



CONCORDE CAPITAL

Ukraine / Economics

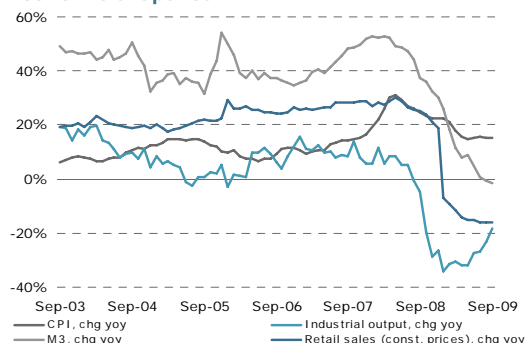
Macroeconomic Overview

Monthly update

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Economic snapshot



Key macroeconomic indicators

	2008	2009E	2010F
Business cycle			
Real GDP, chg yoy	2.1	-14.1	4.0
Nominal GDP, USD bln	180.3	110.1	111.8
Industrial output, chg yoy	-3.1	-23.1	7.5
CPI (eop), chg yoy	22.3	15.0	9.0
PPI (eop), chg yoy	23.0	10.0	10.0
External sector			
NBU reserves (eop), USD bln	31.5	26.3	24.6
Current account balance, % GDP	-7.0	-1.3	2.0
Capital account balance, % GDP	7.7	-7.1	-3.6
External debt, % of GDP	56.4	92.9	89.6
Exchange rate			
Interbank UAH/USD (avg)	5.27	8.30	9.10

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

Prices for core commodities, as of October 30

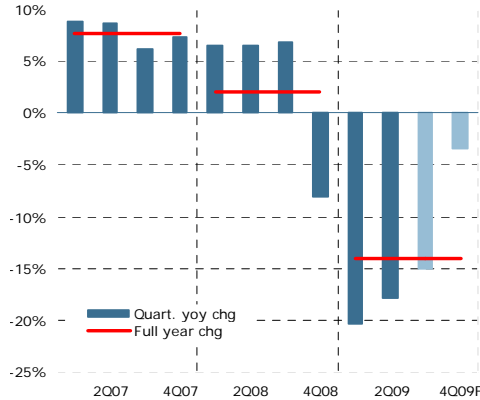
	Current	chg YTD	chg yoy
Gas imports, USD/tcm	198.34	-45%	10%
Crude oil (URALS), USD/bbl	74.26	76%	-14%
Milling wheat 3rd gr, USD/mt, FOB*	122.00	-1%	-52%
Steel square billet, USD/mt, FOB*	385.00	5%	-23%

* Black Sea ports

Source: Gas of Ukraine, Bloomberg

- **Real GDP declined 15% yoy in 3Q09 vs. -17.8% in 2Q09, according to preliminary data.** We expect real GDP to drop -14% in 2009. The slowdown in the annual decline in GDP is derived from a low comparison base at end-2008 and gradually improving external demand.
- **Consumer prices rose 15.0% yoy in September, off from 15.3% yoy in August.** In 2010, we forecast single-digit inflation (9%), driven by weak domestic demand and stabilization in the UAH exchange rate.
- **In 9M09, the consolidated budget deficit reached UAH 24.6 bln or ~3.7% of GDP, vs. 2.9% in 8M09.** We believe the consolidated budget deficit can reach as much as UAH 60 bln or 6.5% of GDP in 2009 and represents one of Ukraine's largest macroeconomic risks.
- **Total public debt reached USD 34.1 bln or 30% of GDP in September,** close to the Eastern European average of 27.2% as of end-2008. We think the government still has some leeway to cover the budget deficit through borrowings.
- **In September 2009, the BoP current account turned positive to USD 97 mln** vs. a deficit of USD 83 mln in August. We forecast a total current account deficit in 2009 of USD 1.4 bln or 1.3% of GDP vs. 7% in 2008.
- In September, the NBU continued to pursue a strict monetary policy, targeting exchange rate stability: the monetary base rose only 0.13% mom in September, though it is down 1.6% YTD.

Real GDP dynamics (chg, yoy)*



* GDP change in 3Q09 – as estimated by the chief advisor to the head of the NBU, GDP change in 4Q09 and 2009 – as forecasted by Concorde Capital
Source: State Statistics Committee of Ukraine

Drop in real GDP slows to -15% yoy in 3Q09

Ukraine's real GDP decreased 15% yoy in 3Q09, Valeriy Litvitskiy, chief advisor to the head of the National Bank of Ukraine said on October 16 in an interview with Interfax. The decline is less steep than 2Q09's -17.8% yoy.

GDP grew for the second consecutive quarter in 3Q09, albeit slower, according to the NBU estimates: +3.7% qoq in 3Q09, after +4.5% qoq in 1Q09 (based on seasonally adjusted GDP).

The yoy improvement in real GDP dynamics was mainly due to the low comparison base. We expect this factor to prevail in 4Q09 and keep our forecast of real GDP shrinking 14% yoy in 2009.

