


**INVESTMENT CAPITAL UKRAINE**  
 INVESTMENT BANKING

# Daily Insight

Poroshenko wins the presidency; Liquidity declines; Yield curve flattens

MONDAY, 26 MAY, 2014

RESEARCH INSIGHT

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### UX Index (3 months to 26 May 2014)



### Key market indicators (as of 23 May 2014)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	11.9500	-0.04	+45.02
USD/UAH (1Y NDF)	14.2500	+0.35	+51.27
EUR/USD	1.3629	-0.20	-0.83
USD/RUB	34.1563	-0.54	+3.91
KievPRIME O/N (%)	5.05	+5bp	-275bp
KievPRIME 1M (%)	16.90	-10bp	+65bp

### BONDS: yields and spreads

Ukraine VAT bond (%)			
Ukraine 17, Eurobond (%)	10.15	-27bp	+59bp
Ukraine 22, Eurobond (%)	9.31	-26bp	-3bp
Ukraine 23, Eurobond (%)	9.00	-11bp	-4bp
Ukraine 5Y CDS	950bp	-26bp	+133bp

### EQUITIES

#### Stock market indices

UX (Ukraine)	1,176.25	+3.95	+29.25
MSCI World	418.41	+0.31	+2.41
MSCI EM	1,042.92	+0.17	+4.01
RTS (Russia)	1,326.58	+1.04	-8.05
WIG-20 (Poland)	2,465.52	+0.04	+2.69
S&P 500 (USA)	1,900.53	+0.42	+2.82

#### MOST ACTIVE: Top 3 stocks by value traded (US\$m)

KER PW	3.30	42.7% of total <sup>1</sup>
FXPO LN	2.46	31.9%
IMC PW	0.89	11.5%

#### GAINERS: Top 3 stocks (in listed currency)

CEEN UK	UAH 6.74	+5.23	+41.25
ALMK UK	UAH 0.03	+4.69	-13.69
BAVL UK	UAH 0.16	+4.48	+41.76

#### LOSERS: Top 3 stocks (in listed currency)


Notes: Chg – percentage change, if not otherwise indicated; [1] – total traded volume for stocks listed in Table 1, pp. 3; 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

## Poroshenko, with challenges ahead, wins the presidency

With overwhelming support, 48-year old Petro Poroshenko won the presidential election yesterday with over 50% of the votes, far ahead of Yulia Tymoshenko, the runner-up with nearly 12%. With high voter participation in the western and central oblasts, and abnormally active turnout in Kiev, people stood for hours on line to vote and the long wait and inconvenience caused some voters to leave prior to voting. In the southern oblasts, Odesa recorded voter participation, per routine, that was below the national average. In Donetsk and Luhansk, the two oblasts where pro-Russian militarists follow the Kremlin's directives, voter participation was low as gunmen stormed the voting districts that were supposed to be open yesterday. Despite these unfortunate distractions, the voters in these oblasts completed their ballots and exit polls recorded Poroshenko as the frontrunner albeit with a lower level of support than was seen in the other oblasts. No second election is expected, and Poroshenko should assume the office either next month or in early July. In his speech to reporters and supporters, Poroshenko espoused a pro-EU and pro-united Ukraine tone. He appears prepared to engage in talks with the Kremlin to defuse the threat of a Russian invasion of Ukraine, including negotiating the now unthinkable the demand for the Kremlin to leave Crimea.

