


 INVESTMENT CAPITAL UKRAINE
 INVESTMENT BANKING

Daily Insight

YTMs diverge; Liquidity increase; UAH reverses some of its recent gain; Unscheduled primary auction

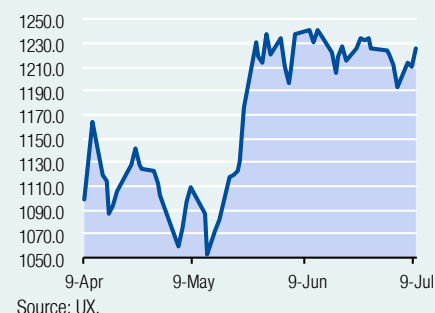
THURSDAY, 10 JULY, 2014

RESEARCH INSIGHT

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UX Index (3 months to 10 Jul 2014)



Key market indicators (as of 9 Jul 2014)

	Last	Daily chg (%)	YTD chg (%)
FX & MONEY RATES			
USD/UAH	11.7250	+0.47	+42.29
USD/UAH (1Y NDF)	13.4550	-1.10	+42.83
EUR/USD	1.3642	+0.22	-0.73
USD/RUB	33.9864	-0.81	+3.40
KievPRIME O/N (%)	5.10	+0bp	-270bp
KievPRIME 1M (%)	17.10	-20bp	+85bp

BONDS: yields and spreads

Ukraine VAT bond (%)	N/A	-8,900bp	-8,900bp
Ukraine 17, Eurobond (%)	8.06	-9bp	-150bp
Ukraine 22, Eurobond (%)	8.28	-7bp	-107bp
Ukraine 23, Eurobond (%)	8.31	-1bp	-74bp
Ukraine 5Y CDS	760bp	+10bp	-57bp

EQUITIES

Stock market indices

UX (Ukraine)	1,225.83	+1.30	+34.70
MSCI World	429.77	+0.18	+5.19
MSCI EM	1,060.93	-0.36	+5.81
RTS (Russia)	1,403.72	+0.73	-2.70
WIG-20 (Poland)	2,343.39	-0.74	-2.40
S&P 500 (USA)	1,972.83	+0.46	+6.73

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

KER PW	1.49	23.7% of total ¹
MHPC LI	1.45	23.2%
FXPO LN	1.41	22.5%

GAINERS: Top 3 stocks (in listed currency)

