


**INVESTMENT CAPITAL UKRAINE**  
 INVESTMENT BANKING

# Daily Insight

Liquidity up; Eurobonds volatile; Ukrainian army advances in Donbass; Hryvnia strengthens

MONDAY, 7 JULY, 2014

RESEARCH INSIGHT

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**UX Index (3 months to 7 Jul 2014)**

**Key market indicators (as of 4 Jul 2014)**

	Last	Daily chg (%)	YTD chg (%)
<b>FX &amp; MONEY RATES</b>			
USD/UAH	11.7500	-0.72	+42.60
USD/UAH (1Y NDF)	13.7550	+0.00	+46.02
EUR/USD	1.3595	-0.11	-1.08
USD/RUB	34.4691	+0.59	+4.87
KievPRIME O/N (%)	5.50	-5bp	-230bp
KievPRIME 1M (%)	17.30	-10bp	+105bp
<b>BONDS: yields and spreads</b>			
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	776bp	-1bp	-41bp
<b>EQUITIES</b>			
<b>Stock market indices</b>			
UX (Ukraine)	1,193.58	-1.52	+31.16
MSCI World	433.65	-0.03	+6.14
MSCI EM	1,062.40	+0.02	+5.95
RTS (Russia)	1,360.48	-2.17	-5.70
WIG-20 (Poland)	2,363.00	-0.53	-1.58
S&P 500 (USA)	1,985.44	+0.55	+7.42
<b>MOST ACTIVE: Top 3 stocks by value traded (US\$m)</b>			
FXPO LN	1.79	32.4% of total <sup>1</sup>	
MHPC LI	0.97	17.4%	
KER PW	0.96	17.4%	
<b>GAINERS: Top 3 stocks (in listed currency)</b>			
JKX LN	GBP 58.25	+3.10	-18.53
OVO PW	PLN 71.95	+2.79	-28.05
IMC PW	PLN 10.04	+2.24	-17.37
<b>LOSERS: Top 3 stocks (in listed currency)</b>			

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

## Ukrainian army advances in Donbass

Over the weekend, Ukraine's army advanced in some key urban centers of Donbass, freeing small cities like Sloviansk from pro-Kremlin militants who fled to the larger cities of Donbass, namely Donetsk and Luhansk. As their tactics seem to make these cities with large populations their final strongholds, they request the Kremlin to not abandon them and send (as they call it) a peacekeeping mission. For Ukraine, this would be seen as an official occupation by the Russian army on top of the annexation of Crimea. For this reason, the Ukrainian populace has demanded President Poroshenko to continue an effective counteraction on the militants who, in fleeing the smaller cities, left abandoned Russian weaponry behind. This week, Kremlin diplomacy is expected to ask Paris and Berlin to press Kiev for an official ceasefire. Kiev will talk to these interested sides but will not repeat its previous setback when its ceasefire initiative was greeted with more armed supplies from Russia which resulted in additional Ukrainian soldier casualties at the hands of pro-Kremlin militants. Ukrainian Eurobonds are not expected to rally as the risk of war from the Kremlin escalates.

