



CONCORDE CAPITAL

Ukraine / Economics

Macroeconomic Overview

Monthly update

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Economic snapshot



Source: State Statistics Committee, National Bank of Ukraine

Key macroeconomic indicators

	2008	2009E	2010F
Business cycle			
Real GDP, chg yoy	2.1	-12.0	4.0
Nominal GDP, USD bln	180.3	117.0	134.2
Industrial output, chg yoy	-3.1	-19.1	7.5
CPI (eop), chg yoy	22.3	15.0	7.0
PPI (eop), chg yoy	23.0	11.0	10.0

External sector

NBU reserves (eop), USD bln	31.5	23.5	21.3
Current account balance, % GDP	-6.6	-0.2	2.9
Capital account balance, % GDP	7.7	-6.7	-4.6
External debt, % of GDP	56.3	87.4	74.6

Exchange rate

Interbank UAH/USD (avg)	5.27	8.00	7.80
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Source: State Statistics Committee, National Bank of Ukraine, Ministry of Finance, Bloomberg, Concorde Capital

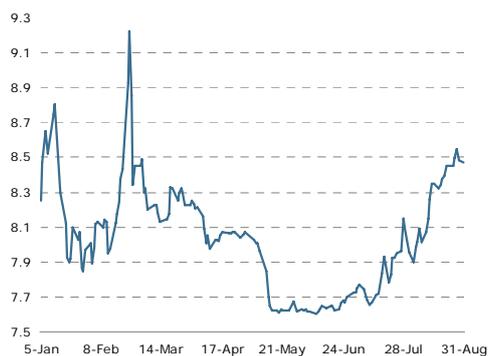
Prices for core commodities, as of August 31

	Current	chg YTD	chg yoy
Gas imports, USD/tcm	198.34	-45%	10%
Crude oil (URALS), USD/bbl	68.49	62%	-38%
Milling wheat 3rd gr, USD/mt, FOB*	115.00	-7%	-56%
Steel square billet, USD/mt, FOB*	445.00	22%	-46%

* Black Sea ports

Source: Gas of Ukraine, Bloomberg

- By the end of August, hryvnya breached 8.5 per USD 1 interbank for the first time since February 2009. The hryvnya's depreciation since the end of June to the end of August constituted 10%. We expect downward pressure on the hryvnya to persist until the end of the year.
- On August 4 Ukraine's government repaid its 2004 USD 500 mln Eurobonds in full and on time. We believe the government will continue servicing and repaying its debts in a full and timely manner, especially given the continued backing of the IMF during the crisis.
- Ukraine's real sector seems to just be starting to demonstrate very modest improvement, though we believe actual recovery has not yet begun, as domestic demand remains depressed. Ukraine's real GDP slowed its decline to -18% yoy in 2Q09, vs. -20.3% yoy in 1Q09. Industrial output fell 26.7% yoy in July, less than -27.5% yoy in June. Metallurgy was the key driver of this improvement.
- Ukraine continues running a double BoP deficit. In July 2009, the current account deficit equaled USD 355 mln. Since the beginning of the year, current account deficit amounted to -USD 1.2 bln (~1.8% of GDP) vs. -USD 7.3 bln in 7M08 and we expect further narrowing in coming months.
- The capital account deficit totaled -USD 7.0 bln (~10.4% of GDP) since the beginning of the year. With the poor performance of the domestic economy and the high risk aversion of foreign investors, we expect the negative capital account to persist for the foreseeable future.
- In July, consumer prices grew 15.5% yoy, interrupting several months of trending downward (in May they rose 14.7% yoy). We maintain our forecast and expect consumer inflation to be around 15% in 2009.
- The government's pace in rehabilitating banks remains slow and concentrated on keeping troubled banks afloat. In late July, the NBU extended the moratorium on banks including Nadra and Ukrprombank from settling creditors' claims for another six months. The NBU also moved to prop up several struggling banks that have no other recourse to alternative financing, extending refinancing facilities to Nadra, Ukrprombank, Ukrgazbank, Finance & Credit Bank, Rodovid, and Kyiv by 4 to 5 years (the facilities originally matured in fall 2009).

UAH/USD interbank exchange rate, mid-market


Source: UkrDealing

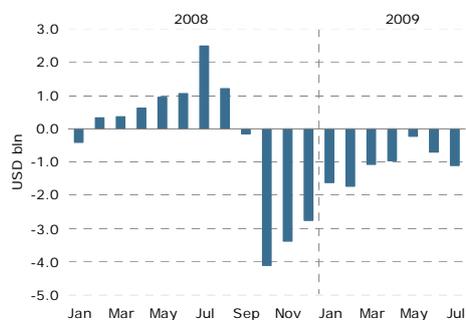
UAH weakens 10% in July-August. More to come?

By the end of August, hryvnya breached 8.5 per USD 1 interbank for the first time since February 2009. The hryvnya's depreciation since the end of June to the end of August constituted 10%.

After almost two months of relative stability at UAH/USD 7.6-7.7, the hryvnya started weakening on the interbank market at the beginning of July. This stemmed from lower US dollar supplies after banks sold all of their excessive currency in June to comply with updated NBU regulations on their FX positions. In addition, the widening of the current account deficit and preservation of the capital account deficit (see BoP: double deficit persists, page 3) also contributed.

