



Focus
Ukraine

Scope
Economics, bonds, equity & FX markets

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Daily Insight

Security Council wants special status revoked

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WEDNESDAY, 5 NOVEMBER 2014

UX Index (3 months to 5 Nov 2014)



Source: UX.

Key market indicators (as of 4 Nov 2014)

	Last	Daily chg (%)	YTD chg (%)
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FX & MONEY RATES

USD/UAH	13.0035	+0.02	+57.81
USD/UAH (1Y NDF)	15.7500	+0.00	+67.20
EUR/USD	1.2546	+0.51	-8.71
USD/RUB	43.7100	+0.50	+32.98
KievPRIME O/N (%)	9.70	-18bp	+190bp
KievPRIME 1M (%)	16.40	+15bp	+15bp

SOVEREIGN EUROBONDS: yields and spreads

Ukraine 15, Eurobond (%)	17.72	-33bp	+936bp
Ukraine 17, Eurobond (%)	14.37	+75bp	+481bp
Ukraine 22, Eurobond (%)	10.67	+35bp	+132bp
Ukraine 23, Eurobond (%)	10.62	+35bp	+157bp
Ukraine 5Y CDS	1,253bp	+41bp	+436bp

EQUITIES

Stock market indices

UX (Ukraine)	1,090.97	+0.01	+19.88
MSCI World	416.89	-0.08	+2.04
MSCI EM	1,007.11	-0.32	+0.44
RTS (Russia)	N/A		
WIG-20 (Poland)	2,462.33	-0.01	+2.56
S&P 500 (USA)	2,012.10	-0.28	+8.86

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

Security Council wants special status revoked

After President Poroshenko convened with the National Security Council for several hours to discuss the elections in Donetsk and Lugansk and the gross violation of Minsk ceasefire agreement, the Council officially requested Parliament to annul the law that grants special status to the region. This could lead to another complication in the Donbas.

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Bonds: News & Comments

City of Kyiv redeems new tranche of bonds

The City of Kyiv redeemed its series "D" municipal bonds issued in 2012 at the local market this Monday. During this autumn, the City's administration repaid UAH1.875bn of debt. In two weeks, UAH0.75bn of the latest series "E" are scheduled to be redeemed as well.

Investment implications: *Many rumours about the restructuring or refinancing of bonds with new issue were at the market, but finally we did not see any new issues recently made. So, debt was repaid from city's budget but we do not exclude the chance that debt repayments were supported from state budget via transfers using funds from new issues of domestic bonds by the government.*

Liquidity continues to recover

Broader banking sector liquidity once more rose yesterday, up UAH1.90bn to UAH47.95bn, mostly due to the increase in total local currency debt repayments scheduled for the next 30 days, which rose UAH1.09bn to UAH6.11bn. This will cause the broader indicator to decline tomorrow after today's debt repayments. At the same time, banks' correspondent accounts with the NBU rose UAH0.24bn to UAH27.86bn and total CDs outstanding increased UAH0.58bn to UAH13.98bn.

KyivPrime interest rates slightly diverged yesterday, as the KyivPrime ON interest rate declined 18bp to 9.70% while KyivPrime 1M interest rate rose 15bp to 16.40%.

Investment implications: *Liquidity slightly recovered at the beginning of the month following month-end tax payments and just prior to the NBU's debut FX auction announced for today. Banks, in anticipation of the auction, most likely were not active at the FX market. Attracting no demand, the primary bond auction will have no impact on the liquidity indicators which will be published today.*

Eurobond prices decline

Prices of Ukrainian Eurobonds declined yet again yesterday, causing YTM's to increase once more. The Ukrainian Eurobond yield curve adjusted to the range of 10.61-19.18%. News from eastern Ukraine and anticipations of a new wave of escalated violence in the Donbass region were likely the main reason for Ukrainian risks to increase yesterday, particularly following the long holiday weekend in Russia.