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Table 1. Ukrainian stocks (closing prices as of 23-May-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)	2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E	P/B (x)	Debt/Assets (%)
<b>ENERGY</b>																											
Cadogan Petrol...	CAD LN	London	9.25 GBP	+0.0	+1.4	-10.8	-35.7	0.16	36.0	-27.1	40.2	14.5	3.7	9.3	0.04	2,790	Neg.	Neg.	Neg.	4.1	8.5	16.9	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	6.74 UAH	+5.2	+9.2	+41.3	+56.6	0.56	208.2	261.3	21.7	45.2	249.7	151.8	0.30	339	5.1	5.1	3.5	0.5	3.5	2.2	0.4	0.3	0.3	1.0	12.2
Coal Energy	CLE PW	Warsaw	1.28 PLN	+2.4	-2.3	+21.9	-71.2	0.42	18.9	113.2	25.0	4.7	9.8	224.2	0.93	108	Neg.	Neg.	4.7	5.0	14.1	3.9	0.9	1.1	1.0	0.2	39.8
Donbasenergo	DOEN UK	Kiev, UX	45.19 UAH	+3.7	+0.4	+63.8	+117.3	3.78	89.4	129.2	14.2	12.7	36.8	48.2	0.43	233	2.0	2.3	2.7	0.5	2.0	1.5	0.3	0.2	0.2	1.6	17.8
JKX Oil & Gas	JKX LN	London	59.50 GBP	+0.8	+5.3	-16.8	+5.8	1.00	172.1	178.6	47.2	81.2	23.2	87.0	0.06	1,688	26.5	15.2	6.2	2.7	2.2	2.0	1.0	0.9	0.8	0.4	5.5
Regal Petroleum	RPT LN	London	8.88 GBP	+0.0	-1.3	-31.7	-60.1	0.15	47.9	21.1	80.9	38.8	0.0	6.8	0.01	12,048	Neg.	24.0	N/A	1.0	0.8	N/A	0.6	0.5	N/A	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	138.90 UAH	+1.4	+6.8	+53.7	+74.3	11.62	148.7	126.4	5.0	7.4	1.3	2.8	0.01	10,373	3.1	N/A	N/A	0.8	N/A	N/A	0.1	N/A	N/A	3.4	0.0
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.03 UAH	+4.7	+2.1	-13.7	-23.2	0.00	72.3	1,247.0	3.9	2.8	8.4	10.9	0.24	424	Neg.	N/A	N/A	N/A	N/A	N/A	1.0	N/A	N/A	N/A	64.5
Avdiyivsky Cok...	AVDK UK	Kiev, UX	3.21 UAH	+4.0	+2.1	+8.4	+1.0	0.27	52.4	49.4	4.0	2.1	15.7	16.9	0.25	392	Neg.	62.6	0.9	Neg.	1.0	0.5	0.1	0.1	0.0	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.77 UAH	+3.9	+11.4	+15.2	+29.3	0.06	271.6	264.6	4.1	11.1	20.9	13.5	0.05	2,187	Neg.	Neg.	N/A	Neg.	Neg.	N/A	0.1	0.1	N/A	0.2	0.0
Ferrexpo PLC	FXPO LN	London	137.50 GBP	+0.1	-8.8	-26.0	-17.1	2.32	1,363.2	2,024.3	22.4	305.4	2,462.9	2,610.7	0.40	249	5.2	5.7	6.5	4.0	4.4	4.8	1.3	1.3	1.3	0.8	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.62 UAH	+3.3	-17.3	+17.0	+8.8	0.05	14.2	15.4	9.0	1.3	5.8	2.1	0.22	449	Neg.	1.3	0.7	0.1	0.6	0.4	0.1	0.0	0.0	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	35.23 UAH	+1.6	+0.7	+10.1	+3.6	2.95	31.1	26.8	9.4	2.9	3.7	12.0	0.08	1,213	5.4	Neg.	Neg.	Neg.	Neg.	0.8	0.0	0.0	0.0	0.8	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	1.00 EUR	+0.0	-5.7	-19.4	-37.1	1.36	125.8	152.8	34.0	42.8	18.3	38.8	0.08	1,221	Neg.	N/A	N/A	Neg.	N/A	N/A	2.4	N/A	N/A	1.1	35.9
