


**INVESTMENT CAPITAL UKRAINE**  
 INVESTMENT BANKING

# Daily Insight

Liquidity up; Eurobonds down; Third auction held;  
 UAH's real rate up

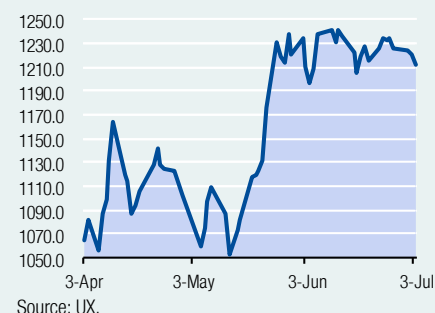
FRIDAY, 4 JULY, 2014

RESEARCH INSIGHT

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### UX Index (3 months to 4 Jul 2014)



### Key market indicators (as of 3 Jul 2014)

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	11.8350	-0.25	+43.63
USD/UAH (1Y NDF)	13.7550	+0.00	+46.02
EUR/USD	1.3610	-0.37	-0.97
USD/RUB	34.2682	-0.22	+4.25
KievPRIME O/N (%)	5.55	+0bp	-225bp
KievPRIME 1M (%)	17.40	+0bp	+115bp

### BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	-8,900bp	-8,900bp
Ukraine 17, Eurobond (%)	8.68	+2bp	-88bp
Ukraine 22, Eurobond (%)	8.61	-4bp	-74bp
Ukraine 23, Eurobond (%)	8.45	+3bp	-59bp
Ukraine 5Y CDS	777bp	+1bp	-40bp

### EQUITIES

#### Stock market indices

UX (Ukraine)	1,212.00	-0.71	+33.18
MSCI World	433.79	+0.38	+6.18
MSCI EM	1,062.18	+0.15	+5.93
RTS (Russia)	1,390.72	+0.02	-3.60
WIG-20 (Poland)	2,375.52	-0.23	-1.06
S&P 500 (USA)	1,985.44	+0.55	+7.42