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Table 1. Ukrainian stocks (closing prices as of 4-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	38.1	-24.9	40.2	15.3	11.9	8.3	0.04	2,439	Neg.	Neg.	Neg.	3.8	7.8	15.6	Neg.	Neg.	Neg.	0.2	0.0	
Centrenerg	CEEN UK	Kiev, UX	7.22 UAH	-0.6	+0.6	+51.4	+50.1	0.61	226.0	279.8	21.7	49.1	802.2	308.9	1.16	86	5.5	4.8	3.4	0.5	3.7	2.2	0.4	0.3	0.3	1.1	12.2	
Coal Energy	CLE PW	Warsaw	1.15 PLN	-2.5	-10.2	+9.5	-55.8	0.38	16.9	111.2	25.0	4.2	11.7	42.9	0.66	152	Neg.	Neg.	4.2	4.9	13.9	3.8	0.9	1.1	1.0	0.2	39.8	
Donbasenergo	DOEN UK	Kiev, UX	37.31 UAH	-4.7	-13.2	+35.2	+71.1	3.16	74.8	115.0	14.2	10.6	139.5	59.2	0.92	108	1.7	1.6	2.1	0.4	1.6	1.2	0.2	0.2	0.2	1.3	17.8	
JKX Oil & Gas	JKX LN	London	58.25 GBP	+3.1	-4.5	-18.5	+9.9	1.00	171.5	178.0	47.2	80.9	50.3	50.8	0.04	2,387	26.4	15.1	6.2	2.7	2.2	2.0	1.0	0.9	0.8	0.3	5.5	
Regal Petroleum	RPT LN	London	8.50 GBP	-5.6	-4.2	-34.6	-52.1	0.15	46.7	19.9	80.9	37.8	2.0	6.2	0.02	4,854	Neg.	23.4	N/A	0.9	0.8	N/A	0.5	0.4	N/A	0.2	0.0	
Zakhidenergo	ZAEN UK	Kiev, PFTS	137.00 UAH	-2.1	-9.8	+51.5	+61.4	11.61	148.5	125.9	5.0	7.4	22.4	3.4	0.08	1,216	3.0	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	0.04 UAH	-0.5	-3.9	-6.2	-14.0	0.00	79.5	1,269.2	3.9	3.1	67.5	24.3	1.79	56	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	3.15 UAH	-2.2	-4.2	+6.2	-2.0	0.27	52.0	48.9	4.0	2.1	48.8	27.5	2.84	35	Neg.	28.5	0.8	Neg.	0.9	0.4	0.1	0.1	0.0	0.1	0.0	
Azovstal	AZST UK	Kiev, UX	0.77 UAH	-0.5	-0.6	+15.5	+24.6	0.07	275.8	268.7	4.1	11.3	10.2	18.2	0.24	410	Neg.	N/A	Neg.	Neg.	N/A	7.6	0.1	N/A	0.1	0.2	0.0	
Ferrexpo PLC	FXPO LN	London	140.50 GBP	+1.4	+2.6	-24.4	+6.0	2.41	1,417.8	2,078.9	22.4	317.6	1,792.0	1,783.7	0.66	152	5.4	6.1	7.1	4.1	4.6	5.0	1.3	1.4	1.4	0.9	35.1	
Yasynivsky Cok...	YASK UK	Kiev, UX	0.68 UAH	-1.3	+1.2	+28.7	+14.0	0.06	15.8	17.0	9.0	1.4	12.2	7.1	0.95	105	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	41.44 UAH	-1.5	-4.7	+29.5	+17.8	3.51	37.1	32.6	9.4	3.5	96.1	28.7	1.75	57	6.3	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	+0.0	-8.2	-18.5	-34.8	1.37	126.7	153.6	34.0	43.1	9.2	33.1	0.04	2,641	Neg.	N/A	N/A	Neg.	N/A	N/A	2.1	N/A	N/A	1.1	35.9	
Agroliga	AGL PW	Warsaw	19.70 PLN	-0.2	+4.0	-24.0	-26.9	6.45	9.9	10.8	16.7	1.7	0.0	3.9	0.19	535	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	2.92 PLN	+0.3	+13.6	+49.7	+13.6	0.96	20.7	66.0	26.2	5.4	49.9	169.1	3.64	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	42.51 PLN	+0.2	-9.6	-36.5	-31.4	13.91	347.7	664.7	31.0	107.9	2.2	175.0	0.23	431	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	10.09 USD	-1.8	+10.1	-14.1	+14.0	10.09	644.5	875.4	21.7	139.8	32.8	219.8	0.26	388	2.7	2.8	2.8	2.9	2.9	3.0	1.3	1.2	1.1	0.0	17.8	
IMC	IMC PW	Warsaw	10.04 PLN	+2.2	-1.4	-17.4	-28.8	3.29	102.8	228.1	23.9	24.6	3.5	82.2	0.44	226	3.9	9.3	2.2	4.2	3.9	3.2	2.0	1.2	0.9	0.7	38.7	
Kernel Holding...	KER PW	Warsaw	32.15 PLN	-2.3	+3.0	-15.6	-34.4	10.52	838.3	1,861.5	58.8	492.7	961.8	3,392.9	0.43	232	7.5	16.2	5.5	6.4	7.2	5.5	0.7	0.8	0.7	0.6	30.6	
MHP	MHPC LI	London Intl	15.10 USD	+1.3	+0.0	-11.4	-13.7	15.10	1,595.6	2,756.4	22.3	356.1	966.2	1,619.5	0.29	347	10.2	5.9	5.3	7.1	5.7	5.2	1.8	1.8	1.6	2.7	19.6	
Milkiland	MLK PW	Warsaw	7.00 PLN	+0.7	+7.0	-44.0	-38.6	2.29	71.6	201.6	20.0	14.3	0.7	10.3	0.03	2,907	4.9	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	+2.8	-14.5	+2.4	6.27	665.7	1,453.9	20.0	133.1	0.0	15.2	0.02	6,490	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	71.95 PLN	+2.8	-1.4	-28.1	-5.6	23.54	141.3	150.1	25.0	35.3	14.5	18.5	0.09	1,056	4.6	7.0	6.9	4.1	5.7	5.1	1.7	1.8	1.4	1.0	8.5	
<b>CONSTRUCTION</b>																												
TMM	TR61 GF	Xetra	0.23 EUR	+0.0	+31.6	-29.0	-45.1	0.31	15.8	175.1	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	-0.8	N/A	N/A	N/A	0.02	12.0	N/A	5.5	0.7	0.1	N/A	N/A	N/A	Neg.	N/A	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	-2.7	-9.7	+30.0	+49.6	0.01	374.7	N/A	3.8	14.3	394.1	141.3	2.31	43	4.4	Neg.	12.4	N/A	N/A	N/A	N/A	N/A	N/A	0.6	28.3	
Ukrsotsbank	USCB UK	Kiev, UX	0.16 UAH	-2.4	-5.0	-12.5	+28.1	0.01	252.3	N/A	4.5	11.3	35.6	12.3	0.25	392	Neg.	13.8	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 4-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