AGL PW	PLN 19.64	+12.16	-24.26
KDM PW	PLN 9.88	+9.29	-68.53
FORM UK	UAH 0.18	+4.05	N/A

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 9-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	+0.0	+20.3	+7.2	-28.2	0.19	44.1	-19.0	40.2	17.7	38.2	10.2	0.06	1,760	Neg.	Neg.	Neg.	2.9	5.9	11.9	Neg.	Neg.	Neg.	0.2	0.0
Centrenerg	CEEN UK	Kiev, UX	7.51 UAH	+1.8	+2.8	+57.5	+55.2	0.64	237.1	291.4	21.7	51.5	735.0	346.7	1.20	83	5.7	5.0	3.6	0.5	3.8	2.3	0.5	0.4	0.3	1.1	12.2
Coal Energy	CLE PW	Warsaw	1.15 PLN	-0.9	-17.9	+9.5	-52.1	0.38	17.1	111.4	25.0	4.3	15.6	40.3	0.56	179	Neg.	Neg.	4.3	4.9	13.9	3.8	0.9	1.1	1.0	0.2	39.8
Donbasenergo	DOEN UK	Kiev, UX	38.08 UAH	+0.3	-11.2	+38.0	+69.7	3.26	77.0	117.6	14.2	10.9	93.3	63.2	0.88	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	57.75 GBP	+1.8	-6.9	-19.2	+11.1	0.99	170.2	176.6	47.2	80.3	4.9	41.3	0.05	2,173	26.2	15.0	6.1	2.7	2.2	2.0	1.0	0.9	0.8	0.3	5.5
Regal Petroleum	RPT LN	London	8.00 GBP	+1.3	-4.5	-38.5	-55.2	0.14	44.0	17.2	80.9	35.6	0.0	5.7	0.03	3,957	Neg.	22.0	N/A	0.8	0.7	N/A	0.5	0.4	N/A	0.2	0.0
Zakhidenergo	ZAEN UK	Kiev, PFTS	137.00 UAH	+0.0	-10.1	+51.5	+62.1	11.71	149.8	127.0	5.0	7.5	4.8	3.0	0.08	1,200	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	-0.5	-2.4	-5.2	-11.7	0.00	81.1	1,281.0	3.9	3.1	57.5	27.4	1.81	55	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	+0.1	-1.8	+8.5	-0.4	0.27	53.6	50.5	4.0	2.1	23.4	29.5	2.38	42	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	0.79 UAH	+1.3	+3.8	+17.3	+25.8	0.07	282.4	275.3	4.1	11.6	23.7	18.4	0.17	577	Neg.	N/A	Neg.	Neg.	N/A	7.7	0.1	N/A	0.1	0.2	0.0
Ferrexpo PLC	FXPO LN	London	139.60 GBP	-1.0	+1.6	-24.9	-4.2	2.40	1,409.9	2,071.0	22.4	315.8	1,409.0	1,767.7	0.69	145	5.4	6.5	7.3	4.1	4.7	5.1	1.3	1.4	1.4	0.9	35.1
Yasynivsky Cok...	YASK UK	Kiev, UX	0.70 UAH	+4.0	+4.3	+31.9	+19.7	0.06	16.3	17.6	9.0	1.5	4.8	7.4	0.79	126	Neg.	1.4	0.8	0.1	0.6	0.5	0.1	0.0	0.0	0.1	0.1
Yenakievo Steel	ENMZ UK	Kiev, UX	42.46 UAH	+0.0	-4.0	+32.6	+21.1	3.63	38.3	33.8	9.4	3.6	35.4	31.2	1.65	61	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	1.01 EUR	-1.0	-11.4	-18.5	-33.6	1.38	127.3	154.3	34.0	43.3	0.0	32.3	0.03	3,436	Neg.	N/A	N/A	Neg.	N/A	N/A	2.1	N/A	N/A	1.1	35.9
Agroliga	AGL PW	Warsaw	19.64 PLN	+12.2	-5.7	-24.3	-23.3	6.50	10.0	10.9	16.7	1.7	0.9	3.7	0.14	692	2.3	N/A	N/A	3.2	N/A	N/A	0.5	N/A	N/A	0.8	5.7
Agroton	AGT PW	Warsaw	3.06 PLN	+0.3	+2.3	+56.9	+22.4	1.01	21.9	67.2	26.2	5.7	75.7	175.5	3.34	30	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	43.97 PLN	+2.3	-8.3	-34.3	-30.4	14.54	363.6	682.2	31.0	112.8	266.2	183.5	0.23	438	10.4	7.9	5.1	9.0	5.1	5.5	1.4	1.4	1.3	1.0	38.2
Avangard	AVGR LI	London Intl	9.50 USD	-4.0	-2.1	-19.1	+9.3	9.50	606.8	837.7	21.7	131.7	70.6	201.7	0.25	408	2.6	2.7	2.6	2.8	2.8	2.8	1.3	1.1	1.1	0.0	17.8
IMC	IMC PW	Warsaw	9.82 PLN	-1.6	-1.8	-19.2	-34.8	3.25	101.7	252.6	23.9	24.3	5.3	80.0	0.43	231	3.9	9.2	2.2	4.7	4.3	3.5	2.2	1.3	1.0	0.7	38.7
Kernel Holding...	KER PW	Warsaw	31.01 PLN	-2.5	-8.7	-18.5	-40.9	10.26	817.3	1,723.9	58.8	480.3	1,487.5	3,242.4	0.38	264	7.3	15.8	5.3	5.9	6.6	5.1	0.6	0.7	0.6	0.8	30.6
MHP	MHPC LI	London Intl	15.30 USD	+1.3	+2.0	-10.3	-11.0	15.30	1,616.7	2,777.6	22.3	360.8	1,452.8	1,641.7	0.28	357	10.4	6.0	5.4	7.1	5.7	5.3	1.9	1.8	1.6	2.8	19.6
Milkiland	MLK PW	Warsaw	6.57 PLN	-0.6	-8.1	-47.4	-41.6	2.17	67.9	198.6	20.0	13.6	3.0	10.8	0.05	1,924	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	4.56 EUR	+0.0	+1.3	-15.6	-1.3	6.22	661.2	1,449.3	20.0	132.2	2.5	15.3	0.01	14,796	7.5	7.6	3.0	8.8	5.3	4.9	2.9	3.4	3.3	0.0	45.3
Ovostar Union	OVO PW	Warsaw	69.94 PLN	+2.1	-4.2	-30.1	-8.0	23.13	138.8	146.4	25.0	34.7	3.6	23.0	0.12	841	4.5	6.9	6.8	4.0	5.6	5.0	1.6	1.7	1.4	1.0	8.5
TRANSPORTATION																											
KDM Shipping	KDM PW	Warsaw	9.88 PLN	+9.3	-1.0	-68.5	-70.1	3.27	30.4	14.4	10.9	3.3	0.1	0.6	0.00	27,376	4.5	N/A	N/A	1.3	N/A	N/A	0.5	N/A	N/A	0.5	5.6
CONSTRUCTION																											
TMM	TR61 GF	Xetra	0.19 EUR	+0.0	+11.7	-39.7	-53.4	0.26	13.5	172.8	13.1	1.8	0.0	0.2	0.02	6,077	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	0.18 UAH	+4.0	N/A	N/A	N/A	0.02	9.1	N/A	5.5	0.5	0.4	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	+1.7	-6.3	+33.9	+57.2	0.01	389.5	N/A	3.8	14.9	415.8	164.4	2.41	41	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	+1.1	-4.7	-11.6	+26.4	0.01	257.1	N/A	4.5	11.5	42.9	13.2	0.24	423	Neg.	14.0	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 9-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: mIn - 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 slightly