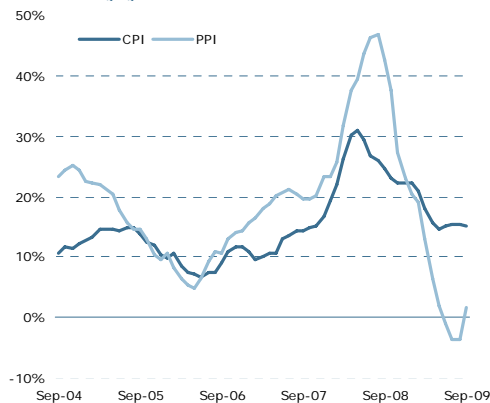
The 3Q09 GDP figure was also bolstered by improving external demand. The decline in industrial production slowed from -29.6% yoy in 8M09 to -28.4% yoy in 9M09. This was mainly driven by metallurgy and machinery production (~40% of total industrial sales combined).

Retail sales plunged ~16% in 3Q09 vs. -15% in 2Q09, due to declining individual incomes. Real salaries were down 11.8% yoy in 3Q09, after -9.7% yoy in 2Q09.

Weak domestic investment demand is evidenced by the steep decline in construction volumes: -53.4% yoy in 3Q09 after -55.4% yoy in 2Q09.

We believe Ukraine's economic recovery will continue on the back of export-oriented industries (such as metallurgy and machinery) in the next year, with domestic demand lagging.

Inflation, yoy



Source: State Statistics Committee of Ukraine

Consumer inflation at 15% yoy in September

Consumer prices increased 15.0% yoy in September, off from 15.3% yoy in August. Overall, inflationary pressure on the economy is moderating because of weak domestic consumer demand.

We expect CPI to stay at ~14-15% until end-2009. Next year, we project single-digit inflation (~9%), driven by weak domestic demand and stabilization in the hryvnya exchange rate.

UAH/USD interbank exchange rate, mid-market



Source: UkrDealing

USD/UAH: stability extends

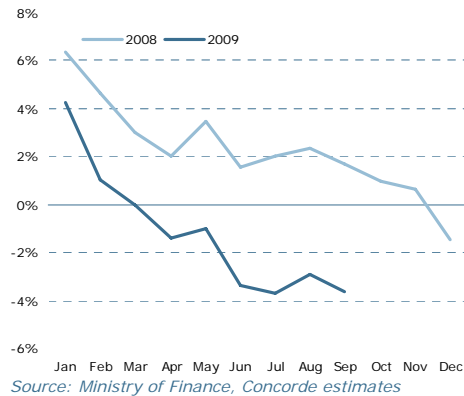
The USD/UAH exchange rate stabilized further in October. The hryvnya gained 2.1% on the US dollar in October, after 2.4% gain in September.

The improved BoP balance was one factor behind the stabilization, as the current account turned positive in September (+USD 97 mln) after being negative in August (-USD 83 mln).

Additionally, the NBU continued implicitly targeting exchange rate stability. In October, it further tightened its grip on banks: the average daily balance on banks' correspondent accounts at the NBU dropped to UAH 14.8 bln in October, from UAH 16.8 bln in September and UAH 18.7 bln in August.

We still expect more USD/UAH volatility through early 2010, ahead of the January presidential elections, and given not completely balanced BoP current account and large capital account deficit.

Cumulative consolidated budget deficit, % of GDP



Lack of IMF money threatens public finances

In 9M09, the consolidated budget deficit reached UAH 24.6 bln or ~3.7% of GDP, vs. 2.9% in 8M09. We believe the consolidated budget deficit could reach as much as UAH 60 bln or 6.5% of GDP at yearend and represents one of largest risks to Ukraine's economy.

With economic activity down, consolidated budget revenues shrank 10.5% yoy in 9M09. The greatest contribution to this was the drop in proceeds from corporate income tax and VAT by ~24% yoy, as they account for ~41% of all budget revenues.

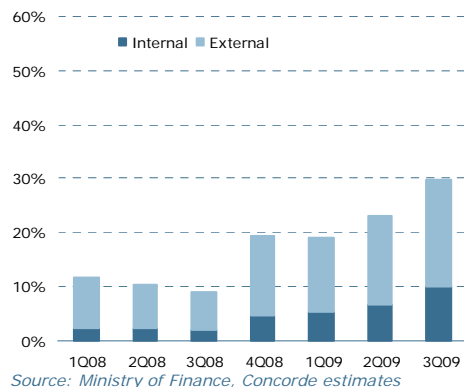
On the eve of the presidential elections in January 2010, social outlays, which account for more than 50% of all expenditures, grew by 11.7% yoy in 3Q09. At the same time, capital expenditures dropped 47% yoy in 9M09 (5.5% of all outlays). Quite expectedly, debt service expenses increased three-fold yoy in 9M09.

In October, President Viktor Yushchenko signed into law an increase in social standards (raising the living wage from UAH 626 per month to UAH 701 and minimum wage from UAH 669 to UAH 744 as of November 1, with subsequent hikes every quarter beginning January 1, 2010). The law is expected to have only a marginal direct effect on the 2009 budget (it will mainly affect corporate payrolls).

However, one important consequence can be the IMF, which specifically called for veto of the bill, postpones the allocation to Ukraine of the next ~USD 3.9 bln (UAH 32 bln) tranche of its standby loan until after presidential elections. This amount roughly corresponds to the total expected budget deficit in 4Q09.

Without the IMF loan, the government will have a hard time covering the consolidated budget deficit at the end of 2009. Instead, it would have to be reliant on the domestic UAH debt market, where the government attracted short-term resources in late October at 29%. In addition, the government will have to increase its grip on corporate tax payers. Finally, it might ultimately need to cut or delay some social outlays.