## Liquidity up significantly

Broader banking sector liquidity rose UAH2.43bn to UAH45.50bn last Friday as banks' correspondent accounts with the NBU recovered UAH1.36bn to UAH31.14bn and the NBU increased total CDs outstanding UAH1.07bn to UAH10.32bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH4.03bn.

KyivPrime interest rates declined slightly: the KyivPrime ON interest rate slid 5bp to 5.50% and the KyivPrime 1M interest rate declined 10bp to 17.30%.

**Investment implications: The NBU did not increase its inflows last Thursday, keeping the volume of ON loans at the same level as last Wednesday at UAH0.33bn. Also, we have not seen any purchasing of bonds last Thursday which could improve liquidity and support the increase. Liquidity should remain high and stable as the result of last Friday's deals. It could remain at this level during this week due to the low volume of expected outflows.**

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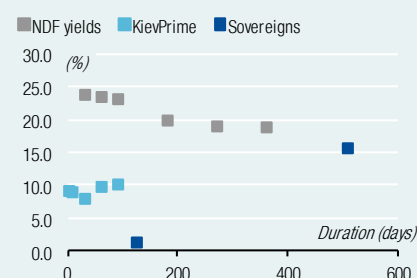
## Eurobonds slightly volatile

After significant volatility last Thursday on the US jobs report, yields did not move significantly last Friday due to the US holiday. At the close, the yield curve adjusted to the range of 8.35-8.76% as UKRAIN 6.875% '15 rose 1bp to 8.42%, UKRAIN 6.25% '16 rose 2bp to 8.35%, while UKRAIN 9.25% '17 UKRAIN 7.95% '21 UKRAIN 7.80% '22 and UKRAIN 7.50% '23 remained steady at 8.76%, 8.75%, 8.62% and 8.47%. respectively. The 5-year CDS slid to 776bp.