Broader banking sector liquidity rose UAH1.10bn to UAH44.60bn yesterday as banks' correspondent accounts with the NBU recovered UAH1.41bn to UAH29.47bn after declining for two days, while the NBU decreased its CDs outstanding only UAH0.31bn to UAH10.55bn. Total local currency debt repayments scheduled for the next 30 days remained steady at UAH4.57bn.

KyivPrime interest rates diverged yesterday: the KyivPrime ON interest rate remained steady at 5.10% while the KyivPrime 1M interest rate slid 20bp to 17.10%.

Investment implications: Liquidity recovered slightly without any inflows from the NBU, as ON loans remained unchanged and there were no bonds purchased by the NBU. Only a small reallocation of funds from CDs to banks' correspondent accounts with the NBU took place at a volume too small to cause yesterday's liquidity increase.

Eurobond YTM's slightly diverge

Ukrainian Eurobonds receded yesterday after slightly rebounding on Tuesday, following the movements of US Treasuries with spreads remaining aligned to the benchmark. At the close, the yield curve adjusted to the range of 7.89-8.55%, as UKRAIN 6.875% '15 rose 22bp to 7.98% and UKRAIN 7.95% '21 rose 6bp to 8.55%, while UKRAIN 9.25% '17 declined 9bp to 8.06%, UKRAIN 7.80% '22 declined 6bp to 8.28% and UKRAIN 7.50% '23 slid 1bp to 8.31%. The 5-year CDS rose to 760bp.