Primary auction attracts no bids

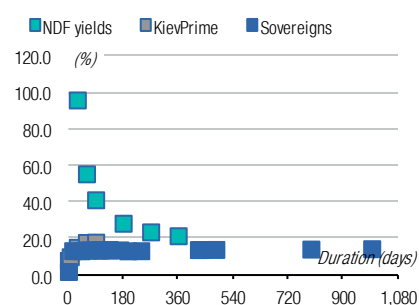
The MoF attracted no bids yesterday, most likely because of sufficient budget funds and no domestic QE support.

Investment implications: *Per routine last month, we could see new auctions with domestic QE support soon.*

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Yield curve of the local bond market

(as of market close on 4 Nov 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 4 Nov 2014)

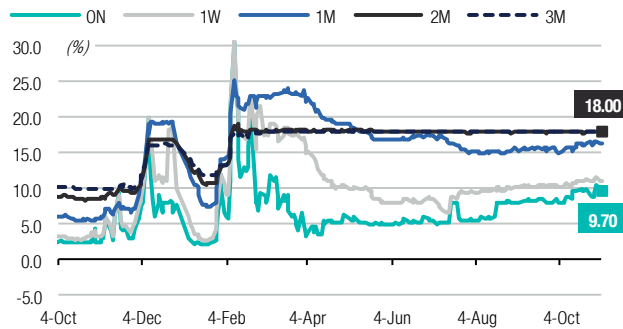
	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
O/n	9.70	-18bp	+103bp	+170bp	+190bp
1wk	11.00	+0bp	+0bp	+75bp	+120bp
1m	16.40	+15bp	+48bp	+140bp	+15bp
2m	18.00	+0bp	+0bp	+0bp	+160bp
3m	18.00	+0bp	+0bp	+0bp	+200bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	27,858	+0.86	+3.33	-13.58	-14.81
CDs ²	13,983	+4.30	-4.34	+13.50	+1,883.4
Sovgns ³	5,709	+0.00	+1.93	+8.35	+281.9
Total	47,549	+1.74	+0.78	-4.57	+36.24
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	277,641	+0.00	+0.62	+3.46	+91.67
Banks	83,427	-0.07	-0.88	-1.27	+4.06
Resid's ⁴	15,542	+0.31	+8.30	+9.59	+25.37
Non-res ⁵	18,961	+0.02	+0.31	-2.89	+62.07
Total	395,571	+0.00	+0.56	+2.33	+58.79
NDF IMPLIED YIELDS (%)					
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
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	+87bp	+87bp	+388bp	-77ppt
EUROBONDS USD SOVEREIGN BOND YIELDS (%)					
CDS 5yr	1,253	+41bp	+69bp	-60bp	+436bp
Jun '16	14.62	+75bp	+164bp	-31bp	+573bp
Jul '17	14.37	+75bp	+130bp	+0bp	+481bp
Sep '20	11.01	+40bp	+77bp	-11bp	+181bp
Sep '21	11.03	+40bp	+85bp	-10bp	+181bp
Sep '22	10.67	+35bp	+40bp	+11bp	+132bp
Feb '23	10.62	+35bp	+65bp	+12bp	+157bp

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.

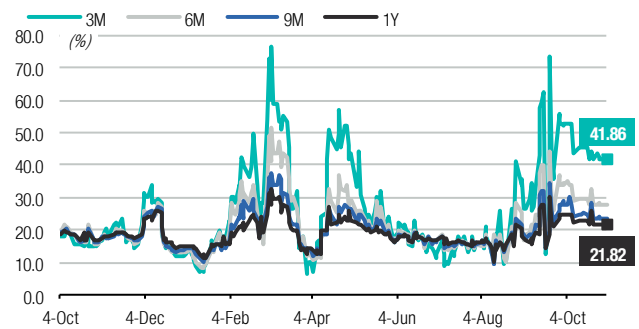
Chart page: Local bond market & Eurobond markets