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### Yield curve of the local bond market

(as of market close on 4 Jul 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

### Bond market indicators (as of 4 Jul 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
<b>MONEY MARKET KIEV PRIME RATES (%)</b>					
0/n	5.50	-5bp	-63bp	+50bp	-230bp
1wk	8.44	-16bp	+13bp	+44bp	-136bp
1m	17.30	-10bp	+5bp	+42bp	+105bp
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>	31,144	+4.57	+14.45	+4.51	-4.76
CDs <sup>2</sup>	10,318	+11.59	-9.36	+12.43	+1,363.5
Sovgns <sup>3</sup>	4,108	+0.00	+13.55	-22.72	+174.8
<b>Total</b>	<b>45,571</b>	<b>+5.64</b>	<b>+7.95</b>	<b>+2.88</b>	<b>+30.57</b>
<b>HOLDERS OF UAH SOVEREIGN BONDS (UAHm)</b>					
C.bank	187,812	+0.00	+0.88	+0.29	+29.66
Banks	83,780	+0.01	-1.21	-2.92	+4.50
Resid's <sup>4</sup>	10,595	+0.16	-6.62	-4.99	-14.53
Non-res <sup>5</sup>	16,401	+0.06	-0.18	+1.20	+40.19
<b>Total</b>	<b>298,588</b>	<b>+0.01</b>	<b>-0.05</b>	<b>-0.77</b>	<b>+19.86</b>
<b>NDF IMPLIED YIELDS (%)</b>					
3m	N/A	N/A	N/A	N/A	N/A
6m	N/A	N/A	N/A	N/A	N/A
9m	N/A	N/A	N/A	N/A	N/A
1yr	N/A	N/A	N/A	N/A	N/A
<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	776	-1bp	+5bp	-111bp	-41bp
Jun '16	8.17	+6bp	+23bp	-90bp	-72bp
Jul '17	8.68	+2bp	+12bp	-88bp	-88bp
Sep '20	8.65	-9bp	+14bp	-28bp	-55bp
Sep '21	8.76	+3bp	+11bp	-22bp	-46bp
Sep '22	8.61	-4bp	-2bp	-49bp	-74bp
Feb '23	8.45	+3bp	+14bp	-27bp	-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

