



INVESTMENT CAPITAL UKRAINE
INVESTMENT BANKING

Daily Insight

Liquidity continues to decline; Auction results; VAT debut tranche; UAH gaining

WEDNESDAY, 9 JULY, 2014

RESEARCH INSIGHT

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UX Index (3 months to 9 Jul 2014)



Source: UX.

Key market indicators (as of 8 Jul 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	11.6700	-0.38	+41.63
USD/UAH (1Y NDF)	13.6050	-1.09	+44.43
EUR/USD	1.3612	+0.05	-0.95
USD/RUB	34.2625	-0.49	+4.24
KievPRIME O/N (%)	5.10	+7bp	-270bp
KievPRIME 1M (%)	17.30	+30bp	+105bp

BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	-8,900bp	-8,900bp
Ukraine 17, Eurobond (%)	8.15	-38bp	-141bp
Ukraine 22, Eurobond (%)	8.34	-25bp	-100bp
Ukraine 23, Eurobond (%)	8.32	-8bp	-72bp
Ukraine 5Y CDS	750bp	-4bp	-67bp

EQUITIES

Stock market indices

UX (Ukraine)	1,210.14	-0.35	+32.98
MSCI World	428.98	-0.66	+5.00
MSCI EM	1,064.73	+0.04	+6.19
RTS (Russia)	1,393.59	+0.60	-3.41
WIG-20 (Poland)	2,360.91	-0.76	-1.67
S&P 500 (USA)	1,963.71	-0.70	+6.24

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

KER PW	3.11	38.9% of total ¹
FXPO LN	1.86	23.3%
MHPC LI	1.15	14.3%

GAINERS: Top 3 stocks (in listed currency)

