


**INVESTMENT CAPITAL UKRAINE**  
 INVESTMENT BANKING

# Daily Insight

Liquidity down despite inflows; Eurobonds rebound; Auction results; UAH up

WEDNESDAY, 28 MAY, 2014

RESEARCH INSIGHT

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### UX Index (3 months to 28 May 2014)



### Key market indicators (as of 27 May 2014)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	11.9000	-0.13	+44.42
USD/UAH (1Y NDF)	14.0500	-0.71	+49.15
EUR/USD	1.3635	-0.08	-0.79
USD/RUB	34.4078	+0.62	+4.68
KievPRIME O/N (%)	5.00	+0bp	-280bp
KievPRIME 1M (%)	16.75	-13bp	+50bp

### BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	-8,900bp	-8,900bp
Ukraine 17, Eurobond (%)	9.29	-75bp	-26bp
Ukraine 22, Eurobond (%)	9.08	-13bp	-27bp
Ukraine 23, Eurobond (%)	8.74	-21bp	-31bp
Ukraine 5Y CDS	878bp	-66bp	+62bp

### EQUITIES

#### Stock market indices

UX (Ukraine)	1,218.58	-0.96	+33.90
MSCI World	420.11	+0.14	+2.83
MSCI EM	1,032.88	-0.86	+3.01
RTS (Russia)	1,297.50	-2.86	-10.07
WIG-20 (Poland)	2,464.15	-0.32	+2.63
S&P 500 (USA)	1,911.91	+0.60	+3.44

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

KER PW	7.06	62.1% of total <sup>1</sup>
FXPO LN	2.44	21.5%
MHPC LI	0.41	3.6%

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

AST PW	PLN 45.45	+4.51	-32.06
MLK PW	PLN 6.75	+3.85	-46.00
AVGR LI	USD 9.00	+3.45	-23.40

#### 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. 2; green- or red-shaded box means gain or loss, respectively, of the index or security.

Sources: Bloomberg, UX, Investment Capital Ukraine LLC.