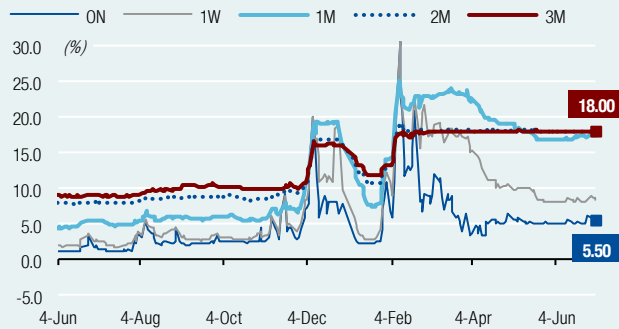


Chart 2. UAH NDF implied yields (%), last 12-month period

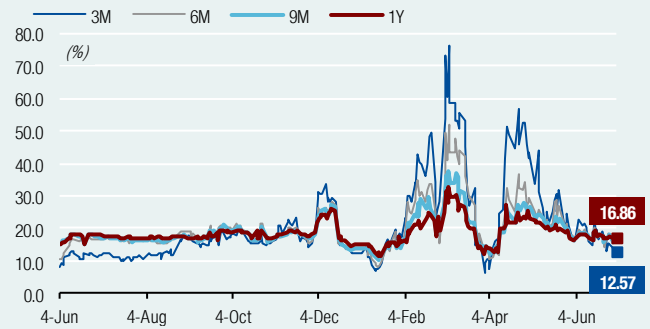


Chart 3. UAH sovereign yield curve (%) as of 4 Jul 2014

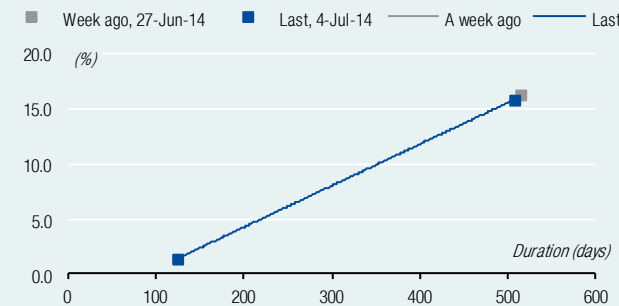


Chart 4. USD sovereign yield curve (%) as of 4 Jul 2014

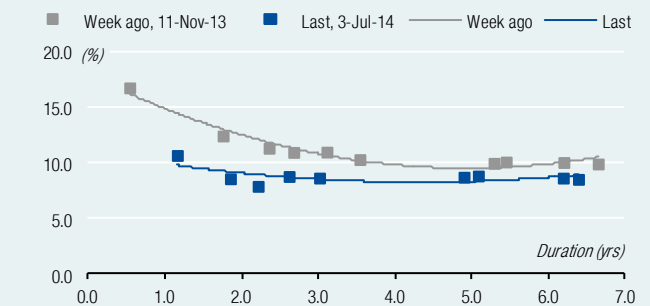


Chart 5. Banking sector liquidity (UAHbn), last 12-month period

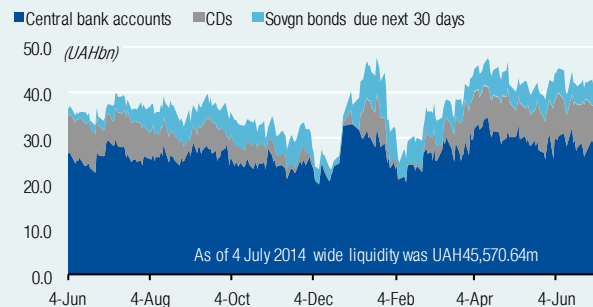


Chart 6. Breakdown of liquidity pool (%) as of 4 Jul 2014

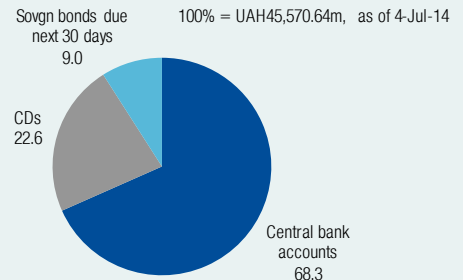


Chart 7. Holders of sovereign bonds (UAHbn), last 12 months

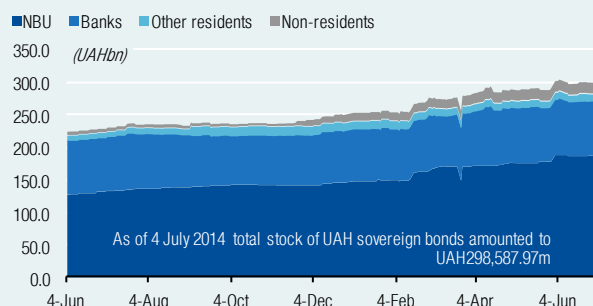
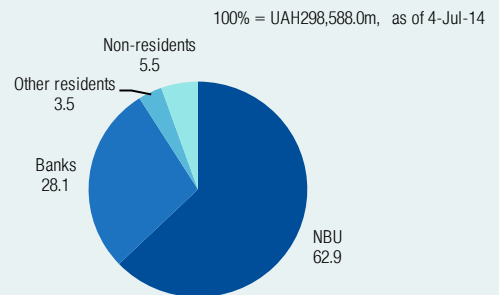


