



CONCORDE CAPITAL

Ukraine / Economics

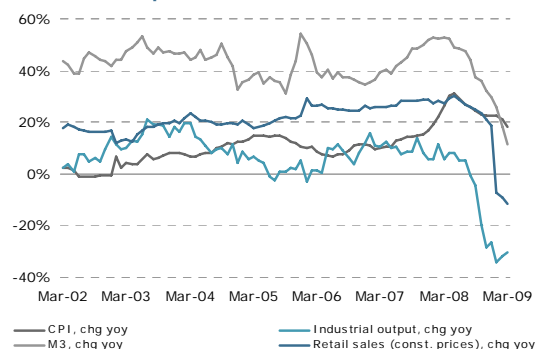
Macroeconomic Overview

Monthly update

Andrii Parkhomenko
pav@concorde.com.ua
+380 44 391 5577

April 30, 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	113.1	132.7
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	18.0	10.0
External sector			
NBU reserves (eop), USD bln	31.5	23.5	21.3
Current account balance, % GDP	-6.6	-0.2	3.0
Capital account balance, % GDP	7.7	-6.9	-4.7
External debt, % of GDP	57.3	91.9	76.7
Exchange rate			
Interbank UAH/USD (avg)	5.27	8.50	8.10

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

Prices for core commodities, as of April 30

	Current	%, YTD	%, yoy
Gas imports, USD/tcm	270.95	-25%	51%
Crude oil (URALS), USD/bbl	49.27	17%	-54%
Milling wheat 3rd gr, USD/mt, FOB*	158.00	28%	-45%
Steel square billet, USD/mt, FOB*	355.00	-3%	-61%

* Black Sea ports

Source: Gas of Ukraine, Bloomberg

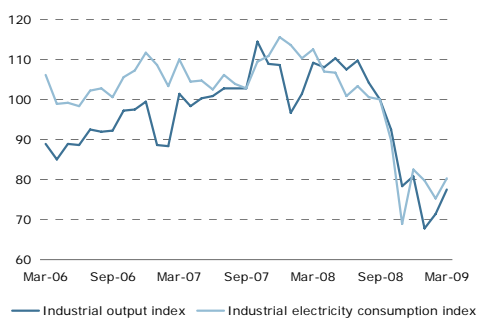
- Ukraine's economy, in our view, has most likely hit bottom, but no quick recovery will follow. We see the economy sticking at these levels at least through yearend
- Now that the output looks to have reached its low, the economy's path through yearend becomes more predictable. We downgrade our key economic growth estimates for 2009

Summary of 2009 forecast revisions

Indicator	New	Previous
Real GDP, chg yoy	-12.0%	-7.0%
Industrial output, chg yoy	-19.1%	-11.5%
Current account balance, USD bln	-0.2	-1.3
Capital account balance, USD bln	-7.8	-7.0
NBU reserves (eop), USD bln	23.5	23.3
State budget balance, UAH bln	44.0	62.4

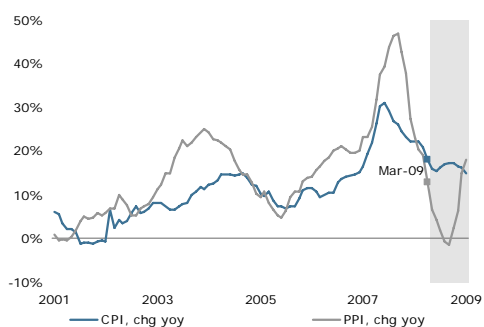
- Over the last two months, the UAH/USD exchange rate has been stable around 8.00, though moderate pressure on the hryvnya remains. The crucial issue in coming months will be whether the NBU will pursue a more flexible rate under IMF pressure
- Following agreement on the 2nd tranche of the IMF loan, there is now more clarity about Ukraine's fiscal position in 2009: Ukraine pledged to keep its 2009 state budget deficit at no more than 4% of GDP (UAH ~38 bln)
- Deposits reportedly stopped flowing out of the banking system in April. The banks, however, have mostly reported net losses in 1Q09, as provisions for bad assets escalated

