



CONCORDE CAPITAL

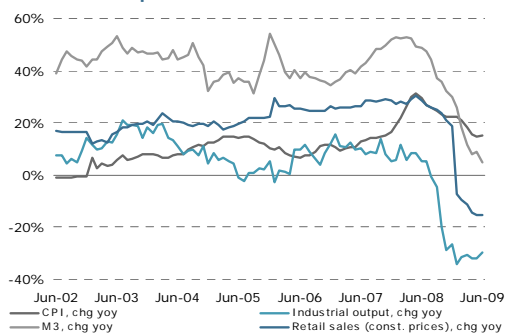
Macroeconomic Overview

Monthly update

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July 31, 2009

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

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

Prices for core commodities, as of July 31

	Current	chg YTD	chg yoy
Gas imports, USD/tcm	270.95	-25%	51%
Crude oil (URALS), USD/bbl	68.56	62%	-43%
Milling wheat 3rd gr, USD/mt, FOB*	158.00	28%	-36%
Steel square billet, USD/mt, FOB*	385.00	5%	-61%

* Black Sea ports

Source: Gas of Ukraine, Bloomberg

- After more than a month of stability, the UAH/USD exchange rate started rising in late June and hit 8.15 on July 28, before rebounding to 7.98. We expect that the upcoming disbursement of the third IMF loan tranche could alleviate pressure on the UAH and let the UAH/USD return to ~7.70-7.90 in August.
- On July 28, the IMF board approved a third, USD 3.3 bln, tranche of the USD 16.4 bln standby loan. The funds will be directed in full into the state budget to cover Ukraine's external obligations. As the IMF places no restriction on how the funds will be expended, we expect part of the tranche could be used to boost Naftogaz of Ukraine's finances.
- The IMF also adjusted its 2009 forecasts for Ukraine: they expect GDP to fall 14% yoy vs. 8% yoy previously, and consumer inflation to rise 13% yoy vs. 16% yoy before. The IMF now expects a 6% of GDP budget deficit vs. 4% earlier.
- In June, the decline in industrial output improved to 27.5% yoy, from 31.8% yoy in May. The NBU reported that Ukraine's business confidence is on the rise, with less enterprises expecting a continued economic slowdown, job cuts, and high inflation and more companies saying they anticipated increasing sales in the coming twelve months.
- In July, most Ukrainian banks reported losses for 1H09, as they continued to increase NPL provisions. With the current pace of banking system recovery, we do not expect Ukrainian banks to return to normal lending activity until the end of 2010.
- This month we saw the first Eurobond restructuring deal in the banking sector by Alfa-Bank Ukraine. The agreement could be a benchmark for upcoming restructuring deals by other Ukrainian banks.

UAH/USD interbank exchange rate


Source: UkrDealing

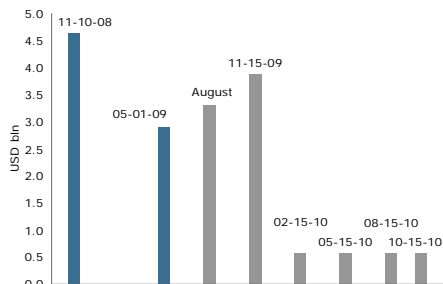
UAH/USD: seesaw revisited

After the UAH/USD exchange rate had remained virtually unchanged over the second half of May and most of June, it started to rise again in late June. Since June 19, the hryvnya has lost 4.5% against the greenback, with the highest point on July 28, when the spot exchange rate hit 8.15. As of today, UAH/USD returned to 7.98.

One of the key reasons for the UAH's fluctuations in July were irregular central bank interventions on the forex market. In our view, the NBU's behavior could have been caused by pressure from the IMF to move to a more flexible exchange rate regime. After Ukraine received the third tranche of the IMF loan, IMF First Deputy Managing Director John Lipsky said that further progress in increasing currency flexibility "will help Ukraine to adjust better to external shocks, discourage dollarization and excessive risk-taking by unhedged borrowers, and allow monetary policy to focus on inflation objectives".

Another reason was Naftogaz of Ukraine purchasing dollars interbank to pay for Russian natural gas imports. Previously, the company mostly bought US dollars directly from the National Bank. However, as the price of imported gas decreased in 3Q09, and will decline further in 4Q09, according to the contract with Gazprom, we expect that the impact of gas purchases on the UAH/USD rate will weaken modestly.

In August, we anticipate the UAH could rebound to ~7.70-7.90/1 dollar, as the USD 3.3 bln chunk of the IMF loan will increase the greenback supply. At the same time, there is a risk that after that, the NBU will become even less prone to conduct currency interventions, which may prevent the hryvnya's revanche against the dollar.