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

FXPO LN	2.77	28.6% of total <sup>1</sup>
AVGR LI	2.58	26.7%
KER PW	2.26	23.3%

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

AVGR LI	USD 10.27	+5.33	-12.60
FXPO LN	GBP 138.60	+4.29	-25.42
RPT LN	GBP 9.00	+2.86	-30.77

#### 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 3-Jul-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	9.63 GBP	+0.0	+5.5	-7.2	-36.9	0.17	38.2	-24.9	40.2	15.4	2.8	8.2	0.04	2,698	Neg.	Neg.	Neg.	3.8	7.8	15.6	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.26 UAH	-0.8	+3.2	+52.3	+54.1	0.61	225.9	279.4	21.7	49.0	757.1	297.8	1.08	93	5.5	4.9	3.5	0.5	3.7	2.2	0.4	0.3	0.3	1.1	12.2
Coal Energy	CLE PW	Warsaw	1.18 PLN	-1.7	-5.6	+12.4	-53.7	0.39	17.4	111.7	25.0	4.4	18.0	45.3	0.64	156	Neg.	Neg.	4.4	5.0	14.0	3.9	0.9	1.1	1.0	0.2	39.8
Donbasenergo	DOEN UK	Kiev, UX	39.14 UAH	-0.3	-4.5	+41.9	+81.2	3.30	77.9	118.0	14.2	11.1	165.4	59.6	0.82	122	1.7	1.7	2.2	0.5	1.6	1.3	0.2	0.2	0.2	1.4	17.8
JKX Oil & Gas	JKX LN	London	56.50 GBP	-1.3	-7.4	-21.0	+2.7	0.97	166.6	173.1	47.2	78.6	32.4	54.7	0.04	2,476	25.6	14.7	6.0	2.6	2.1	1.9	1.0	0.9	0.8	0.3	5.5
Regal Petroleum	RPT LN	London	9.00 GBP	+2.9	+14.3	-30.8	-45.5	0.15	49.5	22.7	80.9	40.1	0.8	6.5	0.02	4,624	Neg.	24.8	N/A	1.0	0.9	N/A	0.6	0.5	N/A	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	140.00 UAH	+0.0	-6.6	+54.9	+77.7	11.79	150.8	128.3	5.0	7.5	4.8	3.1	0.07	1,466	3.1	N/A	N/A	0.9	N/A	N/A	0.1	N/A	N/A	3.5	0.0
<b>METALLURGY</b>																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	-1.1	+4.6	-5.7	-14.3	0.00	79.4	1,261.6	3.9	3.1	62.2	23.2	1.68	59	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	3.22 UAH	-0.5	+1.5	+8.7	-0.6	0.27	52.8	49.8	4.0	2.1	35.4	27.3	2.67	37	Neg.	29.2	0.8	Neg.	0.9	0.4	0.1	0.1	0.0	0.1	0.0
Azovstal	AZST UK	Kiev, UX	0.78 UAH	-0.5	+5.7	+16.1	+25.9	0.07	275.4	268.4	4.1	11.3	28.2	18.1	0.24	416	Neg.	N/A	Neg.	Neg.	N/A	7.6	0.1	N/A	0.1	0.2	0.0
Ferrexpo PLC	FXPO LN	London	138.60 GBP	+4.3	+3.3	-25.4	+2.6	2.38	1,400.7	2,061.9	22.4	313.8	2,769.1	1,766.8	0.67	150	5.3	6.0	7.0	4.1	4.6	5.0	1.3	1.3	1.4	0.9	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.69 UAH	-4.0	+7.6	+30.4	+17.5	0.06	15.9	17.1	9.0	1.4	0.2	7.0	0.94	107	Neg.	1.4	0.7	0.1	0.6	0.5	0.1	0.0	0.0	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	42.08 UAH	-2.0	+1.3	+31.5	+19.9	3.54	37.4	33.0	9.4	3.5	201.8	27.4	1.60	62	6.4	N/A	Neg.	Neg.	N/A	1.0	0.0	N/A	0.0	1.0	0.0
<b>FOOD AND AGRIBUSINESS</b>																											
AgroGeneration	ALAGR FP	EN Paris	1.01 EUR	-1.0	-9.8	-18.5	-34.8	1.37	126.9	153.8	34.0	43.1	24.8	34.9	0.04	2,556	Neg.	N/A	N/A	Neg.	N/A	N/A	2.1	N/A	N/A	1.1	35.9
Agroliga	AGL PW	Warsaw	19.74 PLN	-0.6	+4.4	-23.9	-23.3	6.48	10.0	10.9	16.7	1.7	0.0	4.1	0.22	461	2.3	N/A	N/A	3.1	N/A	N/A	0.5	N/A	N/A	0.8	5.7
Agroton	AGT PW	Warsaw	2.91 PLN	+2.1	+15.9	+49.2	+13.7	0.96	20.7	66.0	26.2	5.4	60.5	173.8	3.65	27	Neg.	3.0	2.6	24.7	6.9	4.1	0.8	0.8	0.8	0.2	28.4
Astarta Holdin...	AST PW	Warsaw	42.42 PLN	-2.5	-10.0	-36.6	-31.0	13.93	348.2	665.8	31.0	108.0	0.8	178.2	0.24	422	10.0	7.6	4.9	8.8	5.0	5.4	1.3	1.3	1.2	1.0	38.2
Avangard	AVGR LI	London Intl	10.27 USD	+5.3	+11.6	-12.6	+16.0	10.27	656.0	886.9	21.7	142.3	2,580.7	224.1	0.25	397	2.8	2.9	2.8	2.9	2.9	3.0	1.3	1.2	1.1	0.0	17.8
IMC	IMC PW	Warsaw	9.82 PLN	-2.9	+0.3	-19.2	-30.4	3.22	100.9	226.2	23.9	24.1	1.0	80.9	0.46	218	3.9	9.2	2.2	4.2	3.9	3.2	2.0	1.2	0.9	0.7	38.7
Kernel Holding...	KER PW	Warsaw	32.90 PLN	+2.7	+7.2	-13.6	-31.7	10.80	860.7	1,884.0	58.8	505.9	2,257.9	3,504.8	0.44	226	7.7	16.6	5.6	6.5	7.3	5.5	0.7	0.8	0.7	0.7	30.6
MHP	MHPC LI	London Intl	14.91 USD	-0.6	-1.8	-12.6	-13.3	14.91	1,575.5	2,736.3	22.3	351.7	87.0	1,590.4	0.29	343	10.1	5.8	5.2	7.0	5.6	5.2	1.8	1.8	1.6	2.7	19.6
Milkiland	MLK PW	Warsaw	6.95 PLN	-0.7	+13.0	-44.4	-39.2	2.28	71.3	201.6	20.0	14.3	0.6	10.5	0.04	2,833	4.8	N/A	3.6	6.1	3.9	3.5	0.4	0.5	0.4	0.3	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	4.62 EUR	+0.0	+2.3	-14.5	-0.1	6.28	666.9	1,455.1	20.0	133.4	0.0	15.3	0.02	6,331	7.5	7.7	3.0	8.8	5.4	4.9	2.9	3.4	3.4	0.0	45.3
Ovostar Union	OVO PW	Warsaw	70.00 PLN	-3.4	+5.7	-30.0	-7.9	22.98	137.9	146.7	25.0	34.5	97.1	17.9	0.10	1,020	4.5	6.9	6.8	4.0	5.6	5.0	1.6	1.7	1.4	1.0	8.5
<b>CONSTRUCTION</b>																											
TMM	TR61 GF	Xetra	0.23 EUR	+0.0	+31.6	-29.0	-46.9	0.31	15.8	175.2	13.1	2.1	0.0	0.2	0.00	24,136	Neg.	N/A	N/A	Neg.	N/A	N/A	3.9	N/A	N/A	0.1	44.1
<b>FINANCIAL SERVICES</b>																											
Forum Bank	FORM UK	Kiev, UX	0.24 UAH	-36.4	N/A	N/A	N/A	0.02	12.0	N/A	5.5	0.7	0.8	N/A	N/A	N/A	Neg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.1	18.6
Raiffeisen Ban...	BAVL UK	Kiev, UX	0.15 UAH	-1.3	-5.7	+33.6	+52.4	0.01	382.7	N/A	3.8	14.6	457.7	138.3	2.11	47	4.5	Neg.	12.8	N/A	N/A	N/A	N/A	N/A	N/A	0.6	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.17 UAH	-1.0	+2.8	-10.3	+31.8	0.01	257.0	N/A	4.5	11.5	30.0	12.0	0.24	424	Neg.	14.2	N/A	N/A	N/A	N/A	N/A	N/A	0.3	30.9	