Table 1. Ukrainian stocks (closing prices as of 27-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	-36.8	0.16	35.9	-27.1	40.2	14.4	5.4	8.9	0.04	2,656	Neg.	Neg.	Neg.	4.1	8.5	17.0	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.04 UAH	-1.2	+18.4	+47.6	+54.7	0.59	218.3	271.6	21.7	47.4	160.1	162.3	0.31	323	5.3	5.3	3.4	0.5	3.6	2.1	0.4	0.3	0.3	1.1	12.2
Coal Energy	CLE PW	Warsaw	1.34 PLN	-3.6	+3.1	+27.6	-65.4	0.44	19.7	114.1	25.0	4.9	48.4	187.2	0.95	105	Neg.	Neg.	4.9	5.1	14.3	3.9	0.9	1.1	1.0	0.2	39.8
Donbasenergo	DOEN UK	Kiev, UX	47.49 UAH	+0.2	-0.3	+72.1	+123.5	3.99	94.3	134.2	14.2	13.4	22.6	48.7	0.38	264	2.1	2.3	2.7	0.5	2.0	1.5	0.3	0.2	0.2	1.7	17.8
JKX Oil & Gas	JKX LN	London	59.88 GBP	+0.6	+9.9	-16.3	+1.5	1.01	172.8	179.3	47.2	81.6	20.1	87.6	0.06	1,697	26.6	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	-1.4	-31.7	-61.4	0.15	47.8	21.0	80.9	38.7	0.0	5.4	0.01	12,394	Neg.	23.9	N/A	0.9	0.8	N/A	0.6	0.5	N/A	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	139.00 UAH	+0.1	+1.8	+53.8	+79.4	11.67	149.3	126.9	5.0	7.5	0.1	2.5	0.00	25,334	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	-3.7	+6.1	-12.1	-23.4	0.00	73.8	1,252.6	3.9	2.9	5.8	10.1	0.24	415	Neg.	Neg.	N/A	N/A	Neg.	N/A	1.0	0.7	N/A	N/A	64.5
Avdiyivsky Cok...	AVDK UK	Kiev, UX	3.26 UAH	-1.1	+6.8	+10.0	+1.7	0.27	53.3	50.3	4.0	2.1	8.0	14.5	0.28	361	Neg.	29.5	0.8	Neg.	0.9	0.4	0.1	0.1	0.0	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.79 UAH	-2.2	+14.7	+17.5	+30.3	0.07	277.8	270.8	4.1	11.4	86.3	13.4	0.08	1,229	Neg.	Neg.	Neg.	Neg.	Neg.	7.7	0.1	0.1	0.1	0.2	0.0
Ferrexpo PLC	FXPO LN	London	137.70 GBP	+0.1	-7.0	-25.9	-19.0	2.31	1,362.3	2,023.5	22.4	305.1	2,439.5	2,472.0	0.43	234	5.2	5.6	6.5	4.0	4.4	4.8	1.3	1.3	1.3	0.8	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.64 UAH	+0.2	-14.9	+20.4	+11.9	0.05	14.7	15.8	9.0	1.3	8.8	2.0	0.27	367	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	37.48 UAH	-1.1	+7.9	+17.1	+8.9	3.15	33.2	28.8	9.4	3.1	6.9	9.2	0.14	722	5.7	Neg.	Neg.	Neg.	Neg.	0.9	0.0	0.0	0.0	0.9	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	1.00 EUR	-1.0	-8.3	-19.4	-37.1	1.36	125.9	152.9	34.0	42.8	14.5	37.8	0.08	1,213	Neg.	N/A	N/A	Neg.	N/A	N/A	2.4	N/A	N/A	1.1	35.9
Agroliga	AGL PW	Warsaw	19.19 PLN	-1.1	+10.1	-26.0	+17.7	6.28	9.7	10.6	16.7	1.6	13.7	10.0	0.27	364	2.2	N/A	N/A	3.1	N/A	N/A	0.5	N/A	N/A	0.8	5.7
Agroton	AGT PW	Warsaw	2.80 PLN	+2.2	+17.6	+43.6	-7.0	0.92	19.9	65.2	26.2	5.2	386.3	457.4	2.07	48	Neg.	2.8	2.5	24.4	6.9	4.1	0.8	0.8	0.8	0.2	28.4
Astarta Holdin...	AST PW	Warsaw	45.45 PLN	+4.5	+13.6	-32.1	-20.5	14.88	371.9	690.1	31.0	115.4	267.6	189.2	0.12	869	10.6	8.1	5.2	9.1	5.2	5.6	1.4	1.4	1.3	1.0	38.2
Avangard	AVGR LI	London Intl	9.00 USD	+3.4	+2.3	-23.4	-5.3	9.00	574.8	805.8	21.7	124.7	125.7	310.7	0.06	1,690	2.4	2.7	2.6	2.7	2.8	2.8	1.2	1.1	1.1	0.0	17.8
IMC	IMC PW	Warsaw	9.94 PLN	-3.7	+8.0	-18.2	-18.9	3.25	101.8	227.1	23.9	24.3	93.9	97.9	0.33	300	3.9	3.9	2.2	4.2	4.0	3.2	2.0	1.2	0.9	0.7	38.7
Kernel Holding...	KER PW	Warsaw	29.33 PLN	-2.6	+1.7	-23.0	-50.0	9.60	765.0	1,788.2	58.8	449.6	7,056.7	3,148.3	0.55	183	6.9	12.5	4.7	6.2	6.9	5.2	0.6	0.7	0.7	0.6	30.6
MHP	MHPC LI	London Intl	14.05 USD	+0.4	+17.6	-17.6	-24.1	14.05	1,484.6	2,645.5	22.3	331.4	407.0	1,616.4	0.23	436	9.5	5.5	4.8	6.8	5.5	5.0	1.8	1.7	1.5	2.6	19.6
Milkiland	MLK PW	Warsaw	6.75 PLN	+3.8	-3.2	-46.0	-34.5	2.21	69.0	199.6	20.0	13.8	65.7	10.9	0.09	1,083	4.7	7.8	3.5	6.0	3.9	3.5	0.4	0.5	0.4	0.3	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	5.00 EUR	+0.0	+6.4	-7.4	+14.9	6.81	724.0	1,455.9	20.0	144.8	39.5	8.2	0.01	12,071	4.2	5.1	8.3	6.3	5.7	5.4	4.2	3.9	3.4	0.8	34.8
Ovostar Union	OVO PW	Warsaw	68.00 PLN	+0.0	-1.4	-32.0	-20.8	22.26	133.5	142.4	25.0	33.4	1.3	25.3	0.05	1,952	4.4	6.6	6.5	3.9	5.4	4.9	1.6	1.7	1.3	1.0	8.5
<b>TRANSPORTATION</b>																											
KDM Shipping	KDM PW	Warsaw	9.45 PLN	-13.7	-28.6	-69.9	-73.7	3.09	28.8	12.8	10.9	3.1	11.0	2.2	0.04	2,238	4.2	N/A	N/A	1.2	N/A	N/A	0.4	N/A	N/A	0.4	5.6
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Xetra	0.17 EUR	-0.6	-5.6	-46.4	-59.5	0.23	12.0	171.3	13.1	1.6	1.8	0.2	0.01	6,741	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	-2.1	-8.4	+44.4	+54.1	0.01	412.6	N/A	3.8	15.8	59.6	55.2	0.38	262	4.8	Neg.	13.8	N/A	N/A	N/A	N/A	N/A	N/A	0.7	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.18 UAH	-0.1	+19.2	-5.8	+43.0	0.01	269.0	N/A	4.5	12.1	5.1	4.0	0.01	6,775	Neg.	14.9	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.4	30.9

