

Bond Market Insight

Weekly review: Pre-inauguration week

TUESDAY, 10 JUNE, 2014

Two weeks after the successful presidential election and just before the much anticipated inauguration that took place this past weekend, Eurobond markets were slightly volatile as the domestic bond and money markets awaited the key points in the new president's inaugural address.

Domestic bond market. Although domestic liquidity recovered following May's month-end tax payments that required no NBU support, money market interest rates remained both tempered and unchanged for more than a week. The NBU increased its absorptions as CDs outstanding rose UAH2.07bn to UAH9.53 while the MoF also absorbed about UAH1.6bn via the primary bond market.

Total government bonds outstanding rose significantly last week, not only from primary auctions, but also from a new portion of private issuances for share capital increases. These issues made some changes in bondholders' structures, as the NBU's portfolio increased while other groups' shares decreased.

Eurobond market. The Eurobond market was slightly volatile last week, starting from negative movements and slightly correcting after the rebound that lasted for several weeks, as UKRAIN 7.95% '14 was successfully redeemed. In response to positive anticipations of the new Ukrainian president's inauguration, prices increased significantly as the yield curve flattened significantly to below 9.0%, with some yields moving below 8.0%.

RESEARCH INSIGHT

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Key market indicators (as of 9 Jun 2014)

	Last close	Weekly chg (%)	YTD chg (%)
Currencies			
USD/UAH (spot)	11.7750	-1.46	42.90
USD/UAH (1Y NDF)	13.8000	-0.36	46.50
Rates, yields & spreads (%)			
Kiev Prime ON	N/A		
Kiev Prime 3M	N/A		
UAH NDF 1Y	17.82	130bp	284bp
Ukraine CDS 5Y	720bp	-167bp	-97bp
Libor USD 1yr	0.54	0bp	-5bp
UST 2yr	0.42	2bp	4bp
UST 10yr	2.60	0bp	-43bp
UKRAINE 17	8.24	-123bp	-132bp
UKRAINE 23	8.23	-63bp	-82bp
Money market data (UAHbn)			
Accounts at NBU	N/A		
NBU CDs outstanding	N/A		
Local currency bond market data (UAHbn)			
Govt bond outstanding	N/A		
Held by			
NBU	N/A		
Banks	N/A		
Other residents	N/A		
Non-residents	N/A		

Notes: chg – percentage change; bp – basis points.

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

Research team

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Market update and news

Domestic bond market

Liquidity recovery

Liquidity recovered after month-end tax payments

Last week began with liquidity falling for one day after month-end tax payments were completed and outflows were included in the NBU's statistics last Monday. Although broader banking sector liquidity fell UAH1.99bn last Monday to UAH40.44bn, this indicator rose UAH4.60bn to UAH45.04bn at the end of the week as banks' correspondent accounts with the NBU increased UAH5.04bn to UAH30.49bn, CDs outstanding rose to UAH9.53bn and total local currency debt repayments scheduled for the next 30 days declined only slightly.

Reallocation of funds was routine last week

However, banks' correspondent accounts with the NBU and CDs outstanding also saw some portions of liquidity reallocated (see the left-hand chart below), as last Monday CDs outstanding rose due to the absorption of UAH3.56bn of funds while banks' correspondent accounts with the NBU fell UAH5.54bn the same day, as opposed to last Tuesday's indicators wherein banks' correspondent accounts with the NBU rose UAH4.57bn while CDs outstanding fell UAH2.75bn. Later last week, we saw similar movements but smaller fund reallocations.

Chart 1. Banking sector liquidity (UAHbn) (last 3 months)

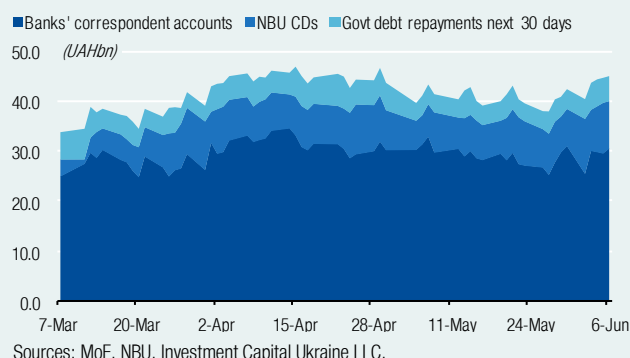
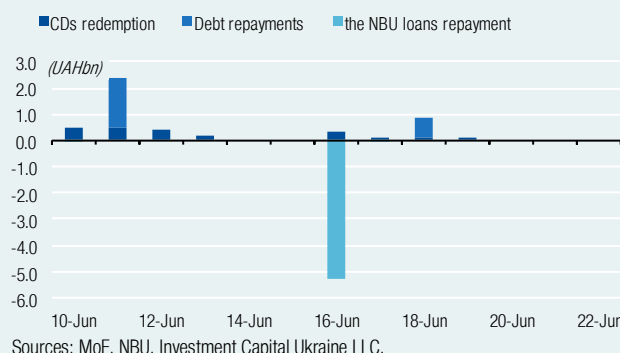


Chart 2. Future redemptions of CDs and UAH state bonds (UAHbn)



Debt repayments could be refinanced possibly with NBU support

We could see additional fund reallocations this week as the MoF is scheduled to repay UAH4.60bn in debt principal and interest repayments, including only UAH1.90bn in local currency, this Wednesday. However, the MoF most likely will try to refinance these repayments, especially the portion denominated in local currency, possibly using domestic QE to support demand (see comment below). Repayments denominated in FX could come from a May Eurobond issuance. In addition, the NBU could decrease its CDs outstanding to provide banks with more liquidity to support demand at the primary auction.

Primary auction results and announcement

Last week, the MoF sold UAH2.0bn of 2-year bonds, more funds than needed for repayments...

Last week, the MoF sold only UAH2.0bn in 2-year bonds, as the 5-year bonds attracted no demand. While the MoF sold 2-year bonds at several auctions last month, these bonds were scheduled only once in June at last week's auction. Of the six bids at interest rates between 16.98% and 17.50%, the MoF accepted only four bids at the lowest interest rate. The two rejected bids were submitted for a total of UAH20.0m out of the total demand of

UAH2.02bn. Most likely, the rejected bids constituted market demand, while the other bids were probably supported by the NBU under domestic QE.

**...likely to purchase FX
for this week's
repayments**

Although the significant proceeds most likely were needed to cover budget expenditures, as the MoF had insufficient debt repayments scheduled for last week, the MoF could use these proceeds to purchase FX and collect funds for this week's large scheduled debt repayments.

**Set of offered bonds was
changed to offer more
attractive bonds**

Per routine, the MoF amended this week's auction schedule, adding 3-month and 6-month local currency zero coupon bonds and replacing the 5-year bond with a 2-year coupon-bearing bond. All bonds will be offered at today's auction with the purchasing date set for tomorrow. The MoF most likely will try to refinance all local currency repayments scheduled for this week with demand supported by domestic QE, but it could only partially refinance them today.

Bondholders' structure: new increase in the NBU portfolio

**The MoF issued
UAH10.0bn of bonds for
Naftogaz which were
purchased by the NBU...**

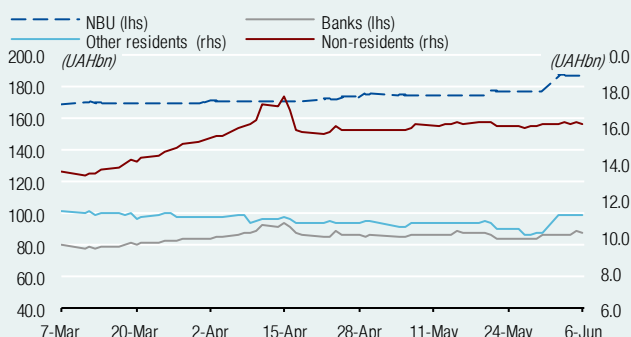
The MoF's issuance of an additional UAH10.0bn of bonds at the end of May (with same day settlement) had a significant impact on bondholders' structure. This issue was most likely made for Naftogaz, as the company purchased FX and made a payment to Gazprom immediately following the placement that day. The Cabinet of Ministers adopted a resolution prior to the offering that allowed the MoF to issue UAH22.27bn of bonds for Naftogaz's share capital increase.

**...causing its portfolio
and share to rise
significantly**

As a result, total government bonds outstanding rose to UAH300.59bn last Monday while the NBU's portfolio rose to UAH187.26bn the same day, as its share rose 117bp to 62.30%. The non-residents' share declined 19bp to 5.37% but remained stable, slightly above UAH16.0bn, with slight movements mostly due to changes in the official UAH/USD exchange rate.

After the MoF sold UAH2.0bn at the primary auction as included in the NBU's statistics last Thursday, the NBU's share slightly declined below 62% but was slightly volatile as the hryvnia strengthened slightly and the non-residents' portfolio slightly declined through the end of last week. The banks' portfolio and share slightly corrected last Friday due to the same reason.

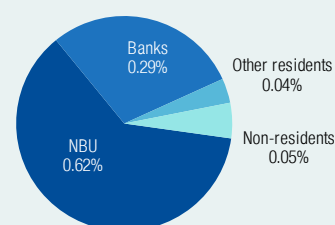
Chart 3. UAH state bondholders' portfolios (last 3 months)



Notes: other residents' and non-residents' data is plotted against the right-side axis, all other groups of bondholders are plotted against the left-side axis.

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

Chart 4. Breakdown of government bondholders (06 June, 2014)



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

Eurobond market

Slight volatility and new wave of rebound

The rebound continued after a short break and heightened following the inauguration

The rebound that began at the beginning of May after the IMF loan was received accelerated after Ukraine issued a new US-backed Eurobond in mid-May. But only a few days prior to the end of May, Eurobonds began a slight correction through the beginning of last week, becoming slightly volatile as yields diverged. Despite this short interruption, the rebound resumed, only slightly at the beginning of last week for a few Eurobonds, gradually picking up momentum by the end of last week, with the yield curve moving below 10.0% and mostly below 9.0%. After the inauguration of Ukraine's new president, markets positively reacted yesterday on and bonds significantly rose, with some yields declining to lows not seen since January.

Yield curve flattens as short-term yields normalize below long-term yields

Last week, YTM of UKRAIN 6.875% '15 fell 66bp to 9.83%, UKRAIN 9.25% '17 was down 97bp to 8.68%, UKRAIN 7.95% '21 declined 78bp to 8.32% and UKRAIN 7.80% '22 declined 43bp to 8.81%, while UKRAIN 7.50% '23 slid just 33bp to 8.57%. Yesterday's rebound was remarkable, and the yield curve moved below 9.0%. UKRAIN 6.875% '15 fell 139bp to 8.44%, UKRAIN 6.25% '16 declined 119bp to 7.61%, UKRAIN 6.58% '16 was down 100bp to 7.84%, UKRAIN 9.25% '17 fell 43bp to 8.24%, UKRAIN 6.75% '17 declined 48bp to 8.11%, UKRAIN 7.95% '21 slid 22bp to 8.09%, UKRAIN 7.80% '22 declined 35bp to 8.46%, and UKRAIN 7.50% '23 fell 33bp to 8.24%, while UKRAIN 7.75% '20 slid 4bp to 7.99%.