Unscheduled auction

After insufficient proceeds from Tuesday's auction, the MoF held an additional unscheduled auction yesterday with significant domestic QE support. The MoF offered only one 2-year bond which received only one bid for UAH2.0bn (par value) at 16.75%, 20bp lower than the recent cut-off interest rate on similar bonds.

Bondholders' share movements following the VAT bond offering

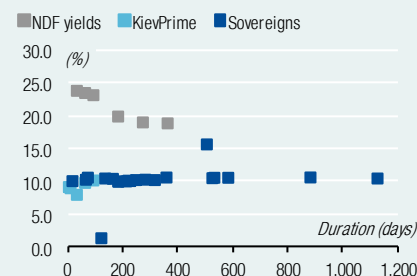
After the MoF issued UAH3.58bn in VAT bonds on Tuesday, which were transferred to the State Treasury to distribute to designated tax payers, the portfolio of the group of other residents significantly rose 36%, up 123bp to a 4.78% share, while the shares of other holders slightly declined. The NBU's share declined 67bp to 62.26%, the banks' share declined 47bp to 27.57%, while the non-residents' share slid 9bp to 5.39%

Investment implications: Over the next few weeks, we could see a decline in other residents' portfolio and share, with offsetting increases being seen in portfolios of other groups. Taxpayers should start to sell VAT-bonds which are anticipated to be purchased mostly by banks and non-residents.

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Yield curve of the local bond market

(as of market close on 9 Jul 2014)



Sources: Bloomberg, Investment Capital Ukraine LLC.

Bond market indicators (as of 9 Jul 2014)

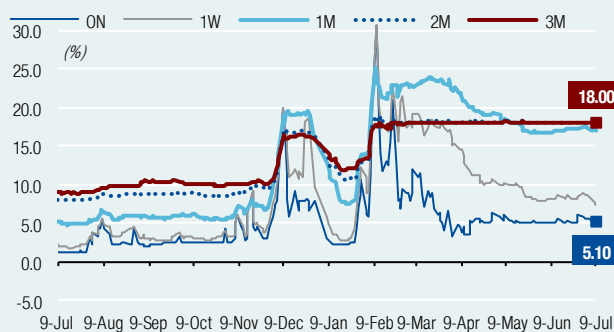
	Last	Daily	Weekly	MoM	YTD
		chg (%)	chg (%)	chg (%)	chg (%)
MONEY MARKET KIEV PRIME RATES (%)					
O/n	5.10	+0bp	-45bp	+4bp	-270bp
1wk	7.34	-30bp	-131bp	-72bp	-246bp
1m	17.10	-20bp	-30bp	+22bp	+85bp
2m	18.00	+0bp	+0bp	+0bp	+160bp
3m	18.00	+0bp	+0bp	+0bp	+200bp
LIQUIDITY WIDE MEASUREMENT (UAHm)					
CB acc's ¹	29,472	+5.02	+3.38	-3.35	-9.88
CDs ²	0	+0.00	+0.00	+0.00	+0.00
Sovgns ³	3,521	-23.21	-14.29	-33.76	+135.5
Total	32,993	+1.06	+1.15	-7.86	-3.52
HOLDERS OF UAH SOVEREIGN BONDS (UAHm)					
C.bank	187,811	+0.00	+0.46	+0.29	+29.66
Banks	83,159	-0.62	-1.39	-5.45	+3.73
Resid's ⁴	14,422	+35.96	+36.20	+29.09	+16.34
Non-res ⁵	16,250	-0.52	-0.47	+0.79	+38.90
Total	301,643	+1.08	+1.16	-0.29	+21.09
NDF IMPLIED YIELDS (%)					
3m	8.58	-365bp	-295bp	-12ppt	-356bp
6m	13.59	-359bp	-255bp	-497bp	+19bp
9m	14.45	-242bp	-186bp	-352bp	+44bp
1yr	15.39	-184bp	-117bp	-243bp	+41bp
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	760	+10bp	-16bp	+40bp	-57bp
Jun '16	7.73	-12bp	-44bp	+39bp	-116bp
Jul '17	8.06	-9bp	-61bp	-18bp	-150bp
Sep '20	8.34	-7bp	-40bp	+35bp	-86bp
Sep '21	8.43	-7bp	-30bp	+40bp	-79bp
Sep '22	8.28	-7bp	-33bp	-17bp	-107bp
Feb '23	8.31	-1bp	-15bp	+8bp	-74bp

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.