**Table 1. Ukrainian stocks (closing prices as of 27-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)

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 despite inflows

Although the NBU injected UAH0.82bn yesterday, liquidity did not increase. Broader banking sector liquidity slid UAH0.05bn to UAH38.00bn, this month's low, but this insufficient decline was due to an increase in total local currency debt repayments scheduled for the next 30 days, which rose UAH0.87bn to UAH4.48bn. Banks' correspondent accounts with the NBU fell UAH1.49bn to UAH25.25bn while total CDs outstanding rose UAH0.57bn to UAH8.27bn.

KyivPrime interest rates slightly diverged: the KyivPrime ON interest rate remained steady at 5.00% while the KyivPrime 1M interest rate slid 13bp to 16.75%.

**Investment implications:** The NBU purchased UAH0.35bn of government bonds in its portfolio and issued more than UAH1.0bn of new loans to the banking system while it absorbed UAH0.57bn in CDs. Liquidity continued to decline due to tax payments and low budget expenditures as the MoF appears to have collected funds for today's scheduled debt repayments and budget expenditures scheduled at the end of this or possibly next month.

## Eurobonds continue to rebound

Eurobond prices continued to rise yesterday, reflecting positive anticipations that followed the successful presidential election. The yield curve adjusted to the range of 8.36-10.24% yesterday as UKRAIN 6.875% '15 declined 128bp to 10.24%, UKRAIN 9.25% '17 slid 74bp to 9.29%, UKRAIN 7.95% '21 slid 10bp to 8.97% and UKRAIN 7.80% '22 decreased 12bp to 9.09%, while UKRAIN 7.50% '23 declined 20bp to 8.74%. The 5-year CDS slid more to 878bp.

**Investment implications:** The positive election outcome could improve market sentiment toward Ukraine. With a new president, Ukraine could be viewed as more predictable in its economic and political steps.

## Auction results: Short-term FX-denominated bonds

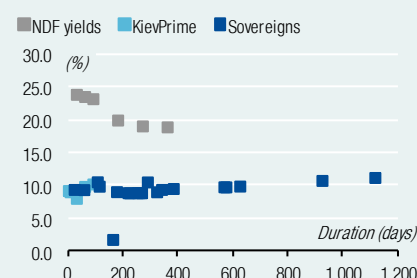
The MoF sold a small amount of 2-year local currency bonds and US\$214.77m of 2-week USD-denominated bonds. The MoF sold similar bonds twice last year, just prior to receiving Russian financing and before the end of the year, and for a third time at the end of January 2014 ahead of the announced second tranche of Russian financing.