Chart 5. YTM of some Ukrainian Eurobonds

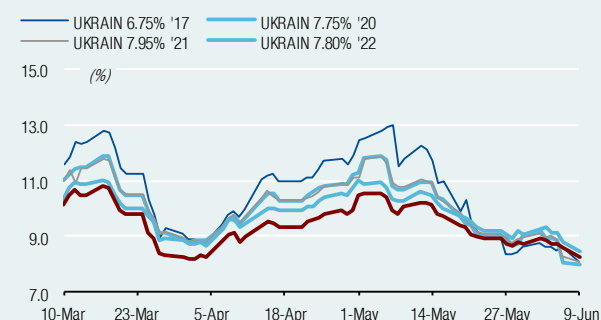
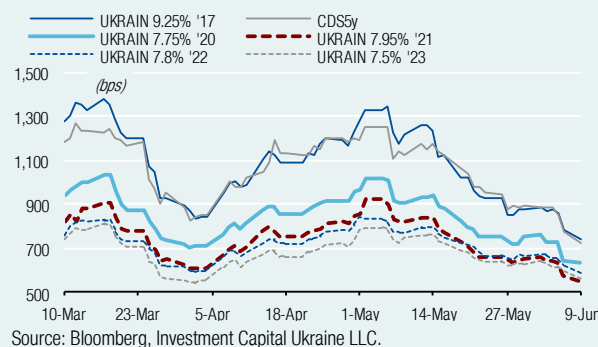


Chart 6. Ukrainian Eurobonds spreads



As Ukraine becomes more stable politically, and possibly beginning a new era of its development, we expect Eurobonds to continue to rebound with the yield curve declining to below 8% and a surge of new offerings to begin, possibly at the end of June.

Appendixes

The following pages contain tabular information on the local fixed-income market. There are tables that detail government debt repayments such as a weekly schedule for current year and quarterly schedule for next 5 years.

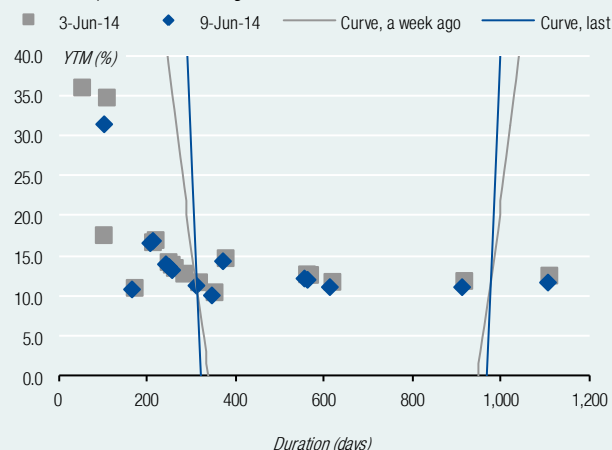
UAH bond market

Table 1. Ukrainian local-currency government bonds as of 9 Jun 2014

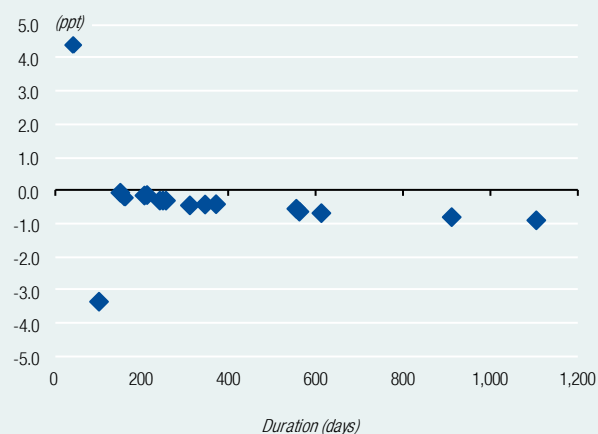
Ticker	Volume (UAHm)	Coupon rate (%)	Maturity	Price (% of par)	YTM (%)	Weekly price chg (bp)	Weekly yield chg (bp)	Duation (years)	1W daily avg turnover (UAHm)	1W total turnover (UAHm)	Total turnover (UAHm)	Liquidity ratio*
157135	3,461.85	7.97	23-Jul-14	99.813	40.46	13	437	0.12	0.00	0.00	168.98	0.05
149231	1,437.59	8.32	19-Nov-14	99.438	10.95	25	-19	0.45	2.01	8.02	2,074.01	1.44
151278	1,732.01	8.5	7-Jan-15	99.500	16.70	31	-12	0.56	46.66	93.33	1,727.60	1.00
000999	226.61	9.6	14-Jan-15	100.063	16.99	31	-11	0.58	0.00	0.00	0.00	0.00
155485	2,572.84	8.09	11-Feb-15	99.125	14.08	38	-28	0.66	0.00	0.00	6,054.50	2.35
157143	588.75	8.02	18-Feb-15	99.000	13.75	38	-28	0.68	0.00	0.00	0.00	0.00
157127	581.87	8.02	25-Feb-15	99.000	13.35	38	-28	0.70	44.97	44.97	2,350.67	4.04
142699	3,671.09	9.45	22-Apr-15	99.875	11.42	50	-42	0.85	0.00	0.00	11,527.32	3.14
142681	640.28	4.8	6-May-15	102.813	-0.98	0	-4	0.41	0.00	0.00	0.00	0.00
141071	1,784.52	9.45	27-May-15	99.875	10.20	50	-39	0.94	40.80	163.18	6,808.76	3.82
142673	2,060.63	4.5	17-Jun-15	94.875	1,982.20	63	135,616	0.02	0.00	0.00	0.00	0.00
144083	26.26	9.45	8-Jul-15	99.563	14.46	56	-38	1.01	0.00	0.00	0.00	0.00
152441	3,790.37	8.25	27-Jan-16	97.625	12.31	88	-52	1.52	0.00	0.00	55.17	0.01
153282	104.92	8.25	3-Feb-16	97.625	12.14	100	-61	1.54	0.00	0.00	71.92	0.69
160923	3,532.50	7.5	16-Mar-16	96.250	31.51	113	-333	0.27	0.00	0.00	0.00	0.00
160907	337.77	8	23-Mar-16	97.000	11.24	113	-65	1.67	0.00	0.00	160.05	0.47
160915	3,532.50	8.25	22-Mar-17	95.438	11.23	181	-78	2.49	0.00	0.00	0.00	0.00
151286	6,240.75	7.5	20-Dec-17	92.188	11.80	231	-87	3.03	0.00	0.00	0.00	0.00

Notes: 1W - last 7-day period; turnover figures are trade volumes for a bond reported by PFTS; total turnover - total volume of trades with the bond at PFTS since issue date; [*] liquidity ratio - ratio of total turnover to bond's volume in outstanding.

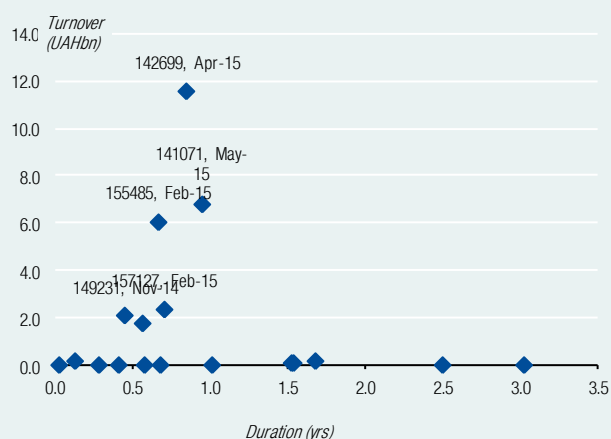
Sources: Bloomberg, PFTS, Investment Capital Ukraine LLC.

Chart 7. Shape of the local-currency sovereign yield curve*Last one compared to 1 week ago*

Sources: Ministry of Finance, Bloomberg, PFTS, Investment Capital Ukraine LLC.

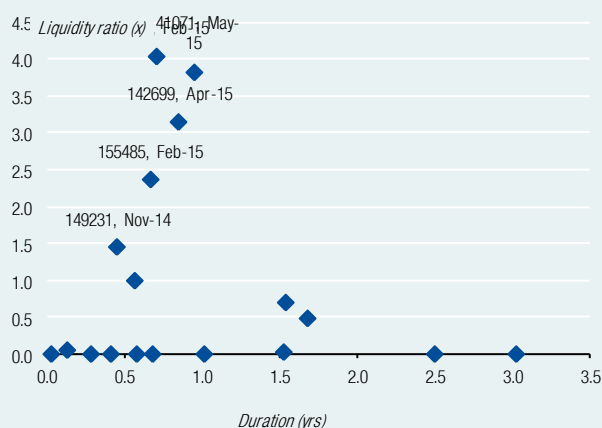
Chart 8. Movement of the local-currency sovereign yield curve*Over last week, in percentage points*

Sources: Ministry of Finance, Bloomberg, PFTS, Investment Capital Ukraine LLC.

Chart 9. Map of Ukraine's local-currency government bonds by total turnover plotted against their duration

Note: Total turnover and duration are taken from Table 1, page 6. The bonds with turnover of UAH2bn and more have labels, which consist of PFTS ticker and after a comma month and year of maturity.

Sources: Ministry of Finance, Bloomberg, PFTS, Investment Capital Ukraine LLC.

Chart 10. Map of Ukraine's local-currency government bonds by liquidity ratio plotted against their duration

Note: Total turnover and duration are taken from Table 1, page 6. The bonds with liquidity ratio of 1.1x and more have labels, which consist of PFTS ticker and after a comma month and year of maturity.

Sources: Ministry of Finance, Bloomberg, PFTS, Investment Capital Ukraine LLC.