Public debt, % of GDP



Public debt still moderate at 30% of GDP

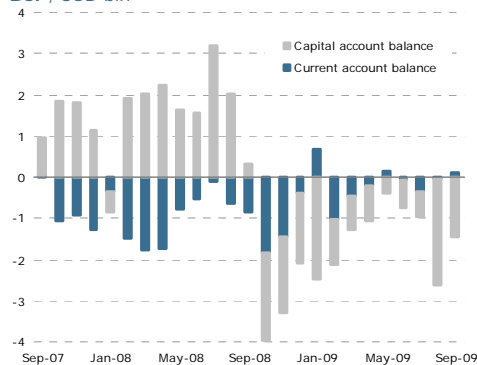
Total public debt was UAH 279.6 bln (~USD 34.1 bln) or 30% of GDP in September, vs. 23.2% at end-2Q09. This is in line with the Eastern Europe average (27.2% of GDP at end-2008) and well below the Euro area level of 72.7% of GDP at end-1Q09. Thus, the government still has some leeway to cover the budget deficit through borrowings.

In 3Q09, direct domestic debt increased 57% via the issuance of domestic T-bills. External public debt, in turn, rose 27% with the receipt of an IMF loan tranche in July (USD 3.3 bln) and a World Bank loan in September (USD 400 mln). The government redeemed its Eurobonds on time in August and September for ~USD 1.25 bln in total.

One of the issues with public debt is that the domestic portion has a shorter duration than foreign debt. In particular, the government will have to redeem UAH 1.8 bln in domestic T-bills in February 2010, UAH 3.7 in April and UAH 1.8 bln in June.

It is hard to predict whether the government will be able to refinance this debt at maturity by issuing new securities. The situation might shock the domestic market by pushing short-term interest rates up. We do not expect this will put direct pressure on the hryvnya though, as it is primarily domestic investors who invest in UAH-nominated T-bills (only 0.3% of all outstanding UAH T-bills were owned by foreigners as of end-October 2009).

BoP, USD bln



Source: National Bank of Ukraine

BoP deficit narrows

In September 2009 the balance of payments current account turned positive for only the third time this year and equaled USD 97 mln vs. the deficit of USD 83 mln in August. The capital account deficit narrowed from USD 2.5 bln to USD 1.4 bln. We expect the total current account deficit in 2009 to be USD 1.4 bln or 1.3% of GDP. The capital account is expected to run a deficit of USD 7.8 bln or 7.1% of GDP in 2009.

September's positive current account was mainly due to narrowing of the commodities trade deficit from USD 182 mln in August to USD 13 mln. Commodity exports went up 16.2% mom, with increases registered for all major items, including metallurgy and agriculture. Overall import growth (+4.3% mom) was chiefly constrained by smaller gas import volumes (-35% mom in real terms).

Improvement in the capital account came primarily from the inflow of investments to the banking sector, as foreign owners supported their local subsidiaries. Specifically, FDI was USD 835 mln in September, USD 500 mln of which came from Russian Vnesheconombank to local Prominvestbank.

Another reason for the better capital account was smaller debt repayments by banks: net USD 284 mln in September vs. USD 932 mln in August.

We believe the current account will continue to improve and be positive in 2010 (~USD 2 bln). The capital account, in contrast, will stay negative, with no strong uptrend in 2010 (-USD 4 bln).

Monetary base change and sources, %, p.p.

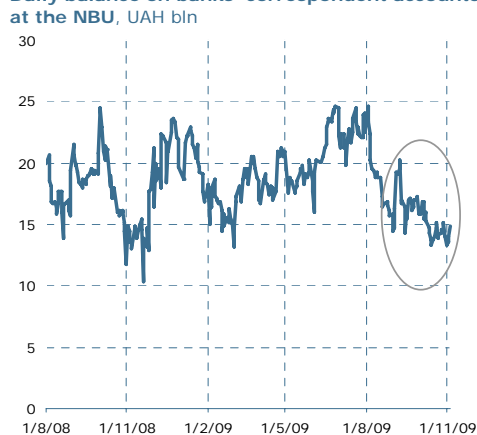
	2007	2008	9M08	9M09
Reserve money	46.0%	31.6%	20.4%	-1.6%
Net foreign assets*	55.6	-19.5	19.0	-29.8
Claims on banks	0.3	41.8	4.2	14.1
Net claims on gov't	2.8	12.0	-4.3	18.2
Claims on others*	-12.7	-2.8	1.5	-5.2

*Data adjusted for assets revaluation due to UAH depreciation

1. Net foreign claims change mainly through the NBU interventions in the domestic FX market
2. Claims on banks changes arise through refinancing of banks by the NBU
3. Changes in Net claims on gov't result from the NBU operations with T-bills and changes in balance of gov't account at the NBU

Source: NBU, Concorde Capital estimates

Daily balance on banks' correspondent accounts at the NBU, UAH bln



Source: National Bank of Ukraine

NBU tightens its grip on banks

In September, the NBU, in targeting exchange rate stability, continued to hold to its strict monetary policy. The monetary base rose only 0.13% mom in September, but decreased 1.6% YTD.