Chart 8. Domestic sovereign debt (%) as of 4 Jul 2014



# FX: News & Comments

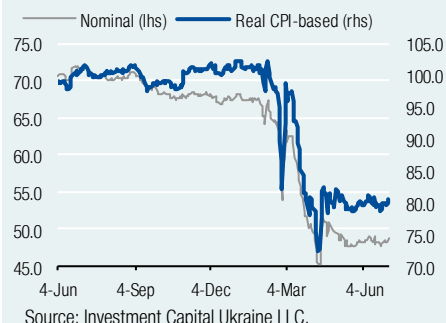
## Hryvnia strengthens

The hryvnia last Friday increased by a marginal gain of 0.72% on US\$141.23m in trading. As the NBU mulled higher inflation at the end of the year up to 20% from 16% a few months ago. In its discussion of the CPI, the NBU did make an implicit call, in our opinion, that that it would raise official rates. Without an inflation fighting stance, the UAH could face market pressure to weaken in the future as moves from last Friday seem to indicate.

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### ICU's UAH trade-weighted indices

(Last 12-month history to 7 Jul 2014)



### FX market indicators (as of 4 Jul 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
<b>USD/UAH MARKET (HRYVNIA per US DOLLAR)</b>					
Spot mkt	11.7500	-0.72	+0.00	-1.47	+42.60
NBU avg	11.8271	-0.12	+0.03	-0.36	+45.10
Ttl vlm <sup>1</sup>	238.18	-44.48	-51.09	-24.47	-91.50
\$ volume <sup>2</sup>	141.23	-56.61	-59.55	-33.29	-93.61
NDF 3M	12.0750	-1.02	-1.02	-3.21	+42.31
NDF 6M	12.5000	-2.38	-2.38	-3.47	+42.37
NDF 1Y	13.7550	+0.00	+0.00	-0.69	+46.02
<b>TRADE-WEIGHTED INDICES (TWIs, points)</b>					
UAH nom'l	48.728	+0.98	+0.87	+1.11	-27.85
UAH real CPI	80.578	+0.98	+0.87	+1.11	-20.28
UAH real PPI	115.264	+0.98	+0.87	+1.11	-16.95
USD nom'l	80.269	+0.07	+0.29	-0.49	+0.29
<b>FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs</b>					
USD/RUB	34.4691	+0.59	+2.21	-1.59	+4.87
EUR/USD	1.3595	-0.11	-0.40	-0.03	-1.08
USD/CNY	6.2050	-0.12	-0.21	-0.73	+2.49
USD/PLN	3.0519	+0.28	+0.30	+0.50	+0.96
USD/TRY	2.1333	+0.24	+0.49	+0.85	-0.69
USD/BYR	10,220.00	+0.00	+0.15	+1.09	+7.13
USD/KZT	183.5300	-0.01	-0.02	-0.03	+18.97
<b>OTHER MAJOR CURRENCIES</b>					
USD/JPY	102.0600	-0.13	+0.63	-0.67	-3.09
GBP/USD	1.7160	+0.03	+0.73	+2.53	+3.64
USD/CHF	0.8941	+0.09	+0.37	-0.36	+0.13
AUD/USD	0.9365	+0.19	-0.66	+0.95	+5.02
USD/CAD	1.0653	+0.18	-0.12	-2.62	+0.28
USD/BRL	2.2138	+0.14	+0.91	-2.89	-6.28
USD/KRW	1,008.88	+0.03	-0.47	-1.70	-3.90
<b>COMMODITIES</b>					
Gold(\$/oz)	1,320.55	+0.08	+0.33	+6.16	+9.53
WTI crude <sup>3</sup>	N/A	-100.0	-100.0	-100.0	-100.0
Brent crd <sup>3</sup>	109.65	-0.25	-2.87	+1.42	-1.06
Urals crd <sup>3</sup>	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB <sup>4</sup>	N/A	N/A	N/A	N/A	N/A

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>).