ALAGR FP	EUR 1.02	+2.00	-17.74
CAD LN	GBp 11.13	+1.14	+7.23
MHPC LI	USD 15.10	+0.67	-11.44

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 8-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 (%)
ENERGY																											
Cadogan Petrol...	CAD LN	London	11.13 GBP	+1.1	+21.9	+7.2	-27.0	0.19	44.1	-19.0	40.2	17.7	29.3	10.6	0.05	1,842	Neg.	Neg.	Neg.	2.9	5.9	11.9	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.38 UAH	+0.4	+2.8	+54.8	+51.8	0.63	234.1	288.6	21.7	50.8	759.1	336.7	1.21	83	5.6	5.0	3.5	0.5	3.8	2.2	0.5	0.4	0.3	1.1	12.2
Coal Energy	CLE PW	Warsaw	1.16 PLN	-4.1	-12.1	+10.5	-54.0	0.38	17.2	111.5	25.0	4.3	19.7	41.1	0.70	144	Neg.	Neg.	4.3	5.0	13.9	3.8	0.9	1.1	1.0	0.2	39.8
Donbasenergo	DOEN UK	Kiev, UX	37.96 UAH	-1.3	-11.7	+37.6	+71.1	3.26	77.1	117.9	14.2	11.0	85.6	62.2	0.89	113	1.7	1.6	2.1	0.5	1.6	1.3	0.2	0.2	0.2	1.4	17.8
JKX Oil & Gas	JKX LN	London	56.75 GBP	-2.6	-7.7	-20.6	+8.1	0.97	167.0	173.5	47.2	78.8	194.6	40.5	0.05	1,829	25.7	14.7	6.0	2.6	2.2	1.9	1.0	0.9	0.8	0.3	5.5
Regal Petroleum	RPT LN	London	7.90 GBP	-12.2	-11.0	-39.2	-55.8	0.14	43.4	16.6	80.9	35.1	14.8	5.7	0.03	3,908	Neg.	21.7	N/A	0.7	0.6	N/A	0.5	0.4	N/A	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	137.00 UAH	+0.0	-9.8	+51.5	+62.1	11.76	150.5	127.6	5.0	7.5	0.1	3.1	0.08	1,243	3.0	N/A	N/A	0.8	N/A	N/A	0.1	N/A	N/A	3.4	0.0
METALLURGY																											
Alchevsky Meta...	ALMK UK	Kiev, UX	0.04 UAH	+0.3	-2.3	-4.7	-12.6	0.00	81.9	1,287.2	3.9	3.2	46.4	26.8	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	3.21 UAH	+0.3	-2.3	+8.4	-0.2	0.28	53.7	50.6	4.0	2.1	23.6	29.3	2.45	41	Neg.	29.1	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	-0.6	-0.4	+15.8	+24.2	0.07	280.1	272.9	4.1	11.5	3.7	18.3	0.24	421	Neg.	N/A	Neg.	Neg.	N/A	7.6	0.1	N/A	0.1	0.2	0.0
Ferrexpo PLC	FXPO LN	London	141.00 GBP	-1.4	+2.2	-24.1	-6.9	2.42	1,422.4	2,083.6	22.4	318.6	1,861.5	1,803.0	0.70	143	5.4	6.6	7.4	4.2	4.7	5.1	1.3	1.4	1.4	0.9	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.67 UAH	-2.5	-0.3	+26.8	+15.1	0.06	15.8	17.0	9.0	1.4	0.6	7.1	0.83	121	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	42.47 UAH	+0.6	-2.3	+32.7	+20.6	3.65	38.5	34.0	9.4	3.6	68.4	31.0	1.73	58	6.5	N/A	Neg.	Neg.	N/A	1.0	0.0	N/A	0.0	1.0	0.0
FOOD AND AGRIBUSINESS																											
AgroGeneration	ALAGR FP	EN Paris	1.02 EUR	+2.0	-11.3	-17.7	-33.8	1.39	128.3	155.3	34.0	43.6	0.1	32.9	0.03	3,360	Neg.	N/A	N/A	Neg.	N/A	N/A	2.1	N/A	N/A	1.1	35.9
Agroliga	AGL PW	Warsaw	17.51 PLN	-1.2	-10.8	-32.5	-32.6	5.78	8.9	9.8	16.7	1.5	0.0	3.4	0.19	533	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	3.05 PLN	-0.3	+15.1	+56.4	+18.2	1.01	21.8	67.1	26.2	5.7	156.1	178.3	3.71	27	Neg.	3.1	2.7	25.1	7.1	4.2	0.8	0.8	0.8	0.2	28.4
Astarta Holdin...	AST PW	Warsaw	43.00 PLN	-1.1	-10.3	-35.7	-32.3	14.19	354.9	672.8	31.0	110.1	24.8	176.9	0.22	450	10.1	7.7	5.0	8.9	5.1	5.4	1.3	1.3	1.3	1.0	38.2
Avangard	AVGR LI	London Intl	9.90 USD	-0.9	+4.7	-15.7	+13.1	9.90	632.3	863.3	21.7	137.2	25.2	209.0	0.23	428	2.7	2.8	2.7	2.9	2.8	2.9	1.3	1.2	1.1	0.0	17.8
IMC	IMC PW	Warsaw	9.98 PLN	-0.2	-3.1	-17.9	-32.3	3.29	103.1	228.4	23.9	24.6	1.9	81.4	0.44	228	4.0	9.4	2.2	4.2	3.9	3.2	2.0	1.2	0.9	0.7	38.7
Kernel Holding...	KER PW	Warsaw	31.80 PLN	-0.5	-2.8	-16.5	-37.0	10.50	836.4	1,743.1	58.8	491.6	3,110.8	3,335.7	0.40	250	7.5	16.2	5.4	6.0	6.7	5.1	0.6	0.7	0.7	0.8	30.6
MHP	MHPC LI	London Intl	15.10 USD	+0.7	+0.5	-11.4	-13.2	15.10	1,595.6	2,756.4	22.3	356.1	1,147.6	1,608.4	0.28	355	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	6.61 PLN	-2.1	+1.2	-47.1	-41.3	2.18	68.2	198.7	20.0	13.6	0.4	10.8	0.06	1,655	4.6	N/A	3.4	6.0	3.8	3.5	0.4	0.4	0.4	0.3	30.8
Mriya Agrohold...	MAYA GF	Frankfurt	4.55 EUR	+0.0	-2.1	-15.7	+1.0	6.20	658.9	1,447.0	20.0	131.8	0.0	15.3	0.01	10,719	7.4	7.6	3.0	8.8	5.3	4.8	2.9	3.4	3.3	0.0	45.3
Ovostar Union	OVO PW	Warsaw	68.50 PLN	-4.9	-6.2	-31.5	-9.9	22.61	135.7	143.2	25.0	33.9	19.7	22.4	0.14	720	4.4	6.7	6.7	3.9	5.5	4.9	1.6	1.7	1.3	1.0	8.5
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.20 EUR	+0.0	+14.0	-38.5	-50.6	0.27	13.8	173.1	13.1	1.8	0.0	0.2	0.02	6,204	Neg.	N/A	N/A	Neg.	N/A	N/A	3.8	N/A	N/A	0.1	44.1
FINANCIAL SERVICES																											
Forum Bank	FORM UK	Kiev, UX	0.17 UAH	-27.6	N/A	N/A	N/A	0.01	8.8	N/A	5.5	0.5	0.7	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	-1.0	-8.5	+31.7	+53.5	0.01	384.8	N/A	3.8	14.7	404.0	156.3	2.41	42	4.4	Neg.	12.6	N/A	N/A	N/A	N/A	N/A	N/A	0.6	28.3
Ukrsotsbank	USCB UK	Kiev, UX	0.16 UAH	+0.0	-5.1	-12.5	+25.8	0.01	255.4	N/A	4.5	11.4	1.0	12.5	0.23	435	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 8-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 continues to decline