**Investment implications:** Yesterday's auction followed a large financing earlier this month and a large USD-denominated bond redemption that occurred last week. The MoF could attract FX to replenish FX reserves prior to the end of the month and the Eurobond redemption next week. There could also be reserves set aside for the scheduled redemption of FX-denominated bonds with put options that were issued several times last year.

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### Yield curve of the local bond market

(as of market close on 27 May 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

### Bond market indicators (as of 27 May 2014)

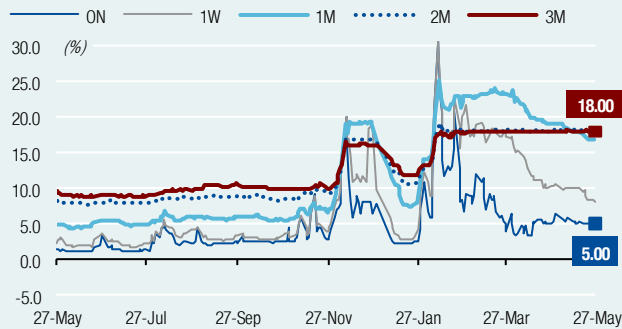
	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
0/n	5.00	+0bp	+0bp	-5bp	-280bp
1wk	8.02	-48bp	-173bp	-211bp	-178bp
1m	16.75	-13bp	-75bp	-225bp	+50bp
2m	18.00	+0bp	-25bp	-13bp	+160bp
3m	18.00	+0bp	-13bp	+0bp	+200bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	25,249	-5.57	-10.36	-14.00	-22.79
CDs <sup>2</sup>	13,843	+79.69	+6.81	-22.90	+810.7
Sovgns <sup>3</sup>	4,475	+0.00	-6.14	-12.47	+199.3
<b>Total</b>	<b>43,567</b>	<b>+11.95</b>	<b>-5.07</b>	<b>-16.90</b>	<b>+21.98</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	177,263	+0.20	+1.40	+2.06	+22.38
Banks	83,571	-0.30	-5.11	-3.67	+4.24
Resid's <sup>4</sup>	10,037	-3.24	-6.96	-6.02	-19.03
Non-res <sup>5</sup>	16,007	-0.39	-1.81	+0.92	+36.83
<b>Total</b>	<b>286,878</b>	<b>-0.10</b>	<b>-1.07</b>	<b>-0.04</b>	<b>+15.16</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	20.12	-12ppt	-861bp	-25ppt	+798bp
6m	20.93	-618bp	-702bp	-12ppt	+753bp
9m	20.03	-300bp	-272bp	-505bp	+602bp
1yr	18.70	-119bp	-203bp	-371bp	+371bp
<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	878	-66bp	-156bp	-319bp	+62bp
Jun '16	8.60	-116bp	-190bp	-576bp	-29bp
Jul '17	9.29	-75bp	-165bp	-350bp	-26bp
Sep '20	8.91	-12bp	-59bp	-151bp	-29bp
Sep '21	8.97	-12bp	-55bp	-149bp	-25bp
Sep '22	9.08	-13bp	-55bp	-126bp	-27bp
Feb '23	8.74	-21bp	-56bp	-137bp	-31bp

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.

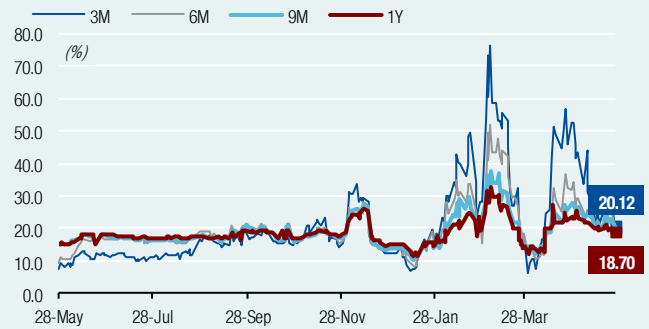
Chart page: Local bond market & Eurobond markets

