.02 UAH	-1.6	-2.8	-36.6	-38.5	0.00	48.4	2,236.2	3.9	1.9	1.3	2.7	0.05	1,931	Neg.	Neg.	N/A	Neg.	Neg.	N/A	2.0	1.2	N/A	N/A	85.7
Avdiivsky Cok...	AVDK UK	Kiev, UX	2.56 UAH	-1.7	+11.2	-13.6	-17.7	0.20	38.1	34.4	4.0	1.5	1.2	4.7	0.11	928	Neg.	249.4	0.6	0.1	0.7	0.3	0.1	0.0	0.0	0.1	0.1
Azovstal	AZST UK	Kiev, UX	0.80 UAH	+4.2	+23.6	+19.6	+24.6	0.06	257.2	N/A	4.1	10.5	5.8	13.7	0.14	710	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	84.15 GBp	-2.0	-17.7	-54.7	-53.0	1.34	791.6	994.0	22.4	177.3	1,597.5	1,032.8	0.85	117	3.0	3.0	6.6	2.0	2.1	3.2	0.6	0.7	0.7	0.7	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.42 UAH	-8.7	-9.9	-20.8	-25.3	0.03	8.8	9.6	9.0	0.8	0.8	3.1	0.06	1,569	Neg.	0.8	0.5	0.1	0.4	0.3	0.0	0.0	0.0	0.1	0.0
Yenakievo Steel	ENMZ UK	Kiev, UX	27.77 UAH	-1.6	+7.8	-13.2	-17.3	2.12	22.4	12.3	9.4	2.1	6.7	3.8	0.10	1,031	Neg.	Neg.	N/A	2.1	0.4	N/A	0.0	0.0	N/A	1.3	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	0.50 EUR	-3.8	-27.5	-59.7	-63.8	0.62	57.7	111.7	34.0	19.6	8.3	10.4	0.10	972	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	+1.6	-11.7	-50.6	-57.6	3.79	5.8	6.7	16.7	1.0	3.3	2.8	0.41	242	1.5	N/A	N/A	1.9	N/A	N/A	0.3	N/A	N/A	0.5	5.7
Agroton	AGT PW	Warsaw	2.07 PLN	-0.5	+7.8	+6.2	-9.6	0.61	13.3	58.6	26.2	3.5	16.5	62.3	0.82	121	Neg.	1.9	1.7	21.9	19.5	N/A	0.7	0.7	0.7	0.1	28.4
Astarta Holdin...	AST PW	Warsaw	31.50 PLN	+0.0	-14.4	-52.9	-50.0	9.32	232.9	476.3	31.0	72.3	21.8	84.6	0.03	3,505	7.3	23.3	3.6	6.3	3.9	4.3	1.0	1.0	1.0	0.7	38.2
Avangard	AVGR LI	London Intl	6.50 USD	+0.0	-17.6	-44.7	-49.1	6.50	415.2	548.9	21.7	90.1	21.4	85.2	0.07	1,398	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	7.34 PLN	+1.9	+10.4	-39.6	-46.4	2.17	68.0	209.1	23.9	16.2	5.9	16.4	0.09	1,144	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	26.50 PLN	+3.0	+6.3	-30.4	-36.1	7.84	624.6	1,309.7	58.8	367.1	360.4	900.0	0.19	522	Neg.	4.2	3.5	7.0	4.0	4.0	0.5	0.5	0.5	0.6	39.1
KSG Agro	KSG PW	Warsaw	1.31 PLN	+5.6	+0.8	-87.9	-88.9	0.39	5.8	116.9	34.4	2.0	171.2	227.4	3.99	25	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	10.60 USD	+3.9	-9.8	-37.8	-31.6	10.60	1,120.1	2,330.4	22.3	250.0	204.3	900.9	0.15	646	7.2	9.8	3.9	6.0	4.9	4.7	1.6	1.7	1.5	1.9	47.0
Milkiland	MLK PW	Warsaw	3.22 PLN	+0.6	-16.1	-74.2	-76.4	0.95	29.8	155.4	20.0	6.0	4.3	8.1	0.19	526	2.2	Neg.	7.0	4.7	4.1	4.5	0.4	0.4	0.4	0.1	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	0.69 EUR	+0.3	-51.9	-87.3	-86.0	0.86	90.9	818.7	20.0	18.2	0.0	1.4	0.00	27,644	1.0	1.0	0.4	5.0	3.0	2.7	1.6	1.9	1.9	0.2	45.3
Ovostar Union	OVO PW	Warsaw	74.87 PLN	+1.9	+8.5	-25.1	-25.4	22.15	132.9	140.5	25.0	33.2	4.3	25.8	0.04	2,574	4.3	6.8	6.7	3.8	5.3	5.0	1.6	1.8	1.5	1.0	8.5
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	7.15 PLN	+3.6	+19.2	-77.2	-77.6	2.11	19.7	3.1	10.9	2.1	0.3	0.5	0.01	9,459	2.9	N/A	N/A	0.3	N/A	N/A	0.1	N/A	N/A	0.3	5.6
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.16 EUR	+0.0	-28.3	-48.9	-48.6	0.20	10.5	186.1	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 SERVICES																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.12 UAH	-0.2	-2.2	+8.5	+22.3	0.01	281.9	N/A	3.8	10.8	19.8	19.5	0.16	617	3.6	Neg.	19.3	N/A	N/A	N/A	N/A	N/A	N/A	0.5	22.4