Increased volatility on the interbank market quickly extended to the retail market, where the hryvnya's depreciation was immediately followed by a surge in the excessive demand for greenbacks by the population, which bought net USD 1.1 bln in July (the most in a month since February).

Notably, even the positive news flow, such as receipt of the third IMF loan tranche and confirmation of an additional USD ~2 bln from the IMF was not enough to defend the hryvnya in August.

NBU interventions in the domestic FX market*


* "+" indicates net buying of foreign currency by the NBU; "-" indicates net selling of foreign currency by the NBU
Source: National Bank of Ukraine

The NBU spent net USD 1.1 bln in July to support the hryvnya (its most since February). This was mostly in the form of regular interventions to satisfy the demand of bank customers to repay and service their foreign currency loans.

With such fragility on the domestic FX market, the NBU could have smoothed exchange rate movements with stronger interventions, but opted not to do so. As we wrote a previous monthly overview (July 31, 2009), this might be due to pressure from the IMF to cap monthly intervention volumes and maintain a more flexible rate.

The NBU's behavior might also indicate its desire to not spend too much of its reserves in anticipation of even higher market volatility at the end of the year. We expect this could occur because of external corporate debt payments (some USD 2 bln scheduled for 9-12M09) and increased demand from the retail market in light of probable political instability on the eve of January presidential election.

Sovereign debt: full, timely repayments

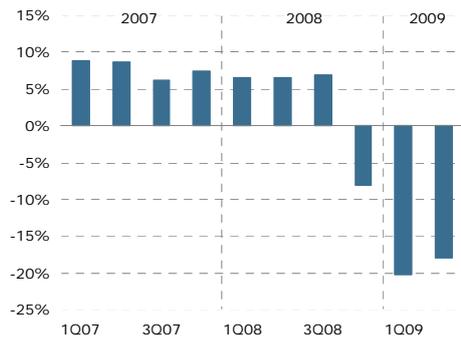
On August 4 Ukraine's government repaid its 2004 USD 500 mln Eurobonds in full and on time. A few days earlier, it also reported that holders of another sovereign Eurobond issue decided to execute their put option and sell all the securities (CHF 768 mln), at nominal value on September 15 (the Eurobonds were issued in 2006 with a maturity date in 2018 and coupon of 3.5%). The government confirmed that it would make payment on this obligation in full.

Importantly, the government's ability to repay external debt principal is mostly thanks to the receipt of funds through its stand-by loan facility from the International Monetary Fund (the last USD 3.3 bln tranche was received at end-July).

We believe the Ukrainian government will continue servicing and repaying its debts in a full and timely manner, particularly given the continued backing of the IMF during the crisis.

On July 31, Standard & Poor's upgraded the outlook on Ukraine's credit ratings to positive, from negative. The ratings agency confirmed the country's 'CCC+/C' long-term and short-term foreign currency sovereign ratings, and 'B-/C' local currency ratings. S&P said the revision reflected progress made on structural budgetary and financial sector reforms, in compliance with the country's loan agreement with the IMF.

Real GDP annual change*



* Data for 2Q09 is preliminary
Source: State Statistics Committee

Real economy: stuck in a trough

Ukraine's real sector seems to just be starting to demonstrate very modest improvement, though we believe actual recovery has not yet begun, as domestic demand remains depressed.

Real GDP dropped 18% yoy in 2Q09, according to preliminary data issued by the State Statistics Committee on August 17, compared to -20.3% yoy in 1Q09. The figure for 2Q was not supplemented with any details on its structure; the final number is to be reported on September 30.

Industrial production declined 26.7% yoy in July vs. a drop of 27.5% yoy in June, modestly improving for the second consecutive month (in May industrial output declined 31.8% yoy).

Metallurgy, Ukraine's backbone industry, was the key driver of this improvement: its decline slowed down from -39.3% yoy in June to -30.4% yoy in July, which is likely related to rebounding external demand (steel production rose 20% mom in July to reach its peak since September 2008). In contrast, industries more oriented to the domestic market (such as food and light industries) demonstrated a faster decline in July compared to June.

Agriculture, another crucial part of Ukraine's economy, continued its good run: its output grew 3.8% yoy in real terms in 7M09, vs. +2.6% yoy over 1H09. At the same time, this year's grain harvest is expected to be some 25% lower than last year. This, coupled with weak domestic demand, means that agricultural production dynamics will worsen by the end of the year.

Service industries have not shown an inkling of recovering, with local demand still weak: retail trade volumes in 7M09 contracted 15.9% yoy in real terms, vs. -15.2% yoy in 6M09.

At the same time, cargo transportation volumes exhibited some improvement, declining 30.8% yoy in 7M09 vs. -31.8% in 6M09. Apparently, the slower decline was the result of corresponding gains in industrial output and, particularly, metallurgy.

We expect a further slowdown in the economy's slide, driven by a recovery in the metallurgy sector in coming months. Though, weak domestic consumer and investment demand will trump a quick recovery.