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



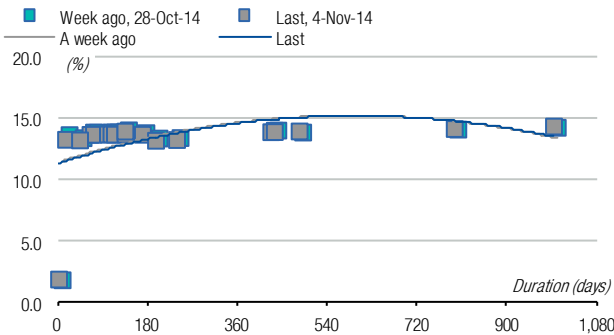
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



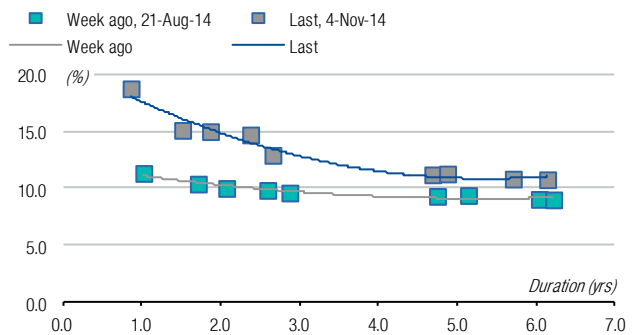
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 4 Nov 2014



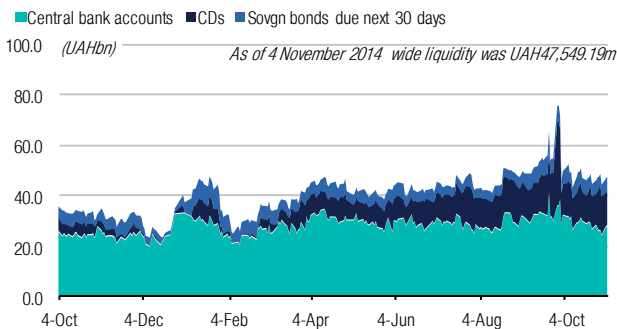
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



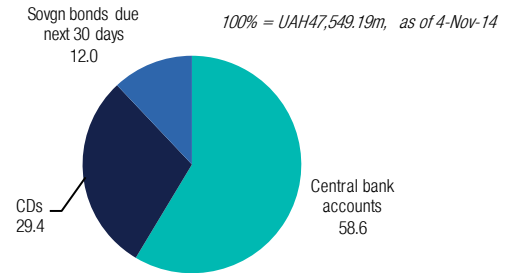
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



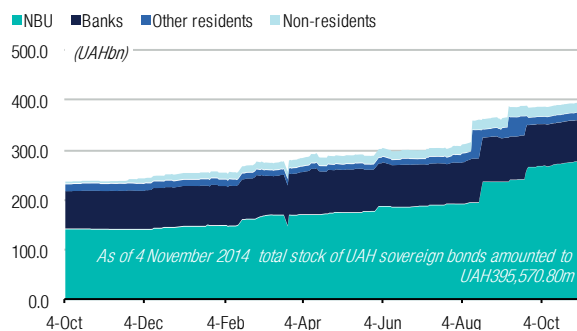
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 4 Nov 2014



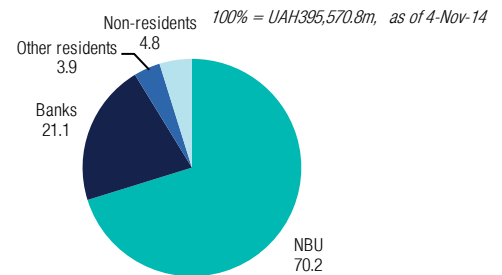
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 4 Nov 2014