Manufacturing bottoms out



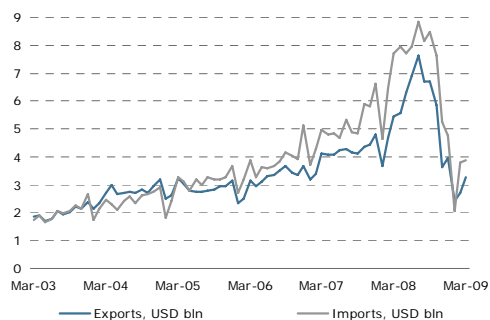
Note: September 2008 = 100
Source: State Statistics Committee, Energorynok, Concorde Capital

Monthly inflation dynamics



Note: shading indicates Concorde's forecast
Source: State Statistics Committee, Concorde Capital

Foreign trade at four-year lows



Source: State Statistics Committee, National Bank of Ukraine

Forecast review

Ukraine's real economic indicators seem to have bottomed in 1Q09. We believe the figures will level off and that no quick recovery is to follow. We see the economy sticking at these levels at least through yearend.

Now that output looks to have reached its low, the economy's path through yearend becomes more predictable. We downgrade our key economic growth estimates for 2009: real GDP from -7% yoy to -12% yoy, and industrial production from -11.5% yoy to -19.1% yoy.

We, however, retain our forecasts of CPI at 15% yoy and PPI at 18% yoy in 2009. In our view, inflation will be mostly influenced by factors that are hardly dependent on economic growth: exchange rate dynamics, administrative hikes in utilities prices, and increases in taxes and duties for selected products.

We improve our 2009 forecast for the current account deficit from USD 1.3 bln to USD 0.2 bln based on lower than expected consumer & investment demand and hence lower imports. On the other hand, we adjust our forecast for the capital account imbalance from USD 7.0 bln to USD 7.8 bln based on worse than expected numbers in 1Q09. Accordingly, we marginally upgrade our forecast for NBU reserves at yearend from USD 23.3 bln to USD 23.5 bln. This number assumes that Ukraine will receive USD 9.6 bln from the IMF over 2009.

Even at bottom, long road ahead to recovery

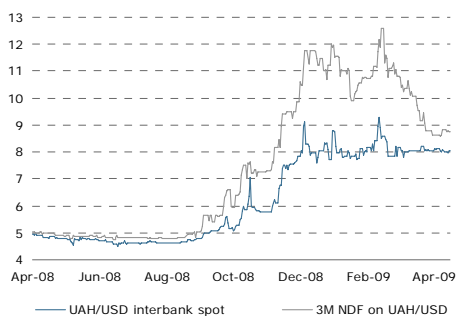
Over the last couple of months, local media has been quite positive on recent economic data, often suggesting that the worst is over. However, we prefer to be more skeptical and think that "being at the bottom" does not necessarily mean things are bound to improve.

Metallurgy, the flagship sector that accounts for ~25% of Ukraine's industrial production, continues to struggle. The largest metallurgical companies are said to be complaining about disrupted orders. Though capacity utilization in the sector rose from 35% in November to 60-65% in February-March, we do not see reasons why this development should be sustainable.

We do not think improvements in external trade are likely in coming months, though exports and imports have stabilized after shrinking by more than half since peaking in summer 2008. Exports will remain slack due to weak global demand, even more so as about 2/3 of Ukraine's exports are commodities. However, there is no threat to the trade balance, as imports are very unlikely to improve by end-2009 due to ailing domestic demand.