Banks still cannot count on the NBU to cover their short-term (even overnight) liquidity gaps. In 3Q09, the NBU provided banks with only UAH 3.8 bln in short-term loans (overnight, 14d, short-term repo) vs. UAH 21.3 bln in 2Q09.

Simultaneously, the NBU is withdrawing hryvnias via FX interventions on the domestic market (USD 3.2 bln in 3Q09). It also recently increased its sales of CDs to banks: UAH 32.9 bln in 3Q09 vs. UAH 28.9 bln in 2Q09 and UAH 10.6 bln in 1Q09.

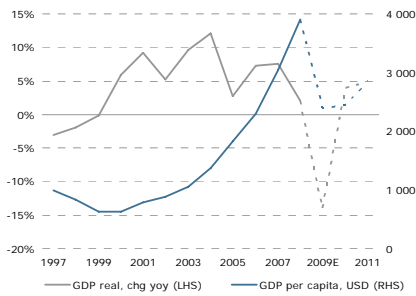
The NBU also increased the share of obligatory reserves that banks should keep in a separate account at the NBU and cannot use, even for intraday transactions, from 40% to 50% of the total reserves volume starting September 10.

After these moves, the average daily balance on banks' correspondent accounts at the NBU dropped to UAH 14.8 bln in October, down from UAH 16.8 bln in September and UAH 18.7 bln in August.

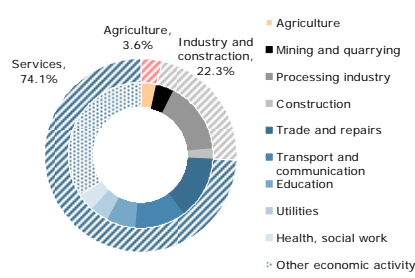
This, coupled with the low confidence in banks and the high level of NPLs, will not allow banks to resume lending to the real economy in the nearest months. We do not expect the NBU to loosen its grip on banks until there is a degree of stabilization on the domestic FX market, no earlier than mid-2010.

MACRO MONITOR

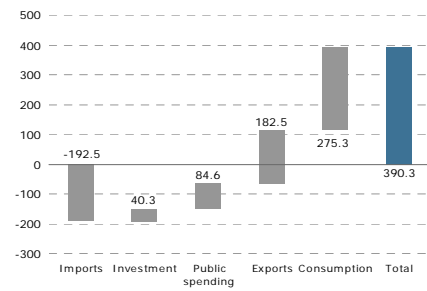
GDP growth and GDP per capita



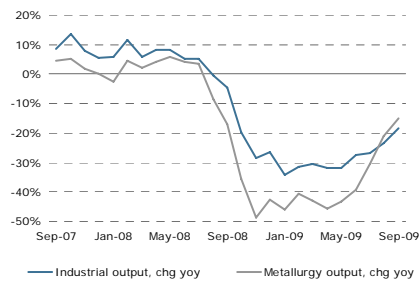
GDP by sector in 1H09



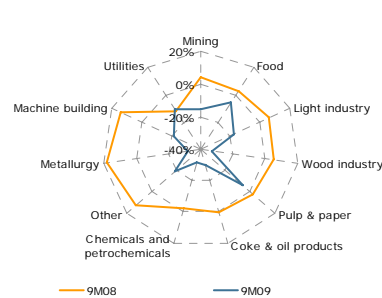
GDP by expenditures in 1H09, UAH bln



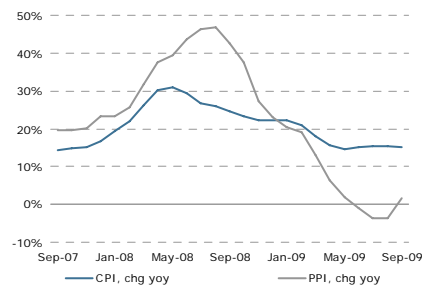
Manufacturing indicators



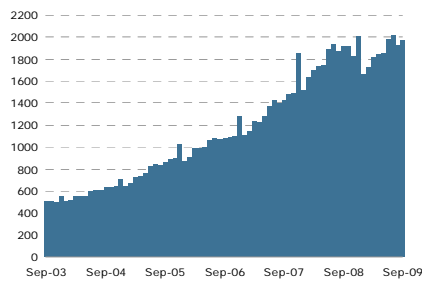
Industrial output growth by sector, chg yoy