IMF standby loan tranche schedule


Source: IMF-Ukraine Memorandum of Economic and Financial Policies, May 2009

Grey bars indicate tranches that have not been disbursed

Ukraine gets USD 3.3 bln from the IMF

On July 28, the board of the International Monetary Fund cleared the disbursement of a third, USD 3.3 bln, tranche (of a total USD 16.4 bln facility) to Ukraine. We expect that the money will be transferred in early August.

The IMF also adjusted its macroeconomic outlook: for 2009 the Fund now foresees a 14% decline in GDP vs. 8% previously, and CPI inflation growth of 13% vs. 16% before. The IMF staff now forecasts a deeper budget deficit (6% vs. 4% of GDP as before) to acknowledge the difficulties of Naftogaz of Ukraine.

As a prerequisite for the receipt of the third tranche, Ukraine approved a bank bailout bill, which creates a legal framework for recapitalizing banks. The law increases the state administration timeframe from six months to one year, but decreases the moratorium on the early withdrawal of deposits from six to three months. The law also prescribes the creation of a sanation bank, which would take on the assets and liabilities of insolvent banks.

The bill could hasten the process of banks' recapitalization, but the three-month timeframe for the moratorium might not be enough to make a decision on the further fate of a bank, thus we could see some weak banks pushed toward liquidation.

Another measure that Ukraine took in order to receive the third tranche was a decision to increase domestic gas prices by 20% effective September 1, and by another 20% in the beginning of 2010. We expect that this move will add about 2 pp to CPI growth and 3 pp to PPI growth in 2009. Nevertheless, for now we will keep our current 2009 forecasts of a 15% yoy rise in CPI and 11% yoy growth in PPI, as current trends in inflation, even combined with the gas price hike, are roughly leading to the numbers we forecasted for yearend.

The IMF said that the entire amount of the third tranche will be directed into the state budget to cover the government's external obligations, though USD 3.3 bln is much more than the Ukrainian

government needs to service its debt in 2009. The Fund places no restriction on how exactly the funds will be expensed, and we expect that part of the tranche could be used to boost Naftogaz' finances.

On the day following the approval of the third tranche, Ukraine's Acting Finance Minister Ihor Umanskiy said that the IMF might agree to disburse a USD 3.8 bln fourth tranche in September, not in November as previously agreed. Yet, even if revisions to the program start in September, we do not expect that the funds will come earlier than late October-early November. As we have seen from previous revisions, Ukrainian authorities are quite slow to make good on measures prescribed by the IMF as requirements for receiving the next tranche of the loan.

Real economy: settling into a trough

In June, industrial output fell 27.5% yoy, a notable improvement compared to the 31.8% yoy decline in May. Month-on-month growth was 3.1%, twice higher than the average of +1.6% mom for Junes in 2002-2008.

Ukraine's flagship industrial sector, metallurgy, showed gradual increase in output over 1H09. The current level of steel prices seems sustainable, however we do not see a marked increase at least until yearend. As more than 70% of Ukraine's steel output goes to export, recovery in metallurgy will be foremost dependent on restoration of global economy.

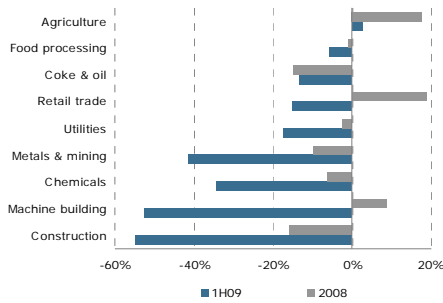
There is now more or less certainty that that the Ukrainian economy did indeed reach bottom in January-February, as we have claimed since March. The performance of the services sectors also hint at bottom. Retail trade grew 1.2% mom in June – the second consecutive month of growth. Construction works, down 54.9% yoy in 1H09, have been quite stable over 2Q09. That said, we do not see a confident recovery in construction works until 2011, as credit is still frozen and demand for new residential and commercial real estate is sluggish.

On July 17, the National Bank of Ukraine reported in its quarterly survey that business confidence improved. The share of businesses that expect a continued economic slowdown, job cuts, and high inflation in the next twelve months decreased. 67% of surveyed companies expect to increase sales in the coming twelve months. Meanwhile, most businesses plan to keep curtailing investment over the next twelve months.

After showing an improving pattern since October 2008, the balance of payments widened moderately in June to USD 0.7 bln. In 1H09, the imbalance made USD 7.3 bln, USD 6.6 bln of which was attributed to capital account outflows.

