



INVESTMENT CAPITAL UKRAINE
INVESTMENT BANKING

Daily Insight

Liquidity up; Eurobond prices rise; UAH down, TWI up

THURSDAY, 29 MAY, 2014

RESEARCH INSIGHT

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UX Index (3 months to 29 May 2014)



Key market indicators (as of 28 May 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	11.9050	+0.04	+44.48
USD/UAH (1Y NDF)	14.0500	+0.00	+49.15
EUR/USD	1.3591	-0.32	-1.11
USD/RUB	34.5700	+0.47	+5.17
KievPRIME O/N (%)	5.22	+22bp	-258bp
KievPRIME 1M (%)	17.00	+25bp	+75bp

BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	-8,900bp	-8,900bp
Ukraine 17, Eurobond (%)	9.28	-2bp	-28bp
Ukraine 22, Eurobond (%)	8.93	-15bp	-42bp
Ukraine 23, Eurobond (%)	8.65	-9bp	-39bp
Ukraine 5Y CDS	890bp	+12bp	+73bp

EQUITIES

Stock market indices

UX (Ukraine)	1,214.36	-0.35	+33.44
MSCI World	420.01	-0.02	+2.81
MSCI EM	1,038.23	+0.52	+3.54
RTS (Russia)	1,300.46	+0.23	-9.86
WIG-20 (Poland)	2,448.33	-0.64	+1.97
S&P 500 (USA)	1,909.78	-0.11	+3.32

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

KER PW	4.21	61.7% of total ¹
FXPO LN	1.77	26.0%
AGT PW	0.15	2.1%

GAINERS: Top 3 stocks (in listed currency)