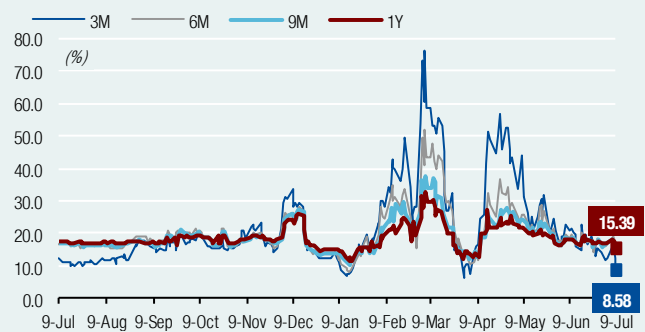
Chart page: Local bond market & Eurobond markets

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



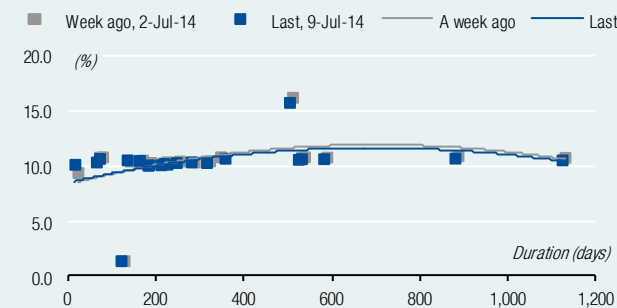
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



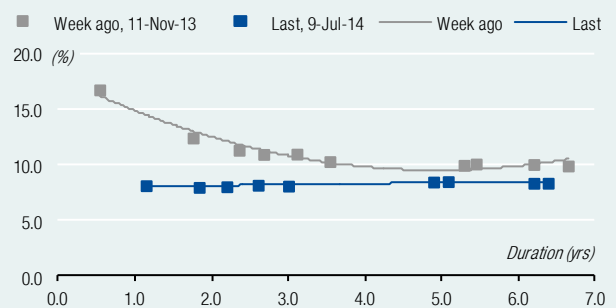
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 3. UAH sovereign yield curve (%) as of 9 Jul 2014



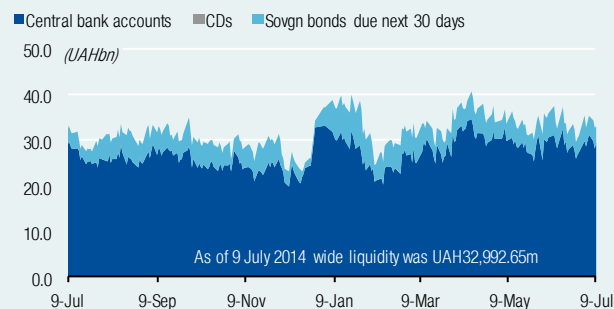
Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 4. USD sovereign yield curve (%) as of 9 Jul 2014



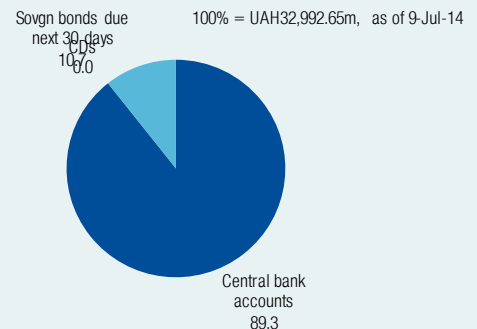
Sources: Bloomberg, Investment Capital Ukraine LLC.