Banking sector liquidity continued to decline yesterday as broader banking sector liquidity slid UAH0.75bn to UAH43.50bn. Banks' correspondent accounts with the NBU declined UAH1.63bn to UAH28.06bn, the lowest level this month, while the NBU absorbed just UAH0.41bn of these funds via CDs, increasing total CDs outstanding to UAH10.86bn. Total local currency debt repayments scheduled for the next 30 days rose UAH0.48bn to UAH4.57bn.

KyivPrime interest rates reversed their movements and slightly rose yesterday on the decline in liquidity: the KyivPrime ON interest rate rose 7bp to 5.10% and the KyivPrime 1M interest rate rose 30bp to 17.30%.

Investment implications: Liquidity declined without an increase in FX purchases as no loan repayments to the NBU were scheduled. But the NBU could request earlier loan repayments to tighten liquidity and decrease pressure on the FX market as the hryvnia strengthens this week.

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Eurobond YTM declines

On positive anticipations arising from US statistics, the Eurobond market slightly rebounded yesterday. At the close, the yield curve adjusted to the range of 7.76-8.49%, as UKRAIN 6.875% '15 declined 67bp to 7.76%, UKRAIN 9.25% '17 declined 38bp to 8.14%, UKRAIN 7.95% '21 declined 24bp to 8.49%, while UKRAIN 7.80% '22 declined 25bp to 8.34% and UKRAIN 7.50% '23 slid 8bp to 8.32%. The 5-year CDS declined to 750bp.

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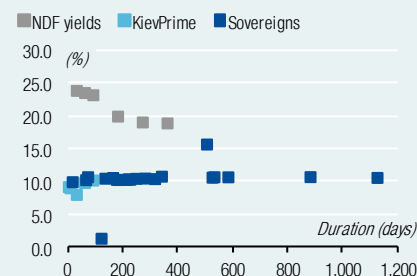
Auction results

Moderate market demand for zero-coupon and 2-year bonds provided the MoF with only UAH127.39m. UAH30.0m of the 3-month and UAH40.0m of the 5-month bond and UAH60.0m of the 2-year bond sold (all at par value). Interest rates were the same as last week's cut-off interest rates, excluding that of the 5-month bond which was sold 5bp lower at 14.95%. As debt repayments scheduled for today amount to UAH1.14bn, an unscheduled auction could be held today or tomorrow with demand supported by domestic QE.