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

Table 1. Ukrainian stocks (closing prices as of 4-Nov-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	10.00 GBP	-2.4	-5.9	-3.6	-23.1	0.16	36.9	-10.7	40.2	14.8	14.8	19.8	0.08	1,198	Neg.	N/A	N/A	1.6	N/A	N/A	Neg.	N/A	N/A	0.3	0.0
Centrenerg	CEEN UK	Kiev, UX	7.48 UAH	+0.0	+2.7	+56.9	+47.9	0.58	213.3	268.0	21.7	46.3	58.3	55.5	0.10	976	5.7	4.9	7.4	0.3	3.9	4.0	0.5	0.3	0.3	1.1	16.3
Coal Energy	CLE PW	Warsaw	0.76 PLN	-3.8	-15.6	-27.6	-65.8	0.23	10.1	136.1	25.0	2.5	28.8	41.7	0.54	184	Neg.	N/A	N/A	6.0	N/A	N/A	1.1	N/A	N/A	0.1	39.8
Donbasenergo	DOEN UK	Kiev, UX	32.30 UAH	-0.2	+13.7	+17.1	+32.1	2.49	58.9	120.3	14.2	8.4	16.7	10.4	0.07	1,383	1.4	1.4	1.5	0.1	2.0	1.5	0.3	0.2	0.3	1.2	25.1
JKX Oil & Gas	JKX LN	London	37.50 GBP	-2.0	-26.5	-47.6	-49.7	0.60	102.8	107.9	47.2	48.5	13.7	24.7	0.06	1,643	15.8	17.1	3.1	1.6	2.1	1.7	0.6	0.6	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	0.0	7.6	0.01	10,957	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	153.00 UAH	-1.3	+4.4	+69.2	+88.4	11.81	151.0	240.9	5.0	7.6	3.2	1.9	0.04	2,383	3.4	N/A	N/A	1.6	N/A	N/A	0.3	N/A	N/A	1.3	0.0
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.02 UAH	-1.7	-8.7	-40.5	-42.5	0.00	46.0	2,256.8	3.9	1.8	11.6	2.7	0.09	1,114	Neg.	Neg.	N/A	Neg.	Neg.	N/A	2.0	1.2	N/A	N/A	85.7
Avdiivsky Cok...	AVDK UK	Kiev, UX	2.50 UAH	-0.8	+8.7	-15.6	-19.9	0.19	37.6	33.8	4.0	1.5	9.4	4.8	0.14	701	Neg.	243.7	0.6	0.1	0.7	0.3	0.1	0.0	0.0	0.1	0.1
Azovstal	AZST UK	Kiev, UX	0.78 UAH	+1.2	+20.4	+16.4	+19.4	0.06	253.1	N/A	4.1	10.4	13.3	13.6	0.12	822	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	81.10 GBP	-5.3	-20.6	-56.4	-56.4	1.29	762.0	964.4	22.4	170.7	1,102.5	1,006.7	0.90	111	2.9	2.9	6.3	1.9	2.1	3.1	0.6	0.7	0.7	0.7	35.1
Yasinivsky Cok...	YASK UK	Kiev, UX	0.42 UAH	+0.0	-9.9	-20.8	-26.3	0.03	8.9	9.7	9.0	0.8	0.0	3.2	0.06	1,625	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	25.34 UAH	-4.1	-1.6	-20.8	-23.4	1.96	20.6	10.5	9.4	1.9	2.2	3.7	0.15	661	Neg.	Neg.	N/A	1.8	0.3	N/A	0.0	0.0	N/A	1.2	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	0.50 EUR	+2.0	-27.5	-59.7	-63.0	0.63	57.9	112.0	34.0	19.7	13.4	10.6	0.08	1,250	Neg.	N/A	N/A	Neg.	N/A	N/A	1.7	N/A	N/A	1.1	35.9