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



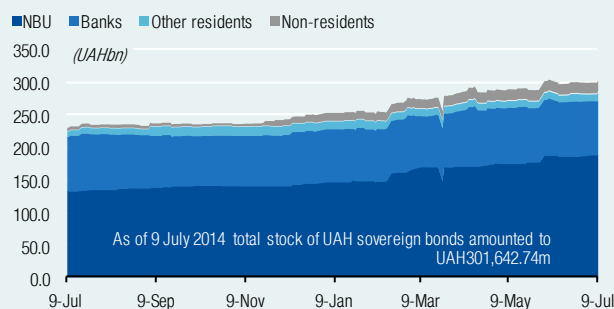
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

Chart 6. Breakdown of liquidity pool (%) as of 9 Jul 2014



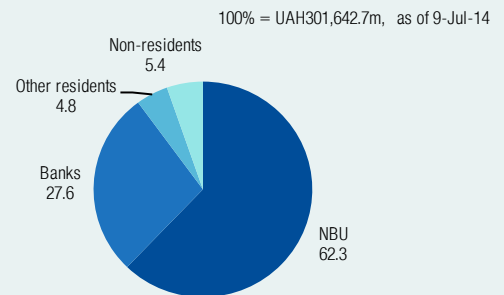
Sources: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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 9 Jul 2014



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

FX: News & Comments

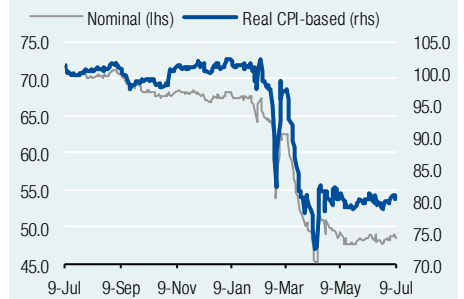
UAH reverses some of its recent gain

The hryvnia weakened from the prior day's close. As the Kremlin has not responded actively to the pro-Russia militants' plea for rescue, the market interprets this as an indication that Putin is avoiding military action, thus preventing further economic sanctions from the West. As a result, the RUB rose for a second day, pushing the hryvnia's real trade-weighted value down.

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ICU's UAH trade-weighted indices

(Last 12-month history to 10 Jul 2014)



Source: Investment Capital Ukraine LLC.

FX market indicators (as of 9 Jul 2014)

	Last	Daily	Weekly	MoM	YTD
	chg (%)	chg (%)	chg (%)	chg (%)	chg (%)
USD/UAH MARKET (HRYVNIA per US DOLLAR)					
Spot mkt	11.7250	+0.47	-1.18	-0.42	+42.29
NBU avg	11.6581	-0.46	-1.48	-1.42	+43.03
Ttl vlm ¹	363.62	-17.57	-9.50	-9.52	-87.02
\$ volume ²	269.67	-17.70	-7.54	-17.42	-87.80
NDF 3M	11.9700	-0.42	-1.89	-3.27	+41.07
NDF 6M	12.5050	-1.19	-2.34	-2.68	+42.43
NDF 1Y	13.4550	-1.10	-2.18	-2.50	+42.83
TRADE-WEIGHTED INDICES (TWIs, points)					
UAH nom'l	48.514	-0.83	+0.81	+0.19	-28.17
UAH real CPI	80.224	-0.83	+0.81	+0.19	-20.63
UAH real PPI	114.758	-0.83	+0.81	+0.19	-17.31
USD nom'l	79.993	-0.23	+0.05	-0.82	-0.05
FX RATES OF KEY CURRENCIES THAT SHAPE UAH's TWIs					
USD/RUB	33.9864	-0.81	-1.04	-0.99	+3.40
EUR/USD	1.3642	+0.22	-0.13	+0.35	-0.73
USD/CNY	6.1990	-0.05	-0.18	-0.66	+2.39
USD/PLN	3.0240	-0.27	-0.36	+0.19	+0.03
USD/TRY	2.1153	-0.45	-0.73	+1.37	-1.53
USD/BYR	10,270.00	+0.00	+0.49	+1.18	+7.65
USD/KZT	183.5400	-0.01	-0.02	-0.01	+18.97
OTHER MAJOR CURRENCIES					
USD/JPY	101.6400	+0.07	-0.13	-0.87	-3.48
GBP/USD	1.7158	+0.16	-0.05	+2.11	+3.63
USD/CHF	0.8910	-0.22	+0.25	-0.68	-0.21
AUD/USD	0.9414	+0.16	-0.31	+0.62	+5.57
USD/CAD	1.0651	-0.26	-0.12	-2.32	+0.26
USD/BRL	2.2128	-0.03	-0.49	-0.74	-6.32
USD/KRW	1,012.20	+0.05	+0.30	-0.41	-3.58
COMMODITIES					
Gold(\$/oz)	1,327.80	+0.65	+0.07	+6.03	+10.13
WTI crude ³	102.29	-1.07	-2.10	-2.03	+3.93
Brent crd ³	107.38	-0.71	-2.60	-2.55	-3.10
Urals crd ³	N/A	+0.00	+0.00	+0.00	+0.00
TR/J CRB ⁴	301.19	-0.74	-1.94	-1.65	+7.50