Agroliga	AGL PW	Warsaw	17.65 PLN	+0.9	+1.0	-31.9	+7.6	5.79	8.9	9.8	16.7	1.5	1.9	10.3	0.18	559	2.1	N/A	N/A	2.8	N/A	N/A	0.4	N/A	N/A	0.7	5.7
Agroton	AGT PW	Warsaw	2.35 PLN	+2.6	+1.3	+20.5	-16.7	0.77	16.7	64.0	26.2	4.4	40.9	396.6	1.58	63	2.5	Neg.	2.4	4.5	6.1	6.7	0.7	0.7	0.7	0.1	28.0
Astarta Holdin...	AST PW	Warsaw	40.40 PLN	+1.0	+1.5	-39.6	-29.7	13.24	331.1	649.1	31.0	102.7	116.2	175.7	0.13	757	9.5	7.2	4.6	8.6	4.9	5.2	1.3	1.3	1.2	0.9	38.2
Avangard	AVGR LI	London Intl	8.70 USD	+0.0	-3.3	-26.0	-8.4	8.70	555.7	786.6	21.7	120.6	68.5	294.0	0.09	1,076	2.4	2.6	2.5	2.6	2.7	2.8	1.2	1.1	1.1	0.0	17.8
IMC	IMC PW	Warsaw	9.00 PLN	+3.4	+0.0	-25.9	-25.0	2.95	92.3	217.6	23.9	22.1	892.5	99.5	0.35	283	3.5	3.6	2.0	4.0	3.8	3.1	1.9	1.1	0.9	0.6	38.7
Kernel Holding...	KER PW	Warsaw	26.85 PLN	+1.1	-7.4	-29.5	-52.0	8.80	701.4	1,724.5	58.8	412.2	3,304.9	2,772.8	0.51	197	6.3	10.4	4.1	5.9	6.5	4.9	0.6	0.7	0.6	0.5	30.6
MHP	MHPC LI	London Intl	13.99 USD	+2.9	+19.6	-17.9	-22.4	13.99	1,478.3	2,639.1	22.3	330.0	139.4	1,609.0	0.32	308	9.5	5.4	4.8	6.8	5.4	5.0	1.8	1.7	1.5	2.5	19.6
Milkiland	MLK PW	Warsaw	5.25 PLN	+1.0	-22.2	-58.0	-48.0	1.72	53.8	184.3	20.0	10.8	27.8	9.5	0.07	1,413	3.6	6.1	2.7	5.6	3.6	3.3	0.4	0.4	0.4	0.2	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	5.25 EUR	+0.0	+5.0	-2.8	+26.6	7.15	759.9	1,491.7	20.0	152.0	0.1	7.9	0.01	8,973	4.4	5.3	8.7	6.5	5.8	5.5	4.3	4.0	3.5	0.9	34.8
Ovostar Union	OVO PW	Warsaw	68.00 PLN	+3.0	-1.4	-32.0	-21.4	22.29	133.7	142.6	25.0	33.4	245.7	29.5	0.05	2,092	4.4	6.7	6.6	3.9	5.4	4.9	1.6	1.7	1.3	1.0	8.5
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Xetra	0.17 EUR	+0.0	+8.2	-46.1	-51.8	0.23	12.1	171.4	13.1	1.6	0.0	0.2	0.01	6,911	Neg.	N/A	N/A	Neg.	N/A	N/A	7.9	N/A	N/A	0.1	44.1
<b>FINANCIAL SERVICES</b>																											
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.16 UAH	+4.5	-10.9	+41.8	+53.8	0.01	403.6	N/A	3.8	15.4	29.1	58.2	0.38	263	4.8	Neg.	14.6	N/A	N/A	N/A	N/A	N/A	N/A	0.7	28.3
UkrSotsbank	USCB UK	Kiev, UX	0.17 UAH	+2.3	+12.3	-10.7	+36.9	0.01	254.3	N/A	4.5	11.4	5.0	3.9	0.01	11,129	Neg.	14.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.3	30.9