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Yield curve of the local bond market

(as of market close on 8 Jul 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 8 Jul 2014)

	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
0/n	5.10	+7bp	-65bp	+4bp	-270bp
1wk	7.64	-26bp	-117bp	-42bp	-216bp
1m	17.30	+30bp	-33bp	+42bp	+105bp
2m	18.00	+0bp	+0bp	+0bp	+160bp
3m	18.00	+0bp	+0bp	+0bp	+200bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	28,062	-5.49	-5.59	-7.97	-14.19
CDs ²	10,864	+3.88	+43.95	+14.00	+1,441.0
Sovgns ³	4,586	+0.00	-18.18	-13.74	+206.7
Total	43,512	-2.74	+1.48	-4.03	+24.67
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	187,812	+0.00	+0.46	+0.29	+29.66
Banks	83,679	-0.25	-0.96	-4.85	+4.38
Resid's ⁴	10,608	+0.33	+0.34	-5.05	-14.43
Non-res ⁵	16,334	-0.30	-0.22	+1.32	+39.63
Total	298,434	-0.07	+0.02	-1.35	+19.80
NDF IMPLIED YIELDS (%)					
3m	12.23	-458bp	-69bp	-10ppt	+8bp
6m	17.18	-174bp	+31bp	-266bp	+378bp
9m	16.87	-136bp	+5bp	-201bp	+286bp
1yr	17.23	-84bp	+27bp	-102bp	+224bp
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	750	-4bp	-37bp	-25bp	-67bp
Jun '16	7.85	-51bp	-26bp	-121bp	-104bp
Jul '17	8.15	-38bp	-51bp	-124bp	-141bp
Sep '20	8.40	-30bp	-28bp	-43bp	-79bp
Sep '21	8.50	-25bp	-33bp	-39bp	-72bp
Sep '22	8.34	-25bp	-30bp	-74bp	-100bp
Feb '23	8.32	-8bp	-10bp	-39bp	-72bp

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.

VAT debut tranche issued yesterday

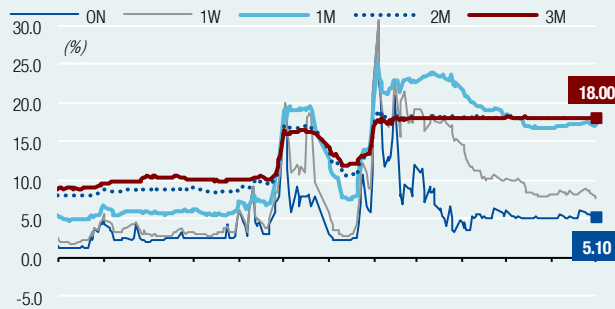
The MoF issued the debut tranche of VAT bonds yesterday raising UAH3.58bn which should be received by five large companies. The 5-year amortized bonds were issued with maturity on 2 July, 2019, with a semi-annual coupon and amortization repayments at a coupon rate of 9.50%.

Investment implications: The debut tranche issued for five large debtors raised funds for nearly half of the UAH7.0bn VAT refund set by the Cabinet of Ministers. The bonds could be received by the companies in a few days and be partially sold in the secondary market. We anticipate the sales discount could be as high as 20-25%, depending on the volume of the portfolio offered and the demand for these bonds.