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>).

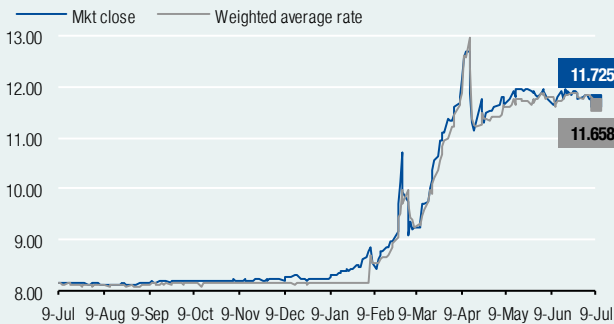
Section on FX market is continued on next page.

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.

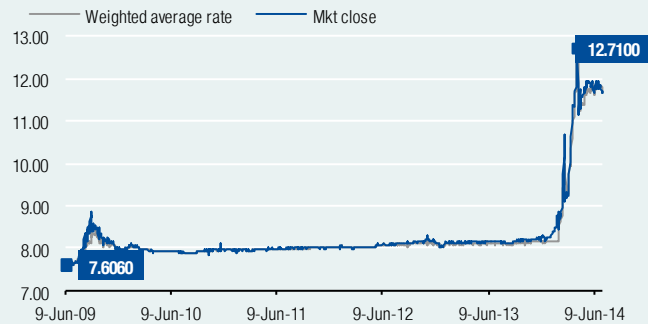
Sources: Bloomberg, Investment Capital Ukraine LLC.

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)

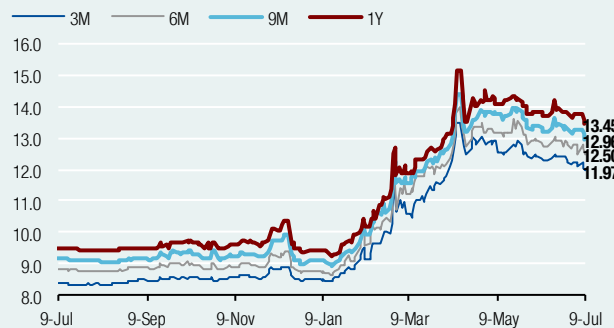


Sources: National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

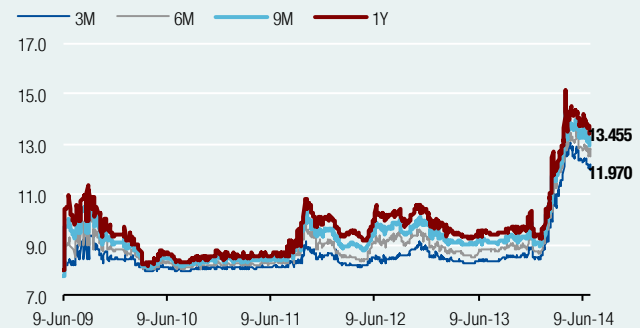


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.