ENMZ UK	UAH 38.80	+3.52	+21.21
ZAEN UK	UAH 142.90	+2.81	+58.08
CLE PW	PLN 1.36	+1.49	+29.52

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 28-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 (%)
ENERGY																											
Cadogan Petrol...	CAD LN	London	9.25 GBP	+0.0	+1.4	-10.8	-36.8	0.15	35.7	-27.3	40.2	14.4	1.9	8.8	0.04	2,611	Neg.	Neg.	Neg.	4.1	8.5	17.1	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.08 UAH	+0.6	+17.1	+48.5	+58.7	0.59	219.3	272.5	21.7	47.6	120.1	162.2	0.30	329	5.4	5.4	3.4	0.5	3.7	2.2	0.4	0.3	0.3	1.1	12.2
Coal Energy	CLE PW	Warsaw	1.36 PLN	+1.5	+0.7	+29.5	-60.5	0.45	20.0	114.4	25.0	5.0	74.1	182.6	0.98	102	Neg.	Neg.	5.0	5.1	14.3	3.9	0.9	1.1	1.0	0.2	39.8
Donbasenergo	DOEN UK	Kiev, UX	45.76 UAH	-3.6	+4.5	+65.9	+117.9	3.84	90.7	130.5	14.2	12.9	78.2	45.7	0.36	278	2.0	2.2	2.6	0.5	2.0	1.4	0.3	0.2	0.2	1.6	17.8
JKX Oil & Gas	JKX LN	London	59.50 GBP	-0.6	+8.7	-16.8	+5.3	0.99	170.9	177.3	47.2	80.6	4.3	86.3	0.05	1,852	26.3	15.1	6.1	2.7	2.2	2.0	1.0	0.9	0.8	0.3	5.5
Regal Petroleum	RPT LN	London	8.88 GBP	+0.0	+1.4	-31.7	-60.1	0.15	47.6	20.8	80.9	38.5	0.0	5.3	0.01	12,486	Neg.	23.8	N/A	0.9	0.8	N/A	0.6	0.5	N/A	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	142.90 UAH	+2.8	+3.6	+58.1	+74.9	11.98	153.2	130.9	5.0	7.7	1.2	2.6	0.00	24,501	3.2	N/A	N/A	0.9	N/A	N/A	0.1	N/A	N/A	3.5	0.0
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.03 UAH	-1.8	+2.7	-13.7	-23.9	0.00	72.4	1,249.2	3.9	2.8	5.0	9.6	0.25	405	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	3.20 UAH	-1.8	+5.2	+8.0	+0.1	0.27	52.3	49.2	4.0	2.1	6.2	13.9	0.27	370	Neg.	29.0	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	+0.4	+12.9	+17.9	+29.1	0.07	278.4	271.4	4.1	11.4	16.6	13.5	0.09	1,168	Neg.	Neg.	Neg.	Neg.	Neg.	7.7	0.1	0.1	0.1	0.2	0.0
Ferrexpo PLC	FXPO LN	London	138.20 GBP	+0.4	-6.6	-25.6	-16.8	2.31	1,360.3	2,021.4	22.4	304.7	1,772.7	2,453.4	0.44	225	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	0.63 UAH	-1.3	-16.0	+18.9	+15.6	0.05	14.4	15.6	9.0	1.3	7.8	2.1	0.31	326	Neg.	1.2	0.7	0.1	0.6	0.4	0.1	0.0	0.0	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	38.80 UAH	+3.5	+12.0	+21.2	+11.9	3.25	34.3	30.0	9.4	3.2	35.0	9.9	0.18	546	5.9	Neg.	Neg.	Neg.	Neg.	0.9	0.0	0.0	0.0	0.9	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	0.99 EUR	-1.0	-8.3	-20.2	-37.7	1.35	124.4	151.4	34.0	42.3	8.6	37.3	0.08	1,186	Neg.	N/A	N/A	Neg.	N/A	N/A	2.3	N/A	N/A	1.1	35.9
Agroliga	AGL PW	Warsaw	19.00 PLN	-1.0	+9.3	-26.7	+21.8	6.22	9.6	10.5	16.7	1.6	4.3	9.7	0.28	357	2.2	N/A	N/A	3.0	N/A	N/A	0.5	N/A	N/A	0.8	5.7
Agroton	AGT PW	Warsaw	2.64 PLN	-5.7	+9.1	+35.4	-10.5	0.86	18.7	64.0	26.2	4.9	146.2	415.9	2.24	45	Neg.	2.7	2.3	23.9	6.7	4.0	0.8	0.7	0.8	0.2	28.4
Astarta Holdin...	AST PW	Warsaw	44.75 PLN	-1.5	+13.3	-33.1	-22.1	14.66	366.4	684.0	31.0	113.7	19.7	183.4	0.12	849	10.5	8.0	5.2	9.0	5.2	5.5	1.4	1.4	1.3	1.0	38.2
Avangard	AVGR LI	London Intl	9.00 USD	+0.0	+0.1	-23.4	-5.3	9.00	574.8	805.8	21.7	124.7	35.7	302.7	0.06	1,672	2.4	2.6	2.5	2.7	2.7	2.7	1.2	1.1	1.1	0.0	17.8
IMC	IMC PW	Warsaw	9.71 PLN	-2.3	+2.8	-20.1	-19.1	3.18	99.5	224.8	23.9	23.8	46.0	94.7	0.35	289	3.8	3.8	2.1	4.2	3.9	3.2	2.0	1.2	0.9	0.7	38.7
Kernel Holding...	KER PW	Warsaw	27.50 PLN	-6.2	-1.8	-27.8	-54.0	9.01	717.7	1,741.0	58.8	421.8	4,208.9	2,993.7	0.61	164	6.5	11.7	4.4	6.0	6.7	5.1	0.6	0.7	0.7	0.6	30.6
MHP	MHPC LI	London Intl	14.20 USD	+1.1	+18.3	-16.7	-23.0	14.20	1,500.5	2,661.3	22.3	334.9	58.2	1,627.3	0.23	439	9.6	5.5	4.9	6.8	5.5	5.0	1.8	1.7	1.5	2.6	19.6
Milkiland	MLK PW	Warsaw	6.30 PLN	-6.7	-8.7	-49.6	-38.8	2.06	64.5	194.8	20.0	12.9	28.9	10.6	0.11	920	4.4	7.3	3.3	5.9	3.8	3.5	0.4	0.4	0.4	0.3	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	5.00 EUR	+0.0	+6.4	-7.4	+14.9	6.80	722.7	1,454.6	20.0	144.5	2.7	8.2	0.00	25,285	4.1	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	66.00 PLN	-2.9	-4.3	-34.0	-22.3	21.62	129.7	138.5	25.0	32.4	6.2	24.4	0.05	1,871	4.2	6.5	6.4	3.8	5.3	4.7	1.5	1.6	1.3	1.0	8.5
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	8.52 PLN	-9.8	-22.5	-72.9	-76.1	2.79	25.9	10.0	10.9	2.8	0.5	2.0	0.05	1,984	3.8	N/A	N/A	0.9	N/A	N/A	0.3	N/A	N/A	0.4	5.6
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.17 EUR	+0.0	-24.4	-46.4	-61.4	0.23	12.0	171.3	13.1	1.6	0.0	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
FINANCIAL SERVICES																											
Forum Bank	FORM UK	Kiev, UX	0.71 UAH	-11.3	+18.7	-6.6	+22.8	0.06	35.3	N/A	5.5	1.9	5.0	1.4	0.03	3,179	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.3	18.6
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.16 UAH	+0.5	-8.2	+45.1	+55.8	0.01	413.9	N/A	3.8	15.8	128.5	55.7	0.41	247	4.9	Neg.	13.9	N/A	N/A	N/A	N/A	N/A	N/A	0.7	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.17 UAH	-5.0	+13.2	-10.6	+35.9	0.01	255.0	N/A	4.5	11.4	2.2	3.6	0.02	6,363	Neg.	14.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.3	30.9