**Table 1. Ukrainian stocks (closing prices as of 3-Jul-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

## Banking sector liquidity up slightly

Broader banking sector liquidity rose a slight UAH0.20bn to UAH43.07bn yesterday as banks' correspondent accounts with the NBU recovered UAH1.28bn to UAH29.78bn and the NBU increased total CDs outstanding UAH0.43bn to UAH9.25bn. Total local currency debt repayments scheduled for the next 30 days dropped UAH1.50bn to UAH4.03bn.

KyivPrime interest rates remained steady with the KyivPrime ON rate at 5.55% and KyivPrime 1M rate at 17.40%.

**Investment implications: Although the MoF refinanced only UAH1.10bn of the UAH1.50bn in debt repayments, liquidity rose higher than the MoF's injection. The NBU did not increase its ON loans on Wednesday, but could have made other injections not yet included in statistics.**

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## Eurobonds decline slightly

The US monthly jobs report published yesterday showed a significant increase in new jobs and decline in the US unemployment rate to 6.1%. This news caused US treasuries prices to decline significantly as investors anticipate that the Fed could increase interest rates sooner than expected following this new wave of the economic rebound.

Ukrainian Eurobond spreads remained mostly stable with insignificant movements by 1-14bp, following the movements of US Treasuries. At the close, the yield curve adjusted to the range of 8.34-8.76%, as UKRAIN 6.875% '15 slid 8bp to 8.41%, UKRAIN 9.25% '17 was up 8bp to 8.76%, while UKRAIN 7.95% '21, UKRAIN 7.80% '22 and UKRAIN 7.50% '23 rose 1bp to 8.75%, 8.62% and 8.47%, respectively. The 5-year CDS rose to 777bp.

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## Third auction this week

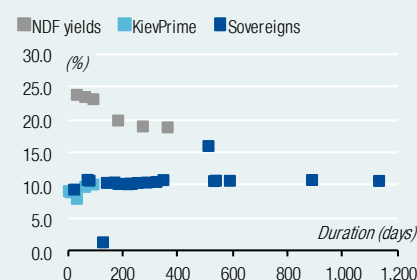
As the two auctions held on Tuesday and Wednesday provided insufficient funds for the week's scheduled repayments, the MoF, held another unscheduled auction yesterday. Of the four offered bonds with maturities ranging from 19 days to five years, only the 5-year bond received no bids, as the MoF raised UAH139.02m of proceeds.