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

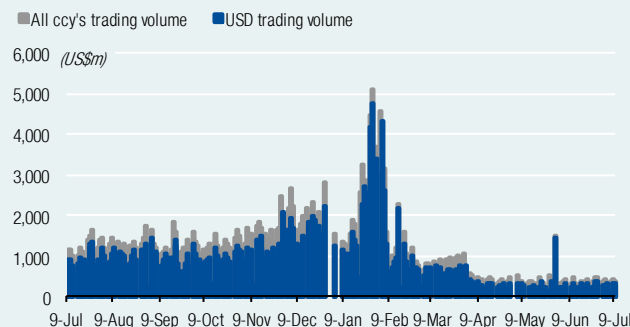


Sources: National Bank of Ukraine, Investment Capital Ukraine LLC.



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)



Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

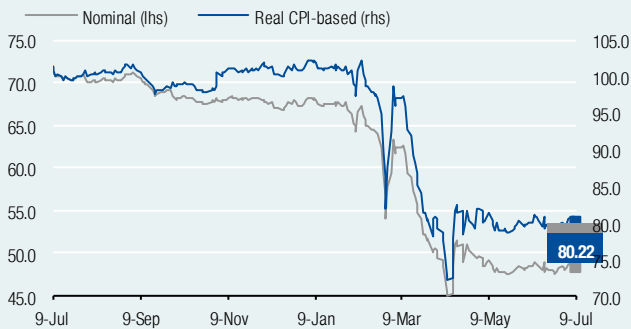


Note: * 30-day moving average; The boxes of the right chart show high and low values. Sources: NBU, State Statistics Service of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

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

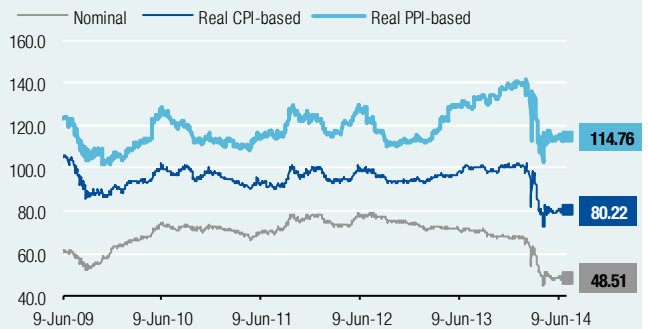
The following charts depict ICU's Ukrainian hryvnia trade-weighted indices which were calculated in accordance with methodology published in the [Quarterly Report "Keep the music playing"](#) dated 31 January 2013 and, then, updated, in the [Quarterly Report "Muddling through no more"](#) dated 14 August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

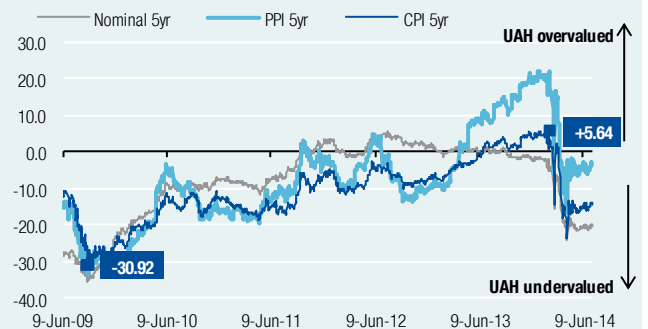


Note: The boxes indicate the last values of the depicted indicators.
Source: Investment Capital Ukraine LLC.

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

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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