Table 1. Ukrainian stocks (closing prices as of 28-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 increases significantly

Broader banking sector liquidity significantly rose UAH2.39bn yesterday to UAH40.39bn, as banks' correspondent accounts with the NBU increased UAH2.45bn to UAH27.70bn and total CDs outstanding declined UAH0.06bn to UAH8.22bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH4.48bn.

KyivPrime interest rates slightly rose: the KyivPrime ON interest rate rose 22bp to 5.22% while the KyivPrime 1M interest rate rose 25bp to 17.00%.

Investment implications: We likely saw a small break in month-end tax payments on Tuesday which caused liquidity to increase yesterday. As new tax payments are scheduled today and tomorrow, we do expect liquidity to decline, but the NBU could prevent it from falling significantly. Yesterday's insignificant debt repayments had no impact on liquidity.

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Prices climb toward par

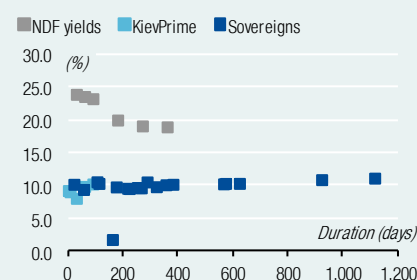
Eurobond prices continued to rise yesterday to this month's new high. While some bond prices rose above 95, UKRAIN 9.25% '17 is very close to 100. As a result, the yield curve adjusted to the range of 8.37-10.08%, declined mostly below 9.0%, as UKRAIN 6.875% '15 declined 16bp to 10.08%, UKRAIN 9.25% '17 slid 2bp to 9.27%, UKRAIN 7.95% '21 slid 23bp to 8.75%, and UKRAIN 7.80% '22 decreased 15bp to 8.93%, while UKRAIN 7.50% '23 declined 9bp to 8.65%. The 5-year CDS rose to 890bp.

Investment implications: Ukrainian Eurobonds remained under the positive impact of news from Ukraine and on anticipations of resolving problems in eastern Ukraine soon after the newly elected president's inauguration.