**Investment implications: The 19-day bond sold at 8.0%, the 3-month bond sold at the usual rate of 12.0% while the 2-year bond's cut-off interest rates as at previous auction's 16.95%, its weighted interest rate was set at 16.76% as the lowest yield bid was 16.50%.**

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## Yield curve of the local bond market

(as of market close on 3 Jul 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

## Bond market indicators (as of 3 Jul 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
0/n	5.55	+0bp	+42bp	+55bp	-225bp
1wk	8.60	-5bp	+54bp	+60bp	-120bp
1m	17.40	+0bp	+9bp	+52bp	+115bp
2m	18.00	+0bp	+0bp	+0bp	+160bp
3m	18.00	+0bp	+0bp	+0bp	+200bp
<b>LIQUIDITY WIDE MEASUREMENT (UAHm)</b>					
CB acc's <sup>1</sup>	29,784	+4.47	+11.84	-0.82	-8.92
CDs <sup>2</sup>	9,246	+4.82	-23.23	+11.88	+1,211.5
Sovgns <sup>3</sup>	4,108	+0.00	+13.55	-29.31	+174.8
<b>Total</b>	<b>43,139</b>	<b>+4.10</b>	<b>+2.00</b>	<b>-2.19</b>	<b>+23.60</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	187,812	+0.46	+1.16	+0.29	+29.66
Banks	83,769	-0.67	-1.20	-3.15	+4.49
Resid's <sup>4</sup>	10,579	-0.09	-10.49	-5.14	-14.66
Non-res <sup>5</sup>	16,392	+0.40	-0.14	+0.83	+40.12
<b>Total</b>	<b>298,551</b>	<b>+0.12</b>	<b>-0.04</b>	<b>-0.87</b>	<b>+19.84</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	12.57	+104bp	-29bp	-357bp	+43bp
6m	16.69	+55bp	-10bp	+50bp	+328bp
9m	16.69	+38bp	-4bp	+5bp	+268bp
1yr	16.86	+30bp	-2bp	+34bp	+187bp
<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	777	+1bp	+2bp	-110bp	-40bp
Jun '16	8.17	+6bp	+23bp	-86bp	-72bp
Jul '17	8.68	+2bp	+12bp	-79bp	-88bp
Sep '20	8.65	-9bp	+14bp	-27bp	-55bp
Sep '21	8.76	+3bp	+11bp	-22bp	-46bp
Sep '22	8.61	-4bp	-2bp	-69bp	-74bp
Feb '23	8.45	+3bp	+14bp	-41bp	-59bp