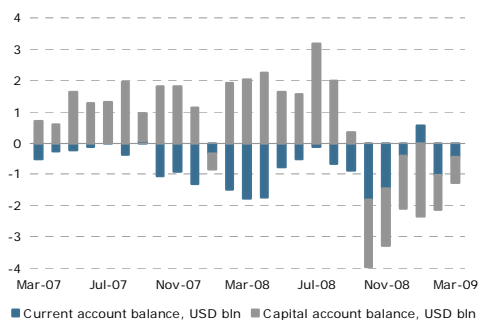
We also see no prospect of a quick recovery in retail sales, which also seem to have bottomed. Wage arrears increased 12% over February-March to UAH 1.72 bln, overshadowing 4% mom growth in real wages in March. Even if incomes see a prolonged increase, we do not think consumer demand will pick up again soon – consumer confidence has been thumped badly, and the propensity to save increased markedly.

Depreciation expectations subside as spot rate stabilizes



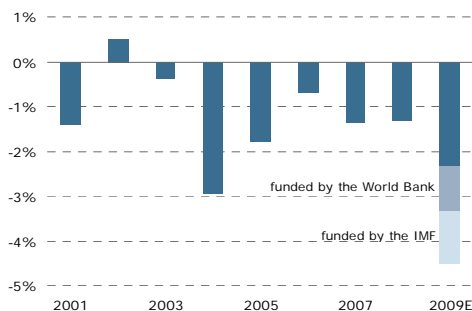
Source: Bloomberg

Ukraine's balance of payments



Source: National Bank of Ukraine

Ukraine's state budget balance, % of GDP



Source: Ministry of Finance, Concorde Capital

Exchange rate: NBU remains active player – for now

Over the last two months, the UAH/USD exchange rate has been stable around 8.00, and the forex market resembled the quiets of 2H05-1H08 when the interbank UAH/USD rate never deviated more than 1% from the 5.05 peg. Though, almost daily NBU interventions suggest moderate pressure on the hryvnya remains and 8.00 is rather an artificial level than market equilibrium. In 1Q09, the National Bank of Ukraine was responsible for 12% of trading on interbank market.

We believe the crucial determinant of direction in the UAH/USD in coming months will be whether the NBU will move to more flexible exchange rate policy under IMF pressure. In April's preliminary IMF-Ukraine Memorandum of Economic and Financial Policies, the Ukrainian side committed to "gradual implementation of flexible exchange rate". The document also said that "in the future interventions will become rare and will only serve to smooth volatility on the forex market."

If the NBU turns to more flexible exchange rate, the hryvnya will most likely depreciate given excess demand for the dollar from the balance-of-payments side. What could restrain the NBU from letting the hryvnya to depreciate is the risk of harm to Ukraine's ailing banks. A higher UAH/USD rate would push up the share of NPLs, given that 59% of loans are denominated in foreign currency. The NBU also risks further smacking consumer and investment sentiment, both of which are highly reliant on UAH/USD movements.

We think that regardless of its commitment, the NBU will be quick to turn back to a fixed exchange rate regime should the UAH/USD rate shoot up markedly. Last year we saw evidence that the NBU was ready to renounce its flexible exchange rate commitment when currency depreciation grew quite deep. After the IMF standby loan program was approved on November 5, the NBU resorted to almost daily interventions within less than a month.

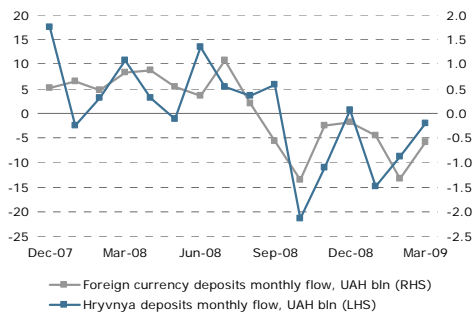
Budget changes stipulated by IMF to be made in May

Following agreement on the 2nd tranche of the IMF loan, Ukraine pledged to keep the 2009 state budget deficit at no more than 4% of GDP (UAH ~38 bln). The preliminary IMF-Ukraine memorandum says that the budget could be amended in mid-May.

We think that the amended version will include a substantially lower income estimate. Expenses should also be cut by about UAH 27 bln, which by our estimates is necessary to pull up the shortfall to 4% of GDP. Although we would like to see more public spending to support the economy and thus a wider deficit, we welcome the IMF's flexibility on the fiscal imbalance. In fall 2008, the IMF initially insisted on a balanced budget, then settled for 1% and later a 3% deficit.