Eurobond market

Table 2. Ukrainian Eurobonds as of 9 Jun 2014

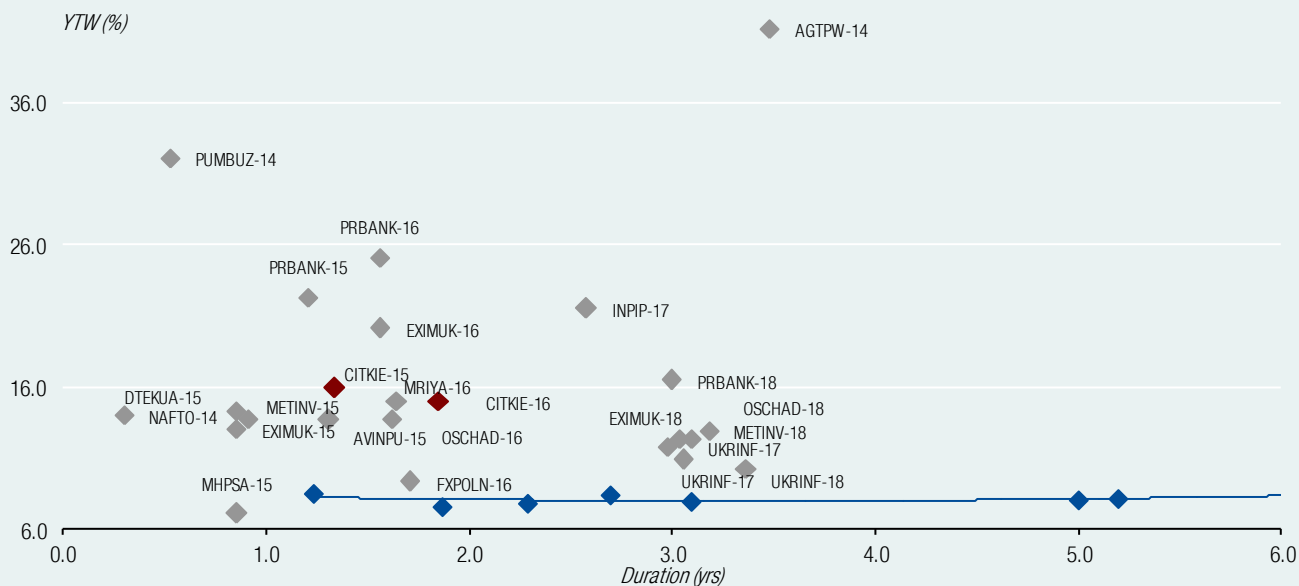
Ticker	Issuer	Ratings	Volume (million)	Curr- ency	Coupon rate (%)	Maturity	Price (% of par)	YTM (%)	Weekly price chg (bp)	Weekly yield chg (bp)	Spread (bp)	Duration (years)
UKRAIN-15	Ministry of Finance	Caa3/CCC/CC C	500.0	USD	6.875	23-Sep-15	98.630	8.01	290	-247	707	1.23
UKRAIN-15	Ministry of Finance	Caa3/CCC/CC C	600.0	EUR	4.95	13-Oct-15	96.106	8.11	228	-193	753	1.29
UKRAIN-16	Ministry of Finance	Caa3/CCC/CC C	1,250.0	USD	6.25	17-Jun-16	98.001	7.34	304	-169	664	1.86
UKRAIN-16	Ministry of Finance	Caa3/CCC/CC C	1,000.0	USD	6.58	21-Nov-16	97.725	7.62	283	-133	697	2.28
UKRAIN-17	Ministry of Finance	Caa3/CCC/CC C	2,600.0	USD	9.25	24-Jul-17	102.717	8.24	331	-123	718	2.69
UKRAIN-17	Ministry of Finance	Caa3/CCC/CC C	700.0	USD	6.75	14-Nov-17	97.000	7.76	243	-85	669	3.09
UKRAIN-20	Ministry of Finance	Caa3/CCC/CC C	1,500.0	USD	7.75	23-Sep-20	98.843	7.98	440	-93	621	5.00
UKRAIN-21	Ministry of Finance	Caa3/CCC/CC C	1,500.0	USD	7.95	23-Feb-21	99.554	8.03	464	-94	530	5.19
UKRAIN-22	Ministry of Finance	Caa3/CCC/CC C	2,250.0	USD	7.8	28-Nov-22	96.139	8.45	476	-84	573	6.28
UKRAIN-23	Ministry of Finance	Caa3/CCC/CC C	1,250.0	USD	7.5	17-Apr-23	95.470	8.23	372	-63	552	6.48
CITKIE-15	Kyiv	Caa3/CCC/CC C	250.0	USD	8	6-Nov-15	91.313	15.11	500	-445	1,388	1.34
CITKIE-16	Kyiv	Caa3/CCC/CC C	300.0	USD	9.375	11-Jul-16	90.938	14.57	463	-288	1,374	1.85
AGTPW-14	Agroton	NR/NR/WD	50.0	USD	12.5	14-Jul-14	31.813	38.82	-6	20	3,503	3.48
NAFTO-14	Naftogaz of Ukraine	NR/NR/CCC	1,595.0	USD	9.5	30-Sep-14	98.813	13.40	200	-672	1,266	0.30
PUMBUZ-14	FUIB	Caa3/NR/NR	252.5	USD	11	31-Dec-14	90.875	29.64	413	-880	2,803	0.53
EXIMUK-15	Ukreximbank	Caa3/NR/CCC	750.0	USD	8.375	27-Apr-15	96.375	12.87	419	-544	1,229	0.85
DTEKUA-15	DTEK	Caa2/NR/CCC	500.0	USD	9.5	28-Apr-15	96.313	14.09	225	-287	1,343	0.85
MHPSA-15	MHP	Caa2/NR/CCC	584.8	USD	10.25	29-Apr-15	103.313	6.29	194	-229	509	0.85
METINV-15	Metinvest Holding	Caa2/NR/CCC	500.0	USD	10.25	20-May-15	97.625	13.01	88	-101	1,185	0.91
PRBANK-15	Pryvatbank	Caa3u/NR/CC C	200.0	USD	9.375	23-Sep-15	87.375	21.10	313	-316	1,954	1.21
AVINPU-15	Avangard	NR/NR/CCC	200.0	USD	10	29-Oct-15	95.688	13.51	0	2	1,293	1.31
PRBANK-16	Pryvatbank	Cau/NR/NR	150.0	USD	8.75	9-Feb-16	76.525	23.74	498	-462	2,195	1.56
EXIMUK-16	Ukreximbank	Ca/NR/C	125.0	USD	8.4	9-Feb-16	82.188	18.79	125	-96	1,708	1.56
OSCHAD-16	Oshchadbank	Caa3/NR/CCC	500.0	USD	8.25	10-Mar-16	92.250	13.36	113	-76	1,260	1.62
MRIYA-16	Mriya Agroholding	NR/CCC/CCC	250.0	USD	10.95	30-Mar-16	94.438	14.55	219	-147	1,367	1.64
FXPOLN-16	Ferrexpo PLC	Caa2/CCC+/C CC	500.0	USD	7.875	7-Apr-16	97.813	9.20	0	1	866	1.70
INIP-17	Interpipe	NR/NR/C	200.0	USD	10.25	2-Aug-17	76.375	20.87	38	-17	1,935	2.58
UKRINF-17	Infrastructure Projects Fin	Caa3/NR/NR	538.0	USD	8.375	3-Nov-17	91.500	11.46	0	1	1,032	2.97
UKRINF-17	Infrastructure Projects Fin	(P)Caa3/NR/N R	550.0	USD	9	7-Dec-17	95.478	10.58	352	-129	945	3.05
EXIMUK-18	Ukreximbank	Caa3/NR/CCC	500.0	USD	8.75	22-Jan-18	89.938	12.28	275	-104	1,059	3.03
METINV-18	Metinvest Holding	Caa2/NR/CCC	750.0	USD	8.75	14-Feb-18	89.750	12.29	181	-67	1,054	3.09
PRBANK-18	Pryvatbank	Caa3u/NR/CC C	175.0	USD	10.875	28-Feb-18	85.813	16.08	275	-112	1,404	2.99
OSCHAD-18	Oshchadbank	Caa3/NR/CCC	500.0	USD	8.875	20-Mar-18	89.063	12.60	250	-92	1,059	3.18

UKRINF-18	Infrastructure Projects Fin	Caa3/NR/NR	690.0	USD	7.4	20-Apr-18	91.563	10.09	0	1	824	3.36
VABANK-14	VAB Bank	Caa1 /*- /NR/WD	112.5	USD	10.5	14-Jun-14	90.100	38.87	0	0	4,071	0.38
OSCHAD-16	Oshchadbank	NR/NR/B	200.0	USD	8.25	10-Mar-16	0.000	0.00	0	0	0	0.00
NADRA-17	Nadra Bank	WR/NR/WD	59.7	USD	8	22-Jun-17	82.180	23.81	0	0	1,949	1.28

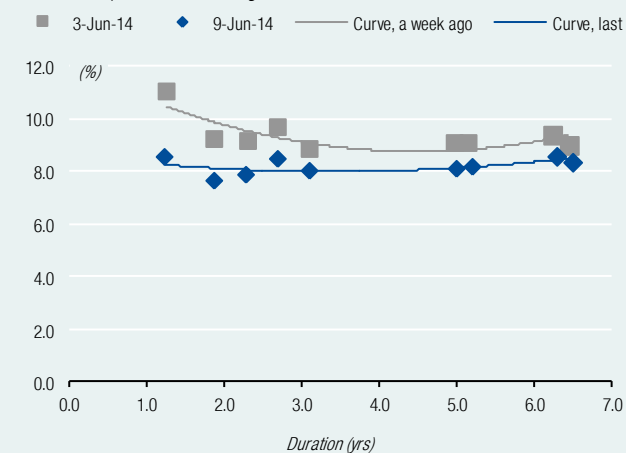
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 11. Term structure of yields of Ukrainian Eurobonds as of 9 Jun 2014

Blue dots are Ukraine sovereign Eurobonds; grey dots are corporate Eurobonds and red ones are municipal Eurobonds

**Chart 12. Shape of the USD sovereign yield curve at Eurobond market**

Last one compared to 1 week ago

**Chart 13. Movement of the USD sovereign yield curve at Eurobond market**

Over last week, in percentage points



Primary market for UAH state bonds

Table 3. Primary market for local-currency government bonds: results of recent auctions

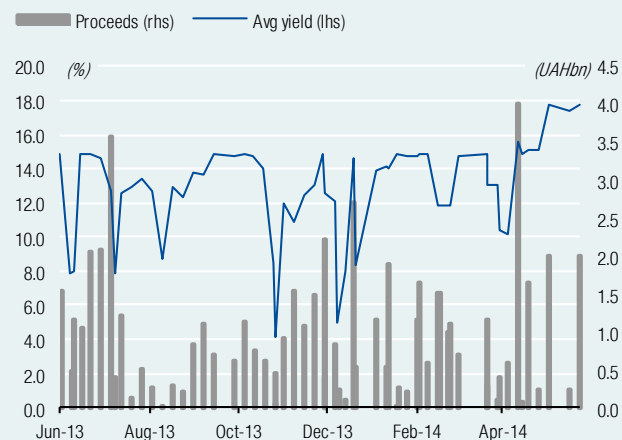
Date	Qty of bonds offered/sold	Proceeds (UAHm)	Volume of bonds sold* (UAHm)	Volume of bids submitted (UAHm)	Qty of bids submitted	Lowest yield asked** (%)	Highest yield asked** (%)	MoF cut-off yield (%)	Qty of bids accepted	Average yield (%)	WA yield (%)	Average duration (years)	WA duration (years)
3-Jun-14	1	2,000.00	2,000.00	2,020.00	6	16.98	17.50	16.98	4	17.72	17.72	1.78	1.78
27-May-14	2	234.83	215.00	245.00	11	3.00	17.50	10.00	10	17.38	14.62	0.91	0.20
13-May-14	1	2,000.00	1,987.48	1.99	4	17.00	17.00	17.00	4	17.74	17.74	1.74	1.74
6-May-14	2	246.60	100.00	320.00	4	9.95	20.00	12.48	2	15.15	14.96	1.40	1.17
29-Apr-14	2	1,636.78	20.00	1,620.00	7	9.95	16.00	12.48	3	15.11	15.60	1.38	2.42
24-Apr-14	1	74.96	74.73	74.73	1	14.30	14.30	14.30	1	14.85	14.85	3.70	3.70
22-Apr-14	1	4,000.00	4,000.00	4,000.00	4	15.00	15.00	15.00	4	15.59	15.59	2.52	2.52
15-Apr-14	1	587.66	600.00	600.00	1	9.95	9.95	9.95	1	10.21	10.21	0.21	0.21
9-Apr-14	1	391.04	400.00	400.00	1	9.95	9.95	9.95	1	10.34	10.34	0.23	0.23
8-Apr-14	1	103.66	110.00	110.00	2	12.75	12.75	12.75	2	13.09	13.09	0.48	0.48
1-Apr-14	1	282.07	300.00	330.00	4	12.75	23.50	12.75	1	13.08	13.08	0.50	0.50
31-Mar-14	1	1,155.23	1,150.00	1,150.00	3	14.25	14.25	14.25	3	14.80	14.80	2.50	2.50
12-Mar-14	2	684.52	712.08	712.08	3	14.00	14.00	14.00	3	14.71	14.71	0.29	0.29
6-Mar-14	1	1,100.34	1,100.00	1,100.00	1	11.50	11.50	11.50	1	11.86	11.86	3.92	3.92
4-Mar-14	1	1,000.00	1,000.00	1,000.00	1	11.50	11.50	11.50	1	11.86	11.86	3.93	3.93
27-Feb-14	1	1,503.69	1,500.00	1,500.00	1	11.50	11.50	11.50	1	11.86	11.86	3.91	3.91
26-Feb-14	1	1,500.00	1,500.00	1,500.00	1	11.50	11.50	11.50	1	11.86	11.86	3.93	3.93
18-Feb-14	1	600.00	600.00	600.00	1	14.25	14.25	14.25	1	14.84	14.84	3.73	3.73
13-Feb-14	1	1,655.00	1,650.00	1,650.00	1	14.25	14.25	14.25	1	14.80	14.80	3.71	3.71
11-Feb-14	1	1,151.08	1,145.00	1,145.00	2	14.25	14.25	14.25	2	14.79	14.79	3.69	3.69
4-Feb-14	1	209.27	208.71	208.71	2	14.25	14.25	14.25	2	14.79	14.79	3.71	3.71
29-Jan-14	1	273.01	273.01	0.00	2	14.25	14.25	14.25	2	14.80	14.80	3.73	3.73
28-Jan-14	1	10.11	10.00	10.00	1	14.30	14.30	14.30	1	14.85	14.85	4.56	4.56
23-Jan-14	3	1,881.79	688.05	1,958.05	11	8.25	14.25	10.67	10	14.03	14.13	1.48	1.59
21-Jan-14	3	537.93	340.00	540.28	10	5.00	14.25	9.17	7	14.15	14.48	1.41	1.83
14-Jan-14	2	1,150.73	1,152.26	1,152.26	19	8.75	14.25	11.50	6	13.85	14.76	2.35	3.68
31-Dec-13	1	544.86	550.00	550.00	1	8.00	8.00	8.00	1	8.29	8.29	0.12	0.12
30-Dec-13	4	2,695.11	2,374.81	2,645.12	6	5.00	14.30	9.64	6	14.67	14.81	2.09	3.81
24-Dec-13	1	99.96	99.83	99.83	1	7.75	7.75	7.75	1	7.92	7.92	2.71	2.71
19-Dec-13	2	234.96	184.00	234.00	4	4.80	5.00	4.90	4	5.00	5.06	0.02	0.02
17-Dec-13	2	837.39	123.30	823.30	2	7.75	14.25	11.00	2	12.14	14.09	3.07	3.49
10-Dec-13	2	405.47	47.49	397.49	2	7.75	14.30	11.03	2	12.53	14.40	3.59	4.31
9-Dec-13	2	2,211.89	2,200.00	2,200.00	2	14.25	14.30	14.28	2	14.83	14.84	4.14	4.31
3-Dec-13	4	1,480.13	1,405.00	1,454.93	5	7.75	14.30	12.10	5	13.04	14.66	3.60	3.96
26-Nov-13	5	1,083.86	862.07	1,082.98	13	4.00	14.30	9.56	13	12.39	11.66	2.63	1.82
19-Nov-13	5	1,542.65	761.35	1,536.85	9	4.00	14.25	9.10	9	10.87	10.94	3.11	2.68
12-Nov-13	5	906.07	654.81	900.81	15	4.00	14.25	8.65	14	11.93	10.63	1.43	0.58
6-Nov-13	1	458.93	460.00	565.00	11	4.00	10.00	4.25	4	4.12	4.12	0.06	0.06
5-Nov-13	1	49.89	48.65	48.65	1	8.25	8.25	8.25	1	8.41	8.41	1.58	1.58
29-Oct-13	2	614.19	625.55	665.55	7	7.75	14.25	11.13	5	14.03	14.02	2.19	2.18