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Yield curve of the local bond market

(as of market close on 28 May 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 28 May 2014)

	Last	Daily chg (%)	Weekly chg (%)	MoM chg (%)	YTD chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
0/n	5.22	+22bp	+20bp	+17bp	-258bp
1wk	8.22	+20bp	-66bp	-203bp	-158bp
1m	17.00	+25bp	-10bp	-200bp	+75bp
2m	18.10	+10bp	-30bp	-3bp	+170bp
3m	18.10	+10bp	-20bp	+10bp	+210bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	27,700	+9.71	-6.52	-7.59	-15.30
CDs ²	8,274	-40.23	-44.38	-10.53	+444.3
Sovgns ³	3,965	-11.39	+10.06	-29.47	+165.2
Total	39,939	-8.33	-16.99	-10.94	+11.82
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	177,264	+0.00	+0.20	+2.06	+22.38
Banks	83,893	+0.38	-2.30	-2.69	+4.65
Resid's ⁴	10,098	+0.61	-5.94	-6.13	-18.54
Non-res ⁵	16,111	+0.65	-0.91	+1.59	+37.72
Total	287,366	+0.17	-0.83	+0.30	+15.35
NDF IMPLIED YIELDS (%)					
3m	21.93	+181bp	-843bp	-30ppt	+979bp
6m	20.38	-55bp	-843bp	-12ppt	+698bp
9m	18.84	-119bp	-450bp	-876bp	+483bp
1yr	18.65	-5bp	-229bp	-519bp	+366bp
LOCAL CURRENCY UAH SOVEREIGN BOND YIELDS (%)					
Mar '13	N/A	-52ppt	+0bp	+0bp	+0bp
Jan '14	N/A	+320bp	+0bp	+0bp	-676bp
Aug '15 ⁶	N/A	-89ppt	+0bp	+0bp	-89ppt
EUROBONDS USD SOVEREIGN BOND YIELDS (%)					
CDS 5yr	890	+12bp	-89bp	-312bp	+73bp
Jun '16	8.62	+2bp	-117bp	-594bp	-27bp
Jul '17	9.28	-2bp	-114bp	-350bp	-28bp
Sep '20	8.65	-26bp	-79bp	-225bp	-55bp
Sep '21	8.75	-23bp	-61bp	-217bp	-47bp
Sep '22	8.93	-15bp	-64bp	-161bp	-42bp
Feb '23	8.65	-9bp	-46bp	-129bp	-39bp