Agroliga	AGL PW	Warsaw	12.67 PLN	-1.1	-12.6	-51.1	-57.2	3.75	5.8	6.6	16.7	1.0	3.5	2.8	0.43	232	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	1.85 PLN	-8.0	-3.6	-5.1	-20.3	0.55	11.9	57.2	26.2	3.1	49.2	55.5	1.00	100	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	28.60 PLN	-5.2	-22.3	-57.2	-54.6	8.47	211.8	455.9	31.0	65.7	186.3	77.0	0.04	2,612	6.6	21.5	3.3	6.0	3.7	4.0	1.0	0.9	1.0	0.6	38.2
Avangard	AVGR LI	London Intl	6.47 USD	+0.0	-18.1	-45.0	-48.3	6.47	412.9	546.7	21.7	89.6	0.0	84.3	0.07	1,402	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	7.28 PLN	-0.8	+9.5	-40.1	-46.7	2.16	67.5	208.6	23.9	16.1	3.0	16.2	0.09	1,135	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	25.29 PLN	-1.6	+1.5	-33.6	-42.5	7.49	597.0	1,282.1	58.8	350.9	433.2	846.2	0.18	547	Neg.	4.0	3.7	6.8	3.9	4.1	0.5	0.5	0.5	0.6	39.1
KSG Agro	KSG PW	Warsaw	1.25 PLN	-3.1	-3.8	-88.5	-89.3	0.37	5.6	116.7	34.4	1.9	24.5	218.3	4.00	25	Neg.	0.5	0.3	13.4	N/A	N/A	1.6	1.2	1.1	0.3	44.5
MHP	MHPC LI	London Intl	11.00 USD	+1.4	-6.4	-35.5	-30.8	11.00	1,162.3	2,372.6	22.3	259.4	97.6	923.1	0.15	657	7.5	10.2	4.0	6.1	5.0	4.7	1.6	1.7	1.5	2.0	47.0
Milkiland	MLK PW	Warsaw	2.80 PLN	-8.2	-27.1	-77.6	-78.8	0.83	25.9	151.9	20.0	5.2	11.4	7.5	0.24	414	1.9	Neg.	6.1	4.6	4.0	4.4	0.4	0.4	0.4	0.1	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	1.00 EUR	+0.0	-29.8	-81.5	-79.5	1.25	133.1	860.9	20.0	26.6	0.0	2.0	0.00	42,505	1.5	1.5	0.6	5.2	3.2	2.9	1.7	2.0	2.0	0.3	45.3
Ovostar Union	OVO PW	Warsaw	74.00 PLN	-1.2	+7.2	-26.0	-26.7	21.92	131.5	141.3	25.0	32.9	229.3	29.0	0.07	1,364	4.3	6.4	5.8	3.8	5.2	4.6	1.6	1.8	1.5	1.0	8.5
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	7.00 PLN	-2.1	+16.7	-77.7	-78.1	2.07	19.3	2.7	10.9	2.1	0.0	0.3	0.01	14,302	2.8	N/A	N/A	0.2	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	-42.1	0.20	10.5	186.1	13.1	1.4	0.0	0.1	0.01	14,165	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	+1.1	-1.5	+9.3	+20.2	0.01	286.9	N/A	3.8	11.0	16.7	20.4	0.19	536	3.7	Neg.	19.5	N/A	N/A	N/A	N/A	N/A	N/A	0.6	22.4