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



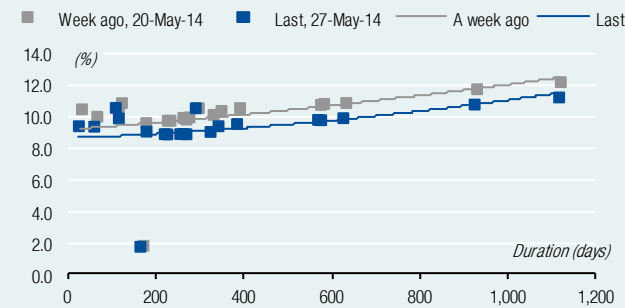
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



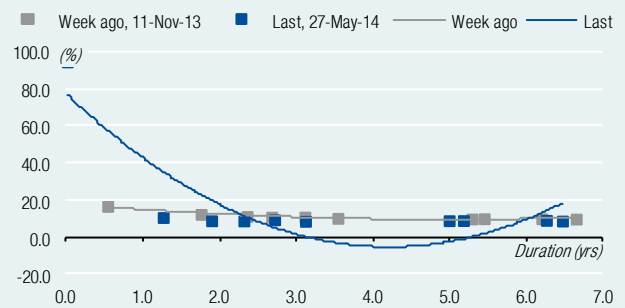
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 27 May 2014



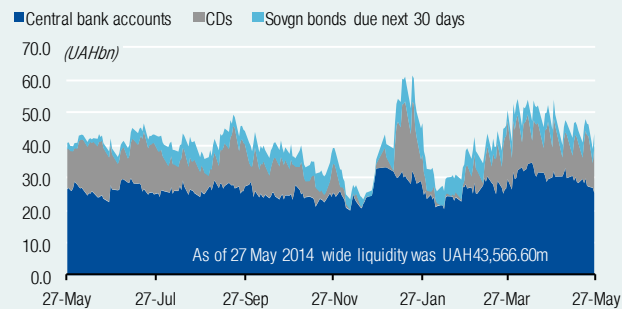
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 27 May 2014



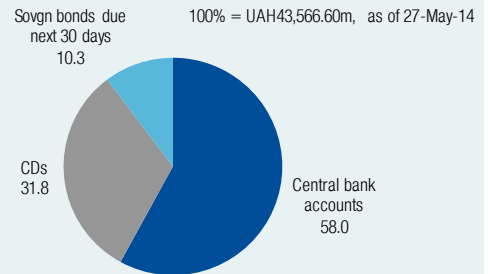
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



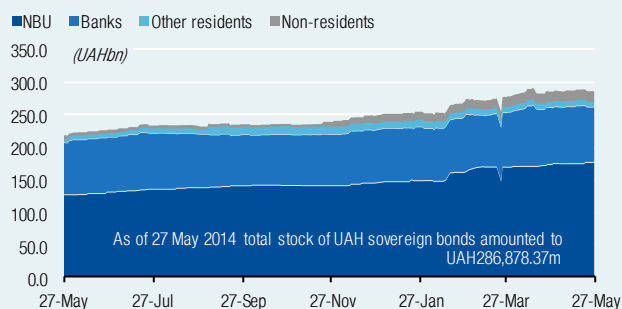
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 27 May 2014



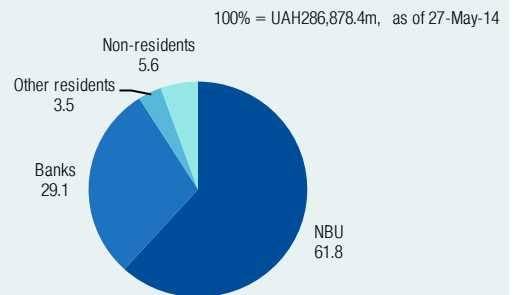
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 27 May 2014