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; \*\*\* -- means that P/E ratio is above 10,000x.

Sources: Bloomberg, Investment Capital Ukraine LLC.

# Bonds: News & Comments

## Liquidity declines slightly

Liquidity declined for the second consecutive day on Friday, most likely due to month-end tax payments. Broader banking sector liquidity declined UAH0.80bn as banks' correspondent accounts with the NBU slid UAH0.28bn to UAH27.11bn and total CDs outstanding declined UAH0.52bn to UAH8.89bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH3.60bn.

KyivPrime interest rates slightly diverged: the KyivPrime ON interest rate rose 5bp to 5.05% and the KyivPrime 1M interest rate slid 10bp to 16.90%.

**Investment implications: Liquidity continued to move down last Friday likely due to outflows to the state budget and FX purchases. The NBU did not support liquidity last Friday and instead decreased CDs outstanding slightly and refinanced ON loans. This week, liquidity will continue to be under the pressure of tax payments and should decline further if no support is provided.**

## Yield curve flattens

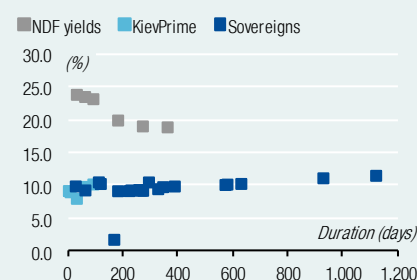
Ukrainian Eurobond prices rose slightly last Friday. While some yields moved below 9.0%, at the close the yield curve adjusted to the range of 8.93-11.61% and remained mostly above this level as UKRAIN 7.50% '23' moved below this level, UKRAIN 6.875% '15 slid 5bp to 11.61%, UKRAIN 9.25% '17 slid 11bp to 10.03%, and UKRAIN 7.80% '22 slid 12bp to 9.19%, while UKRAIN 7.95% '21 and UKRAIN 7.50% '23 declined 7bp to 9.08% and 8.93%, respectively.

**Investment implications: Positive anticipations of a successful presidential elections are expected to have a further positive impact, especially if no further voting is required.**

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### Yield curve of the local bond market

(as of market close on 23 May 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

### Bond market indicators (as of 23 May 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
0/n	5.05	+5bp	-20bp	-19bp	-275bp
1wk	8.48	-2bp	-162bp	-202bp	-132bp
1m	16.90	-10bp	-120bp	-240bp	+65bp
2m	18.10	-3bp	+0bp	-20bp	+170bp
3m	18.10	-3bp	+0bp	+6bp	+210bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	27,110	-1.00	-3.93	-10.90	-17.10
CDs <sup>2</sup>	15,763	+0.18	+26.98	+9.94	+937.0
Sovgns <sup>3</sup>	3,603	+0.00	-9.03	-29.53	+141.0
<b>Total</b>	<b>46,475</b>	<b>-0.53</b>	<b>+4.22</b>	<b>-6.82</b>	<b>+30.12</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	176,912	+0.00	+1.20	+2.77	+22.13
Banks	83,926	+0.06	-4.38	-1.02	+4.69
Resid's <sup>4</sup>	10,332	-0.03	-3.45	-4.43	-16.65
Non-res <sup>5</sup>	16,088	-0.05	-0.67	+2.49	+37.51
<b>Total</b>	<b>287,257</b>	<b>+0.01</b>	<b>-0.77</b>	<b>+1.35</b>	<b>+15.31</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	32.09	+689bp	+10bp	-18ppt	+20bp
6m	27.11	+430bp	+691bp	-408bp	+14bp
9m	23.04	+147bp	+321bp	-47bp	+902bp
1yr	19.89	+47bp	+52bp	-312bp	+490bp
<b>LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)</b>					
Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	N/A	+320bp	+0bp	+0bp	-676bp
Aug '15 <sup>6</sup>	N/A	-89ppt	+0bp	+0bp	-89ppt
<b>EUROBONDS USD SOVEREIGN BOND YIELDS (%)</b>					
CDS 5yr	950	-26bp	-172bp	-218bp	+133bp
Jun '16	9.76	-3bp	-286bp	-384bp	+87bp
Jul '17	10.15	-27bp	-177bp	-221bp	+59bp
Sep '20	9.08	-35bp	-131bp	-149bp	-11bp
Sep '21	9.15	-20bp	-124bp	-142bp	-7bp
Sep '22	9.31	-26bp	-87bp	-85bp	-3bp
Feb '23	9.00	-11bp	-82bp	-86bp	-4bp