BoP: double deficit persists

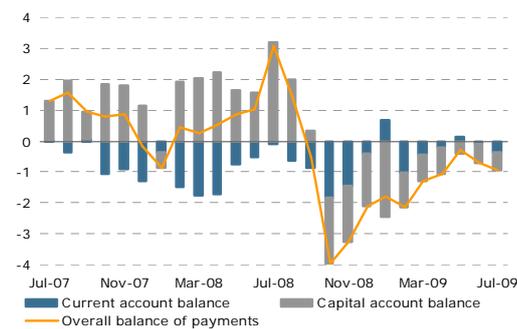
Ukraine continues running a double balance of payments deficit. In July 2009, the current account (CA) deficit equaled USD 355 mln, its highest peak since February. This was mostly the result of monthly fluctuations in the trade volumes of some goods (e.g. a third of the increase in merchandise imports is attributed to the government tripling imports of gas from Russia month-on-month in July because of lower prices).

We do not believe that this widening in the monthly current account deficit represents a reversal in the trend for the CA's negative gap to narrow.

The current account deficit has amounted to -USD 1.2 bln YTD (~1.8% of GDP) compared to -USD 7.3 bln (~8.7% of GDP) in January-July 2008. We expect further narrowing and for the number to go positive in the next few quarters.

The capital account deficit in July was -USD 589 bln, vs. -USD 654 in June. Since the beginning of the year, the deficit is -USD 7.0 bln. (~10.4% of GDP), vs. +USD 12.1 bln in 7M08. With the poor performance of the domestic economy and the high risk aversion of foreign investors, we expect the negative capital account to persist for the foreseeable future.

Ukraine's balance of payments, USD bln



Source: National Bank of Ukraine, Concorde Capital

Inflation's acceleration to 15.5% probably temporal

In July, consumer prices grew 15.5% yoy, interrupting several months of trending downward (in May they rose only 14.7% yoy). The increase was primarily due to temporal price shocks such as hikes in administratively regulated prices and fluctuations in certain volatile food prices.

Specifically, growth in the excise for alcohol (+26%) and tobacco (+30-40%) led to significant price increases for these products (their contribution to annual CPI rose from some 5.4 pp in May to 6.1 pp in July). Soaring global sugar prices (+77% YTD), in turn, resulted in higher domestic prices for this product (+11% over June-July compared to -0.7% in June-July 2008).

We expect similar shocks, specifically in fuel and utility prices, might continue influencing inflation in coming months. Additionally, in the short-term, upward pressure on inflation will come from nominal hryvnya depreciation. We maintain our forecast and expect consumer inflation to be around 15% in 2009.

Banking system rehabilitation: still at a snail's pace

The Ukrainian government is still plodding along with efforts to rehabilitate the banking system. As of today, it has still not taken a final decision on the recapitalization of Nadra Bank and Ukrprombank (which together account for 7.7% of all retail deposits in the sector). As a stopgap, on July 21 the NBU prolonged the moratorium on them settling creditors' claims for another six months.

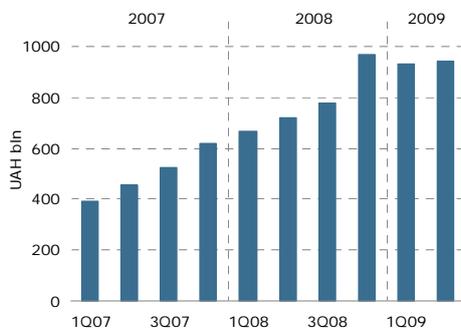
The NBU also moved to prop up several struggling banks that have no other recourse to alternative financing at the beginning of August. The NBU extended refinancing facilities to Nadra, Ukrprombank, Ukgazbank, Finance & Credit Bank, Rodovid, and Kyiv that originally matured in fall 2009, by 4 to 5 years (NBU loans currently account for up to 35% of these banks' liabilities).

Lingering uncertainty about Nadra, Ukrprombank and other troubled banks remains a bane to confidence in the sector, particularly with concern to banks not majority owned by foreign shareholders.

On August 06, the NBU said it would limit lending in foreign currency, which given the recent volatility in exchange rates looks logical in our view and could support the banks and the hryvnya. At the same time, this decision could hinder banks' growth prospects because of the high instability in hryvnya resources (due to their short average maturity and volatile interest rates).

Considering the fleeting progress so far in the banking sector and the weak domestic economy, we do not expect the banking sector to return to growth until at least the second half of 2010 (overall, banks' total assets have fallen by some 3% YTD).