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

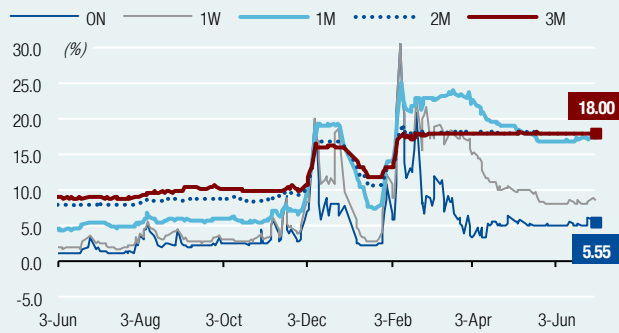


Chart 2. UAH NDF implied yields (%), last 12-month period



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

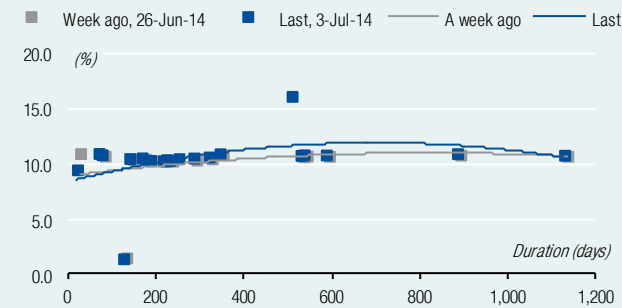


Chart 4. USD sovereign yield curve (%) as of 3 Jul 2014

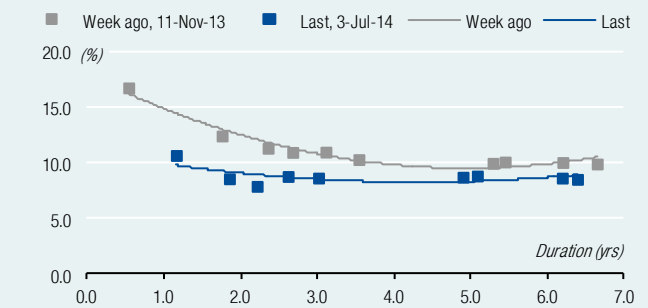


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

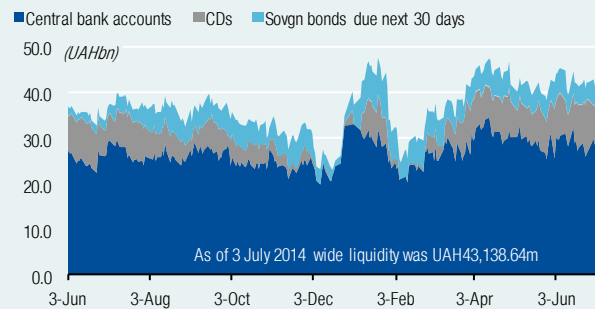


Chart 6. Breakdown of liquidity pool (%) as of 3 Jul 2014

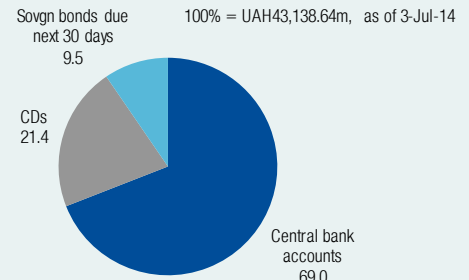


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

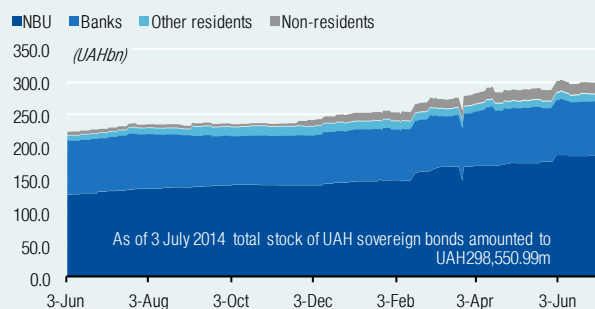
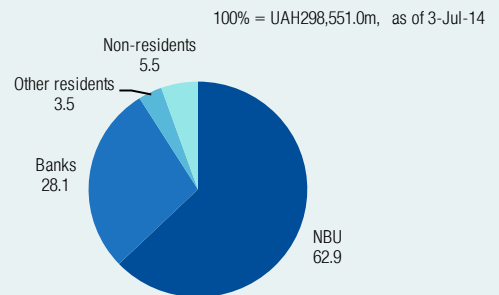


Chart 8. Domestic sovereign debt (%) as of 3 Jul 2014



# FX: News & Comments

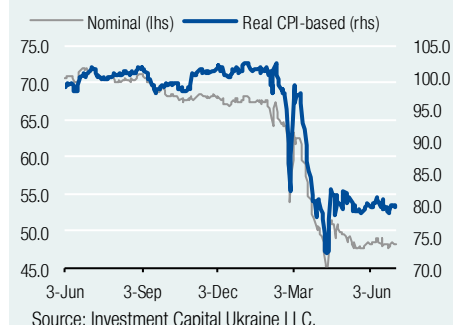
## UAH's real rate up on improved US macro outlook

As the hryvnia continues to trade at 12/USD on a lower trading volumes of US\$325.52m, the positive US monthly jobs gain of 288,000 surprised market participants yesterday. The US dollar index was up 0.32% while the UAH's trade-weighted index rose 0.28%.