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Chart page: Local bond market & Eurobond markets

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



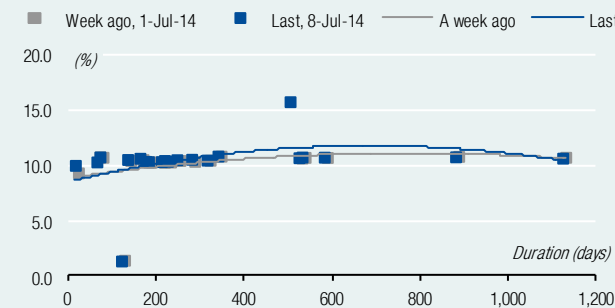
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



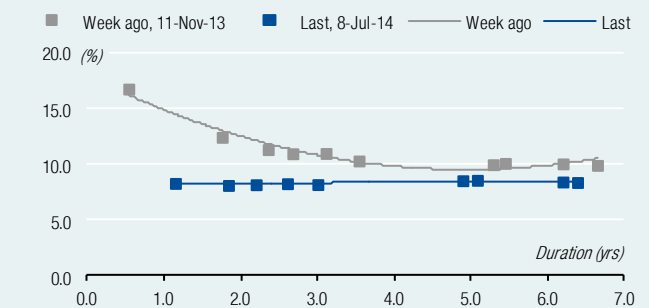
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 8 Jul 2014



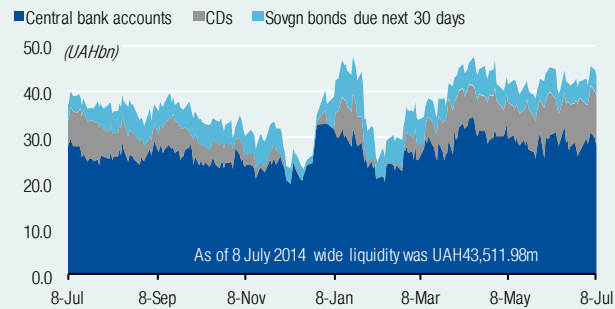
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 8 Jul 2014



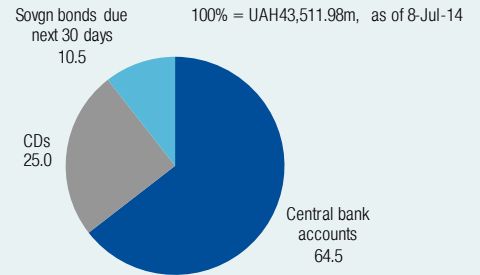
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



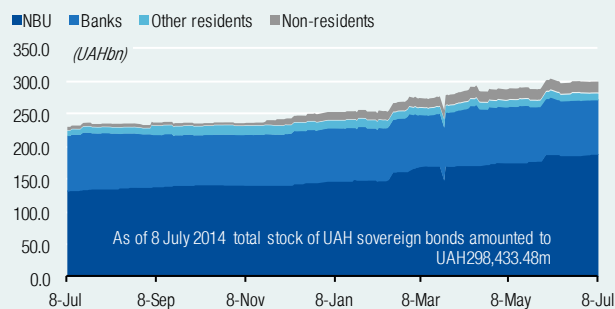
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 8 Jul 2014



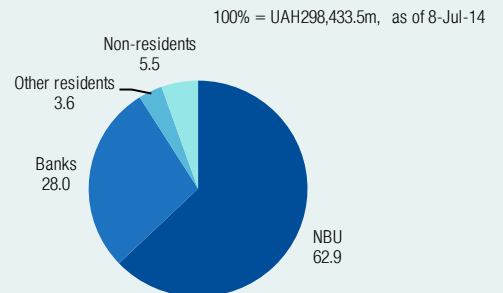
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 8 Jul 2014



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

FX: News & Comments

UAH gaining

The hryvnia appears to be trading higher as it closed up 0.38% yesterday on US\$327.67m in trading. As the Kremlin's warmongering stance appears to have eased back, with Putin not having responded to the pro-Russia militants' plea for rescue and assistance, global market participants warmed to both EM risk and the RUB in particular, which gained 0.49% yesterday. As a consequence, the UAH's real trade-weighted index appreciated 0.17% over the past day.