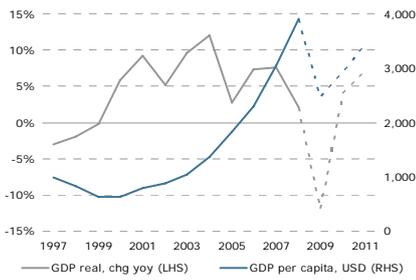
Banks' total assets



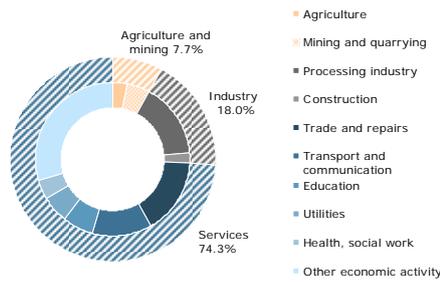
Source: National Bank of Ukraine

MACRO MONITOR

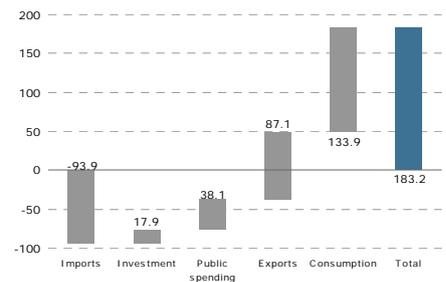
GDP growth and GDP per capita



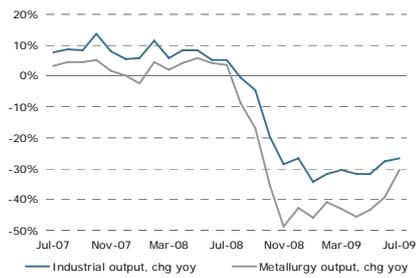
GDP by sector in 1Q09



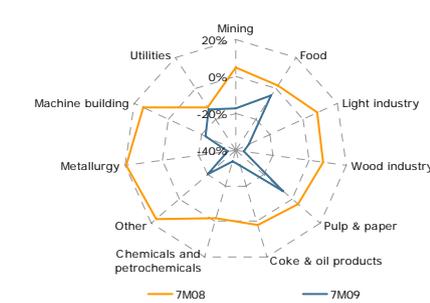
GDP by expenditures in 1Q09, UAH bln



Manufacturing indicators



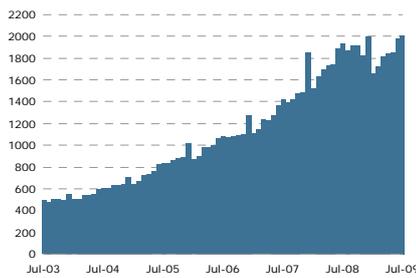
Industrial output growth by sector, chg yoy



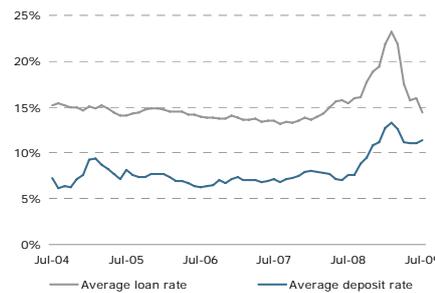
Inflation



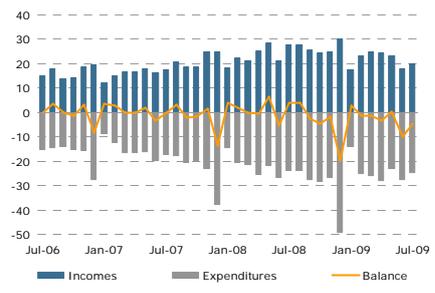
Average monthly salary, UAH



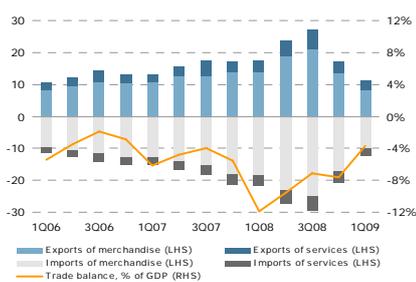
Interest rates



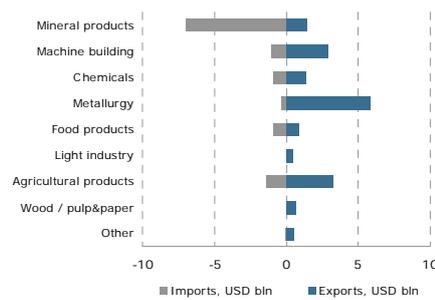
Consolidated budget execution, UAH bln



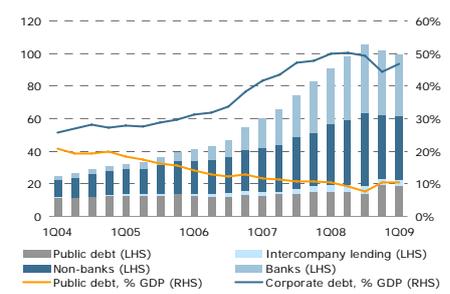
External trade, USD bln



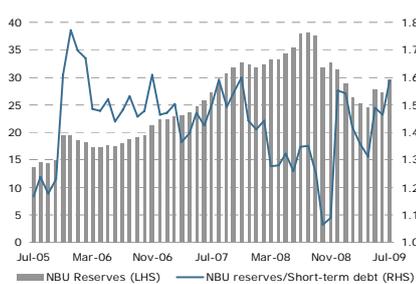
External trade in merchandise, 6M09



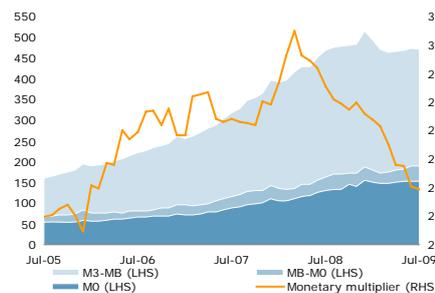
External debt, USD bln



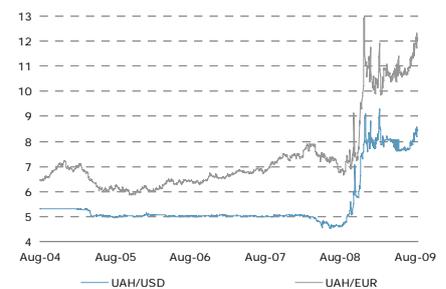
NBU reserves



Money supply structure, UAH bln



UAH exchange rates



Sources: National Bank of Ukraine, State Statistics Committee, Ministry of Finance, Bloomberg, Concorde Capital estimates