Notes: the tables depicts the history of last 40 auctions; [*] - volume of bonds sold at the auction at par value; [**] - lowest and highest yields that are indicated in the bid orders submitted to the auction in order to buy all bonds offered by MoF.

Sources: Ministry of Finance, Investment Capital Ukraine LLC.

Chart 14. Effective yield of debt raised by MoF and total volume of proceeds at the government bond auctions

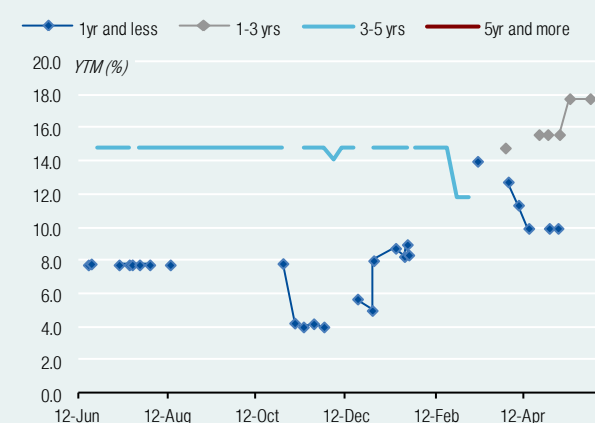
Last 12-month period



Sources: Ministry of Finance, Investment Capital Ukraine LLC.

Chart 15. Yield-to-maturity of government bonds sold at auctions, breakdown by duration of bonds sold

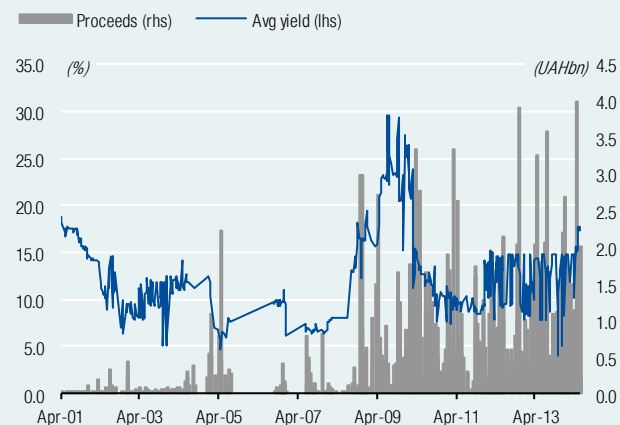
Last 12-month period



Sources: Ministry of Finance, Investment Capital Ukraine LLC.

Chart 16. Effective yield of debt raised by MoF and total volume of proceeds at the government bond auctions

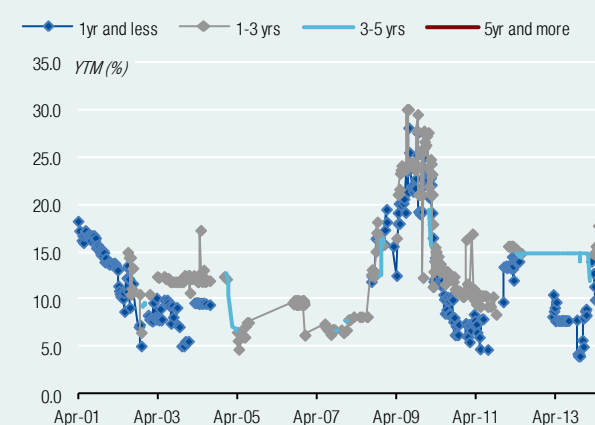
History since April 2001 to present



Sources: Ministry of Finance, Investment Capital Ukraine LLC.

Chart 17. Yield-to-maturity of government bonds sold at auctions, breakdown by duration of bonds sold

History since April 2001 to present



Sources: Ministry of Finance, Investment Capital Ukraine LLC.

UAH state bonds outstanding

Table 4. Outstanding of local-currency government bonds

ISIN	Bond type	Outstanding volume (UAH)	Coupon rate (%)	Payment frequency	Amortisation option	Put option	Next put	Maturity date
Government UAH bonds								
UA4000179865	Zero-coupon bonds	712,080,000.00	14.00	Upon maturity	No	No		25-Jun-2014
UA4000180319	Zero-coupon bonds	1,000,000,000.00		Upon maturity	No	No		2-Jul-2014
UA4000123863	Coupon bonds	752,000,000.00	10.10	Semi-annually	No	No		9-Jul-2014
UA4000180442	Zero-coupon bonds	170,000,000.00		Upon maturity	No	No		30-Jul-2014
UA4000180210	Zero-coupon bonds	410,000,000.00		Upon maturity	No	No		1-Oct-2014
UA4000178883	Zero-coupon bonds	25,000,000.00		Upon maturity	No	No		15-Oct-2014
UA4000064026	Coupon bonds	1,000,000.00	18.50	Semi-annually	No	No		21-Jan-2015
UA4000064166	Coupon bonds	451,875,000.00	15.00	Semi-annually	No	No		28-Jan-2015
UA4000141592	Coupon bonds	250,000,000.00	14.30	Semi-annually	No	No		20-May-2015
UA4000180582	Coupon bonds	1,987,478,000.00	17.00	Semi-annually	No	No		27-Apr-2016
UA4000180772	Coupon bonds	20,000,000.00	17.00	Semi-annually	No	No		18-May-2016
UA4000181275	Coupon bonds	2,000,000,000.00	16.98	Semi-annually	No	No		1-Jun-2016
UA4000106181	Coupon bonds	80,002,000.00	9.50	Quarterly	Yes	Yes	13-Jul-2016	13-Jul-2016
UA4000107528	Coupon bonds	7,087,500.00	12.50	Quarterly	Yes	No		20-Jul-2016
UA4000180202	Coupon bonds	1,150,000,000.00	14.25	Semi-annually	No	No		15-Mar-2017
UA4000180459	Coupon bonds	1,600,000,000.00	15.00	Semi-annually	No	No		29-Mar-2017
UA4000138853	Coupon bonds	1,928,720,000.00	14.30	Semi-annually	No	No		5-Apr-2017
UA4000180400	Coupon bonds	4,000,000,000.00	15.00	Semi-annually	No	No		19-Apr-2017
UA4000180541	Coupon bonds	100,000,000.00	15.00	Semi-annually	No	No		3-May-2017
UA4000142665	Coupon bonds	1,759,740,000.00	14.30	Semi-annually	No	No		24-May-2017
UA4000145973	Coupon bonds	1,810,000,000.00	14.30	Semi-annually	No	No		2-Aug-2017
UA4000148027	Coupon bonds	1,824,455,000.00	14.30	Semi-annually	No	No		11-Oct-2017
UA4000148571	Coupon bonds	1,890,000,000.00	14.30	Semi-annually	No	No		18-Oct-2017
UA4000177745	Coupon bonds	5,000,000.00	12.10	Semi-annually	No	No		15-Nov-2017
UA4000151203	Coupon bonds	1,493,409,000.00	14.30	Semi-annually	No	No		13-Dec-2017
UA4000157119	Coupon bonds	2,500,330,000.00	14.30	Semi-annually	No	No		7-Feb-2018
UA4000160626	Coupon bonds	1,818,593,000.00	14.30	Semi-annually	No	No		7-Mar-2018
UA4000162127	Coupon bonds	2,751,160,000.00	14.30	Semi-annually	No	No		4-Apr-2018
UA4000165765	Coupon bonds	1,585,600,000.00	14.25	Semi-annually	No	No		11-Apr-2018
UA4000166219	Coupon bonds	400,000,000.00	14.25	Semi-annually	No	No		18-Apr-2018
UA4000166201	Coupon bonds	2,254,507,000.00	14.25	Semi-annually	No	No		2-May-2018
UA4000168082	Coupon bonds	3,050,250,000.00	14.25	Semi-annually	No	No		16-May-2018
UA4000171391	Coupon bonds	1,803,816,000.00	14.25	Semi-annually	No	No		27-Jun-2018
UA4000170732	Coupon bonds	3,853,400,000.00	14.25	Semi-annually	No	No		4-Jul-2018
UA4000174239	Coupon bonds	1,247,936,000.00	14.25	Semi-annually	No	No		5-Sep-2018
UA4000175467	Coupon bonds	1,364,010,000.00	14.25	Semi-annually	No	No		10-Oct-2018
UA4000176093	Coupon bonds	1,644,780,000.00	14.25	Semi-annually	No	No		24-Oct-2018
UA4000177919	Coupon bonds	2,100,000,000.00	14.25	Semi-annually	No	No		14-Nov-2018
UA4000178891	Coupon bonds	2,077,263,000.00	14.25	Semi-annually	No	No		9-Jan-2019
UA4000179196	Coupon bonds	1,626,723,000.00	14.25	Semi-annually	No	No		23-Jan-2019
UA4000179519	Coupon bonds	1,650,000,000.00	14.25	Semi-annually	No	No		30-Jan-2019
UA4000179766	Coupon bonds	1,500,000,000.00	11.50	Semi-annually	No	No		13-Feb-2019
UA4000179691	Coupon bonds	600,000,000.00	14.30	Semi-annually	No	No		13-Feb-2019
UA4000179741	Coupon bonds	1,500,000,000.00	11.50	Semi-annually	No	No		20-Feb-2019
UA4000179824	Coupon bonds	2,100,000,000.00	11.50	Semi-annually	No	No		27-Feb-2019
UA4000180426	Coupon bonds	74,733,000.00	14.30	Semi-annually	No	No		10-Apr-2019
UA4000138861	Coupon bonds	2,160,000,000.00	14.00	Semi-annually	No	No		17-Apr-2019
UA4000142137	Coupon bonds	1,900,000,000.00	14.13	Semi-annually	No	No		22-May-2019