Table 1. Ukrainian stocks (closing prices as of 4-Nov-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	-2.6	+2.5	-21.1	-19.8	0.01	207.1	N/A	4.5	9.3	13.8	0.9	0.01	10,357	Neg.	11.0	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

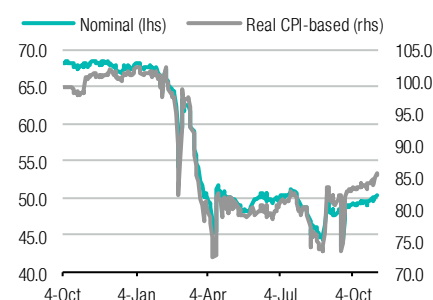
UAH: NBU eager to withdraw support of 12.95/USD peg

As of today, the NBU will introduce FX auctions that will sell small volumes of FX into the market and gradually withdraw its intervention. The authorities paid from FX reserves the first US\$1.4bn of the US\$4.6bn that the Russian government claims that Ukraine owes in past deliveries of natural gas. Total external payments for the remainder of 4Q in debt, gas, and interventions will result in FX reserves amount of less than US\$10bn as of year-end 2015.

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ICU's UAH trade-weighted indices

(Last 12-month history to 5 Nov 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 4 Nov 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	13.0035	+0.02	+0.10	+0.41	+57.81
NBU avg	12.9540	+0.02	+0.02	+0.10	+58.93
Ttl vlm ¹	148.38	-66.97	-41.30	-38.69	-94.70
\$ volume ²	113.58	-71.02	-39.92	-34.62	-94.86
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	50.414	-0.05	+1.47	+2.37	-25.36
UAH real CPI	85.313	-0.05	+1.47	+2.37	-15.59
UAH real PPI	124.425	-0.05	+1.47	+2.37	-10.35
USD nom'l	86.984	-0.37	+1.85	+0.33	+8.68
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	43.7100	+0.50	+2.95	+9.44	+32.98
EUR/USD	1.2546	+0.51	-1.48	+0.24	-8.71
USD/CNY	6.1162	-0.05	+0.03	-0.38	+1.02
USD/PLN	3.3691	-0.44	+1.75	+0.61	+11.45
USD/TRY	2.2213	-0.54	+0.68	-3.22	+3.40
USD/BYR	10,740.00	+0.19	+0.14	+1.08	+12.58
USD/KZT	180.9000	+0.00	-0.02	-0.59	+17.26
OTHER MAJOR CURRENCIES					
USD/JPY	113.6000	-0.39	+5.03	+3.50	+7.87
GBP/USD	1.6003	+0.19	-0.79	+0.19	-3.35
USD/CHF	0.9598	-0.63	+1.33	-0.80	+7.49
AUD/USD	0.8738	+0.66	-1.33	+0.73	-2.01
USD/CAD	1.1410	+0.45	+2.19	+1.48	+7.41
USD/BRL	2.4956	+0.01	+1.41	+1.51	+5.65
USD/KRW	1,076.68	+0.37	+2.58	+1.37	+2.56
COMMODITIES					
Gold(\$/oz)	1,168.35	+0.24	-4.90	-1.93	-3.09
WTI crude ³	77.19	-2.02	-5.20	-13.98	-21.57
Brent crd ³	82.12	-1.71	-3.65	-10.12	-25.90
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	267.48	-1.11	-1.69	-3.21	-4.53

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>).

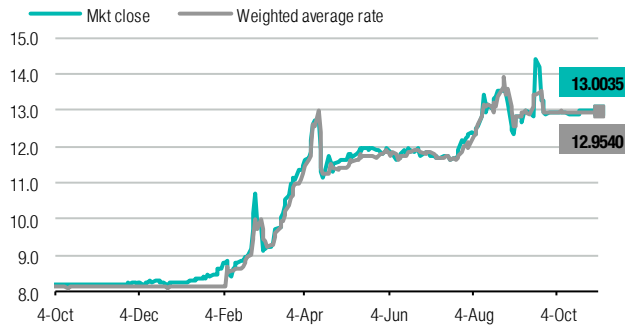
Section on FX market is continued on next page.

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.

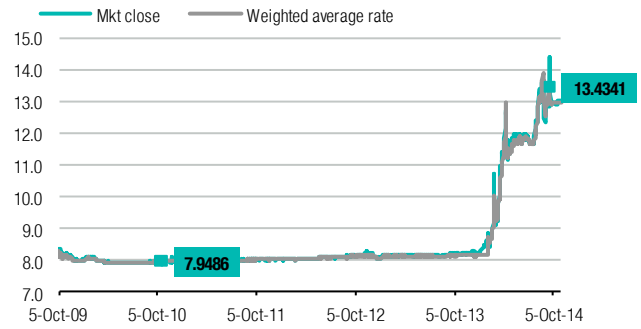
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