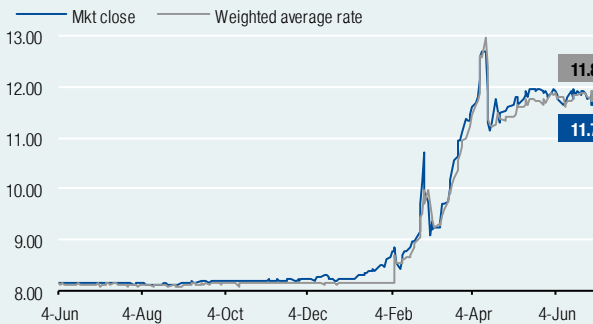
Section on FX market is continued on next page.

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.

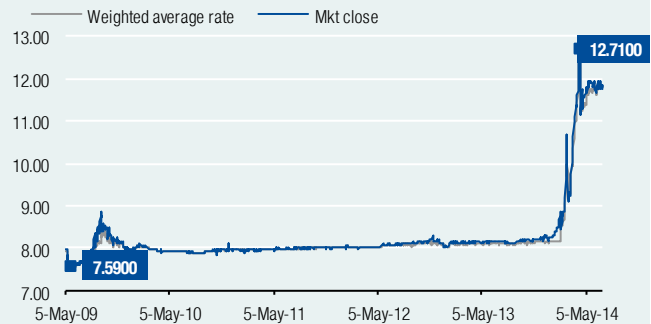
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