Table 4. Outstanding of local-currency government bonds

ISIN	Bond type	Outstanding volume (UAH)	Coupon rate (%)	Payment frequency	Amortisation option	Put option	Next put	Maturity date
UA4000146997	Coupon bonds	1,996,041,000.00	14.30	Semi-annually	No	No		18-Sep-2019
UA4000148589	Coupon bonds	2,000,000,000.00	14.30	Semi-annually	No	No		23-Oct-2019
UA4000148944	Coupon bonds	500,000,000.00	14.30	Semi-annually	No	No		30-Oct-2019
UA4000157671	Coupon bonds	1,760,800,000.00	14.30	Semi-annually	No	No		12-Feb-2020
UA4000165773	Coupon bonds	1,820,000,000.00	14.30	Semi-annually	No	No		8-Apr-2020
UA4000166805	Coupon bonds	1,944,904,000.00	14.30	Semi-annually	No	No		6-May-2020
UA4000171094	Coupon bonds	2,403,338,000.00	14.30	Semi-annually	No	No		8-Jul-2020
UA4000175459	Coupon bonds	1,195,000,000.00	14.30	Semi-annually	No	No		23-Sep-2020
UA4000178024	Coupon bonds	2,024,807,000.00	14.30	Semi-annually	No	No		21-Oct-2020
UA4000177927	Coupon bonds	1,500,000,000.00	14.30	Semi-annually	No	No		18-Nov-2020
UA4000179170	Coupon bonds	10,000,000.00	14.30	Semi-annually	No	No		23-Dec-2020
UA4000173371	Coupon bonds	330,000,000.00	10.00	Semi-annually	No	No		23-Aug-2023
Total		84,475,837,500.00						
Government recap'n bonds								
UA4000063200	Coupon bonds	1,598,269,000.00	9.75	Semi-annually	No	No		11-Jun-2014
UA4000136436	Coupon bonds	1,500,000,000.00	9.65	Semi-annually	No	No		30-Jul-2014
UA4000136451	Coupon bonds	1,500,000,000.00	9.75	Semi-annually	No	No		8-Oct-2014
UA4000063218	Coupon bonds	1,598,270,000.00	9.75	Semi-annually	No	No		12-Nov-2014
UA4000063226	Coupon bonds	1,598,270,000.00	9.75	Semi-annually	No	No		17-Dec-2014
UA4000136469	Coupon bonds	1,500,000,000.00	9.95	Semi-annually	No	No		4-Feb-2015
UA4000092100	Coupon bonds	500,000,000.00	9.50	Semi-annually	No	No		18-Mar-2015
UA4000146393	Coupon bonds	1,000,000,000.00	9.95	Semi-annually	No	No		2-Sep-2015
UA4000048789	Coupon bonds	2,000,000,000.00	9.50	Semi-annually	No	No		18-Nov-2015
UA4000050090	Coupon bonds	4,000,000,000.00	9.50	Semi-annually	No	No		16-Dec-2015
UA4000092118	Coupon bonds	1,500,000,000.00	9.50	Semi-annually	No	No		17-Feb-2016
UA4000115190	Coupon bonds	1,250,000,000.00	9.50	Semi-annually	No	No		9-Mar-2016
UA4000050199	Coupon bonds	3,885,000,000.00	9.50	Semi-annually	No	No		13-Apr-2016
UA4000050017	Coupon bonds	3,700,000,000.00	9.50	Semi-annually	No	No		10-May-2016
UA4000092126	Coupon bonds	1,500,000,000.00	9.50	Semi-annually	No	No		29-Jun-2016
UA4000092134	Coupon bonds	1,500,000,000.00	9.50	Semi-annually	No	No		13-Jul-2016
UA4000119945	Coupon bonds	1,750,000,000.00	9.50	Semi-annually	No	No		24-Aug-2016
UA4000050207	Coupon bonds	3,885,000,000.00	9.50	Semi-annually	No	No		14-Sep-2016
UA4000115208	Coupon bonds	1,250,000,000.00	9.50	Semi-annually	No	No		15-Feb-2017
UA4000092142	Coupon bonds	1,200,000,000.00	9.50	Semi-annually	No	No		12-Apr-2017
UA4000057111	Coupon bonds	1,033,333,000.00	9.50	Semi-annually	No	No		31-May-2017
UA4000057277	Coupon bonds	1,188,431,000.00	9.50	Semi-annually	No	No		7-Jun-2017
UA4000057301	Coupon bonds	936,171,000.00	9.50	Semi-annually	No	No		14-Jun-2017
UA4000156863	Coupon bonds	2,000,000,000.00	14.30	Semi-annually	No	No		28-Jun-2017
UA4000058606	Coupon bonds	3,100,000,000.00	9.50	Semi-annually	No	No		19-Jul-2017
UA4000158315	Coupon bonds	1,000,000,000.00	14.30	Semi-annually	No	No		16-Aug-2017
UA4000092167	Coupon bonds	1,200,000,000.00	9.50	Semi-annually	No	No		23-Aug-2017
UA4000115216	Coupon bonds	1,250,000,000.00	9.50	Semi-annually	No	No		13-Sep-2017
UA4000058614	Coupon bonds	1,658,263,000.00	9.50	Semi-annually	No	No		4-Oct-2017
UA4000153340	Coupon bonds	1,500,000,000.00	14.30	Semi-annually	No	No		8-Nov-2017
UA4000151476	Coupon bonds	2,000,000,000.00	14.30	Semi-annually	No	No		29-Nov-2017
UA4000153126	Coupon bonds	500,000,000.00	14.30	Semi-annually	No	No		13-Dec-2017
UA4000130082	Coupon bonds	2,000,000,000.00	9.50	Semi-annually	No	No		27-Dec-2017
UA4000130090	Coupon bonds	2,000,000,000.00	9.50	Semi-annually	No	No		17-Jan-2018
UA4000115638	Coupon bonds	1,975,000,000.00	9.50	Semi-annually	No	No		21-Feb-2018
UA4000160758	Coupon bonds	1,000,000,000.00	14.30	Semi-annually	No	No		14-Mar-2018
UA4000061790	Coupon bonds	1,400,000,000.00	9.50	Semi-annually	No	No		28-Mar-2018

Table 4. Outstanding of local-currency government bonds

ISIN	Bond type	Outstanding volume (UAH)	Coupon rate (%)	Payment frequency	Amortisation option	Put option	Next put	Maturity date
UA4000119952	Coupon bonds	1,750,000,000.00	9.50	Semi-annually	No	No		25-Apr-2018
UA4000055586	Coupon bonds	1,000,000,000.00	9.50	Semi-annually	No	No		9-May-2018
UA4000057319	Coupon bonds	936,172,000.00	9.50	Semi-annually	No	No		30-May-2018
UA4000057129	Coupon bonds	1,033,333,000.00	9.50	Semi-annually	No	No		6-Jun-2018
UA4000057285	Coupon bonds	1,188,431,000.00	9.50	Semi-annually	No	No		13-Jun-2018
UA4000173314	Coupon bonds	1,250,000,000.00	14.25	Semi-annually	No	No		20-Jun-2018
UA4000058622	Coupon bonds	1,916,119,000.00	9.50	Semi-annually	No	No		18-Jul-2018
UA4000173306	Coupon bonds	1,250,000,000.00	14.25	Semi-annually	No	No		25-Jul-2018
UA4000173298	Coupon bonds	1,250,000,000.00	14.25	Semi-annually	No	No		1-Aug-2018
UA4000120877	Coupon bonds	604,000,000.00	9.50	Semi-annually	No	No		8-Aug-2018
UA4000173280	Coupon bonds	1,250,000,000.00	14.25	Semi-annually	No	No		15-Aug-2018
UA4000115224	Coupon bonds	1,250,000,000.00	9.50	Semi-annually	No	No		22-Aug-2018
UA4000062525	Coupon bonds	650,000,000.00	9.50	Semi-annually	No	No		12-Sep-2018
UA4000115646	Coupon bonds	1,975,001,000.00	9.50	Semi-annually	No	No		19-Sep-2018
UA4000058630	Coupon bonds	1,355,345,000.00	9.50	Semi-annually	No	No		3-Oct-2018
UA4000059323	Coupon bonds	1,000,000,000.00	9.50	Semi-annually	No	No		31-Oct-2018
UA4000121495	Coupon bonds	1,000,000,000.00	9.50	Semi-annually	No	No		7-Nov-2018
UA4000064307	Coupon bonds	1,000,000,000.00	9.50	Semi-annually	No	No		21-Nov-2018
UA4000177943	Coupon bonds	300,000,000.00	9.50	Semi-annually	No	No		28-Nov-2018
UA4000061808	Coupon bonds	1,400,000,000.00	9.50	Semi-annually	No	No		6-Feb-2019
UA4000064315	Coupon bonds	1,294,999,000.00	9.50	Semi-annually	No	No		13-Mar-2019
UA4000058648	Coupon bonds	1,933,060,000.00	9.50	Semi-annually	No	No		3-Apr-2019
UA4000121503	Coupon bonds	1,100,000,000.00	9.50	Semi-annually	No	No		15-May-2019
UA4000057293	Coupon bonds	1,188,432,000.00	9.50	Semi-annually	No	No		29-May-2019
UA4000057327	Coupon bonds	936,172,000.00	9.50	Semi-annually	No	No		5-Jun-2019
UA4000057137	Coupon bonds	1,033,334,000.00	9.50	Semi-annually	No	No		12-Jun-2019
UA4000064323	Coupon bonds	1,000,000,000.00	9.50	Semi-annually	No	No		17-Jul-2019
UA4000063119	Coupon bonds	1,276,191,000.00	9.50	Semi-annually	No	No		21-Aug-2019
UA4000064349	Coupon bonds	1,295,000,000.00	9.50	Semi-annually	No	No		25-Sep-2019
UA4000064117	Coupon bonds	900,000,000.00	9.50	Semi-annually	No	No		16-Oct-2019
UA4000064125	Coupon bonds	900,000,000.00	9.50	Semi-annually	No	No		20-Nov-2019
UA4000063010	Coupon bonds	950,000,000.00	9.50	Semi-annually	No	No		11-Mar-2020
UA4000061816	Coupon bonds	1,400,000,000.00	9.50	Semi-annually	No	No		15-Apr-2020
UA4000121511	Coupon bonds	1,100,000,000.00	9.50	Semi-annually	No	No		20-May-2020
UA4000063127	Coupon bonds	1,500,000,000.00	9.50	Semi-annually	No	No		17-Jun-2020
UA4000063028	Coupon bonds	949,981,000.00	9.50	Semi-annually	No	No		12-Aug-2020
UA4000061824	Coupon bonds	1,400,000,000.00	9.50	Semi-annually	No	No		4-Nov-2020
UA4000177950	Coupon bonds	1,400,000,000.00	9.50	Semi-annually	No	No		25-Nov-2020
UA4000063135	Coupon bonds	1,500,000,000.00	9.50	Semi-annually	No	No		9-Jun-2021
UA4000121529	Coupon bonds	1,100,000,000.00	9.50	Semi-annually	No	No		22-Sep-2021
UA4000063143	Coupon bonds	1,500,000,000.00	9.50	Semi-annually	No	No		1-Jun-2022
Total		112,971,577,000.00						
Government VAT bonds 2010								
UA4000078141	Coupon bonds	14,532,000.00	5.50	Semi-annually	Yes	No		27-Jul-2015
UA4000082531	Coupon bonds	614,344,500.00	5.50	Semi-annually	Yes	No		21-Aug-2015
UA4000082622	Coupon bonds	2,491,461,900.00	5.50	Semi-annually	Yes	No		24-Aug-2015
UA4000083059	Coupon bonds	1,810,435,500.00	5.50	Semi-annually	Yes	No		25-Aug-2015
Total		4,930,773,900.00						
Government indexed bonds								
UA4000129100	Coupon bonds	1,610,000,000.00	8.22	Semi-annually	No	No		24-Sep-2014
UA4000129902	Coupon bonds	175,000,000.00	8.22	Semi-annually	No	No		22-Oct-2014