We change our 2009 budget deficit forecast from UAH 62.4 bln to UAH 44.0 bln (4.6% of GDP): this estimate is larger than the government's 4% commitment, as we project a larger decline in GDP in 2009 than the IMF: 12% versus 8%. However, there is a risk that political bickering could lead to the amended budget's projected deficit differing from the announced 4%.

The IMF said half of the 2nd tranche will be used to cover the budget deficit. Another possible source of external budget financing is the World Bank: in mid-April, Alexander Shlapak, deputy head of the Presidential Secretariat, said that Ukraine was negotiating a USD 1.3 bln loan from the World Bank, USD 1 bln of which could be directed to cover the fiscal deficit. The loans from the IMF and the World Bank could together cover more than half of the targeted 4% of GDP shortfall.

Deposit outflow pace slows down


Source: National Bank of Ukraine

Banks' aggregate 1Q09 financials, UAH bln

	1Q09	4Q08	chg qoq	chg yoy
Interest revenue	32.4	28.3	15%	86%
Commission revenue	3.9	7.2	-45%	7%
Trading revenue	0.7	8.0	-91%	-15%
Other revenues	0.7	0.9	-24%	37%
Total revenues	37.7	44.4	-15%	68%
Interest expense	17.9	16.5	9%	78%
Commission expenses	0.6	0.7	-13%	51%
Other expenses	1.9	2.4	-20%	67%
SG&A	6.8	8.0	-15%	14%
Reserve provisions	17.3	15.5	11%	681%
Tax expenses	0.2	0.6	-67%	-62%
Total expenses	44.8	43.8	2%	120%
Net income	-7.0	0.6	neg	neg

Source: National Bank of Ukraine

Banking system: 7 banks set for nationalization

On April 16, the Finance Ministry announced the list of seven banks that will be nationalized by the government: Nadra, Ukrprombank, Rodovid, Kyiv, Finance & Credit, Ukgazbank, and Imexbank. The banks' aggregate assets account for more than 11% of Ukraine's banking system's assets.

Acting Finance Minister Ihor Umanskiy said the state could demand no less than a 75% stake in each of the banks. Though since that news, it appears as if Finance & Credit Bank and Ukgazbank have negotiated each to have 60% stakes nationalized. The banks' owners have close ties with ruling political parties.

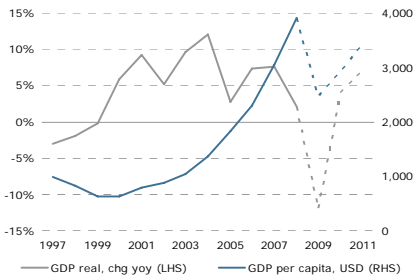
According to the preliminary Ukraine-IMF memorandum, after the banks are nationalized, they must start repaying matured deposits, which is currently prohibited for banks under NBU administration (Nadra, Ukrprombank, Rodovid, Bank Kyiv). We believe the move could improve banks' local credibility, which is crucial for the flow of funds to resume into the system.

Deposits have continued to bleed from the banking system, but the pace has moderated – March's outflow was the lowest since December 2008. On April 30, the Association of Ukrainian Banks reported that in April the balance of hryvnya-denominated deposits was virtually unchanged, while foreign currency deposits shrank by about USD 1 bln.

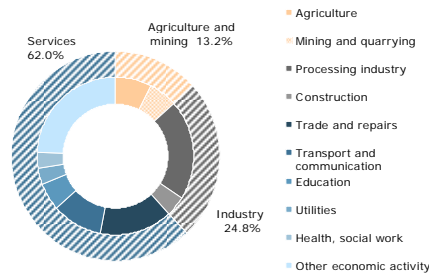
On April 17, the National Bank of Ukraine released the aggregate financials of Ukrainian banks in 1Q09. Revenues continued to shrink, reserve provisions increased further and sent the banks' earnings into negative territory. We think Ukrainian banks' profits will be in the red for all of 2009 due to weak revenues and the high amount of non-performing loans. Official statistics report that NPLs only account for 3.7% of total loans, but we believe the volume of problematic loans is several times higher. Banks are trying to hold back before considering a loan as non-performing and do their best to restructure or refinance it.