Table 1. Ukrainian stocks (closing prices as of 31-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	+0.6	+5.3	-19.0	-17.2	0.01	210.5	N/A	4.5	9.4	0.2	0.7	0.00	39,388	Neg.	11.2	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

UAH: competitive devaluation story continues

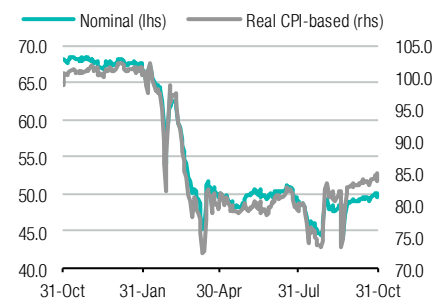
Last Friday started with the Bank of Japan's announcement that it will increase its monetary stimulus. The yen dropped beyond 111/dollar. The market reacted with surprise and put a watchful eye on the ECB, which has been very hesitant over its action to fight persistently low inflation. However, the ECB received a respite last Friday when Eurostat, the statistical agency, reported a marginal increase in CPI from 0.3% to 0.4% over the past month. The Euro closed at 1.2525/USD.

In Moscow, authorities tried and failed to resist the ruble's weakness. On Thursday, a mysterious market player, a term coined by Kremlin propaganda, pushed the RUB up as much as 3.1%. However, last Friday the ruble lost ground again and fell 3.6%. In this environment, the hryvnia remained stable at 13/USD while its real TWI increased 1.5%.

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ICU's UAH trade-weighted indices

(Last 12-month history to 3 Nov 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 31 Oct 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	13.0005	-0.02	+0.00	+0.39	+57.77
NBU avg	12.9507	-0.02	+0.00	+0.01	+58.89
Ttl vlm ¹	255.68	-19.33	+14.96	+8.33	-90.88
\$ volume ²	183.85	-28.37	+16.55	+22.79	-91.68
NDF 3M	14.3500	+0.00	+0.00	-2.05	+69.12
NDF 6M	14.8000	+0.00	+0.00	-1.99	+68.56
NDF 1Y	15.7500	+0.00	+0.00	-1.87	+67.20
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	50.173	+1.52	+1.34	+2.52	-25.71
UAH real CPI	84.906	+1.52	+1.34	+2.52	-15.99
UAH real PPI	123.832	+1.52	+1.34	+2.52	-10.78
USD nom'l	86.917	+0.89	+1.38	+1.14	+8.60
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	43.0095	+3.63	+2.87	+8.61	+30.85
EUR/USD	1.2525	-0.70	-1.15	-0.84	-8.86
USD/CNY	6.1130	-0.04	-0.06	-0.43	+0.97
USD/PLN	3.3757	+1.07	+1.51	+1.98	+11.67
USD/TRY	2.2229	+1.13	-0.39	-2.43	+3.48
USD/BYR	10,725.00	-0.09	-0.14	+1.27	+12.42
USD/KZT	180.9600	+0.09	+0.00	-0.53	+17.30
OTHER MAJOR CURRENCIES					
USD/JPY	112.3200	+2.85	+3.85	+2.44	+6.66
GBP/USD	1.5995	-0.04	-0.59	-1.34	-3.39
USD/CHF	0.9626	+0.69	+1.12	+0.79	+7.81
AUD/USD	0.8798	-0.42	+0.06	+0.58	-1.33
USD/CAD	1.1266	+0.73	+0.31	+0.61	+6.05
USD/BRL	2.4778	+3.13	+0.16	+1.26	+4.90
USD/KRW	1,068.82	+1.25	+1.07	+1.29	+1.81
COMMODITIES					
Gold(\$/oz)	1,173.48	-2.11	-4.66	-2.87	-2.67
WTI crude ³	80.54	-0.71	-0.89	-11.65	-18.17
Brent crd ³	84.80	-0.12	-0.57	-8.98	-23.48
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	271.96	-0.28	+0.64	-2.37	-2.93

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.