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

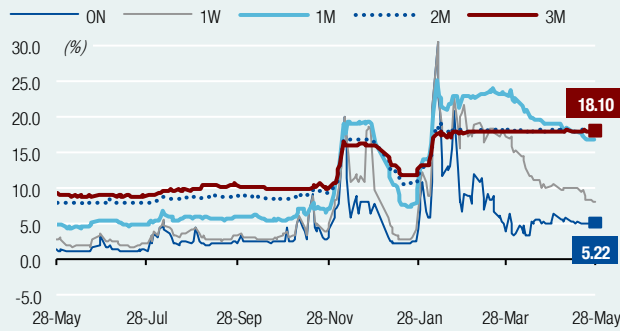


Chart 2. UAH NDF implied yields (%), last 12-month period



Chart 3. UAH sovereign yield curve (%) as of 28 May 2014

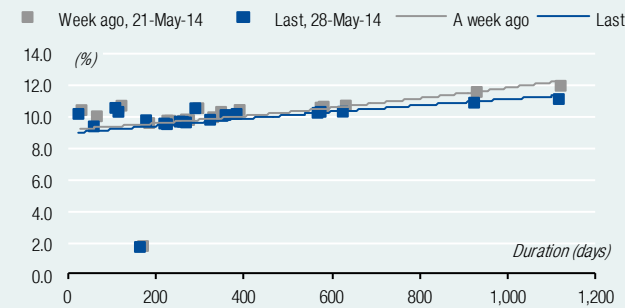


Chart 4. USD sovereign yield curve (%) as of 28 May 2014

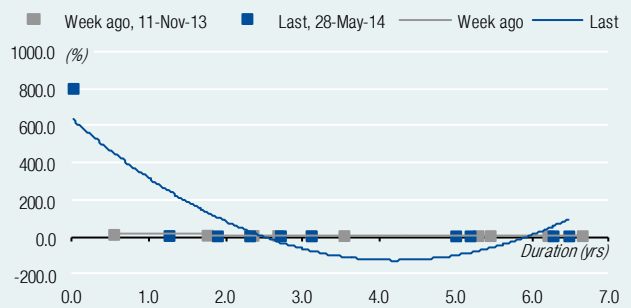


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

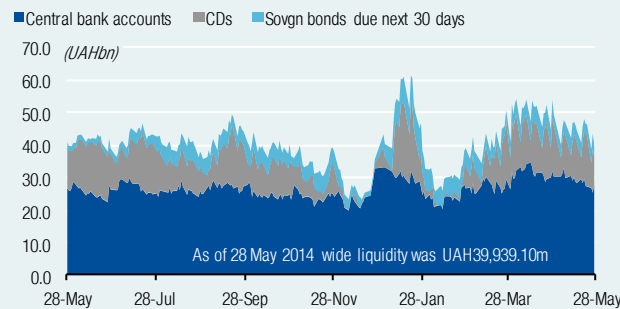


Chart 6. Breakdown of liquidity pool (%) as of 28 May 2014

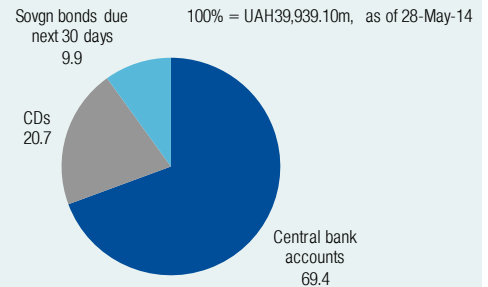


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

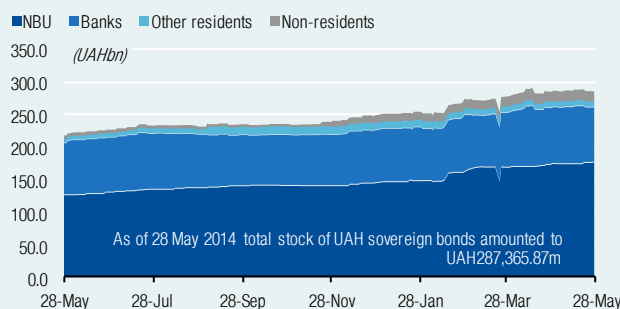
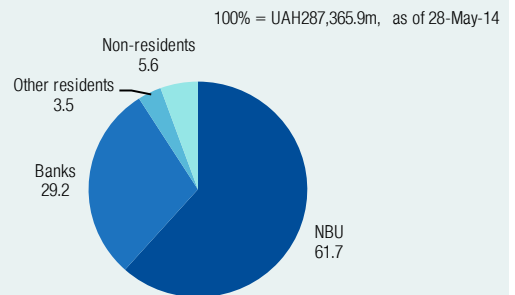


Chart 8. Domestic sovereign debt (%) as of 28 May 2014



FX: News & Comments

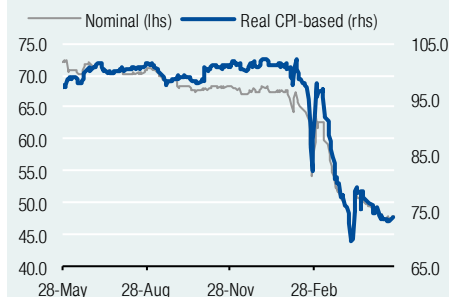
UAH slides in nominal terms, its TWI up on weak RUB, EUR