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ICU's UAH trade-weighted indices

(Last 12-month history to 9 Jul 2014)



FX market indicators (as of 8 Jul 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	11.6700	-0.38	-1.31	-0.89	+41.63
NBU avg	11.7123	-0.61	-0.62	-0.96	+43.69
Ttl vlm ¹	441.13	+11.14	+24.53	+9.77	-84.26
\$ volume ²	327.67	+7.77	+21.41	+0.34	-85.18
NDF 3M	12.0200	-1.48	-1.48	-3.26	+41.66
NDF 6M	12.6550	-1.17	-1.17	-2.09	+44.13
NDF 1Y	13.6050	-1.09	-1.09	-1.77	+44.43
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	48.918	+0.17	+1.36	+1.09	-27.57
UAH real CPI	80.893	+0.17	+1.36	+1.09	-19.97
UAH real PPI	115.714	+0.17	+1.36	+1.09	-16.62
USD nom'l	80.179	-0.05	+0.46	-0.29	+0.18
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	34.2625	-0.49	-0.19	-0.44	+4.24
EUR/USD	1.3612	+0.05	-0.49	-0.23	-0.95
USD/CNY	6.2020	-0.02	+0.01	-0.78	+2.44
USD/PLN	3.0321	-0.45	-0.29	+0.98	+0.30
USD/TRY	2.1248	-0.20	-0.16	+2.28	-1.09
USD/BYR	10,270.00	+0.44	+0.49	+1.28	+7.65
USD/KZT	183.5500	+0.01	+0.02	-0.01	+18.98
OTHER MAJOR CURRENCIES					
USD/JPY	101.5700	-0.28	+0.04	-0.89	-3.55
GBP/USD	1.7131	+0.02	-0.11	+1.96	+3.47
USD/CHF	0.8930	-0.07	+0.62	-0.07	+0.01
AUD/USD	0.9399	+0.28	-1.03	+0.71	+5.41
USD/CAD	1.0679	-0.05	+0.44	-2.31	+0.53
USD/BRL	2.2135	-0.51	+0.53	-1.50	-6.29
USD/KRW	1,011.72	+0.11	+0.01	-0.85	-3.63
COMMODITIES					
Gold(\$/oz)	1,319.28	-0.05	-0.54	+5.27	+9.42
WTI crude ³	103.40	-0.13	-1.84	+0.72	+5.06
Brent crd ³	108.15	-0.73	-2.85	-0.87	-2.41
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	303.44	-0.10	-1.30	-0.59	+8.31

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>).

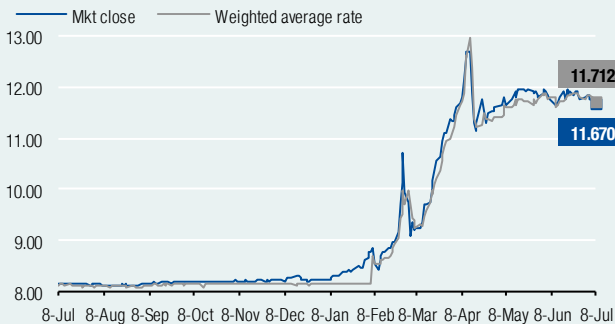
Section on FX market is continued on next page.

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.

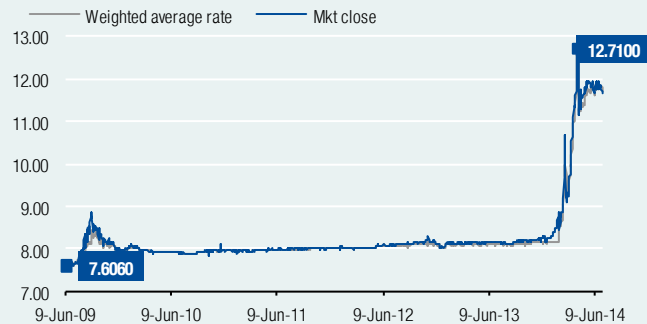
Sources: Bloomberg, Investment Capital Ukraine LLC.