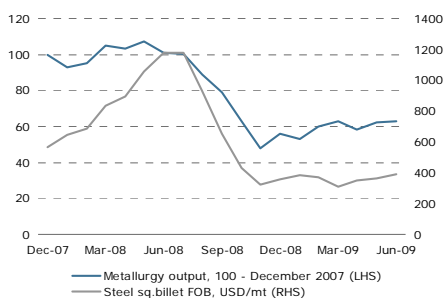
We reiterate our forecast of a 2009 full-year balance of payments shortfall of USD 8.0 bln. The IMF loan's third and fourth tranches will bring in USD 7.2 bln this year. Those inflows should cover upcoming outflows via the capital account.

Performance of key sectors



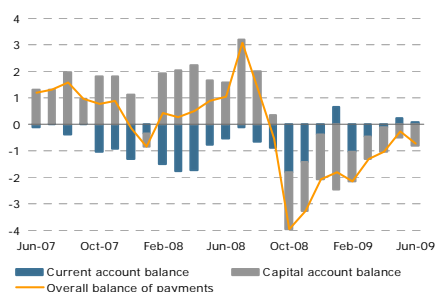
Source: State Statistics Committee, Concorde Capital

Metallurgy gradually rebounds



Source: State Statistics Committee, Concorde Capital

Ukraine's balance of payments, USD bln



Source: National Bank of Ukraine, Concorde Capital

Selected banks' 1H09 financials

	Assets		Liabilities		Net Inc
	UAH bln	chg YTD	UAH bln	chg YTD	
Privatbank	79.5	-1%	70.9	-1%	0.4
Raiffeisen Bank Aval	57.2	-12%	50.8	-12%	-1.1
Ukreximbank	56.7	17%	48.6	11%	0.0
Ukrsibbank	51.0	-8%	45.7	-10%	-0.8
Ukrsotsbank	45.0	-9%	39.7	-11%	0.1
Alfa-Bank	32.4	0%	29.2	1%	-0.2
Prominvestbank	27.9	1%	24.6	2%	-0.4
VTB Bank	27.3	-4%	24.8	-4%	0.0
Forum	19.1	-7%	16.9	-9%	-0.3
FUIB	17.8	-12%	14.9	-11%	-0.6
Finance & Credit	17.6	-5%	15.3	-4%	-0.2
Ukrgazbank	12.1	-18%	10.8	-19%	-0.1
Pivdennyi	10.5	-5%	9.0	-7%	0.0
Rodovid Bank	8.7	-34%	8.9	-24%	-1.5
Swedbank	5.2	-67%	4.6	-66%	0.0
Megabank	2.9	0%	2.5	-5%	0.0

Source: smida.gov.ua, company data

Banking system update

In July, most Ukrainian banks reported losses in 1H09. The main reason was that the banks continued to increase NPL provisions. We estimate that as of end-1H09, Ukrainian banks outlaid funds that cover 10-12% of their loan portfolios, versus 8% as of end-1Q09.

We expect that the process of outlaying reserves and thus posting losses will continue at least through yearend. By our estimates, problematic loans could account for up to 25% of total loans in the Ukrainian banking system. With the current pace of banking system recovery, we do not expect Ukrainian banks to return to normal lending activity until the end of 2010.

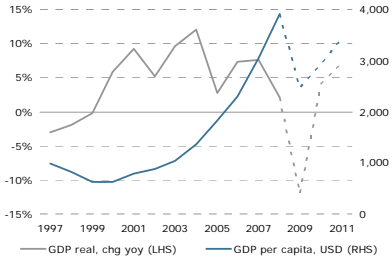
We welcome the recent activity of the government in the sector. In July, the first three banks to be recapitalized by the state (Ukrgazbank, Rodovid Bank, and Bank Kyiv) received a total of UAH 9.5 bln, and have already returned to normal work regimes.

Two other banks (Nadra Bank and Ukrprombank) that are in line for government support are still unable to reach agreements with their creditors in order to be recapitalized. According to the Acting Finance Minister Ihor Umanskiy, Nadra Bank is most likely to receive the state support, while Ukrprombank will probably be liquidated.