As reported by Financial Times, news from the embattled oblasts of Donetsk and Luhansk that Chechen military people are fighting on the side of pro-Kremlin militants have increased negative sentiment for Ukrainian assets that trade in offshore markets. Despite the official denial, the Kremlin appears to be engineering the insurgence to proclaim a civil war in Ukraine. Kremlin officials' reiterations of "civil war in Ukraine", despite their lack of basis in reality, are mantras to materialize it into public belief. The Kremlin is relentless in its efforts to destabilize Ukraine. Ukraine's PM Yatsenyuk confirmed this statement in a speech in Berlin yesterday, when he stated as the "situation [in the eastern oblasts] deteriorates". In this environment, the hryvnia fell slightly to just below 12/USD on slim trading volume of US\$271.82m. In the generally pro-USD market environment, the Euro slipped 0.32%, the Chinese yuan decreased 0.12%, and the Russian ruble extended its weakening streak by another day, pushing the hryvnia's trade-weighted value up 0.19%, making the currency's undervaluation a bit smaller.

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ICU's UAH trade-weighted indices

(Last 12-month history to 29 May 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 28 May 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	11.9050	+0.04	+0.00	+3.07	+44.48
NBU avg	11.7098	-0.35	-0.11	+3.10	+43.66
Tt vlm ¹	384.82	-22.59	+10.51	+15.68	-86.27
\$ volume ²	271.82	-29.93	+6.34	+28.61	-87.71
NDF 3M	12.5500	+0.47	-1.95	-3.83	+47.91
NDF 6M	13.1000	-0.21	-3.68	-2.06	+49.20
NDF 1Y	14.0500	+0.00	-1.89	-1.23	+49.15
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	47.905	+0.19	+0.45	-3.72	-29.07
UAH real CPI	73.863	+0.19	+0.45	-3.72	-26.92
UAH real PPI	102.315	+0.19	+0.45	-3.72	-26.28
USD nom'l	80.571	+0.27	+0.59	+1.11	+0.67
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	34.5700	+0.47	+0.54	-3.64	+5.17
EUR/USD	1.3591	-0.32	-0.70	-1.88	-1.11
USD/CNY	6.2553	+0.12	+0.34	+0.05	+3.32
USD/PLN	3.0566	+0.09	+0.12	+0.65	+1.11
USD/TRY	2.0994	-0.11	+0.21	-1.24	-2.27
USD/BYR	10,120.00	+0.10	+0.40	+1.30	+6.08
USD/KZT	183.9200	-0.41	+0.85	+0.75	+19.22
OTHER MAJOR CURRENCIES					
USD/JPY	101.8500	-0.13	+0.47	-0.62	-3.29
GBP/USD	1.6711	-0.59	-1.12	-0.57	+0.93
USD/CHF	0.8984	+0.19	+0.58	+2.06	+0.62
AUD/USD	0.9236	-0.25	-0.16	-0.24	+3.58
USD/CAD	1.0875	+0.16	-0.34	-1.40	+2.37
USD/BRL	2.2320	-0.25	+1.11	+0.38	-5.51
USD/KRW	1,021.55	-0.16	-0.53	-1.32	-2.69
COMMODITIES					
Gold(\$/oz)	1,258.14	-0.53	-2.62	-2.97	+4.35
WTI crude ³	102.72	-1.34	-1.72	+1.86	+4.37
Brent crd ³	110.96	-0.29	-0.74	+2.36	+0.13
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	306.01	-0.20	-0.60	-1.24	+9.22

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>).

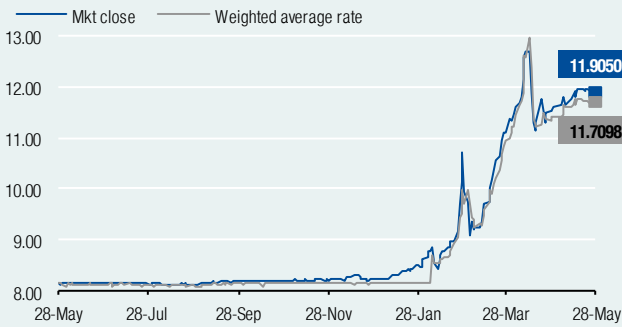
Section on FX market is continued on next page.