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### ICU's UAH trade-weighted indices

(Last 12-month history to 4 Jul 2014)



### FX market indicators (as of 3 Jul 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	11.8350	-0.25	-0.42	-0.96	+43.63
NBU avg	11.8411	+0.07	-0.45	+0.07	+45.28
Ttl vlm <sup>1</sup>	429.03	+6.78	-12.75	+36.39	-84.69
\$ volume <sup>2</sup>	325.52	+11.61	-8.39	+39.43	-85.28
NDF 3M	12.2000	+0.00	-0.49	-1.81	+43.78
NDF 6M	12.8050	+0.00	-0.47	-0.74	+45.84
NDF 1Y	13.7550	+0.00	-0.43	-0.69	+46.02
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	48.256	+0.28	+0.95	+0.33	-28.55
UAH real CPI	79.798	+0.28	+0.95	+0.33	-21.05
UAH real PPI	114.148	+0.28	+0.95	+0.33	-17.75
USD nom'l	80.212	+0.32	-0.01	-0.42	+0.22
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	34.2682	-0.22	+1.64	-2.25	+4.25
EUR/USD	1.3610	-0.37	-0.01	-0.13	-0.97
USD/CNY	6.2127	+0.04	-0.20	-0.67	+2.62
USD/PLN	3.0435	+0.28	-0.21	-0.18	+0.68
USD/TRY	2.1282	-0.13	+0.12	+0.52	-0.93
USD/BYR	10,220.00	+0.00	+0.10	+0.99	+7.13
USD/KZT	183.5500	-0.02	+0.02	+0.02	+18.98
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	102.1900	+0.41	+0.45	-0.31	-2.96
GBP/USD	1.7155	-0.06	+0.75	+2.42	+3.61
USD/CHF	0.8933	+0.51	-0.03	-0.33	+0.04
AUD/USD	0.9347	-1.02	-0.71	+0.87	+4.82
USD/CAD	1.0634	-0.28	-0.51	-2.51	+0.10
USD/BRL	2.2106	-0.58	+0.63	-3.07	-6.41
USD/KRW	1,008.55	-0.06	-0.76	-1.42	-3.93
<b>COMMODITIES</b>					
Gold(\$/oz)	1,319.53	-0.55	+0.22	+5.99	+9.45
WTI crude <sup>3</sup>	104.06	-0.40	-1.68	+1.36	+5.73
Brent crd <sup>3</sup>	109.93	-0.29	-2.63	+0.67	-0.80
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	306.74	-0.13	-1.69	+0.56	+9.48

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>).

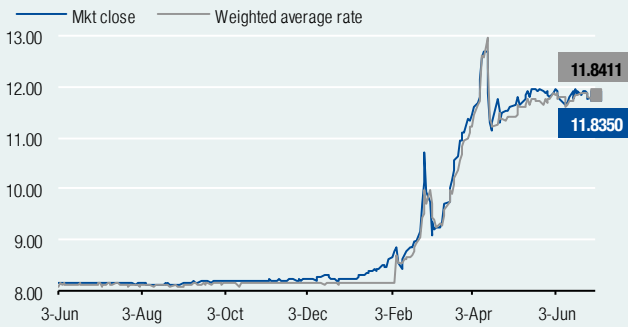
Section on FX market is continued on next page.

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.

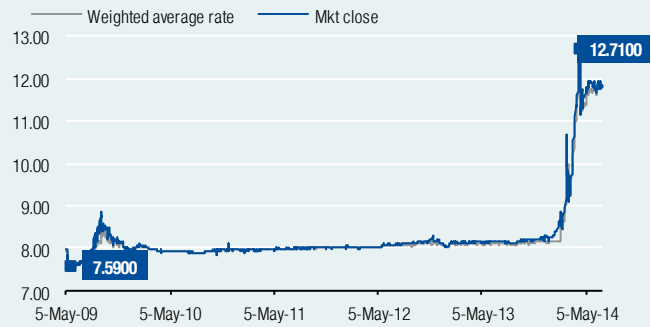
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