MACRO MONITOR

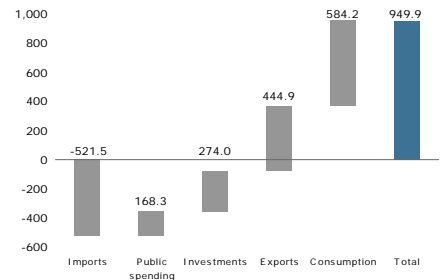
GDP growth and GDP per capita



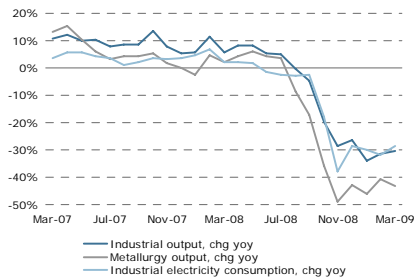
GDP by sector in 2008



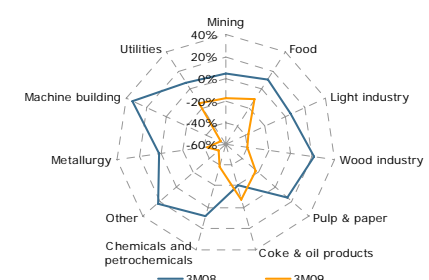
GDP by expenditures in 2008, UAH bln



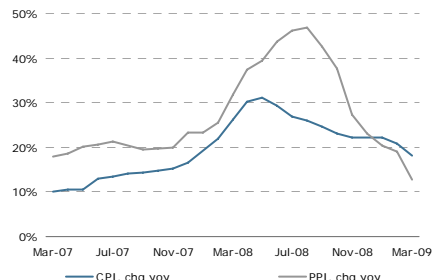
Manufacturing indicators



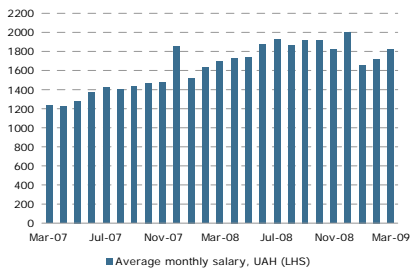
Industrial output growth by sector, chg yoy