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.

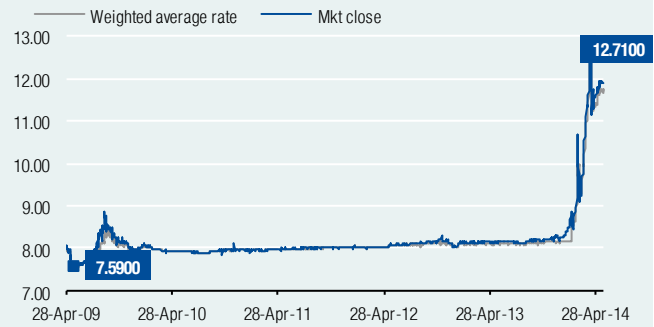
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

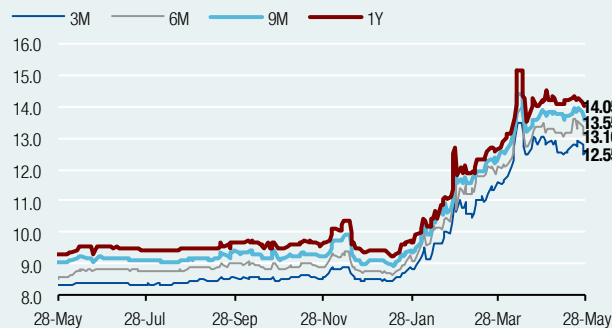


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

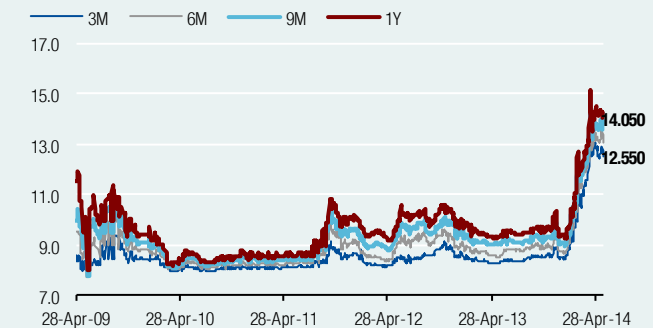


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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.

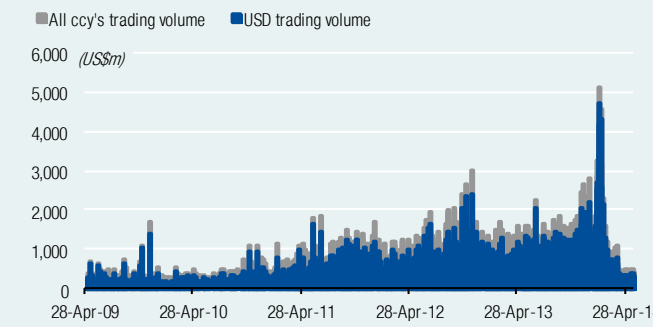


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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)



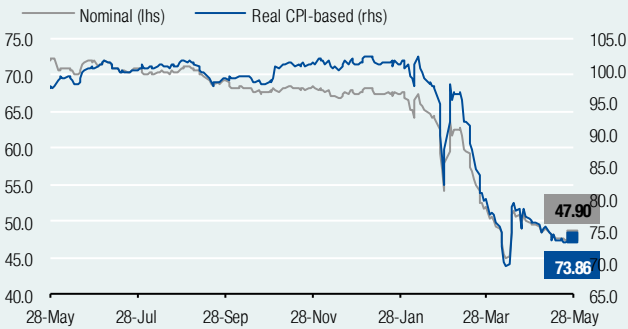
Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