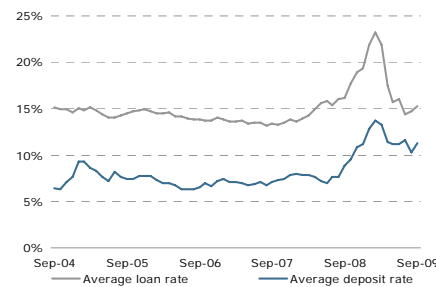
Inflation



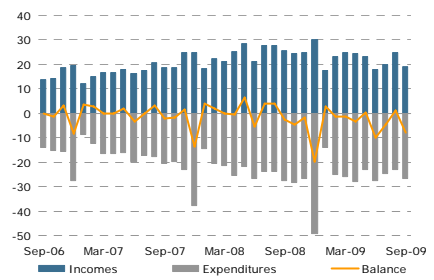
Average monthly salary, UAH



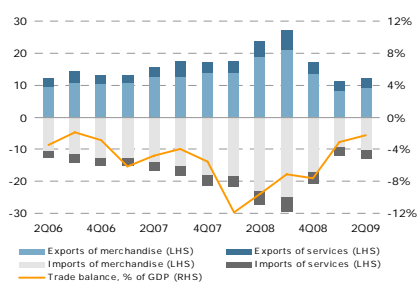
Interest rates



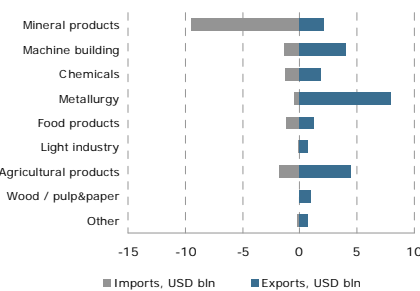
Consolidated budget execution, UAH bln



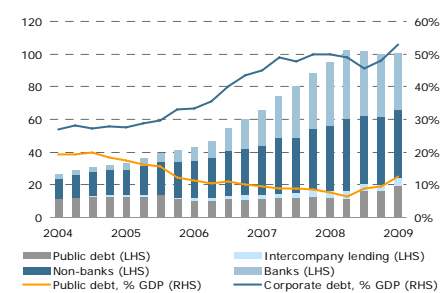
External trade, USD bln



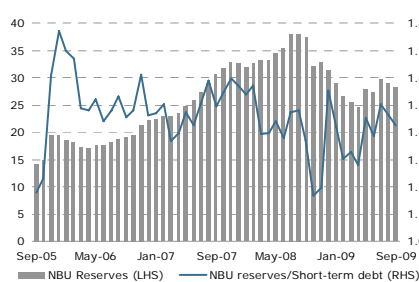
External trade in merchandise, 8M09



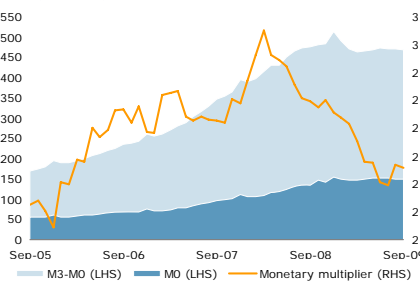
External debt, USD bln



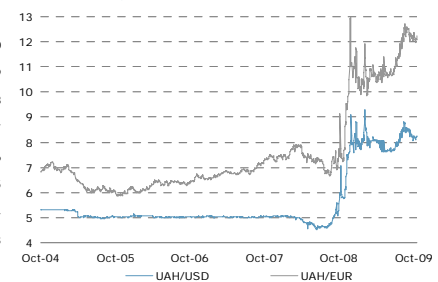
NBU reserves



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	-14.1	4.0
Nominal GDP, UAH bln	204	226	267	345	441	538	713	950	914	1017
Nominal GDP, USD bln	38.0	42.4	50.1	65.0	86.1	106.5	141.2	180.3	110.1	111.8
GDP per capita, UAH	4195	4685	5591	7273	9372	11630	15372	20600	19926	22275
GDP per capita, USD	781	880	1048	1371	1829	2303	3044	3909	2401	2448
Consumption, % chg yoy	9.6	9.5	11.5	13.1	20.6	15.9	17.1	11.8	-10.0	4.0
Investment, % chg yoy	17.9	-1.5	24.3	5.5	14.0	18.5	22.1	5.1	-35.0	5.0
Industrial output, % chg yoy	14.2	7.0	15.8	12.5	3.1	6.2	10.2	-3.1	-23.1	7.5
CPI (eop), % chg yoy	6.1	-0.6	8.2	12.3	10.3	11.6	16.6	22.3	15.0	9.0
PPI (eop), % chg yoy	0.9	5.7	11.1	24.1	9.5	14.1	23.3	23.0	10.0	10.0
External indicators										
Current account balance, USD bln	1.4	3.2	2.9	6.9	2.5	-1.6	-5.9	-12.5	-1.4	2.3
Current account balance, % GDP	3.7	7.5	5.8	10.6	2.9	-1.5	-4.2	-7.0	-1.3	2.0
Trade balance, USD bln	0.6	1.9	1.3	5.0	0.7	-3.1	-7.9	-13.7	-1.9	1.3
Trade balance, % GDP	1.6	4.4	2.6	7.7	0.8	-2.9	-5.6	-7.6	-1.7	1.2
Exports, USD bln	21.1	23.4	29.0	41.3	44.4	50.2	64.0	85.7	57.9	68.0
Exports, % chg yoy	8.0	10.7	24.0	42.6	7.5	13.2	27.4	34.0	-32.5	17.5