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

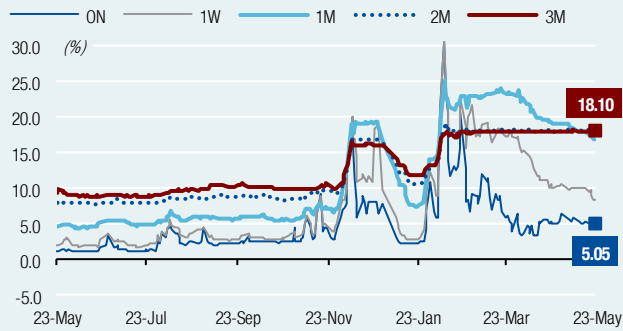


Chart 2. UAH NDF implied yields (%), last 12-month period



Chart 3. UAH sovereign yield curve (%) as of 23 May 2014

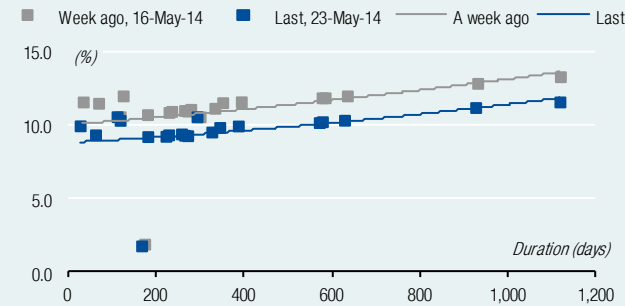


Chart 4. USD sovereign yield curve (%) as of 23 May 2014

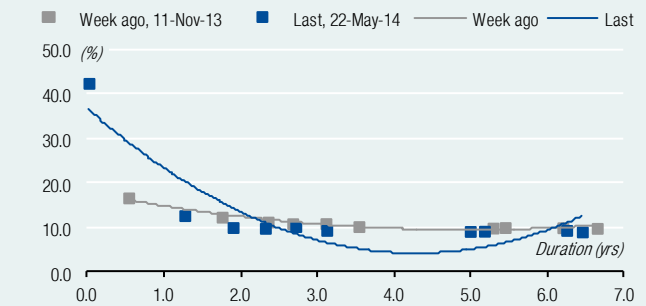


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

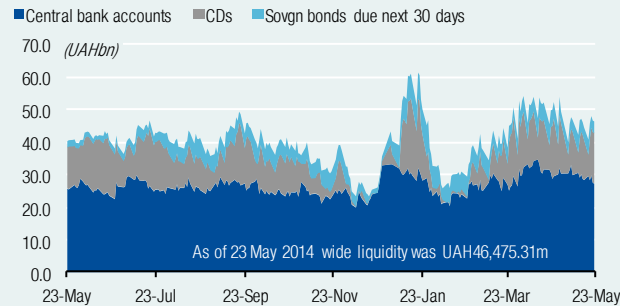


Chart 6. Breakdown of liquidity pool (%) as of 23 May 2014

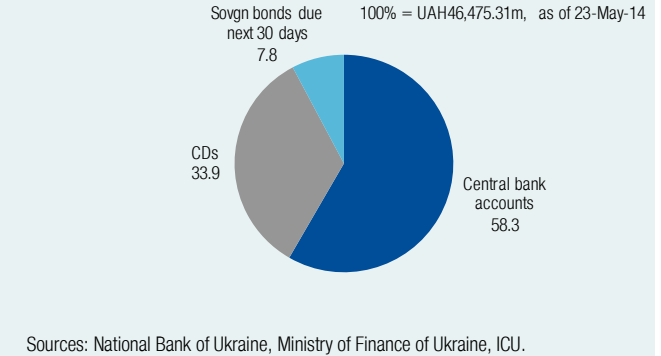


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

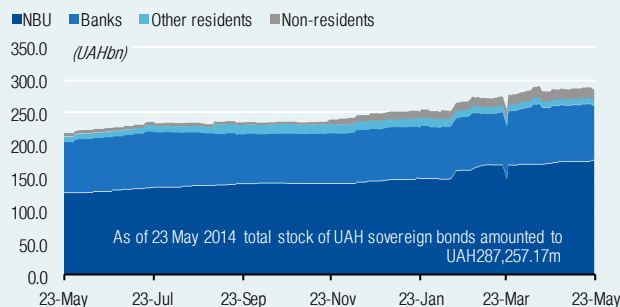
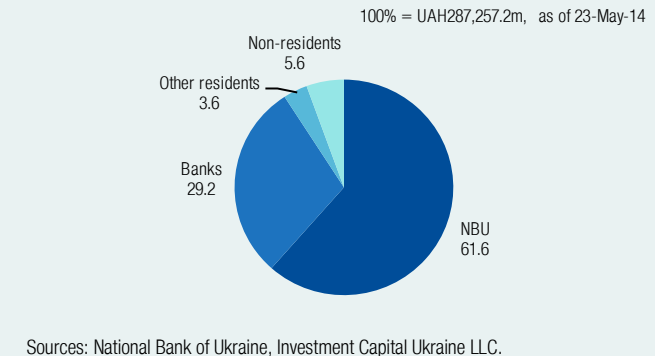