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

# FX: News & Comments

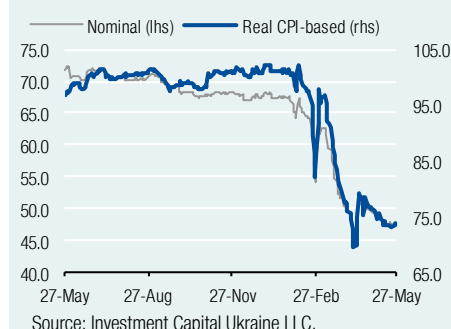
## UAH up in trade-weighted terms

Yesterday, the local FX market hovered at 12/USD per routine over the past few weeks as FX supply remained stable. Had the supply risen following the finance minister's explicit announcement the day prior of a verbal intervention, the price would have risen. However, without a sizeable inflow, the UAH remains in its March-April trading range which we consider to be undervalued, particularly as its trade-weighted value dropped by more than 20% in year-to-date terms. The FX rate added 0.13% yesterday, followed by a 0.47% increase of real TWI to 73.72 on the back of a weaker RUB that fell 0.62%.

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### ICU's UAH trade-weighted indices

(Last 12-month history to 28 May 2014)



### FX market indicators (as of 27 May 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	11.9000	-0.13	-0.42	+3.48	+44.42
NBU avg	11.7512	+0.77	+0.30	+3.23	+44.17
Tt vlm <sup>1</sup>	497.14	+159.2	+4.14	+12.35	-82.26
\$ volume <sup>2</sup>	387.93	+242.1	+6.68	+14.56	-82.45
NDF 3M	12.4910	-2.22	-2.41	-2.41	+47.21
NDF 6M	13.1270	-1.85	-3.48	-1.67	+49.51
NDF 1Y	14.0500	-0.71	-2.09	+0.36	+49.15
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	47.812	+0.47	+0.49	-4.53	-29.21
UAH real CPI	73.720	+0.47	+0.49	-4.53	-27.06
UAH real PPI	102.118	+0.47	+0.49	-4.53	-26.42
USD nom'l	80.352	-0.05	+0.39	+0.76	+0.40
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	34.4078	+0.62	-0.33	-4.52	+4.68
EUR/USD	1.3635	-0.08	-0.49	-1.44	-0.79
USD/CNY	6.2479	+0.14	+0.16	-0.08	+3.20
USD/PLN	3.0539	+0.10	-0.10	+0.32	+1.02
USD/TRY	2.1018	+0.87	-0.55	-1.51	-2.16
USD/BYR	10,110.00	+0.40	+0.65	+1.10	+5.97
USD/KZT	184.6700	+0.80	+1.22	+1.44	+19.71
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	101.9800	+0.04	+0.64	-0.18	-3.16
GBP/USD	1.6810	-0.20	-0.17	+0.04	+1.53
USD/CHF	0.8967	+0.22	+0.53	+1.69	+0.43
AUD/USD	0.9259	+0.24	+0.17	-0.24	+3.84
USD/CAD	1.0858	-0.01	-0.46	-1.64	+2.21
USD/BRL	2.2377	+0.59	+0.98	-0.26	-5.27
USD/KRW	1,023.20	-0.07	-0.21	-1.75	-2.53
<b>COMMODITIES</b>					
Gold(\$/oz)	1,264.90	-2.15	-2.28	-2.94	+4.91
WTI crude <sup>3</sup>	104.11	+0.00	+1.63	+3.18	+5.78
Brent crd <sup>3</sup>	111.28	-0.02	+0.09	+1.73	+0.42
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	306.62	-0.53	-0.10	-1.31	+9.44

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>).

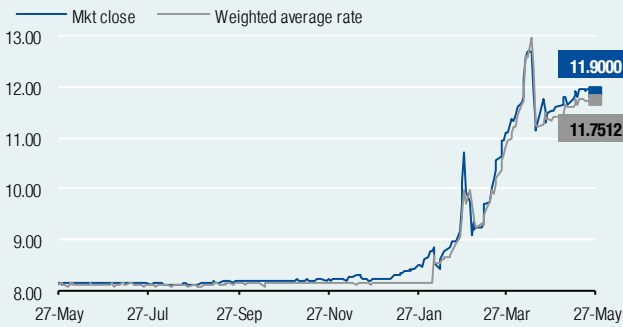
Section on FX market is continued on next page.