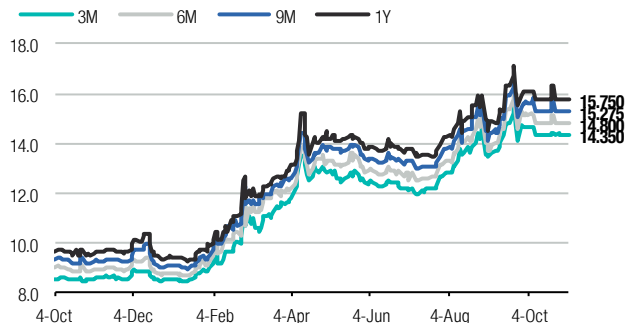


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

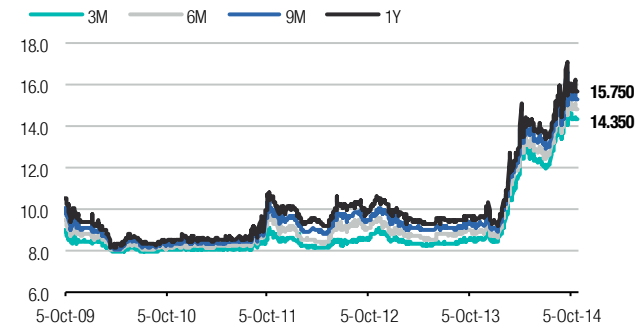


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

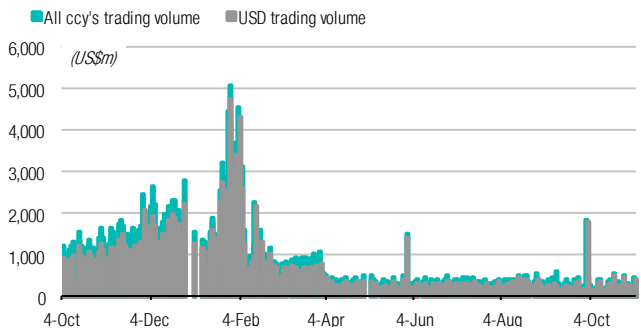


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

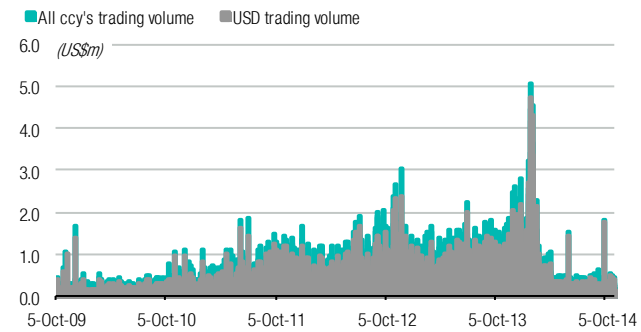


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

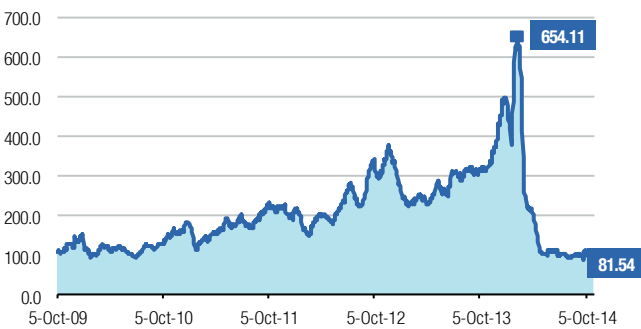
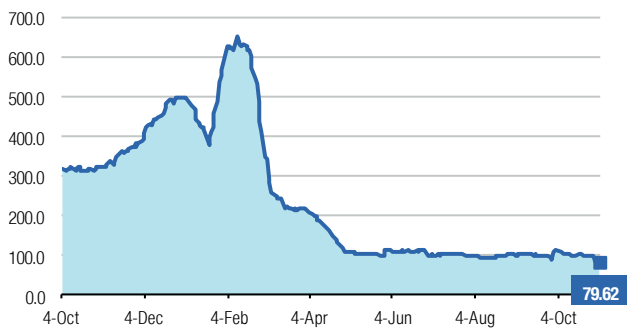


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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)