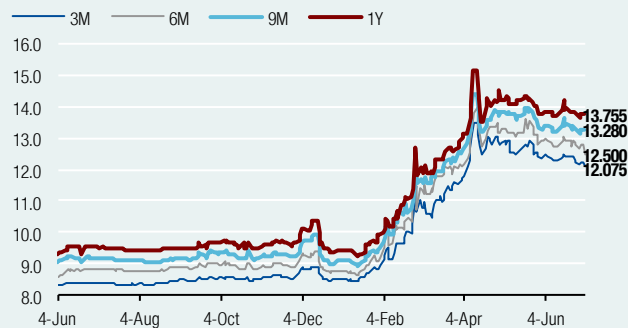


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

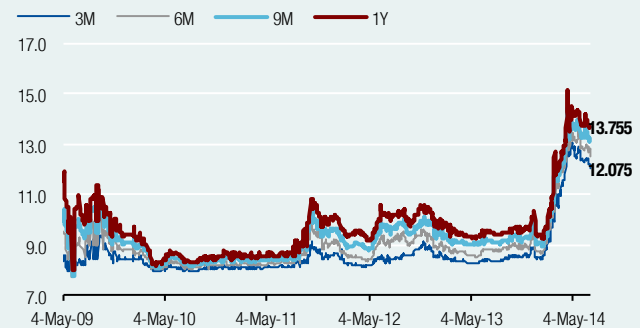


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

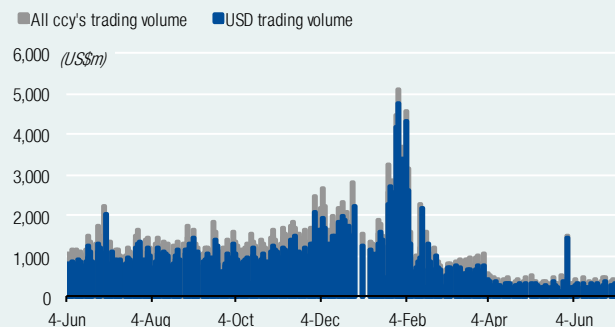


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

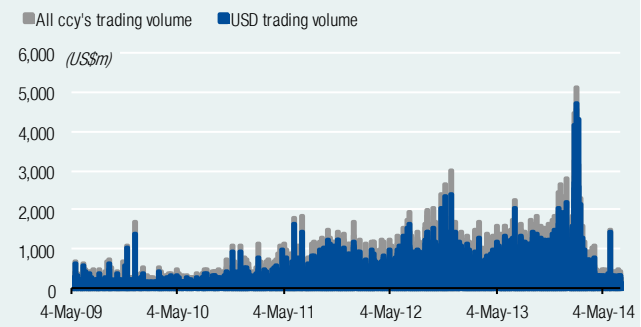


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

Chart 11. Trading volume: last 12-month and 5-year periods (US\$m, left and right respectively)

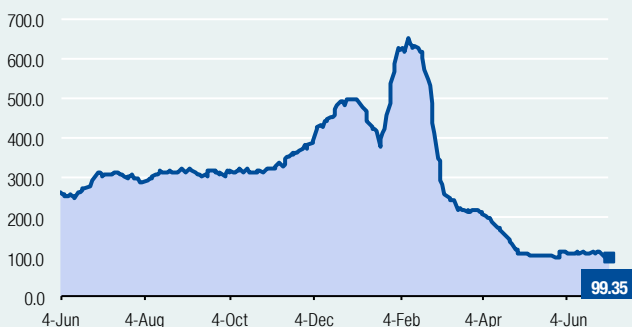


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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.

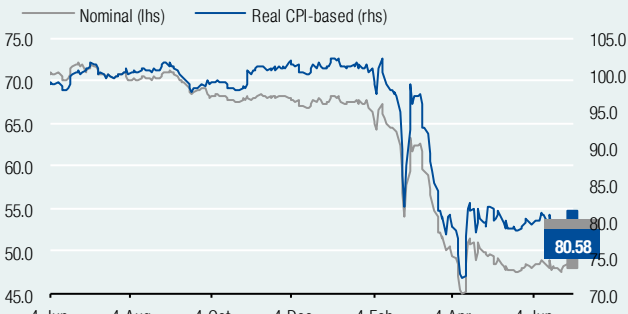




## Chart page #2: ICU's UAH trade-weighted indices

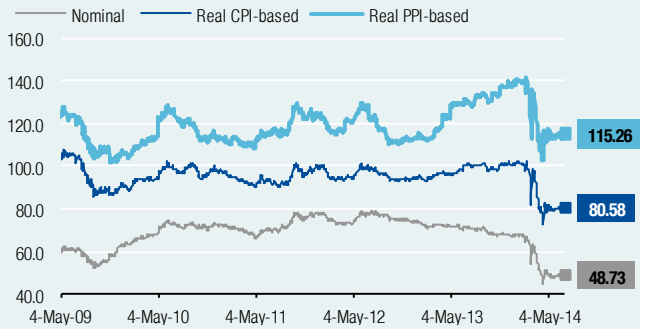
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

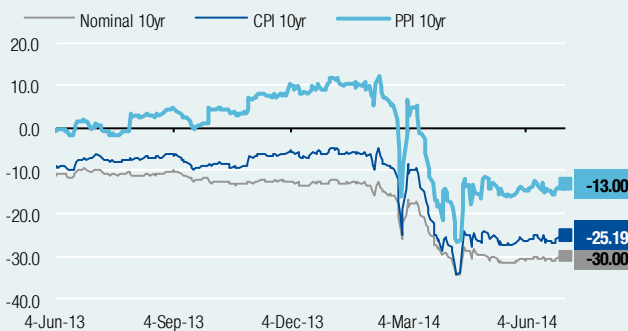


Note: The boxes indicate the last values of the depicted indicators.  
Source: Investment Capital Ukraine LLC.



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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