Ukrainian macro indicators yearly

	2001	2002	2003	2004	2005	2006	2007	2008	2009E	2010F
Business cycle indicators										
Real GDP, % chg yoy	9.2	5.2	9.6	12.1	2.7	7.3	7.6	2.1	-12.0	4.0
Nominal GDP, UAH bln	204	226	267	345	441	538	713	950	936	1047
Nominal GDP, USD bln	38.0	42.4	50.1	65.0	86.1	106.5	141.2	180.3	117.0	134.2
GDP per capita, UAH	4195	4685	5591	7273	9372	11630	15372	20600	20410	22922
GDP per capita, USD	781	880	1048	1371	1829	2303	3044	3909	2551	2939
Consumption, % chg yoy	9.6	9.5	11.5	13.1	20.6	15.9	17.1	11.8	-13.0	4.0
Investment, % chg yoy	17.9	-1.5	24.3	5.5	14.0	18.5	22.1	5.1	-22.5	5.0
Industrial output, % chg yoy	14.2	7.0	15.8	12.5	3.1	6.2	10.2	-3.1	-19.1	7.5
CPI (eop), % chg yoy	6.1	-0.6	8.2	12.3	10.3	11.6	16.6	22.3	15.0	7.0
PPI (eop), % chg yoy	0.9	5.7	11.1	24.1	9.5	14.1	23.3	23.0	11.0	10.0
External indicators										
Current account balance, USD bln	1.4	3.2	2.9	6.9	2.5	-1.6	-5.9	-12.0	-0.2	3.9
Current account balance, % GDP	3.7	7.5	5.8	10.6	2.9	-1.5	-4.2	-6.6	-0.2	2.9
Trade balance, USD bln	0.6	1.9	1.3	5.0	0.7	-3.1	-7.9	-13.7	-1.2	2.3
Trade balance, % GDP	1.6	4.4	2.6	7.7	0.8	-2.9	-5.6	-7.6	-1.0	1.7
Exports, USD bln	21.1	23.4	29.0	41.3	44.4	50.2	64.0	85.7	64.1	75.3
Exports, % chg yoy	8.0	10.7	24.0	42.6	7.5	13.2	27.4	34.0	-25.2	17.3
Imports, USD bln	20.5	21.5	27.7	36.3	43.7	53.3	71.9	99.4	65.4	73.0
Imports, % chg yoy	14.1	5.0	28.7	31.3	20.4	22.0	34.8	38.3	-34.2	11.6
Capital account balance, USD bln	0.4	-1.2	0.1	-4.6	7.7	3.7	15.3	13.8	-7.8	-6.2
Capital account balance, % GDP	1.1	-2.9	0.2	-7.1	9.0	3.5	10.9	7.7	-6.7	-4.6
FDI net, USD bln	0.8	0.7	1.4	1.7	7.5	5.7	9.2	9.7	5.0	9.0
NBU reserves (eop), USD bln	n/a	4.4	5.1	9.5	19.4	22.3	32.5	31.5	23.5	21.3
Debt indicators										
Public debt, USD bln	12.5	13.8	14.5	16.0	15.5	15.9	17.6	24.6	39.9	50.0
Public debt, % GDP	33.0	32.5	29.0	24.7	18.0	15.0	12.4	13.6	34.1	37.3
Corporate external debt, USD bln	n/a	n/a	13.0	17.8	25.5	40.7	67.5	82.2	69.7	65.2
Corporate external debt, % GDP	n/a	n/a	25.9	27.3	29.6	38.3	47.8	45.6	59.6	48.6
Gross external debt, USD bln	n/a	n/a	23.8	30.6	38.9	54.5	82.7	101.6	102.3	100.1
Gross external debt, % GDP	n/a	n/a	47.5	47.1	45.2	51.2	58.6	56.3	87.4	74.6
Monetary indicators										
Monetary base, UAH bln	23.0	30.7	40.1	53.8	82.8	97.2	141.9	186.7	210.0	245.0
Monetary base, % chg yoy	37.4	33.6	30.5	34.1	53.9	17.5	46.0	31.6	12.5	16.7
Money supply (M3), UAH bln	45.8	64.9	95.0	125.8	194.1	261.1	396.2	514.7	510.4	599.8
Money supply, % chg yoy	41.9	41.8	46.5	32.4	54.3	34.5	51.7	29.9	-0.8	17.5
Monetary multiplier (eop MB/M3)	2.0	2.1	2.4	2.3	2.3	2.7	2.8	2.8	2.4	2.4
Monetization (avg M3/GDP), %	19.2	24.9	30.3	32.0	36.7	42.3	46.4	47.5	54.7	53.0
Exchange rate										
Interbank UAH/USD (avg)	5.38	5.33	5.33	5.32	5.10	5.04	5.03	5.27	8.00	7.80
State budget										
Revenues, UAH bln	n/a	n/a	55.1	70.3	105.2	133.5	165.9	231.7	182.3	219.8
Expenses, UAH bln	n/a	n/a	55.8	79.5	112.8	137.1	174.2	241.5	238.9	251.2
Balance, % GDP	n/a	n/a	-0.4	-3.0	-1.8	-0.7	-1.4	-1.3	-6.0	-3.0
Social indicators										
Population, mln (eop)	48.5	48.0	47.6	47.3	46.9	46.6	46.4	46.1	45.9	45.7
Unemployment (ILO methodology, avg), %	10.9	9.6	9.1	8.6	7.2	6.8	6.4	6.4	11.0	8.0
Average monthly salary, UAH	n/a	376	463	591	806	1,043	1,351	1,806	1,896	2,090
Real disposable income, % chg yoy	10.0	18.0	5.8	16.8	20.1	16.1	12.8	10.3	-12.0	5.0