Chart 8. Domestic sovereign debt (%) as of 23 May 2014



## FX: News & Comments

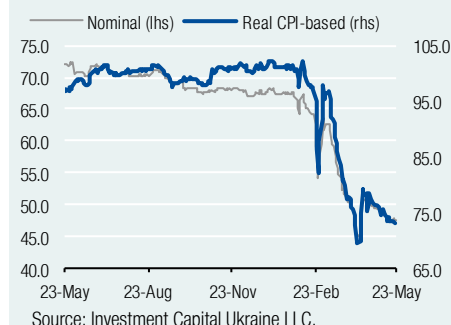
### One round presidential elections still not enough for UAH rally

In view, there should not be a UAH rally in the FX market despite the fact the Sunday's presidential elections produced a clear winner, no need for second round. The fact is that damage done to the confidence over past few months and the mismanagement by the policymakers over past few years is quite sizable. It requires a lengthy recovery of confidence among the business people and households. In our view, this week local FX market will stay a place of weak support for UAH, albeit the current near supply-demand balance should persist.

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#### ICU's UAH trade-weighted indices

(Last 12-month history to 26 May 2014)



#### FX market indicators (as of 23 May 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	11.9500	-0.04	-0.08	+3.46	+45.02
NBU avg	11.7151	-0.13	-0.34	+1.76	+43.73
Ttl vlm <sup>1</sup>	322.92	-0.57	-6.44	-18.73	-88.48
\$ volume <sup>2</sup>	211.68	-0.10	-11.67	-24.73	-90.43
NDF 3M	12.9000	+1.57	+2.38	-0.62	+52.03
NDF 6M	13.5500	+1.88	+3.04	+1.64	+54.33
NDF 1Y	14.2500	+0.35	+0.35	+0.85	+51.27
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	47.430	-0.07	-0.42	-4.57	-29.77
UAH real CPI	73.130	-0.07	-0.42	-4.57	-27.65
UAH real PPI	101.300	-0.07	-0.42	-4.57	-27.01
USD nom'l	80.393	+0.17	+0.44	+0.67	+0.45
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	34.1563	-0.54	-1.72	-4.26	+3.91
EUR/USD	1.3629	-0.20	-0.47	-1.36	-0.83
USD/CNY	6.2361	+0.01	+0.04	-0.03	+3.00
USD/PLN	3.0474	+0.06	-0.43	+0.53	+0.81
USD/TRY	2.0816	+0.01	-0.81	-3.21	-3.10
USD/BYR	10,070.00	+0.30	+0.37	+0.90	+5.56
USD/KZT	182.9200	+0.11	+0.47	+0.48	+18.57
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	101.9700	+0.23	+0.46	-0.56	-3.17
GBP/USD	1.6832	-0.23	+0.12	+0.30	+1.66
USD/CHF	0.8958	+0.18	+0.35	+1.40	+0.32
AUD/USD	0.9231	+0.05	-1.38	-0.65	+3.52
USD/CAD	1.0861	-0.28	+0.00	-1.55	+2.24
USD/BRL	2.2233	+0.33	+0.38	+0.06	-5.88
USD/KRW	1,024.75	+0.05	+0.06	-1.44	-2.39
<b>COMMODITIES</b>					
Gold(\$/oz)	1,292.56	-0.11	-0.07	+0.67	+7.21
WTI crude <sup>3</sup>	104.95	+0.80	+2.87	+3.16	+6.63
Brent crd <sup>3</sup>	111.70	+0.06	+1.30	+2.46	+0.79
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	308.26	+0.20	+0.76	-1.00	+10.03

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

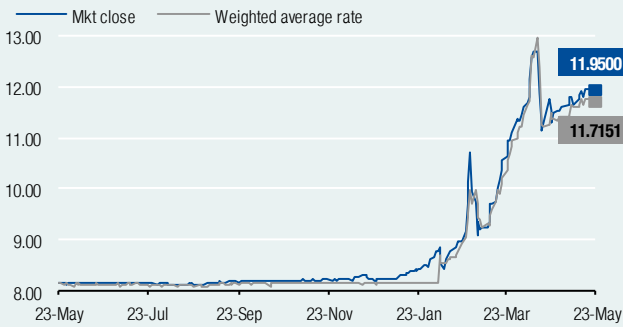
Section on FX market is continued on next page.