Table 4. Outstanding of local-currency government bonds

ISIN	Bond type	Outstanding volume (UAH)	Coupon rate (%)	Payment frequency	Amortisation option	Put option	Next put	Maturity date
UA4000130595	Coupon bonds	200,000,000.00	8.25	Semi-annually	No	No		29-Oct-2014
UA4000130603	Coupon bonds	1,200,100,000.00	8.22	Semi-annually	No	No		5-Nov-2014
UA4000132278	Coupon bonds	250,000,000.00	9.75	Semi-annually	No	No		3-Dec-2014
UA4000137822	Coupon bonds	700,000,000.00	9.30	Semi-annually	No	No		4-Mar-2015
UA4000138242	Coupon bonds	470,000,000.00	9.30	Semi-annually	No	No		8-Apr-2015
UA4000139513	Coupon bonds	900,000,000.00	9.30	Semi-annually	No	No		13-May-2015
UA4000141600	Coupon bonds	100,000,000.00	9.30	Semi-annually	No	No		3-Jun-2015
UA4000144075	Coupon bonds	600,000,000.00	9.30	Semi-annually	No	No		15-Jul-2015
UA4000146070	Coupon bonds	200,000,000.00	9.30	Semi-annually	No	No		12-Aug-2015
UA4000146500	Coupon bonds	525,000,000.00	9.30	Semi-annually	No	No		9-Sep-2015
UA4000148217	Coupon bonds	329,000,000.00	9.30	Semi-annually	No	No		28-Oct-2015
UA4000149082	Coupon bonds	580,000,000.00	9.30	Semi-annually	No	No		11-Nov-2015
UA4000151500	Coupon bonds	557,000,000.00	9.19	Semi-annually	No	No		13-Jan-2016
UA4000160634	Coupon bonds	60,000,000.00	9.10	Semi-annually	No	No		16-Mar-2016
UA4000129233	Coupon bonds	850,000,000.00	8.75	Semi-annually	No	No		10-Aug-2016
UA4000129118	Coupon bonds	1,940,000,000.00	8.75	Semi-annually	No	No		28-Sep-2016
UA4000177406	Coupon bonds	477,000,000.00	9.50	Semi-annually	No	No		16-Nov-2016
UA4000129241	Coupon bonds	1,000,000,000.00	9.25	Semi-annually	No	No		15-Sep-2021
Total		12,723,100,000.00						

Government foreign-currency bonds

UA4000180764	Zero-coupon bonds	2,531,625,000.00		Upon maturity	No	No		11-Jun-2014
UA4000157135	Coupon bonds	3,461,850,000.00	7.97	Semi-annually	No	No		23-Jul-2014
UA4000158794	Coupon bonds	1,783,912,500.00	7.50	Semi-annually	No	No		10-Sep-2014
UA4000174247	Coupon bonds	960,416,100.00	4.80	Semi-annually	No	Yes	29-Oct-2014	29-Oct-2014
UA4000149231	Coupon bonds	1,437,586,200.00	8.32	Semi-annually	No	No		19-Nov-2014
UA4000173058	Coupon bonds	1,177,500,000.00	7.75	Semi-annually	No	No		26-Nov-2014
UA4000177133	Coupon bonds	2,649,375,000.00	7.88	Semi-annually	No	No		10-Dec-2014
UA4000171649	Coupon bonds	1,168,492,125.00	8.25	Semi-annually	No	No		24-Dec-2014
UA4000151278	Coupon bonds	1,732,008,300.00	8.50	Semi-annually	No	No		7-Jan-2015
UA4000133771	Coupon bonds	226,609,875.00	9.60	Semi-annually	No	No		14-Jan-2015
UA4000155485	Coupon bonds	2,572,837,500.00	8.09	Semi-annually	No	No		11-Feb-2015
UA4000157143	Coupon bonds	588,750,000.00	8.02	Semi-annually	No	No		18-Feb-2015
UA4000157127	Coupon bonds	581,873,400.00	8.02	Semi-annually	No	No		25-Feb-2015
UA4000160642	Coupon bonds	2,377,690,425.00	7.75	Semi-annually	No	No		18-Mar-2015
UA4000142699	Coupon bonds	3,671,091,750.00	9.45	Semi-annually	No	No		22-Apr-2015
UA4000166821	Coupon bonds	3,139,215,000.00	7.75	Semi-annually	No	No		6-May-2015
UA4000142681	Coupon bonds	640,277,400.00	4.80	Semi-annually	No	Yes	6-May-2015	6-May-2015
UA4000141071	Coupon bonds	1,784,524,800.00	9.45	Semi-annually	No	No		27-May-2015
UA4000167837	Coupon bonds	2,045,435,250.00	7.75	Semi-annually	No	No		3-Jun-2015
UA4000142673	Coupon bonds	2,060,625,000.00	4.50	Semi-annually	No	Yes	17-Jun-2015	17-Jun-2015
UA4000144083	Coupon bonds	26,258,250.00	9.45	Semi-annually	No	No		8-Jul-2015
UA4000171409	Coupon bonds	1,229,050,950.00	8.25	Semi-annually	No	No		15-Jul-2015
UA4000152441	Coupon bonds	3,790,372,500.00	8.25	Semi-annually	No	No		27-Jan-2016
UA4000153282	Coupon bonds	104,915,250.00	8.25	Semi-annually	No	No		3-Feb-2016
UA4000160923	Coupon bonds	3,532,500,000.00	7.50	Semi-annually	No	Yes	16-Mar-2016	16-Mar-2016
UA4000160907	Coupon bonds	337,765,875.00	8.00	Semi-annually	No	No		23-Mar-2016
UA4000166847	Coupon bonds	876,648,750.00	8.00	Semi-annually	No	No		25-May-2016
UA4000172506	Coupon bonds	2,658,641,925.00	8.75	Semi-annually	No	No		10-Aug-2016
UA4000177414	Coupon bonds	3,514,837,500.00	7.75	Semi-annually	No	Yes	26-Oct-2016	26-Oct-2016
UA4000177752	Coupon bonds	587,878,650.00	7.75	Semi-annually	No	Yes	30-Nov-2016	30-Nov-2016
UA4000178305	Coupon bonds	1,175,521,800.00	7.75	Semi-annually	No	No		14-Dec-2016

Table 4. Outstanding of local-currency government bonds

ISIN	Bond type	Outstanding volume (UAH)	Coupon rate (%)	Payment frequency	Amortisation option	Put option	Next put	Maturity date
UA4000160915	Coupon bonds	3,532,500,000.00	8.25	Semi-annually	No	No		22-Mar-2017
UA4000166854	Coupon bonds	3,826,875,000.00	7.45	Semi-annually	No	Yes	17-May-2017	17-May-2017
UA4000151286	Coupon bonds	6,240,750,000.00	7.50	Semi-annually	No	No		20-Dec-2017
UA4000177554	Coupon bonds	2,354,022,675.00	7.50	Semi-annually	No	Yes	21-Nov-2018	21-Nov-2018
Total		70,380,234,750.00						
Grand total		285,481,523,150.00						

Note: the list of local-currency government bonds may not be complete as it reflects ICU knowledge regarding the outstanding stock of the government bonds, which is published by Ministry of Finance of Ukraine as its website (http://minfin.gov.ua/control/publish/article/main?art_id=274776&cat_id=234036).

Sources: Ministry of Finance, Investment Capital Ukraine LLC.

2014 weekly state debt payback

Table 5. Weekly schedule of state bond auctions and volume of state debt* to be repaid within a 7-day period since auction date (UAH)

Month	Auction details	1st Tuesday	2nd Tuesday	3rd Tuesday	4th Tuesday	5th Tuesday
January	Auction date	1-Jan-13	8-Jan-13	15-Jan-13	22-Jan-13	29-Jan-13
	Local debt repayment ¹	0.00	0.00	0.00	0.00	0.00
	External debt repayment ²	0.00	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00	0.00
February	Auction date	5-Feb-13	12-Feb-13	19-Feb-13	26-Feb-13	
	Local debt repayment ¹	0.00	0.00	0.00	0.00	
	External debt repayment ²	0.00	0.00	0.00	0.00	
	Total	0.00	0.00	0.00	0.00	
March	Auction date	5-Mar-13	12-Mar-13	19-Mar-13	26-Mar-13	
	Local debt repayment ¹	0.00	0.00	0.00	0.00	
	External debt repayment ²	0.00	0.00	0.00	0.00	
	Total	0.00	0.00	0.00	0.00	
April	Auction date	2-Apr-13	9-Apr-13	16-Apr-13	23-Apr-13	30-Apr-13
	Local debt repayment ¹	0.00	0.00	0.00	0.00	0.00
	External debt repayment ²	0.00	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00	0.00
May	Auction date	30-Apr-13	7-May-13	14-May-13	21-May-13	28-May-13
	Local debt repayment ¹	0.00	0.00	0.00	0.00	0.00
	External debt repayment ²	0.00	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00	0.00
June	Auction date	4-Jun-13	11-Jun-13	18-Jun-13	25-Jun-13	
	Local debt repayment ¹	0.00	0.00	0.00	0.00	
	External debt repayment ²	0.00	0.00	0.00	0.00	
	Total	0.00	0.00	0.00	0.00	
July	Auction date	2-Jul-13	9-Jul-13	16-Jul-13	23-Jul-13	30-Jul-13
	Local debt repayment ¹	0.00	0.00	0.00	0.00	0.00
	External debt repayment ²	0.00	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00	0.00
August	Auction date	6-Aug-13	13-Aug-13	20-Aug-13	27-Aug-13	
	Local debt repayment ¹	0.00	0.00	0.00	0.00	
	External debt repayment ²	0.00	0.00	0.00	0.00	
	Total	0.00	0.00	0.00	0.00	
September	Auction date	3-Sep-13	10-Sep-13	17-Sep-13	24-Sep-13	
	Local debt repayment ¹	0.00	0.00	0.00	0.00	
	External debt repayment ²	0.00	0.00	0.00	0.00	
	Total	0.00	0.00	0.00	0.00	
October	Auction date	1-Oct-13	8-Oct-13	15-Oct-13	22-Oct-13	29-Oct-13
	Local debt repayment ¹	0.00	0.00	0.00	0.00	0.00
	External debt repayment ²	0.00	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00	0.00
November	Auction date	5-Nov-13	12-Nov-13	19-Nov-13	26-Nov-13	
	Local debt repayment ¹	0.00	0.00	0.00	0.00	
	External debt repayment ²	0.00	0.00	0.00	0.00	
	Total	0.00	0.00	0.00	0.00	
December	Auction date	3-Dec-13	10-Dec-13	17-Dec-13	24-Dec-13	31-Dec-13
	Local debt repayment ¹	0.00	0.00	0.00	0.00	0.00
	External debt repayment ²	0.00	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00	0.00

Notes: highlighted data – above UAH1bn in bold font, above UAH4bn shaded in blue; [*] interest and principal; [1] – government bonds (ordinary bonds, VAT bonds and recapitalisation bonds; [2] – external debt means Eurobonds and loans denominated in local currency by most recent FX rates. Sources: Ministry of Finance of Ukraine, Investment Capital Ukraine LLC.