Source: State Statistics Committee, National Bank of Ukraine, Ministry of Finance, Bloomberg, Concorde Capital estimates

Ukrainian macro indicators quarterly

	1Q06	2Q06	3Q06	4Q06	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08	4Q08	1Q09
Business cycle indicators													
Real GDP, % yoy	4.3	7.2	7.3	9.6	8.9	8.6	6.2	7.4	6.5	6.5	6.9	-8.0	-20.3
Nominal GDP, UAH bln	105.4	124.1	150.4	157.7	133.1	161.4	197.4	212.8	186.6	232.5	285.4	269.7	183.2
Nominal GDP, USD bln	20.9	24.6	29.8	31.2	26.4	32.0	39.1	42.1	37.0	46.8	58.9	43.4	23.8
GDP per capita, UAH	9742	10236	10842	11478	12087	12903	13929	15132	16306	17860	19785	21042	20995
GDP per capita, USD	1925	2027	2147	2273	2393	2555	2758	3032	3229	3554	3986	4019	3739
Consumption, chg yoy	18.6	19.7	12.8	13.8	19.1	17.0	13.6	19.0	22.0	13.3	14.1	1.6	-11.6
Investment, chg yoy	45.8	6.4	10.7	23.0	16.6	27.8	19.1	25.1	13.9	31.0	12.9	-24.8	-48.7
Industrial output, chg yoy	0.6	3.8	5.6	6.2	12.9	11.8	10.7	10.2	7.8	7.5	5.1	-3.1	-31.9
CPI (eop), chg yoy	8.6	6.8	9.1	11.6	10.1	13.0	14.4	16.6	26.2	29.3	24.6	22.3	18.1
PPI (eop), chg yoy	6.5	6.3	10.7	14.2	16.7	19.9	20.4	21.0	26.9	40.3	45.3	29.3	12.8
External sector													
Current account balance, USD bln	-0.8	0.0	0.5	-1.4	-1.2	-0.8	-0.5	-3.5	-3.6	-3.0	-1.6	-3.7	-0.9
Current account balance, % GDP	-3.7	-1.7	-0.3	-1.5	-4.6	-3.4	-2.5	-4.2	-9.7	-7.9	-5.8	-6.6	-3.4
Trade balance, USD bln	-1.1	-0.4	0.2	-1.7	-1.6	-1.2	-1.0	-4.1	-4.4	-3.6	-2.1	-3.6	-1.0
Trade balance, % GDP	-5.4	-3.4	-1.9	-2.9	-6.2	-4.8	-3.9	-5.6	-11.9	-9.6	-7.1	-7.6	-3.7
Exports, USD bln	10.4	12.2	14.3	13.3	13.4	15.8	17.5	17.3	17.5	23.6	27.4	17.3	11.4
Exports, chg yoy	-0.1	10.2	23.5	17.8	28.6	29.4	22.4	30.0	31.0	49.3	56.1	-0.1	-35.0
Imports, USD bln	11.5	12.6	14.2	15.0	15.0	17.0	18.5	21.4	21.9	27.2	29.4	20.9	12.4
Imports, chg yoy	25.4	15.7	21.1	25.9	30.1	34.4	30.9	42.6	46.0	60.1	58.9	-2.3	-43.4
Capital account balance, USD bln	-1.4	0.3	0.9	3.9	2.5	3.5	4.2	5.2	3.6	5.0	6.7	-1.5	-5.7
Capital account balance, % GDP	-6.7	-2.5	-0.3	3.5	9.5	10.3	10.4	10.9	9.6	10.3	10.7	7.7	-18.5
FDI net, USD bln	1.2	1.5	1.7	1.4	1.7	1.9	3.9	1.6	2.4	3.1	3.3	0.8	0.7