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.

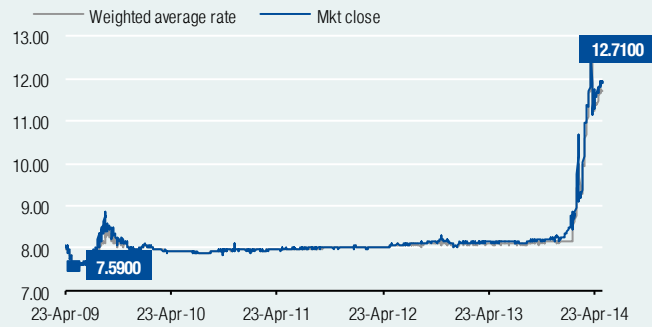
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

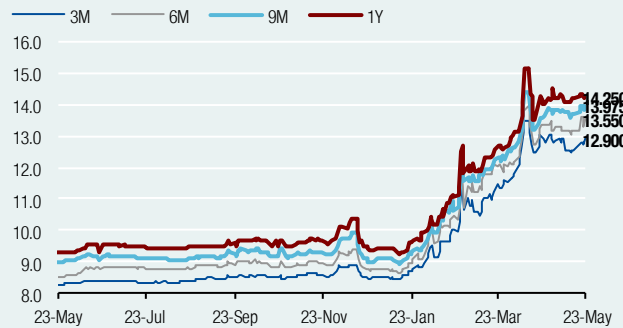


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

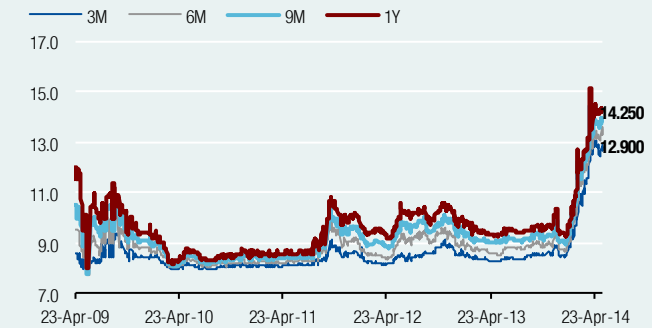


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

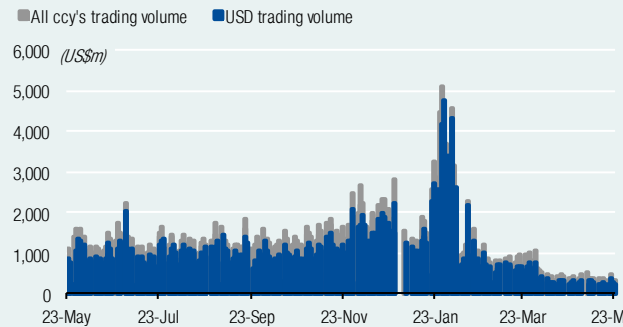


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

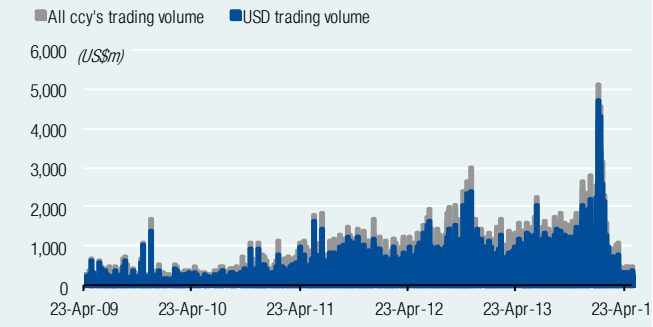


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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)