5yr sovereign local debt payback

Table 6. Local-currency bonds repayments for the upcoming 5-year period

Period	Repayments (UAHm)							Repayments, US dollar equivalent (US\$m)								
	Interest			Principal			Total		Interest			Principal			Total	
	Ordin- aries	VATs	Recaps	Ordin- aries	VATs	Recaps	Inte- rest	Prin- cipal	Ordin- aries	VATs	Recaps	Ordin- aries	VATs	Recaps	Inte- rest	Prin- cipal
BY QUARTERS																
2Q14	106.8		1,160.1	712.1		1,598.3	1,745.5	4,842.0	9.1		99.1	60.8		136.5	149.1	413.5
3Q14	2,275.8	135.6	2,551.4	1,922.8	1,643.6	1,500.0	6,388.0	11,922.1	194.3	11.6	217.9	164.2	140.4	128.1	545.5	1,018.1
4Q14	3,724.1		3,371.4	435.8		4,696.5	8,896.6	14,350.8	318.0		287.9	37.2		401.1	759.7	1,225.5
1Q15	2,108.5	90.4	2,169.8	453.7	1,643.6	2,000.0	5,522.8	12,877.0	180.1	7.7	185.3	38.7	140.4	170.8	471.6	1,099.7
2Q15	3,594.8		2,833.2	250.8			7,871.1	15,062.0	307.0		241.9	21.4			672.2	1,286.2
3Q15	2,409.2	45.2	2,560.9	0.8	1,643.6	1,000.0	5,894.2	5,224.7	205.7	3.9	218.7	0.1	140.4	85.4	503.3	446.2
4Q15	3,500.7		2,961.1	0.8		6,000.0	7,231.2	6,909.8	298.9		252.9	0.1		512.4	617.5	590.1
1Q16	2,279.9		2,201.9	0.8		2,750.0	5,247.1	11,133.3	194.7		188.0	0.1		234.8	448.1	950.8
2Q16	3,500.7		2,642.4	4,008.3		9,085.0	6,870.2	13,969.9	298.9		225.7	342.3		775.8	586.7	1,193.0
3Q16	2,279.8		2,071.3	80.8		7,135.0	4,781.5	12,664.4	194.7		176.9	6.9		609.3	408.3	1,081.5
4Q16	3,144.0		2,245.7				6,081.7	5,755.2	268.5		191.8				519.4	491.5
1Q17	2,263.6		1,732.4	2,750.0		1,250.0	4,188.0	7,532.5	193.3		147.9	234.8		106.7	357.6	643.3
2Q17	3,144.0		2,245.7	7,788.5		6,357.9	5,854.5	17,973.3	268.5		191.8	665.1		542.9	500.0	1,534.9
3Q17	2,061.7		1,673.0	1,810.0		6,550.0	3,781.0	8,360.0	176.1		142.9	154.6		559.4	322.9	713.9
4Q17	2,572.8		1,895.7	5,212.9		7,658.3	4,790.8	19,111.9	219.7		161.9	445.2		654.0	409.1	1,632.1
1Q18	1,932.3		1,337.9	4,318.9		6,375.0	3,316.5	10,693.9	165.0		114.3	368.8		544.4	283.2	913.2
2Q18	2,200.1		1,435.9	11,845.3		7,157.9	3,724.3	19,003.3	187.9		122.6	1,011.6		611.3	318.0	1,622.8
3Q18	1,623.5		1,011.1	5,101.3		10,145.1	2,680.8	15,246.5	138.6		86.3	435.6		866.4	228.9	1,302.0
4Q18	1,355.5		1,066.2	5,108.8		4,655.3	2,509.9	12,118.2	115.8		91.1	436.3		397.6	214.3	1,034.9
BY YEARS																
2014	6,106.7	135.6	7,083.0	3,070.7	1,643.6	7,794.8	17,030.0	31,114.9	521.5	11.6	604.9	262.2	140.4	665.7	1,454.3	2,657.1
2015	11,613.2	135.6	10,525.1	706.0	3,287.2	9,000.0	26,519.3	40,073.5	991.7	11.6	898.8	60.3	280.7	768.6	2,264.7	3,422.2
2016	11,204.4		9,161.4	4,089.8		18,970.0	22,980.5	43,522.9	956.8		782.4	349.3		1,620.0	1,962.5	3,716.7
2017	10,042.2		7,546.8	17,561.3		21,816.2	18,614.3	52,977.6	857.6		644.5	1,499.7		1,863.0	1,589.6	4,524.1
2018	7,111.4		4,851.1	26,374.4		28,333.4	12,231.5	57,061.8	607.3		414.3	2,252.3		2,419.6	1,044.5	4,872.9

Notes: Ordinaries - the government bonds sold via auctions; VATs - VAT bonds; Recaps - recapitalisation bonds.

Sources: Ministry of Finance, Investment Capital Ukraine LLC.

5yr sovereign external debt payback

Table 7. Foreign-currency debt* (Eurobonds and loans) repayments for the upcoming 5-year period

Period	Repayments, hryvnia equivalent (UAHm)						Repayments, US dollar equivalent (US\$m)					
	Interest		Principal		Total		Interest		Principal		Total	
	Eurobond	Loan	Eurobond	Loan	Interest	Principal	Eurobond	Loan	Eurobond	Loan	Interest	Principal
BY QUARTERS												
2Q14	1,330.1	519.0	0.0	4,520.9	1,849.0	4,520.9	114.1	44.5	0.0	387.7	158.6	387.7
3Q14	2,975.7	1,191.5	0.0	10,422.0	4,167.2	10,422.0	255.2	102.2	0.0	893.8	357.4	893.8
4Q14	3,819.0	1,608.2	0.0	11,332.6	5,427.2	11,332.6	327.5	137.9	0.0	971.9	465.4	971.9
1Q15	2,975.7	961.4	0.0	10,015.2	3,937.1	10,015.2	255.2	82.5	0.0	858.9	337.6	858.9
2Q15	3,819.0	1,222.6	0.0	15,002.3	5,041.6	15,002.3	327.5	104.8	0.0	1,286.6	432.4	1,286.6
3Q15	2,975.7	622.0	5,830.4	2,233.8	3,597.7	8,064.2	255.2	53.3	500.0	191.6	308.5	691.6
4Q15	3,819.0	701.3	41,143.6	990.7	4,520.4	42,134.3	327.5	60.1	3,528.4	85.0	387.7	3,613.3
1Q16	2,775.3	563.2	0.0	7,690.3	3,338.5	7,690.3	238.0	48.3	0.0	659.5	286.3	659.5
2Q16	2,792.0	697.6	14,576.0	868.1	3,489.6	15,444.2	239.4	59.8	1,250.0	74.5	299.3	1,324.5
3Q16	2,775.3	259.5	0.0	2,632.9	3,034.8	2,632.9	238.0	22.3	0.0	225.8	260.3	225.8
4Q16	2,336.5	662.9	11,660.8	5,227.1	2,999.4	16,887.9	200.4	56.8	1,000.0	448.3	257.2	1,448.3
1Q17	2,775.3	144.3	0.0	3,498.2	2,919.6	3,498.2	238.0	12.4	0.0	300.0	250.4	300.0
2Q17	1,952.8	460.3	0.0	3,789.8	2,413.2	3,789.8	167.5	39.5	0.0	325.0	206.9	325.0
3Q17	2,775.3	0.0	30,318.1	0.0	2,775.3	30,318.1	238.0	0.0	2,600.0	0.0	238.0	2,600.0
4Q17	1,952.8	319.2	8,162.6	6,180.2	2,272.0	14,342.8	167.5	27.4	700.0	530.0	194.8	1,230.0
1Q18	1,373.1	0.0	0.0	0.0	1,373.1	0.0	117.8	0.0	0.0	0.0	117.8	0.0
2Q18	1,677.4	87.4	0.0	0.0	1,764.8	0.0	143.8	7.5	0.0	0.0	151.3	0.0
3Q18	1,373.1	0.0	0.0	0.0	1,373.1	0.0	117.8	0.0	0.0	0.0	117.8	0.0
4Q18	1,677.4	87.4	0.0	2,331.2	1,764.8	2,331.2	143.8	7.5	0.0	199.9	151.3	199.9
BY YEARS												
2014	8,124.8	3,318.6	0.0	26,275.5	11,443.4	26,275.5	696.8	284.6	0.0	2,253.3	981.4	2,253.3
2015	13,589.5	3,507.3	46,974.0	28,242.0	17,096.8	75,216.0	1,165.4	300.8	4,028.4	2,422.0	1,466.2	6,450.3
2016	10,679.0	2,183.2	26,236.8	16,418.3	12,862.2	42,655.2	915.8	187.2	2,250.0	1,408.0	1,103.0	3,658.0
2017	9,456.2	923.8	38,480.7	13,468.2	10,380.1	51,949.0	810.9	79.2	3,300.0	1,155.0	890.2	4,455.0
2018	6,100.8	174.8	0.0	2,331.2	6,275.7	2,331.2	523.2	15.0	0.0	199.9	538.2	199.9

Notes: [*] debt redemptions include also interest payments; debt comprises Eurobonds, IMF and VTB loans; IMF loan is meant all tranches received in 2008-10; [1] redemption of US\$2bn loan to VTB is a worst-case scenario within this loan agreement, it may be prolonged 2 times and this in effect may shift the redemption to 4Q11 or 2Q12.

Sources: Ministry of Finance, IMF, Bloomberg, Reuters, Investment Capital Ukraine LLC.