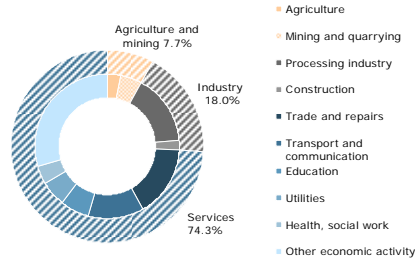
An important milestone event in the banking sector was the first Eurobond restructuring deal: on July 23 Alfa-Bank Ukraine reached an agreement with its 2009, 2010, and 2011 bondholders to exchange these bonds into ones maturing in 2012 (for more details see our flash note of July 22). We expect that this agreement could be a benchmark for upcoming restructuring deals by other banks.

MACRO MONITOR

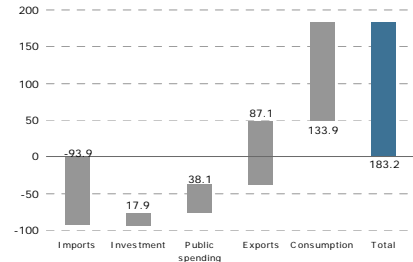
GDP growth and GDP per capita



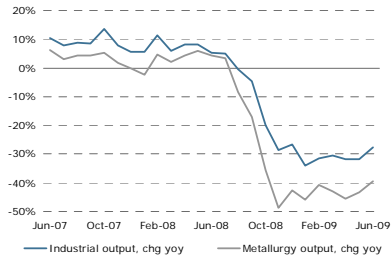
GDP by sector in 1Q09



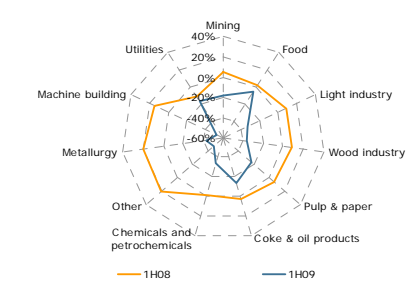
GDP by expenditures in 1Q09, UAH bln



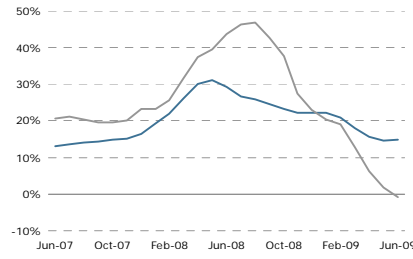
Manufacturing indicators



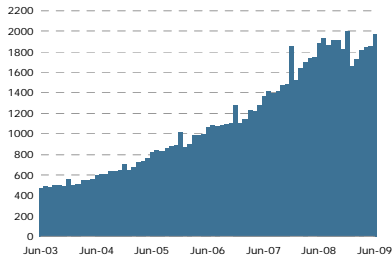
Industrial output growth by sector, chg yoy