NBU reserves (eop), USD bln	17.3	17.6	19.1	22.3	23.0	25.9	30.6	32.5	33.2	35.4	37.5	31.5	25.4
NBU reserves, % of ST ext. debt	148.6	143.9	145.5	146.3	136.6	142.5	149.3	144.1	127.5	125.8	124.9	155.4	135.9
Debt indicators													
Public debt, USD bln	14.9	14.6	14.5	15.9	16.0	15.5	16.3	17.6	17.8	17.7	17.1	24.6	24.3
Public debt, % of GDP	16.5	15.4	14.4	15.0	14.2	13.0	12.7	12.4	11.8	10.7	9.2	13.2	14.0
Corporate external debt, USD bln	28.3	30.2	34.0	40.7	46.6	51.9	60.5	67.5	75.1	82.8	91.1	82.3	81.0
Corporate external debt, % of GDP	31.2	31.7	33.7	38.3	41.6	43.5	47.0	47.8	50.0	50.2	49.3	44.3	46.9
Gross external debt, USD bln	41.0	42.6	46.2	54.5	59.8	65.3	74.2	82.7	87.8	98.0	105.4	101.7	99.2
Gross external debt, % of GDP	45.2	44.7	45.9	51.2	53.4	54.7	57.7	58.6	58.5	59.4	57.0	54.6	57.3
Monetary indicators													
Monetary base, UAH bln	75.5	80.2	84.8	97.2	96.4	111.0	127.7	141.9	136.4	154.2	170.8	186.7	174.8
Money supply (M3), UAH bln	195.3	214.1	234.8	261.1	272.5	303.0	348.2	396.2	416.2	450.6	477.7	514.7	463.7
Money supply, chg yoy	39.4	37.0	37.3	34.5	39.5	41.5	48.3	51.7	52.8	48.7	37.2	29.9	11.4
Monetary multiplier (MB/M3)	2.6	2.7	2.8	2.7	2.8	2.7	2.7	2.8	3.1	2.9	2.8	2.8	2.7
Monetization (avg M3/GDP), %	40.0	41.9	44.1	42.3	41.9	44.4	44.8	46.4	44.1	45.9	45.5	46.0	46.8
Exchange rate													
Interbank UAH/USD (eop)	5.06	5.00	5.04	5.05	5.03	5.02	5.03	5.05	5.00	4.57	5.08	8.05	8.05
Interbank UAH/USD (avg)	5.06	5.03	5.02	5.04	5.04	5.03	5.01	5.05	5.04	4.85	4.71	6.52	8.12
State budget													
Revenues, UAH bln	25.0	54.8	92.2	133.5	33.5	71.3	113.7	165.9	46.7	104.8	169.1	231.7	51.3
Expenses, UAH bln	26.7	58.1	93.6	137.1	29.4	70.6	116.1	174.2	45.5	102.9	165.1	241.5	50.9
Balance, % GDP	-0.1	-0.1	0.0	0.0	0.1	0.0	0.1	0.2	0.0	0.0	0.2	0.3	0.5
Social indicators													
Population, mln (eop)	46.8	46.8	46.7	46.6	46.6	46.5	46.4	46.4	46.3	46.2	46.2	46.1	46.1
Unemployment (ILO methodology), %	7.9	5.8	5.5	8.2	7.4	5.8	5.4	6.9	7.1	5.4	5.5	7.5	9.5
Average monthly salary, UAH	919	1,017	1,080	1,157	1,161	1,290	1,415	1,603	1,619	1,787	1,906	1,914	1,735