Imports, USD bln	20.5	21.5	27.7	36.3	43.7	53.3	71.9	99.4	59.8	66.7
Imports, % chg yoy	14.1	5.0	28.7	31.3	20.4	22.0	34.8	38.3	-39.9	11.6
Capital account balance, USD bln	0.4	-1.2	0.1	-4.6	7.7	3.7	15.3	13.9	-7.8	-4.0
Capital account balance, % GDP	1.1	-2.9	0.2	-7.1	9.0	3.5	10.9	7.7	-7.1	-3.6
FDI net, USD bln	0.8	0.7	1.4	1.7	7.5	5.7	9.2	9.7	3.5	5.0
NBU reserves (eop), USD bln	n/a	4.4	5.1	9.5	19.4	22.3	32.5	31.5	26.3	24.6
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	36.2	44.7
Corporate external debt, USD bln	n/a	n/a	13.0	17.8	25.5	42.7	67.6	85.0	72.5	68.0
Corporate external debt, % GDP	n/a	n/a	25.9	27.3	29.6	40.1	47.9	47.1	65.8	60.8
Gross external debt, USD bln	n/a	n/a	23.8	30.6	38.9	54.5	80.0	101.7	102.4	100.2
Gross external debt, % GDP	n/a	n/a	47.5	47.1	45.2	51.2	56.6	56.4	92.9	89.6
Monetary indicators										
Monetary base, UAH bln	23.0	30.7	40.1	53.8	82.8	97.2	141.9	186.7	186.7	210.9
Monetary base, % chg yoy	37.4	33.6	30.5	34.1	53.9	17.5	46.0	31.6	0.0	13.0
Money supply (M3), UAH bln	45.8	64.9	95.0	125.8	194.1	261.1	396.2	514.7	466.7	569.5
Money supply, % chg yoy	41.9	41.8	46.5	32.4	54.3	34.5	51.7	29.9	-9.3	22.0
Monetary multiplier (eop MB/M3)	2.0	2.1	2.4	2.3	2.3	2.7	2.8	2.8	2.5	2.7
Monetization (avg M3/GDP), %	19.2	24.9	30.3	32.0	36.7	42.3	46.4	47.5	53.7	50.9
Exchange rate										
Interbank UAH/USD (avg)	5.38	5.33	5.33	5.32	5.10	5.04	5.03	5.27	8.30	9.10
State budget										
Revenues, UAH bln	n/a	n/a	55.1	70.3	105.2	133.5	165.9	231.7	182.3	213.6
Expenses, UAH bln	n/a	n/a	55.8	79.5	112.8	137.1	174.2	241.5	238.9	259.4
Balance, % GDP	n/a	n/a	-0.4	-3.0	-1.8	-0.7	-1.4	-1.3	-6.2	-4.5
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	-10.0	5.0