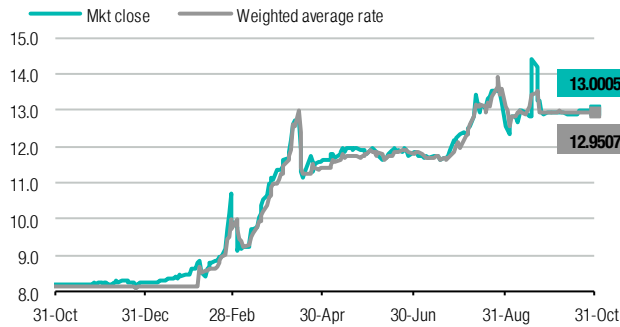
Sources: Bloomberg, Investment Capital Ukraine LLC.

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>).

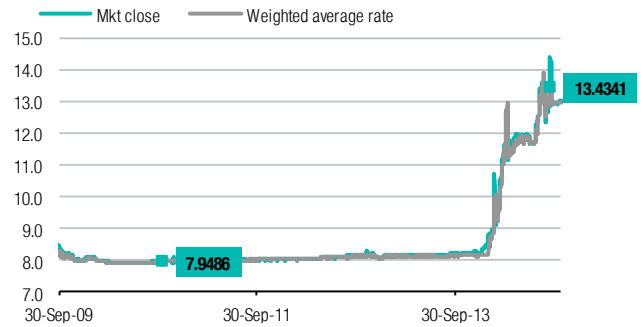
Section on FX market is continued on next page.

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)

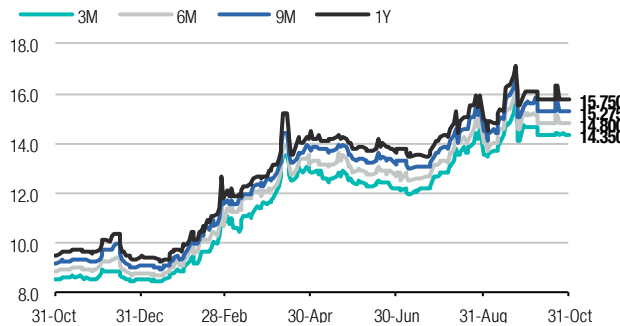


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

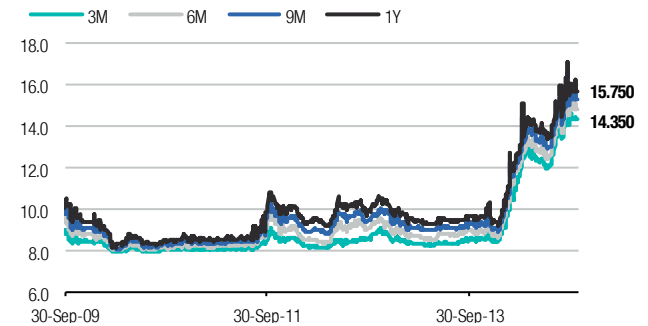


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

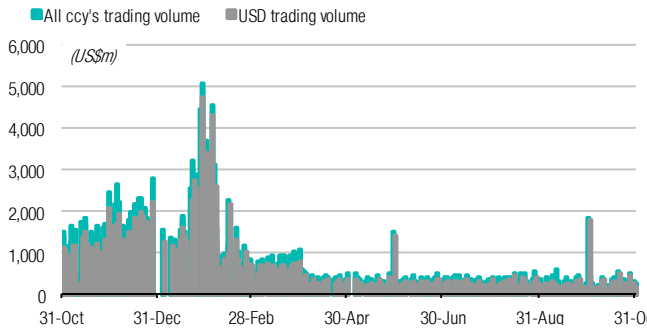


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

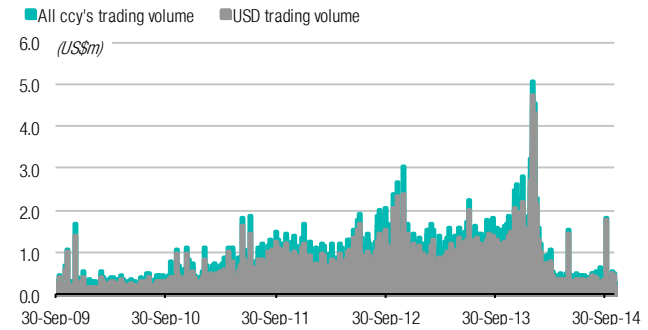


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

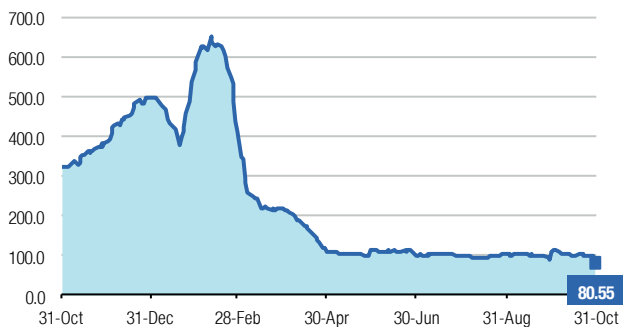


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)