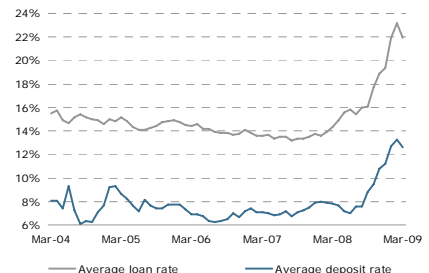
Inflation



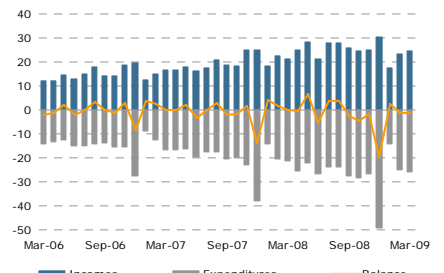
Average salary



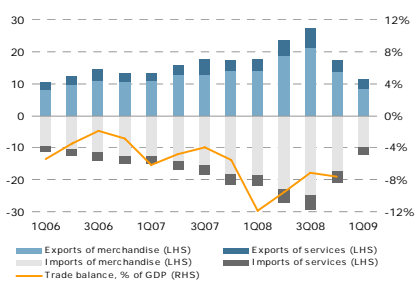
Interest rates



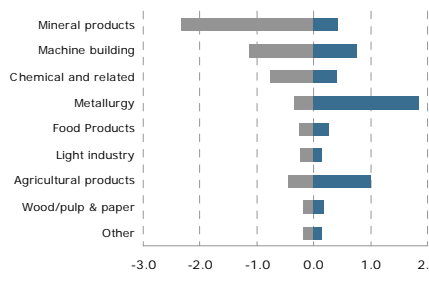
Consolidated budget execution, UAH bln



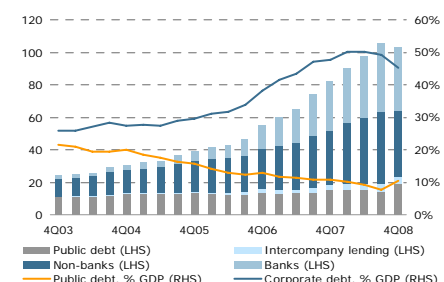
External trade, USD bln



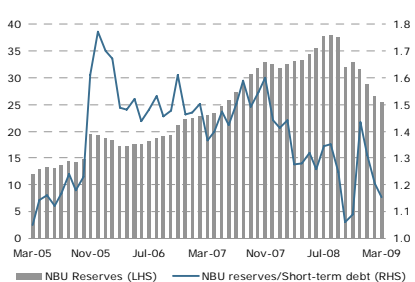
External trade in merchandise, 2M09



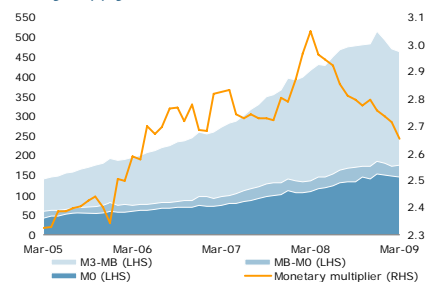
External debt, USD bln



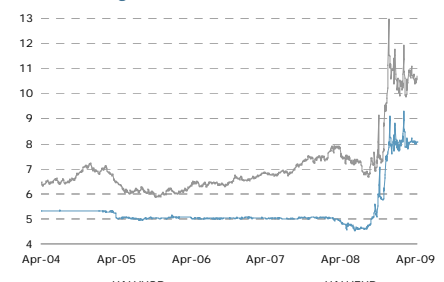
NBU reserves



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	961	1075
Nominal GDP, USD bln	38.0	42.4	50.1	65.0	86.1	106.5	141.2	180.3	113.1	132.7
GDP per capita, UAH	4195	4685	5591	7273	9372	11630	15372	20600	20956	23536
GDP per capita, USD	781	880	1048	1371	1829	2303	3044	3909	2465	2906
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	18.0	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	3.0
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	-1.1	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	-6.9	-4.7
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	24.1	39.9	50.0
Public debt, % GDP	33.0	32.5	29.0	24.7	18.0	15.0	12.4	13.4	35.2	37.7
Corporate external debt, USD bln	n/a	n/a	13.0	17.8	25.5	40.7	67.5	83.9	71.4	66.9
Corporate external debt, % GDP	n/a	n/a	25.9	27.3	29.6	38.3	47.8	46.6	63.1	50.4
Gross external debt, USD bln	n/a	n/a	23.8	30.6	38.9	54.5	82.7	103.2	103.9	101.7
Gross external debt, % GDP	n/a	n/a	47.5	47.1	45.2	51.2	58.6	57.3	91.9	76.7
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	565.0	664.2
Money supply, % chg yoy	41.9	41.8	46.5	32.4	54.3	34.5	51.7	29.9	9.8	17.6
Monetary multiplier (eop MB/M3)	2.0	2.1	2.4	2.3	2.3	2.7	2.8	2.8	2.7	2.7
Monetization (avg M3/GDP), %	19.2	24.9	30.3	32.0	36.7	42.3	46.4	47.5	56.2	57.2
Exchange rate										
Interbank UAH/USD (avg)	5.38	5.33	5.33	5.32	5.10	5.04	5.03	5.27	8.50	8.10
State budget										
Revenues, UAH bln	n/a	n/a	55.1	70.3	105.2	133.5	165.9	231.7	194.9	225.7
Expenses, UAH bln	n/a	n/a	55.8	79.5	112.8	137.1	174.2	241.5	238.9	257.9
Balance, % GDP	n/a	n/a	-0.4	-3.0	-1.8	-0.7	-1.4	-1.3	-4.6	-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	10.0	-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	n/a
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	n/a
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	n/a
GDP per capita, UAH	9742	10236	10842	11478	12087	12903	13929	15132	16306	17860	19785	21037	n/a
GDP per capita, USD	1925	2027	2147	2273	2393	2555	2758	3032	3229	3554	3986	4018	n/a
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	n/a
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	n/a
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	0.0
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	0.0
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	0.0	n/a
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	n/a
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	9.0	-6.7	-2.5	-0.3	3.5	9.5	10.3	10.4	10.9	9.6	10.3	10.7	n/a
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	143.5	n/a
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	24.1	n/a
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	13.0	n/a