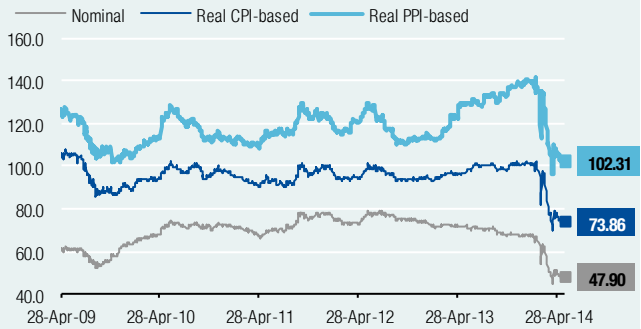
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



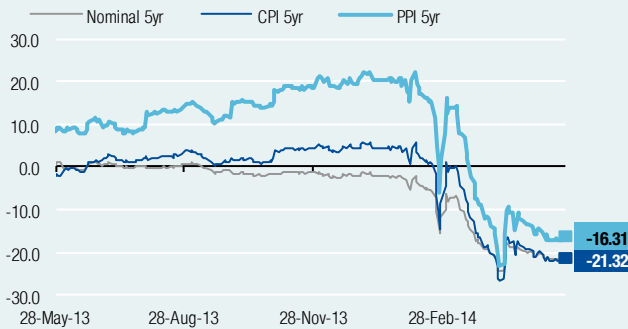
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

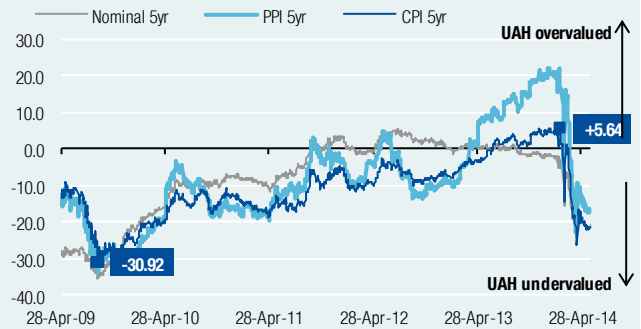


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

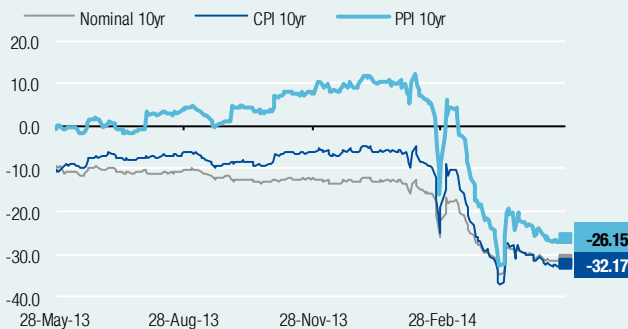


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

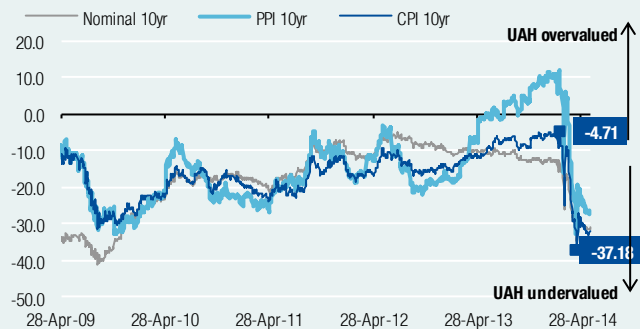


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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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This research publication has been prepared by the analyst(s), whose name(s) appear on the front page of this publication. The analyst(s) hereby certifies that the views expressed within this publication accurately reflect her/his own views about the subject financial instruments or issuers and no part of her/his compensation was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views within this research publication.

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Buy: Forecasted 12-month total return greater than 20%

Hold: Forecasted 12-month total return 0% to 20%

Sell: Forecasted 12-month total return less than 0%

Note: total return is share price appreciation to a target price in relative terms plus forecasted dividend yield.

DEBT RATING DEFINITIONS

Buy: Forecasted 12-month total return significantly greater than that of relevant benchmark

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

Sell: Forecasted 12-month total return significantly less than that of relevant benchmark



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