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.

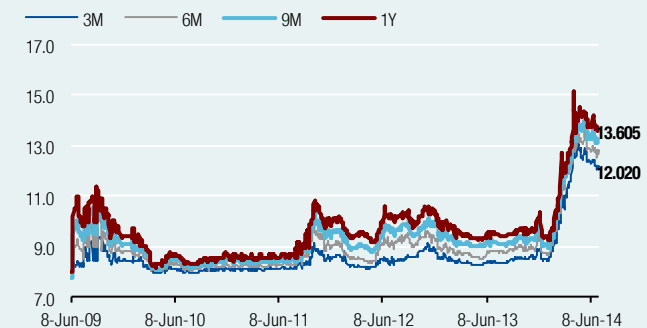


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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)



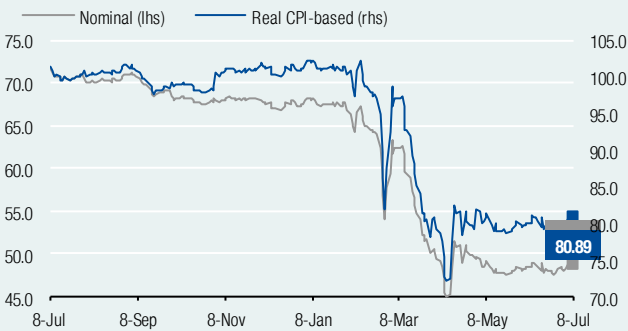
Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.



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

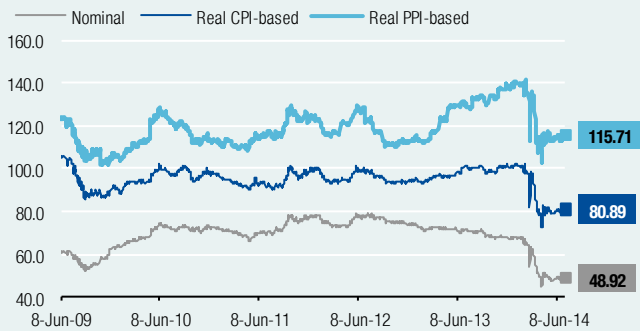
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

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



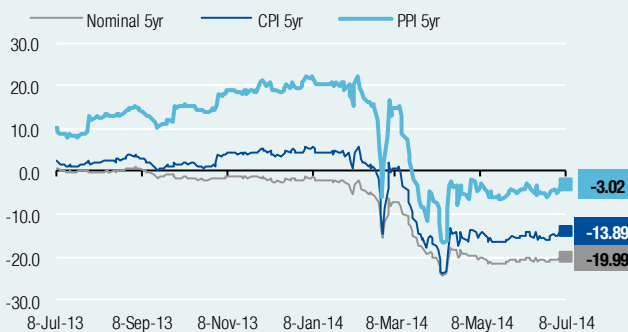
Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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.

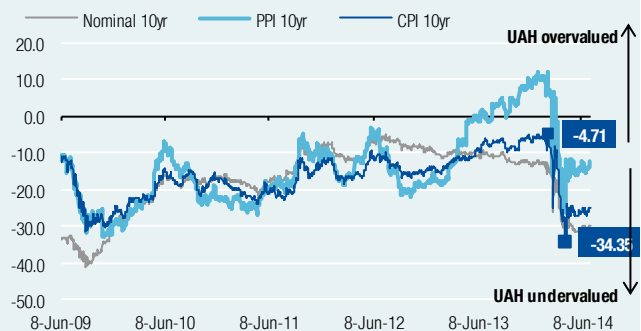


Note: the boxes indicate the high and low values of CPI-based TWI.
Source: Investment Capital Ukraine LLC.

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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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.

EQUITY RATING DEFINITIONS

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

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



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