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	83.9	n/a
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	45.1	n/a
Gross external debt, USD bln	41.0	42.6	46.2	54.5	59.8	65.3	74.2	82.7	90.6	98.0	105.4	103.2	n/a
Gross external debt, % of GDP	45.2	44.7	45.9	51.2	53.4	54.7	57.7	58.6	60.3	59.4	57.0	55.5	n/a
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	n/a
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	n/a
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	n/a
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		
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Business cycle indicators														
Industrial output, chg yoy	11.5	5.8	8.3	8.3	5.2	5.1	-0.5	-4.5	-19.8	-28.6	-26.6	-34.1	-31.6	-30.4
CPI, chg yoy	21.9	26.2	30.2	31.1	29.3	26.8	26.0	24.6	23.2	22.3	22.3	22.3	20.9	18.1
CPI, chg mom	2.7	3.8	3.1	1.3	0.8	-0.5	-0.1	1.1	1.7	1.5	2.1	2.9	1.5	1.4
PPI, chg yoy	25.6	31.7	37.5	39.4	43.7	46.3	46.9	42.7	37.7	27.4	23.0	20.4	19.0	12.8
PPI, chg mom	3.0	6.6	6.6	3.7	4.2	3.6	1.8	-1.8	-1.4	-6.5	-0.4	0.2	1.8	1.1
External sector indicators														
Merchandise exports, USD bln	4.7	5.4	5.6	6.3	6.9	7.6	6.7	6.7	5.9	3.6	4.0	2.4	2.7	3.3
Merchandise exports, chg yoy	37.3	32.5	37.0	53.9	62.8	78.9	61.2	62.5	34.9	-18.6	-17.6	-33.4	-42.5	-40.2
Merchandise imports, USD bln	6.5	7.7	7.9	7.7	7.9	8.8	8.2	8.5	7.6	5.3	4.8	2.0	3.8	3.9
Merchandise imports, chg yoy	50.4	55.7	64.6	58.9	69.5	66.0	67.4	74.8	30.2	-9.6	-27.9	-55.9	-41.2	-49.7
Merchandise trade balance, USD bln	-1.8	-2.3	-2.4	-1.4	-1.0	-1.2	-1.4	-1.8	-1.8	-1.6	-0.8	0.4	-1.1	-0.6
NBU reserves, USD bln	32.5	33.2	33.3	34.4	35.4	37.9	38.1	37.5	31.9	32.7	31.5	28.8	26.5	25.4
Monetary indicators														
Monetary base, UAH bln	134.3	136.4	145.0	145.9	154.2	163.7	169.0	170.8	173.4	172.8	186.7	180.0	173.4	174.8
Monetary base, chg yoy	42.7	44.9	41.5	45.6	38.8	38.9	41.6	40.2	33.8	33.2	32.5	31.5	32.1	29.1
Monetary base, chg mom	-1.4	1.6	6.3	0.6	5.7	6.1	3.2	1.1	1.5	-0.3	8.0	-3.6	-3.7	0.8
Money supply (M3), UAH bln	398.2	416.2	429.9	429.7	450.6	467.5	474.9	477.7	481.1	483.2	514.7	492.7	470.8	463.7
Money supply (M3), chg yoy	52.7	52.4	52.8	52.3	49.1	48.7	47.5	44.4	37.2	35.8	32.2	29.9	25.9	18.2
Money supply (M3), chg mom	1.8	4.5	3.3	-0.1	4.9	3.8	1.6	0.6	0.7	0.4	6.5	-4.3	-4.5	-1.5
Monetary multiplier (MB/M3)	3.0	3.1	3.0	2.9	2.9	2.9	2.8	2.8	2.8	2.8	2.8	2.7	2.7	2.7
Monetization (M3/GDP), %	43.1	44.1	44.8	44.8	45.9	45.0	45.4	45.5	44.3	44.4	46.0	48.2	47.1	46.8
Exchange rate														
Interbank UAH/USD (eop)	5.05	5.01	4.93	4.76	4.70	4.62	4.63	5.08	5.92	7.52	8.05	7.69	8.59	8.05
Interbank UAH/USD (avg)	5.05	5.01	4.93	4.76	4.70	4.62	4.63	4.88	5.59	6.16	7.87	8.10	8.23	8.03
State budget														
Revenues, UAH bln	31.3	46.7	66.3	89.4	104.8	n/a	149.2	169.1	188.0	208.0	231.7	13.4	32.0	51.3
Expenses, UAH bln	28.6	45.5	65.2	83.2	102.9	n/a	143.1	165.1	186.4	205.5	241.5	10.9	31.0	50.9
Balance, % GDP	2.3	0.6	0.4	1.8	0.4	n/a	0.9	0.4	0.0	0.1	n/a	n/a	n/a	n/a
Social indicators														
Population, mln (eop)	46.3	46.3	46.3	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.1	46.1	46.1	n/a
Average monthly salary, UAH	1,633	1,702	1,735	1,744	1,883	1,930	1,872	1,916	1,917	1,823	2,001	1,665	1,723	1,818