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.

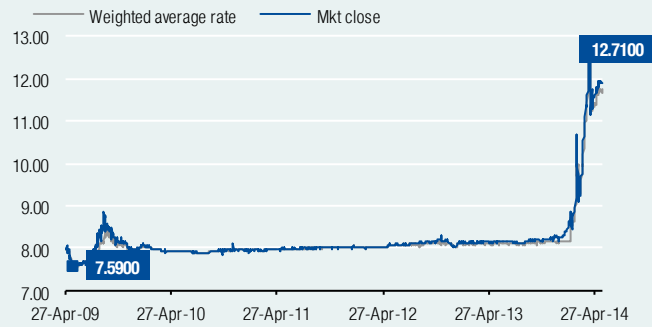
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

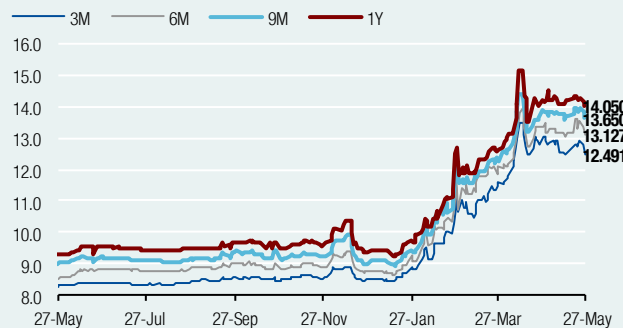


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

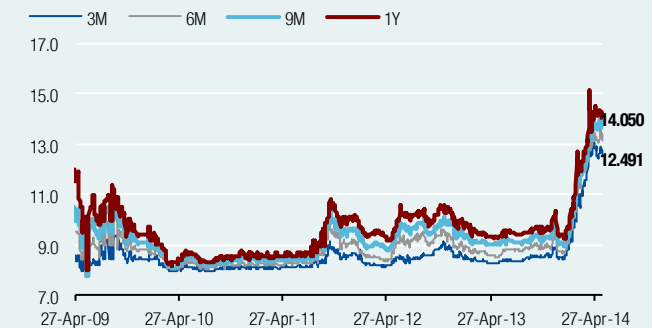


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

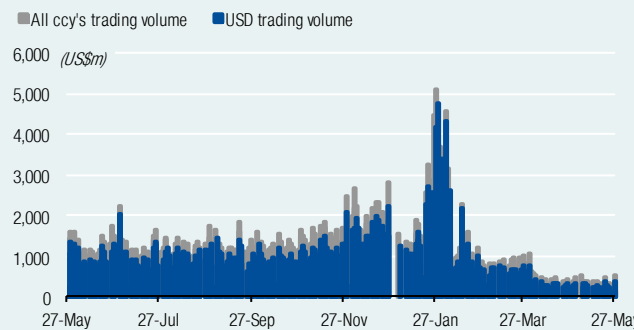


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

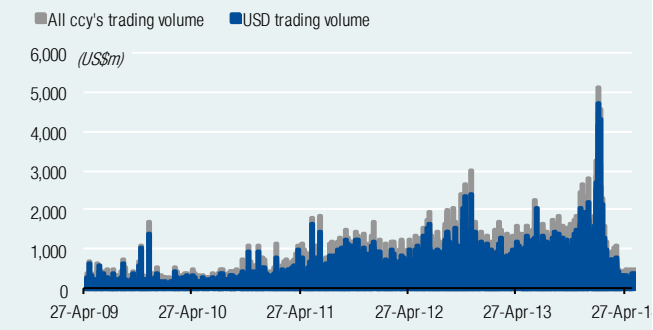


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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)