Source: State Statistics Committee, National Bank of Ukraine, Ministry of Finance, Bloomberg, Concorde Capital estimates

Ukrainian macro indicators monthly

	2008						2009							
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
Business cycle indicators														
Industrial output, chg yoy	5.2	5.1	-0.5	-4.5	-19.8	-28.6	-26.6	-34.1	-31.6	-30.4	-31.8	-31.8	-27.5	-26.7
Metallurgy	4.3	3.5	-8.6	-17.0	-35.6	-48.8	-42.7	-46.0	-40.7	-43.1	-45.5	-43.4	-39.3	-30.4
Machine building	21.3	24.6	13.4	14.6	-11.2	-38.8	-37.1	-58.3	-53.5	-53.0	-52.6	-53.0	-48.0	-52.9
Food processing	-3.8	-1.6	-3.5	-5.5	-10.9	-8.7	-4.9	-14.3	-10.1	-9.4	-2.8	-2.1	0.9	-8.7
Chemicals	-0.2	-1.4	-9.1	-2.1	-19.2	-35.2	-38.0	-49.6	-37.7	-29.8	-28.6	-33.1	-25.3	-27.8
Retail sales, chg yoy (cumulative)	28.8	26.6	25.8	25.1	23.6	20.9	18.6	-7.1	-9.4	-11.5	-14.3	-15.3	-15.2	-15.9
Construction works, chg yoy	-1.2	-2.1	-2.6	-7.2	-9.6	-13.0	-16.0	-57.6	-57.3	-56.7	-55.6	-55.8	-54.9	-54.3
CPI, chg yoy	29.3	26.8	26.0	24.6	23.2	22.3	22.3	22.3	20.9	18.1	15.6	14.7	15.0	15.5
CPI, chg mom	0.8	-0.5	-0.1	1.1	1.7	1.5	2.1	2.9	1.5	1.4	0.9	0.5	1.1	-0.1
PPI, chg yoy	43.7	46.3	46.9	42.7	37.7	27.4	23.0	20.4	19.0	12.8	6.3	1.9	-0.9	-3.7
PPI, chg mom	4.2	3.6	1.8	-1.8	-1.4	-6.5	-0.4	0.2	1.8	1.1	0.4	-0.7	1.4	1.0
External sector indicators														
Merchandise exports, USD bln	6.9	7.6	6.7	6.7	5.9	3.6	4.0	2.4	2.7	3.2	3.1	2.9	3.0	n/a
Merchandise exports, chg yoy	62.8	78.9	61.2	62.5	34.9	-18.6	-17.6	-33.4	-42.5	-41.1	-44.5	-53.4	-57.0	n/a
Merchandise imports, USD bln	7.9	8.8	8.2	8.5	7.6	5.3	4.8	2.0	3.8	3.9	3.6	3.2	3.2	n/a
Merchandise imports, chg yoy	69.5	66.0	67.4	74.8	30.2	-9.6	-27.9	-55.9	-41.2	-48.9	-54.8	-58.5	-59.7	n/a
Merchandise trade balance, USD bln	-1.0	-1.2	-1.4	-1.8	-1.8	-1.6	-0.8	0.4	-1.1	-0.7	-0.5	-0.3	-0.2	n/a
NBU reserves, USD bln	35.4	37.9	38.1	37.5	31.9	32.7	31.5	28.8	26.5	25.4	24.5	27.8	27.3	n/a
Monetary indicators														
Monetary base, UAH bln	154.2	163.7	169.0	170.8	173.4	172.8	186.7	180.0	173.4	174.8	180.2	181.7	188.7	189.2
Monetary base, chg yoy	38.9	41.6	40.2	33.8	33.2	32.5	31.5	32.1	29.1	28.1	24.3	24.5	22.4	15.6
Monetary base, chg mom	5.7	6.1	3.2	1.1	1.5	-0.3	8.0	-3.6	-3.7	0.8	3.1	0.8	3.9	0.2
Money supply (M3), UAH bln	450.6	467.5	474.9	477.7	481.1	483.9	514.7	492.7	470.8	463.7	465.1	468.2	472.7	471.9
Money supply (M3), chg yoy	49.1	48.7	47.5	44.4	37.2	35.8	32.3	29.9	25.9	18.2	11.4	8.2	9.0	4.9
Money supply (M3), chg mom	4.9	3.8	1.6	0.6	0.7	0.6	6.4	-4.3	-4.5	-1.5	0.3	0.7	1.0	-0.2
Monetary multiplier (MB/M3)	2.9	2.9	2.8	2.8	2.8	2.8	2.8	2.7	2.7	2.7	2.6	2.6	2.5	2.5
Monetization (M3/GDP), %	45.9	45.0	45.4	45.5	44.3	44.4	46.0	48.2	47.1	46.8	46.9	47.0	47.2	47.2
Banking system														
Risk-adjusted assets, UAH bln	699.3	717.9	740.5	756.6	792.0	853.1	927.2	905.8	885.6	878.1	873.4	863.0	868.6	869.2
Risk-adjusted assets, chg yoy	58.8	56.3	55.1	48.6	52.5	54.1	54.7	50.0	44.0	35.9	32.6	29.0	24.2	21.1
Loans (hryvnya), UAH bln	262.0	261.7	268.5	275.1	276.7	280.1	300.1	297.5	297.4	300.2	310.0	320.6	333.8	339.1
Loans (foreign currency), USD bln	256.1	269.7	279.3	290.9	341.6	391.6	433.8	425.1	425.1	433.8	406.5	391.5	380.9	378.9
Deposits (hryvnya), UAH bln	217.2	222.6	226.1	232.0	210.6	199.6	200.3	185.4	176.6	174.6	174.6	175.6	179.3	175.4
Deposits (foreign currency), USD bln	104.4	109.5	110.5	108.1	120.4	139.2	157.5	154.1	143.8	139.3	140.9	143.4	142.3	144.6
Exchange rate														
Interbank UAH/USD (eop)	4.70	4.62	4.63	5.08	5.92	7.52	8.05	7.69	8.59	8.05	7.95	8.05	7.77	7.88
Interbank UAH/USD (avg)	4.70	4.62	4.63	4.88	5.59	6.16	7.87	8.10	8.23	8.03	8.06	7.86	7.75	7.70
State budget														
Revenues, UAH bln	104.8	n/a	149.2	169.1	188.0	208.0	231.7	13.4	32.0	51.3	70.5	88.6	101.1	115.9
Expenses, UAH bln	102.9	n/a	143.1	165.1	186.4	205.5	241.5	10.9	31.0	51.0	72.4	90.7	110.7	130.1
Social indicators														
Population, mln (eop)	46.2	46.2	46.2	46.2	46.2	46.2	46.1	46.1	46.1	46.1	46.1	46.0	46.0	n/a
Average monthly salary, UAH	1 883	1 930	1 872	1 916	1 917	1 823	2 001	1 665	1 723	1 818	1 845	1 851	1 980	2 008

Source: State Statistics Committee, National Bank of Ukraine, Ministry of Finance, Bloomberg, Concorde Capital estimates

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