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

Concorde Capital, Head office

2 Mechnikova Street, 16th Floor
Parus Business Centre
Kyiv 01601, Ukraine
Tel.: +380 44 391 5577
Fax: +380 44 391 5571

www.concorde.ua

Concorde Capital

4 Fourth Lesnoy Pereulok, 5th Floor
Capital Plaza
Moscow 125047, Russia
Tel.: +7 495 642 87 15
Fax: +7 495 225 85 00

office@concorde.com.ua

CEO

Igor Mazepa im@concorde.com.ua

Managing Director

Roman Nasirov rn@concorde.com.ua

Head of Sales & Trading

Alexander Shnir ash@concorde.com.ua

International Sales & Trading

Anastasiya Nazarenko an@concorde.com.ua
Marina Martirosyan mm@concorde.com.ua
Andriy Supranonok sap@concorde.com.ua
Marina Cherednichenko cmg@concorde.com.ua

Domestic Sales & Trading

Yuriy Pilipenko up@concorde.com.ua
Alisa Tikhomirova at@concorde.com.ua

Director of Research

Konstantin Fisun, CFA kf@concorde.com.ua

RESEARCH

Strategy

Konstantin Fisun kf@concorde.com.ua
Andriy Gostik, CFA ag@concorde.com.ua

Metals & Mining

Eugene Cherviachenko ec@concorde.com.ua

**Utilities (Telecom, Energy),
Financial services**

Alexander Paraschiy ap@concorde.com.ua

Oil & Gas

Andriy Gerus ga@concorde.com.ua

Real Estate, Consumer-related

Andriy Gostik, CFA ag@concorde.com.ua

Machinery

Eugene Cherviachenko ec@concorde.com.ua

Economics, Financial services

Andrii Parkhomenko pav@concorde.com.ua

Fixed Income

Oleksandr Klymchuk ok@concorde.com.ua

Editor

Brad Wells bw@concorde.com.ua

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