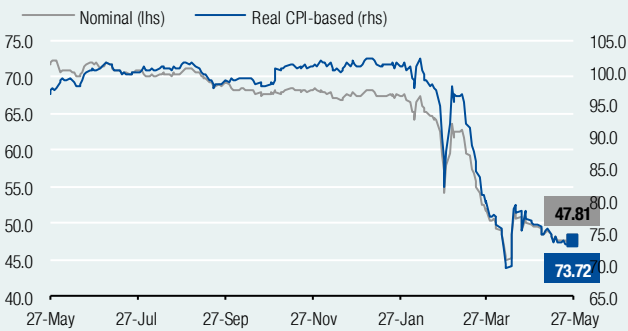
Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

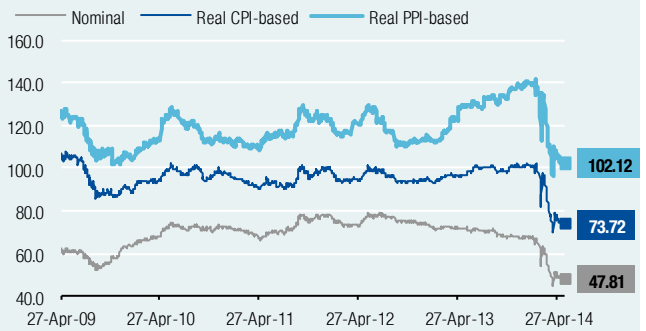
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



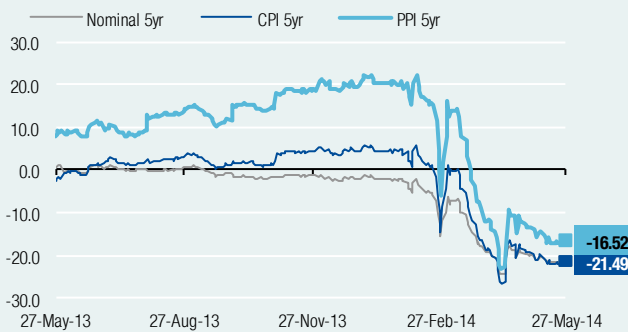
Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

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

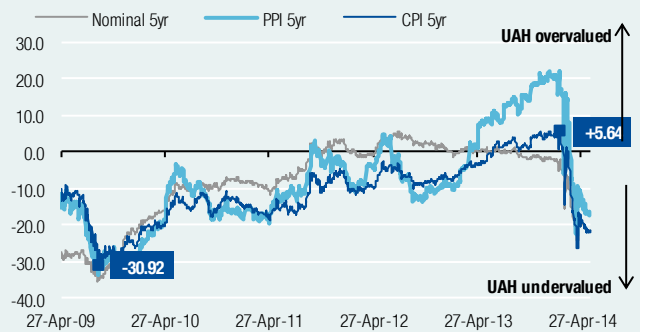


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

**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)**

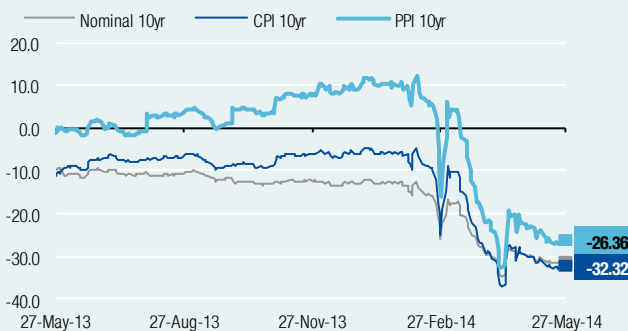


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

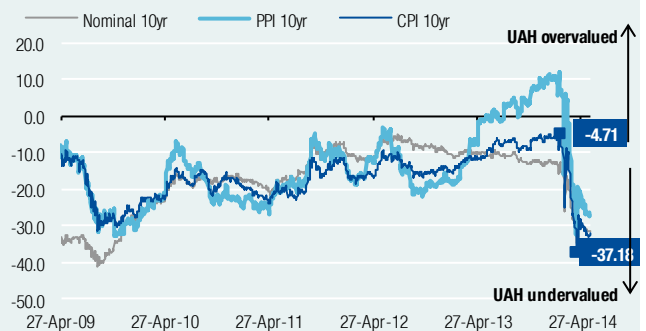


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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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**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

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