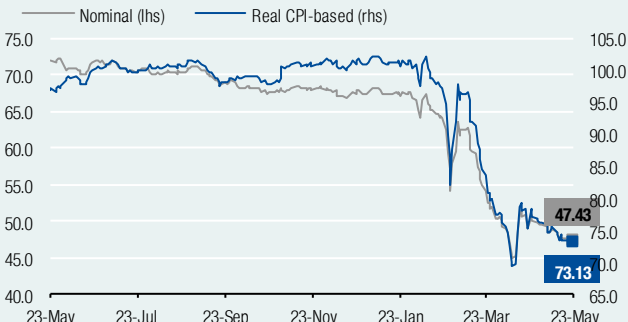
Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

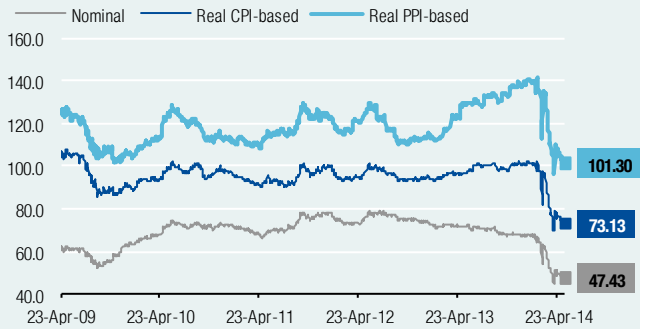
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



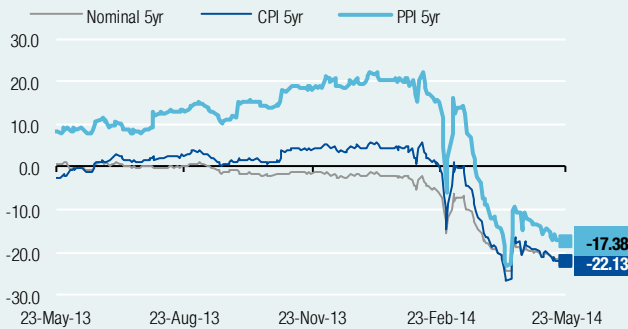
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

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

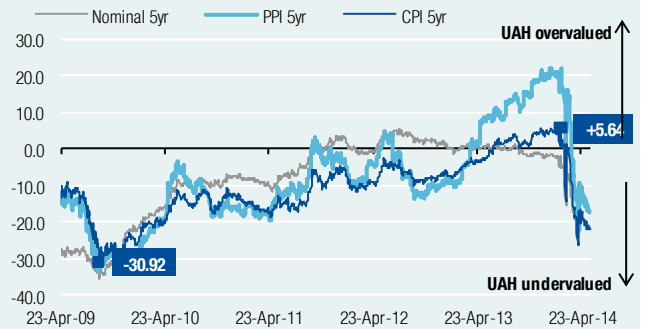


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

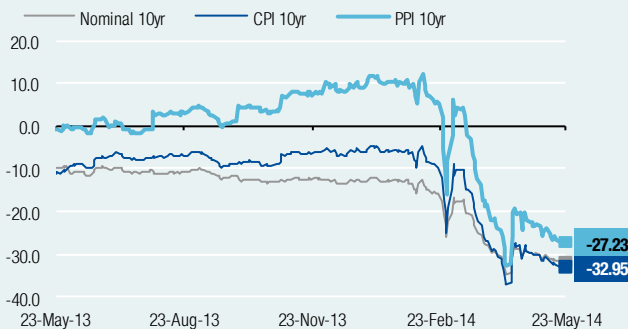


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

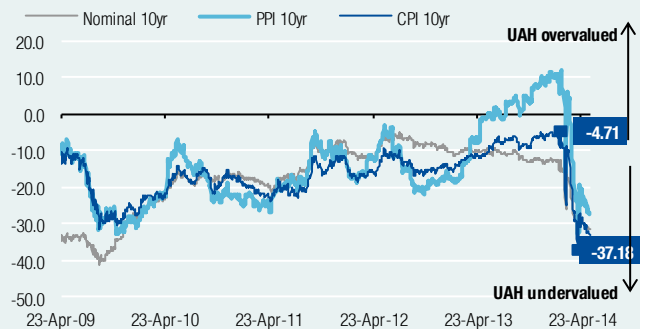


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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

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

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