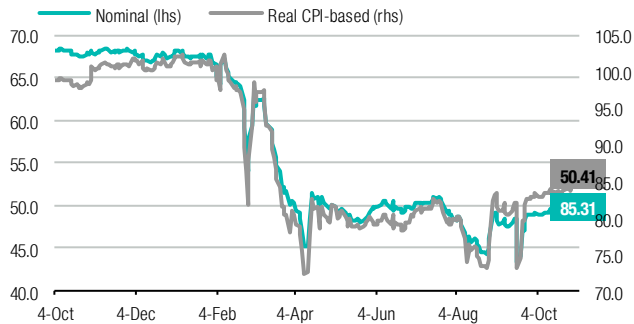


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

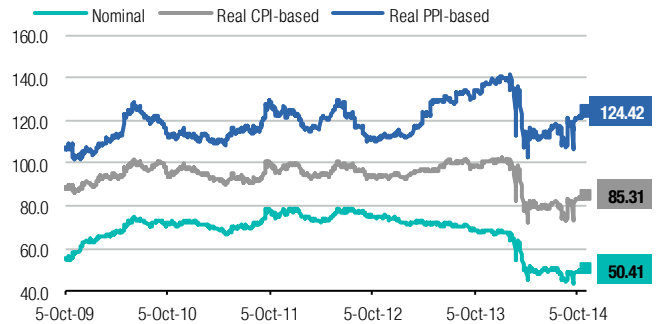
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



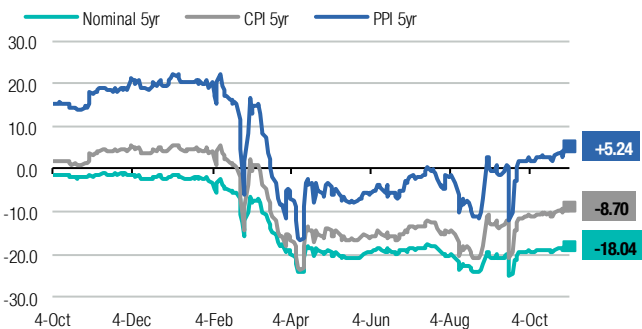
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

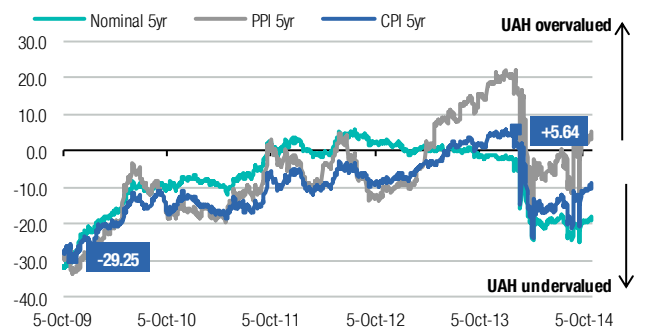


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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)

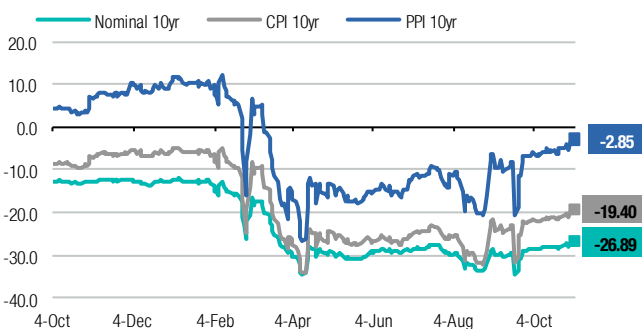


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

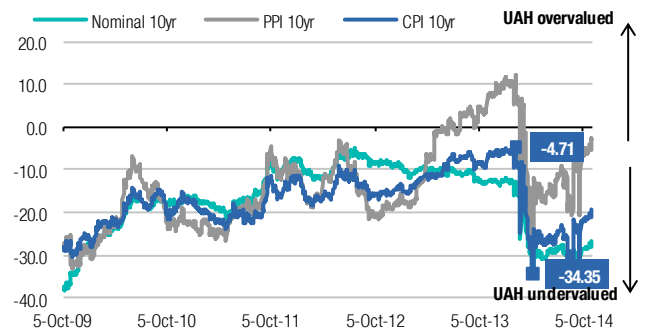


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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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