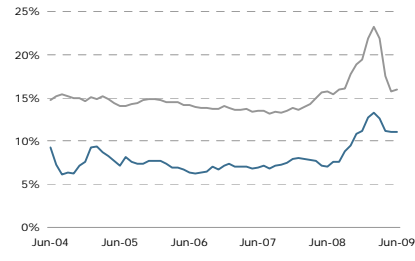
Inflation



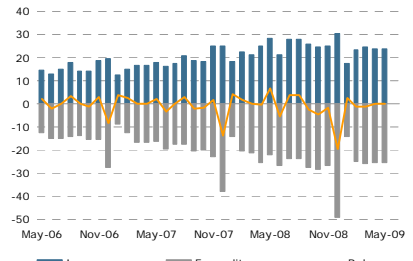
Average monthly salary, UAH



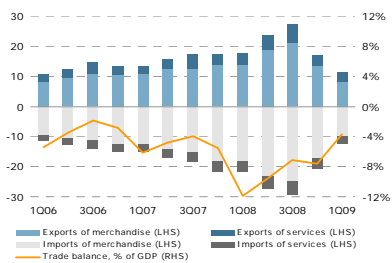
Interest rates



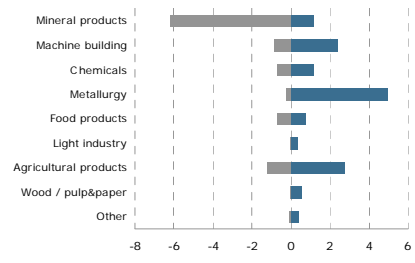
Consolidated budget execution, UAH bln



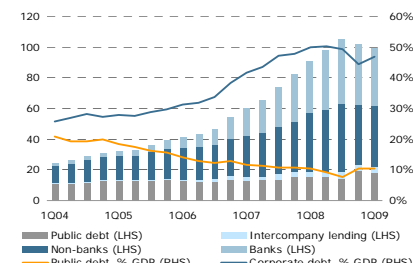
External trade, USD bln



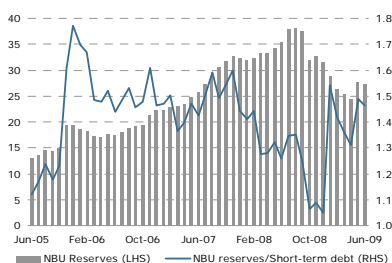
External trade in merchandise, 5M09



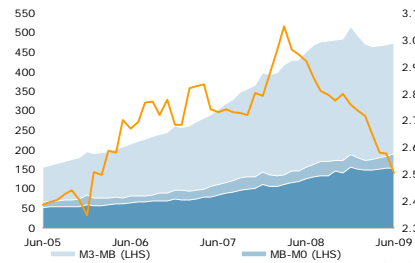
External debt, USD bln



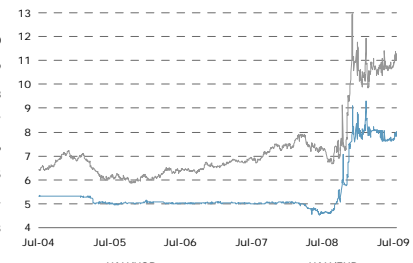
NBU reserves



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					
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Business cycle indicators														
Industrial output, chg yoy	8.3	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
Metallurgy	5.9	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
Machine building	25.1	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
Food processing	3.0	-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
Chemicals	6.8	-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
Retail sales, chg yoy (cumulative)	30.2	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
Construction works, chg yoy	-1.1	-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
CPI, chg yoy	31.1	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
CPI, chg mom	1.3	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
PPI, chg yoy	39.4	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
PPI, chg mom	3.7	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
External sector indicators														
Merchandise exports, USD bln	6.3	6.9	7.6	6.7	6.7	5.9	3.6	4.0	2.4	2.7	3.2	3.1	2.9	n/a
Merchandise exports, chg yoy	53.9	62.8	78.9	61.2	62.5	34.9	-18.6	-17.6	-33.4	-42.5	-41.1	-44.5	-53.4	n/a
Merchandise imports, USD bln	7.7	7.9	8.8	8.2	8.5	7.6	5.3	4.8	2.0	3.8	3.9	3.6	3.2	n/a
Merchandise imports, chg yoy	58.9	69.5	66.0	67.4	74.8	30.2	-9.6	-27.9	-55.9	-41.2	-48.9	-54.8	-58.5	n/a
Merchandise trade balance, USD bln	-1.4	-1.0	-1.2	-1.4	-1.8	-1.8	-1.6	-0.8	0.4	-1.1	-0.7	-0.5	-0.3	n/a
NBU reserves, USD bln	34.4	35.4	37.9	38.1	37.5	31.9	32.7	31.5	28.8	26.5	25.4	24.5	27.8	n/a
Monetary indicators														
Monetary base, UAH bln	145.9	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
Monetary base, chg yoy	38.8	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
Monetary base, chg mom	0.6	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
Money supply (M3), UAH bln	429.7	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
Money supply (M3), chg yoy	52.3	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
Money supply (M3), chg mom	-0.1	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
Monetary multiplier (MB/M3)	2.9	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
Monetization (M3/GDP), %	44.8	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
Banking system														
Risk-adjusted assets, UAH bln	669.2	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
Risk-adjusted assets, chg yoy	64.7	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
Loans (hryvnya), UAH bln	253.0	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
Loans (foreign currency), USD bln	246.6	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
Deposits (hryvnya), UAH bln	203.8	217.2	222.6	226.1	232.0	210.6	199.6	200.3	185.4	176.6	174.6	174.6	172.8	177.9
Deposits (foreign currency), USD bln	102.7	104.4	109.5	110.5	108.1	120.4	139.2	157.5	154.1	143.8	139.3	139.3	140.3	139.0
Exchange rate														
Interbank UAH/USD (eop)	4.76	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
Interbank UAH/USD (avg)	4.76	4.70	4.62	4.63	4.88	5.59	6.16	7.87	8.10	8.23	8.03	8.06	7.86	7.67
State budget														
Revenues, UAH bln	89.4	104.8	n/a	149.2	169.1	188.0	208.0	231.7	13.4	32.0	51.3	n/a	88.6	n/a
Expenses, UAH bln	83.2	102.9	n/a	143.1	165.1	186.4	205.5	241.5	10.9	31.0	50.9	n/a	90.7	n/a
Social indicators														
Population, mln (eop)	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.1	46.1	46.1	46.1	46.1	46.0	n/a
Average monthly salary, UAH	1,744	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

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

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