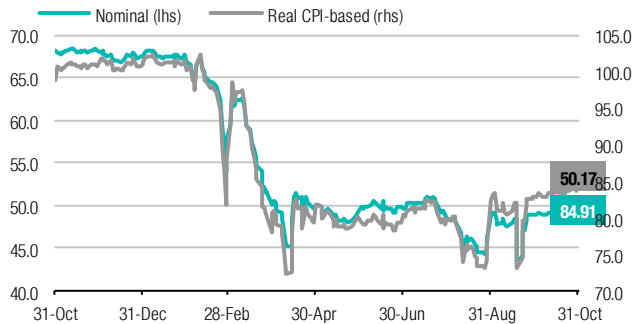


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

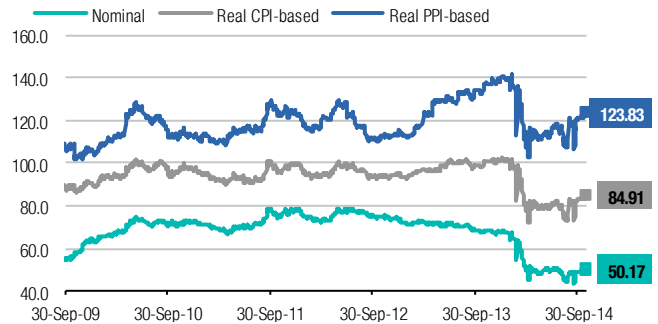
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



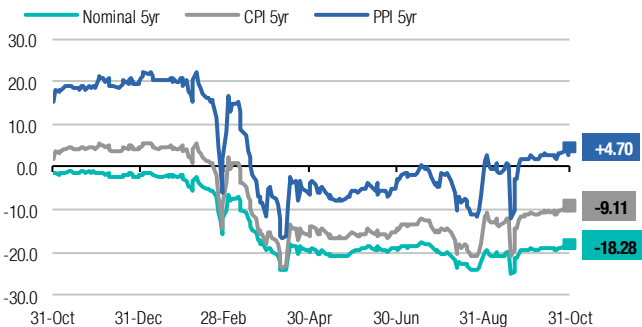
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

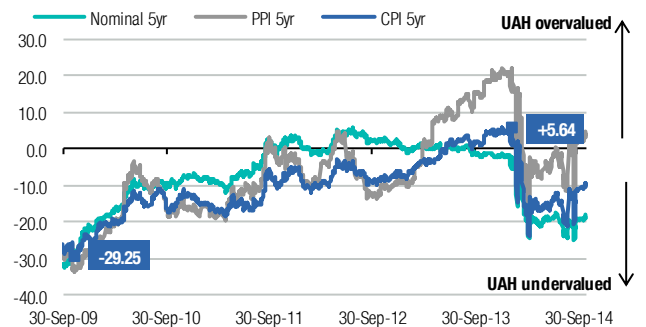


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

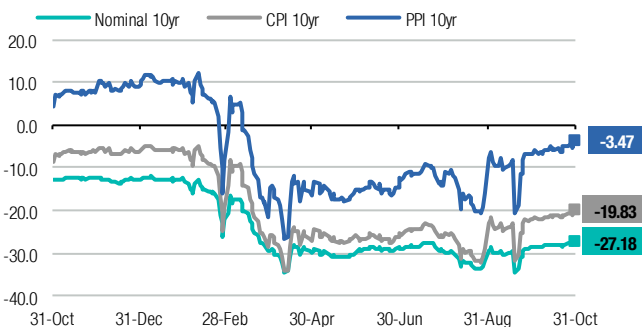


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

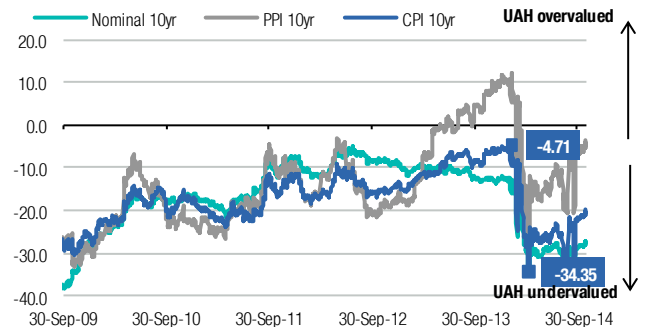


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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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Disclosures

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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

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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