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

Ukrainian macro indicators quarterly

	2Q06	3Q06	4Q06	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09
Business cycle indicators													
Real GDP, % yoy	7.2	7.3	9.6	8.9	8.6	6.2	7.4	6.5	6.5	6.9	-8.0	-20.3	-17.8
Nominal GDP, UAH bln	124.1	150.4	157.7	133.1	161.4	197.4	212.8	186.6	232.5	285.4	269.7	183.2	207.1
Nominal GDP, USD bln	24.6	29.8	31.2	26.4	32.0	39.1	42.1	37.0	46.8	58.9	43.4	23.8	27.2
GDP per capita, UAH	10236	10842	11478	12087	12903	13929	15132	16306	17860	19785	21042	20995	20475
GDP per capita, USD	2027	2147	2273	2393	2555	2758	3032	3229	3554	3986	4019	3739	3319
Consumption, chg yoy	19.7	12.8	13.8	19.1	17.0	13.6	19.0	22.0	13.3	14.1	1.6	-11.6	-11.6
Investment, chg yoy	6.4	10.7	23.0	16.6	27.8	19.1	25.1	13.9	31.0	12.9	-24.8	-48.7	-57.8
Industrial output, chg yoy	3.8	5.6	6.2	12.9	11.8	10.7	10.2	7.8	7.5	5.1	-3.1	-31.9	-31.1
CPI (eop), chg yoy	6.8	9.1	11.6	10.1	13.0	14.4	16.6	26.2	29.3	24.6	22.3	18.1	15.0
PPI (eop), chg yoy	6.3	10.7	14.2	16.7	19.9	20.4	21.0	26.9	40.3	45.3	29.3	13.0	-0.9
External sector													
Current account balance, USD bln	0.0	0.5	-1.4	-1.2	-0.8	-0.5	-3.5	-3.6	-3.0	-1.6	-3.7	-0.7	-0.1
Current account balance, % GDP	-1.7	-0.3	-1.5	-4.6	-3.4	-2.5	-4.2	-9.7	-7.9	-5.8	-6.6	-2.9	-1.5
Trade balance, USD bln	-0.4	0.2	-1.7	-1.6	-1.2	-1.0	-4.1	-4.4	-3.6	-2.1	-3.6	-0.8	-0.4
Trade balance, % GDP	-3.4	-1.9	-2.9	-6.2	-4.8	-3.9	-5.6	-11.9	-9.6	-7.1	-7.6	-3.2	-2.3
Exports, USD bln	12.2	14.3	13.3	13.4	15.8	17.5	17.3	17.5	23.6	27.4	17.3	11.3	12.5
Exports, chg yoy	10.2	23.5	17.8	28.6	29.4	22.4	30.0	31.0	49.3	56.1	-0.1	-35.6	-47.1
Imports, USD bln	12.6	14.2	15.0	15.0	17.0	18.5	21.4	21.9	27.2	29.4	20.9	12.0	12.9
Imports, chg yoy	15.7	21.1	25.9	30.1	34.4	30.9	42.6	46.0	60.1	58.9	-2.3	-45.1	-52.6
Capital account balance, USD bln	0.3	0.9	3.9	2.5	3.5	4.2	5.2	3.5	5.7	6.1	-5.8	-4.5	-2.0
Capital account balance, % GDP	-2.5	-0.3	3.5	9.5	10.3	10.4	10.9	9.5	11.0	10.8	5.3	-19.0	-12.8
FDI net, USD bln	1.5	1.7	1.4	1.7	1.9	3.9	1.6	2.4	3.1	3.2	1.0	0.9	1.2
NBU reserves (eop), USD bln	17.6	19.1	22.3	23.0	25.9	30.6	32.5	33.2	35.4	37.5	31.5	25.4	27.3
NBU reserves, % of ST ext. debt	143.9	145.5	146.3	136.6	142.5	149.3	157.0	139.1	137.8	137.1	155.4	132.7	138.6
Debt indicators													
Public debt, USD bln	14.6	14.5	15.9	16.0	15.5	16.3	17.6	17.8	17.7	17.1	24.6	24.3	28.7
Public debt, % of GDP	15.4	14.4	15.0	14.2	13.0	12.7	12.4	11.8	10.7	9.2	13.2	14.0	18.7
Corporate external debt, USD bln	31.9	35.8	42.7	48.6	53.8	62.8	67.6	75.1	82.5	90.8	85.0	83.4	81.2
Corporate external debt, % of GDP	33.5	35.6	40.1	43.4	45.1	48.8	47.9	50.0	50.0	49.1	45.7	48.2	53.0
Gross external debt, USD bln	42.6	46.2	54.5	59.8	65.3	74.2	80.0	88.1	94.9	102.4	101.7	99.5	100.6
Gross external debt, % of GDP	44.7	45.9	51.2	53.4	54.7	57.7	56.6	58.7	57.5	55.4	54.6	57.6	65.6
Monetary indicators													
Monetary base, UAH bln	80.2	84.8	97.2	96.4	111.0	127.7	141.9	136.4	154.2	170.8	186.7	174.8	188.7
Money supply (M3), UAH bln	214.1	234.8	261.1	272.5	303.0	348.2	396.2	416.2	450.6	477.7	514.7	463.7	472.7
Money supply, chg yoy	37.0	37.3	34.5	39.5	41.5	48.3	51.7	52.8	48.7	37.2	29.9	11.4	4.9
Monetary multiplier (MB/M3)	2.7	2.8	2.7	2.8	2.7	2.7	2.8	3.1	2.9	2.8	2.8	2.7	2.5
Monetization (avg M3/GDP), %	41.9	44.1	42.3	41.9	44.4	44.8	46.4	44.1	45.9	45.5	46.0	46.8	47.2
Exchange rate													
Interbank UAH/USD (eop)	5.00	5.04	5.05	5.03	5.02	5.03	5.05	5.00	4.57	5.08	7.50	8.25	7.72
Interbank UAH/USD (avg)	5.03	5.02	5.04	5.04	5.03	5.01	5.05	5.04	4.85	4.71	6.58	8.26	7.82
State budget													
Revenues, UAH bln	54.8	92.2	133.5	33.5	71.3	113.7	165.9	46.7	104.8	169.1	231.7	51.3	101.1
Expenses, UAH bln	58.1	93.6	137.1	29.4	70.6	116.1	174.2	45.5	102.9	165.1	241.5	51.0	110.7
Balance, % GDP	-1.4	-0.4	-0.7	3.0	0.2	-0.6	-1.4	0.6	0.4	0.4	-1.3	-0.3	-2.7
Social indicators													
Population, mln (eop)	46.8	46.7	46.6	46.6	46.5	46.4	46.4	46.3	46.2	46.2	46.1	46.1	46.0
Unemployment (ILO methodology), %	5.8	5.5	8.2	7.4	5.8	5.4	6.9	7.1	5.4	5.5	7.5	9.5	8.6
Average monthly salary, UAH	1 017	1 080	1 157	1 161	1 290	1 415	1 603	1 619	1 787	1 906	1 914	1 735	1 892