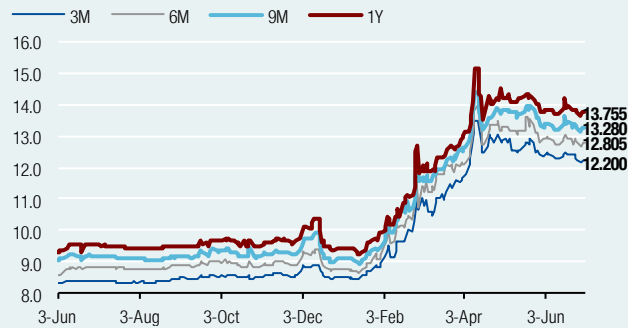


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

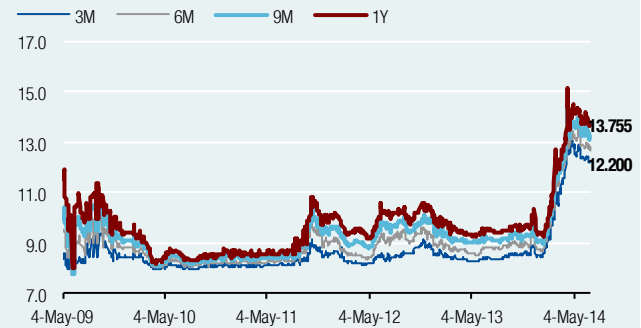


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

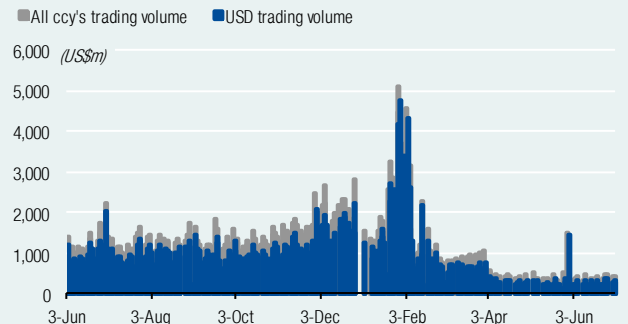


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.



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)



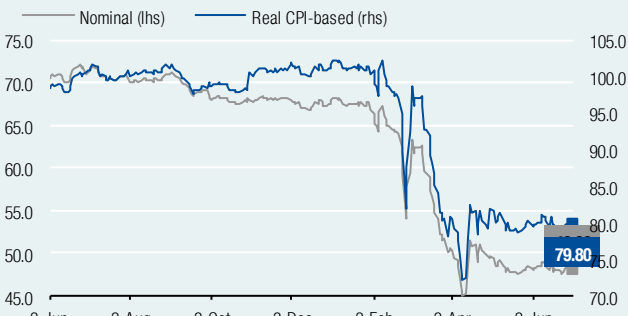
Note: \* 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

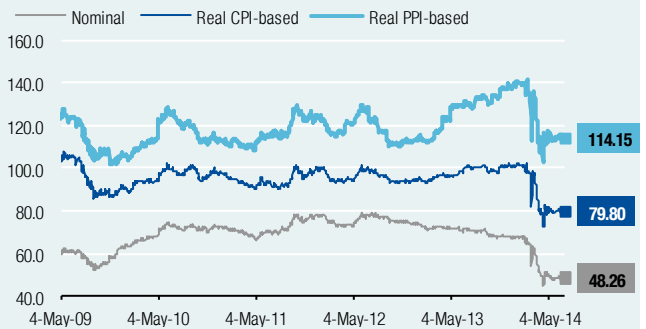
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

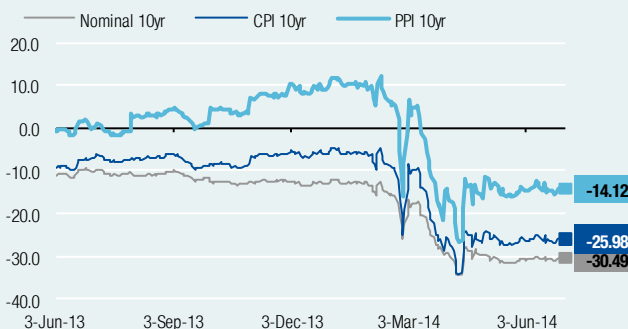


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.

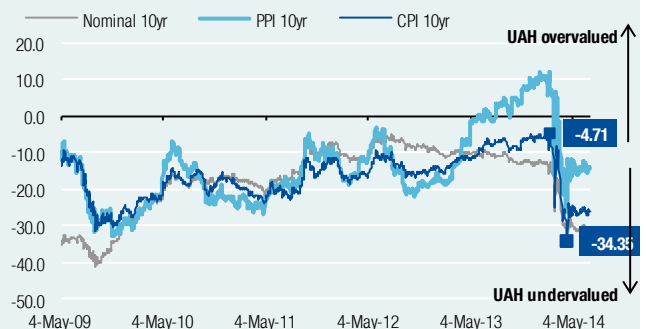


Note: the boxes indicate the high and low values of CPI-based TWI.  
Source: Investment Capital Ukraine LLC.

**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

**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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