Ukraine issuers' credit metrics

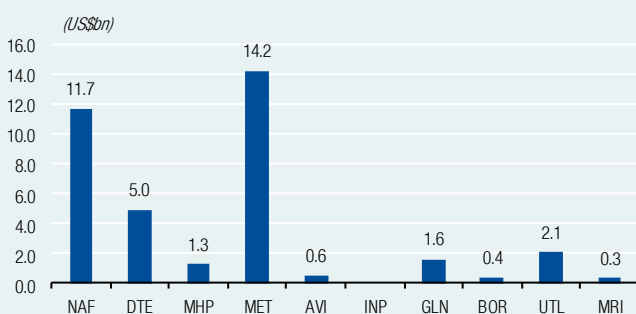
Table 8. Ukrainian corporate bond issuers and their key financial figures and ratios* (US\$m)

Issuer	Ticker	Filing	Revenues	EBITDA	Int exp	Cash	ST debt	LT debt	Debt	Net debt	EBITDA mrg (%)	Debt/EBITDA (x)	Net debt/EBITDA (x)	EBITDA int cov (x)
Naftogaz of Ukraine	NAFTO	4Q10	11,673.6	502.2	-613.5	333.2	685.2	4,824.9	5,510.1	5,176.9	4.3	11.0	10.3	Neg.
DTEK	DTEKUA	4Q11	4,965.0	1,294.6	60.9	1,304.1	429.4	1,878.3	2,307.7	1,003.6	26.1	1.8	0.8	21.2
MHP	MHPSA	1Q12	1,279.9	416.4	77.2	111.0	210.5	755.3	965.8	854.8	32.5	2.3	2.1	5.4
Metinvest Holding	METINV	4Q11	14,189.0	3,533.0	220.0	792.0	1,147.0	2,834.0	3,981.0	3,189.0	24.9	1.1	0.9	16.1
Avangard	AVINPU	4Q11	553.3	222.1	12.3	237.8	122.5	210.0	332.6	94.8	40.1	1.5	0.4	18.1
Interpipe	INPIP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Concern Galnaftogaz	GLNGUZ	1Q12	1,647.2	96.8	26.3	13.9	136.9	203.9	340.8	326.9	5.9	3.5	3.4	3.7
Boryspil Int'l Airport	BORYS	1Q12	431.4	277.8	2.3	33.8	108.0	212.5	320.5	286.8	64.4	1.2	1.0	122.0
Ukrtelecom	UTLMUZ	2Q12	2,091.2	470.0	103.5	22.3	177.7	194.3	372.1	349.8	22.5	0.8	0.7	4.5
Mriya Agro Holding	MRIYA	3Q11	344.8	42.6	40.1	192.0	96.0	282.2	378.3	186.3	12.4	8.9	4.4	1.1
Ferrexpo	FXPOLN	4Q11	1,788.0	798.0	43.3	890.2	18.9	951.4	970.4	80.2	44.6	1.2	0.1	18.4
Agroton	AGTPW	2Q11	102.1	10.4	0.3	4.2	19.3	1.0	20.3	16.1	10.2	2.0	1.6	31.0
Agromat	AGROM	2Q11	149.7	28.3	16.0	3.3	23.5	30.1	53.5	50.2	18.9	1.9	1.8	1.8
KSG Agro	KSGPW	3Q11	3.2	1.7	-0.7	5.5	5.6	10.7	16.4	10.9	52.8	9.5	6.4	Neg.
IMC	IMCPW	3Q11	5.6	-2.3	0.2	13.4	4.0	18.1	22.1	8.7	Neg.	Neg.	Neg.	Neg.

Notes: [*] financial figures and appropriate ratios are calculated using LTM data; LTM - last 12-month period; Int exp - interest expenses; ST debt - short-term debt; LT debt - long-term debt; int cov - interest coverage.

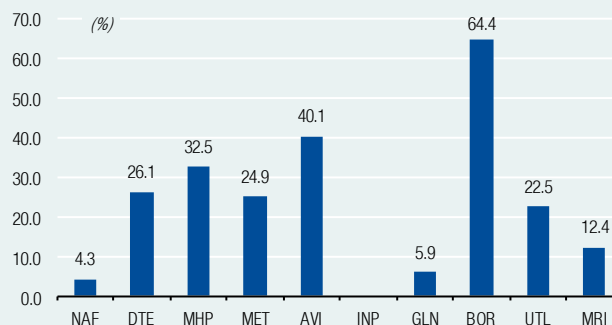
Sources: Company data, Investment Capital Ukraine LLC.

Chart 18. Ukraine's companies by sales (LTM)



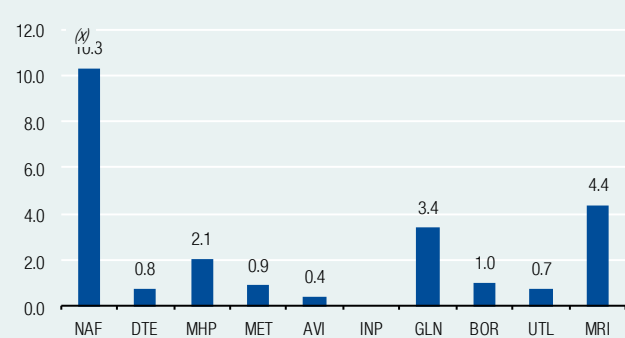
Source: Company data, Investment Capital Ukraine LLC.

Chart 19. Ukraine's companies by EBITDA margin (LTM)



Source: Company data, Investment Capital Ukraine LLC.

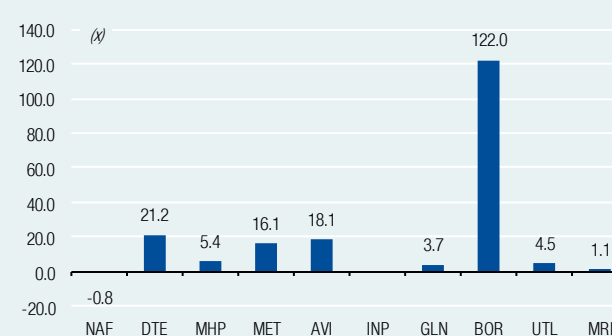
Chart 20. Ukraine's companies by leverage ratio



Note: leverage – net debt to EBITDA (LTM).

Source: Company data, Investment Capital Ukraine LLC.

Chart 21. Ukraine's companies by interest coverage ratio



Note: interest coverage – EBITDA to interest expenses (LTM).

Source: Company data, Investment Capital Ukraine LLC.

Glossary

The following is the list of terms, phrases and abbreviations that are frequently used in this report's weekly publications.

Average duration, or interchangeably, **bond auction average duration**: Duration calculated from all cash flows obtained from the bonds sold at the auction. Yield-to-maturity, price, and each cash flow (coupons and principal) are calculated on a per-bond basis.

Average yield, or interchangeably, **bond auction average yield**: A yield-to-maturity calculated from all cash flows obtained from the bonds sold at the auction and versus the total price paid per bond to acquire them. Price and each cash flow (coupons and principal) are calculated on a per-bond basis.

Basis point, or interchangeably, **bp**: One-hundredth of a percentage point, or 0.01%.

BoP: Balance of payments.

Certificate(s) of Deposit, or interchangeably, **CD(s)**: Short-term money market instruments that allow the NBU, the central bank, to absorb excess liquidity from the local banks. Their durations are 2, 3, or up to 5 days; two weeks; one month; 1.5 months; two months; and up to three months.

CDS: A Credit default swap; a contract that references the performance of a loan or a bond (sovereign, corporate, or municipal). A CDS is normally quoted in basis points, or hundredths of a percent.

CRA: Credit rating agency. These include international industry majors Moody's, Standard & Poor's, and Fitch. It could refer also to other credit rating agencies, including Credit-Rating of Ukraine.

EFSF: European Financial Stability Facility (<http://www.efsf.europa.eu>), created on 9 May, 2010 by the euro area member states, as a Luxembourg-registered company owned by Euro Area Member States (EAMS), which has a mandate to lend to the EAMS in times of difficulty, e.g., in bail-outs. For the purpose of its operations, the EFSF is able to issue bonds EAMS-guaranteed for up to €440bn. Thanks to its structure of credit enhancements, including a cash reserve and a loan-specific cash buffer¹, the EFSF has top credit ratings from major CRAs: 'Aaa' by Moody's, 'AAA' by S&P, and 'AAA' by Fitch.

MoE: Ministry of Economy of Ukraine (<http://www.me.gov.ua>).

MoF: Ministry of Finance of Ukraine (<http://www.minfin.gov.ua>).

NBU: National Bank of Ukraine, the central bank of Ukraine (<http://www.bank.gov.ua>).

Party of Regions, or interchangeably, **PoR**: The *de facto* ruling political party in Ukraine currently. It won the presidency in the February 2010 presidential elections with a slim margin over Yulia Tymoshenko's Bloc, then consolidated power in the parliament, where it has a majority over minor loyal factions, while incapable of forming a majority itself. The next elections for Parliament and the president's office are expected to take place in 2012 and 2015, respectively.

¹ For instance, in order to lend €17.7bn to Ireland, the EFSF has to raise around €26.5bn from the financial market.

Percentage point, or interchangeably, **ppt**: one percent, 1%.

Recaps, or interchangeably, **recapitalisation bonds**: Local-currency bond(s), representing a general financial obligation by the government on par with other government's financial obligations, which was/were issued with the purpose of recapitalising state-owned entities like Naftogaz of Ukraine, commercial banks from Ukreximbank to Oschadbank, and the State Mortgage Institution (SMI).

UAH: Ukrainian national currency, the hryvnia.

UAH TWI, or interchangeably, **hryvnia trade-weighted index**: Index of the local currency calculated by Investment Capital Ukraine (ICU), which is calculated upon nominal exchanges rates to the US dollar and headline consumer price inflation indices of Ukraine and its 26 trading partners, which as a whole, comprise a 76% share of merchandise trade turnover. Please refer to *ICU Quarterly Report "Ukraine's See-saw Puzzle"* published on 14 July, 2009 for more details on the methodology of the index. There are nominal and real UAH TWIs, the former based on exchange rates, and the latter based on both exchange rates and inflation. There are monthly and daily UAH TWIs, which are tracked by ICU. Monthly TWI calculation is based on the monthly data for inflation and trade statistics as well as monthly average exchange rates. Daily TWI calculation is based on the monthly data for inflation and trade statistics; however, its core substance is to reflect daily movements of the exchange rates of Ukraine's currency as well as of its key trading partners.

UAS: Ukrainian accounting standards.

VATs, or interchangeably, **VAT bonds**: Local-currency bond(s), representing a general financial obligation by the government on par with other government's financial obligations, which was/were issued in accordance with the government's initiative to offload the government's accumulated arrears on VAT refunds to domestic exporters.

Weighted-average duration, or interchangeably, **bond auction weighted-average duration**: Duration calculated from all cash flows obtained from the bonds sold at the auction. Yield-to-maturity, price, and each cash flow (coupons and principal) are calculated for the total number of bonds sold at the auction.

Weighted-average yield, or interchangeably, **bond auction weighted-average yield**: A yield-to-maturity calculated from all cash flows obtained from the bonds sold at the auction and against the total price paid to acquire them. Price and each cash flow (coupons and principal) are calculated for the total number of bonds sold at the auction.

YTM, or interchangeably, **yield-to-maturity**: The interest rate that creates the present value of cash flows obtained from holding a bond equal to the price of the bond. The YTM factors in coupon income and any capital gain (loss) the investor will realise by holding the bond to maturity. It also takes into consideration the timing of coupon payments and principal repayment, which can be done at the maturity date (for a bullet bond) or in accordance with an amortisation schedule (amortisation bond). The YTM uses an interest-on-interest principle, assuming that coupon income can be reinvested at an interest rate equal to the YTM, and is calculated in accordance with the Ukraine's domestic bond market standard, which is represented by the following formula:

$$Price + AI = \sum_{i=1}^n \frac{CF_i}{(1+YTM)^{\frac{t_i}{365}}},$$

where *Price* and *AI* are clean price and accrued interest of the bond, respectively, as of the date of purchase; *n* is the number of cash flows to be obtained by a bond holder; *CF_i* is the

cash flow (coupon income, principal repayment) obtained from a bond; t_i is the number of days between a purchase date and i -th cash flow date, and YTM is yield-to-maturity.

YTW, or interchangeably, **yield-to-worst**: The same as yield-to-maturity (YTM); however, it is calculated assuming the worst-case scenario under the terms of a bond issue, e.g., the cash flow is trimmed to the earliest possible bond redemption such as due to a call or a put option, embedded into the bond.

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