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

Ukrainian macro indicators monthly

	2008					2009								
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Business cycle indicators														
Industrial output, chg yoy	-0.5	-4.5	-19.8	-28.6	-26.6	-34.1	-31.6	-30.4	-31.8	-31.8	-27.5	-26.7	-23.3	-18.4
Metallurgy	-8.6	-17.0	-35.6	-48.8	-42.7	-46.0	-40.7	-43.1	-45.5	-43.4	-39.3	-30.4	-21.1	-14.9
Machine building	13.4	14.6	-11.2	-38.8	-37.1	-58.3	-53.5	-53.0	-52.6	-53.0	-48.0	-52.9	-50.2	-45.6
Food processing	-3.5	-5.5	-10.9	-8.7	-4.9	-14.3	-10.1	-9.4	-2.8	-2.1	0.9	-8.7	-10.1	-6.0
Chemicals	-9.1	-2.1	-19.2	-35.2	-38.0	-49.6	-37.7	-29.8	-28.6	-33.1	-25.3	-27.8	-22.1	-18.4
Retail sales, chg yoy (cumulative)	25.8	25.1	23.6	20.9	18.6	-7.1	-9.4	-11.5	-14.3	-15.3	-15.2	-15.9	-15.9	-16.2
Construction works, chg yoy	-2.6	-7.2	-9.6	-12.8	-15.8	-57.6	-57.3	-56.7	-55.6	-55.8	-54.9	-54.3	-53.6	-52.4
CPI, chg yoy	26.0	24.6	23.2	22.3	22.3	22.3	20.9	18.1	15.6	14.7	15.0	15.5	15.3	15.0
CPI, chg mom	-0.1	1.1	1.7	1.5	2.1	2.9	1.5	1.4	0.9	0.5	1.1	-0.1	-0.2	0.8
PPI, chg yoy	46.9	42.7	37.7	27.4	23.0	20.4	19.1	13.0	6.4	1.9	-0.9	-3.6	-3.6	1.7
PPI, chg mom	1.8	-1.8	-1.4	-6.5	-0.4	0.2	1.8	1.1	0.4	-0.7	1.4	0.7	1.8	3.6
External sector indicators														
Merchandise exports, USD bln	6.7	6.7	5.9	3.6	4.0	2.4	2.7	3.2	3.1	2.9	3.0	3.2	3.2	n/a
Merchandise exports, chg yoy	61.2	62.5	34.9	-18.6	-17.6	-33.4	-42.5	-41.1	-44.5	-53.4	-57.0	-57.8	-52.2	n/a
Merchandise imports, USD bln	8.2	8.5	7.6	5.3	4.8	2.0	3.8	3.9	3.6	3.2	3.2	3.9	3.8	n/a
Merchandise imports, chg yoy	67.4	74.8	30.2	-9.6	-27.9	-55.9	-41.2	-48.9	-54.8	-58.5	-59.7	-55.8	-53.0	n/a
Merchandise trade balance, USD bln	-1.4	-1.8	-1.8	-1.6	-0.8	0.4	-1.1	-0.7	-0.5	-0.3	-0.2	-0.7	0.0	n/a
NBU reserves, USD bln	38.1	37.5	31.9	32.7	31.5	28.8	26.5	25.4	24.5	27.8	27.3	29.6	28.9	28.1
Monetary indicators														
Monetary base, UAH bln	169.0	170.8	173.4	172.8	186.7	180.0	173.4	174.8	180.2	181.7	188.7	189.2	183.4	183.6
Monetary base, chg yoy	40.2	33.8	33.2	32.5	31.5	32.1	29.1	28.1	24.3	24.5	22.4	15.6	8.5	7.5
Monetary base, chg mom	3.2	1.1	1.5	-0.3	8.0	-3.6	-3.7	0.8	3.1	0.8	3.9	0.2	-3.1	0.1
Money supply (M3), UAH bln	474.9	477.7	481.1	483.9	514.7	492.7	470.8	463.7	465.1	468.2	472.7	471.9	471.1	469.5
Money supply (M3), chg yoy	44.4	37.2	35.8	32.3	29.9	25.9	18.2	11.4	8.2	9.0	4.9	0.9	-0.8	-1.7
Money supply (M3), chg mom	1.6	0.6	0.7	0.6	6.4	-4.3	-4.5	-1.5	0.3	0.7	1.0	-0.2	-0.2	-0.3
Monetary multiplier (MB/M3)	2.8	2.8	2.8	2.8	2.8	2.7	2.7	2.7	2.6	2.6	2.5	2.5	2.6	2.6
Monetization (M3/GDP), %	45.4	45.5	44.3	44.4	46.0	48.2	47.1	46.8	46.9	47.0	47.2	47.2	47.2	47.1
Banking system														
Net assets, UAH bln	740.5	756.6	792.0	853.1	927.2	905.8	885.6	878.1	873.4	863.0	868.6	869.2	881.2	890.0
Net assets, chg yoy	55.1	48.6	52.5	54.1	54.7	50.0	44.0	35.9	32.6	29.0	24.2	21.1	19.0	17.6
Loans (hryvnya), UAH bln	268.5	275.1	276.7	280.1	300.1	293.7	302.1	311.4	312.1	320.6	333.8	339.1	338.8	344.3
Loans (foreign currency), UAH bln	279.3	290.9	341.6	391.6	433.8	422.0	414.0	412.6	399.3	388.6	380.9	378.9	388.9	385.1
Deposits (hryvnya), UAH bln	226.1	232.0	210.6	199.6	200.3	185.4	176.6	174.6	174.6	175.6	179.3	175.4	168.4	168.2
Deposits (foreign currency), UAH bln	110.5	108.1	120.4	139.2	157.5	154.1	143.8	139.3	140.9	143.4	142.3	144.6	162.0	158.9
Exchange rate														
Interbank UAH/USD (eop)	4.63	5.08	5.92	7.52	8.05	7.97	8.45	8.25	8.08	7.62	7.72	7.96	8.47	8.27
Interbank UAH/USD (avg)	4.63	4.88	5.59	6.16	7.87	8.24	8.28	8.26	8.08	7.73	7.64	7.84	8.28	8.55
State budget														
Revenues, UAH bln	149.2	169.1	188.0	208.0	231.7	13.4	32.0	51.3	70.5	88.6	101.1	115.9	135.3	148.9
Expenses, UAH bln	143.1	165.1	186.4	205.5	241.5	10.9	31.0	51.0	72.4	90.7	110.7	130.1	149.9	170.9
Social indicators														
Population, mln (eop)	46.2	46.2	46.2	46.2	46.1	46.1	46.1	46.1	46.1	46.0	46.0	46.0	46.0	n/a
Average monthly salary, UAH	1,872	1,916	1,917	1,823	2,001	1,665	1,723	1,818	1,845	1,851	1,980	2,008	1,919	1,964

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

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