



CONCORDE CAPITAL

Ukraine / Economics

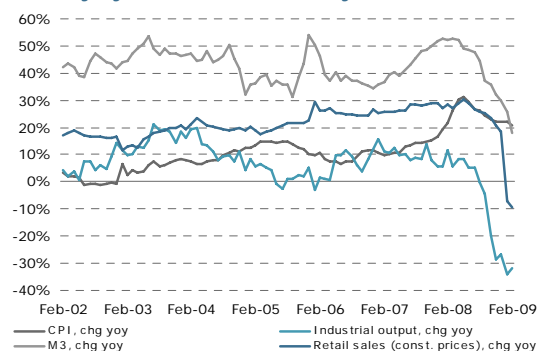
Macroeconomic Overview

Monthly update

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Monthly dynamics of business cycle indicators



Source: State Statistics Committee, National Bank of Ukraine

Key macroeconomic indicators

	2008	2009E	2010F
Business cycle			
Real GDP, chg yoy	2.1	-7.0	4.0
Nominal GDP, USD bln	180.4	119.5	140.2
Industrial output, chg yoy	-3.1	-11.5	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	23.0	18.1
FDI net, USD bln	9.9	7.5	9.0
Current account balance, % GDP	-6.6	-1.3	1.6
Capital account balance, % GDP	4.9	-5.8	-5.1
External debt, % of GDP	55.5	84.4	70.4

Exchange rate

Interbank UAH/USD (avg)	5.27	8.50	8.10
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Source: State Statistics Committee, National Bank of Ukraine, Bloomberg, Concorde Capital estimates

Prices for core commodities, as of March 31

	Current	%, YTD	%, yoy
Gas imports, USD/tcm	360.00	0%	101%
Crude oil (URALS), USD/bbl	47.74	13%	-51%
Milling wheat 3rd gr, USD/mt, FOB**	153.00	24%	-48%
Steel square billet, USD/mt, FOB**	335.00	-8%	-62%

**Black Sea ports

Source: Gas of Ukraine, Bloomberg

- On March 11, Ukrainian authorities agreed on more independence for the central bank and to follow a prudent fiscal policy in order to meet IMF conditions for the second tranche (USD 1.8 bln) of the SDR 11 bln (USD 16.2 bln) stabilization loan. We argue that the probability of receiving the second tranche is considerably high.
- Pressure on the hryvnya remains, but has alleviated of late – in 1Q09, while the National Bank of Ukraine's interventions halved q-o-q, the UAH was relatively stable. We think the NBU is capable of holding the UAH/USD rate at ~8.00 over 2Q09 and possibly further, though the balance of payments shortfall could reach USD 8.2 bln this year by our estimates, and thus demand for US dollars would exceed supply over the whole of 2009.
- The banking system is still on the edge: eleven Ukrainian banks are currently under the temporary administration of the NBU. We think in coming months we will see more banks seeking recourse to the government, as well as a massive run for recapitalization. The foreign parents of Ukrainian banks, and international financial institutions have pledged to invest a sum equal to ~3/4 of the estimated capital that Ukraine's banking system needs. Last week the EBRD explicitly named the five banks it would support first. Several banks have tentatively sought to be nationalized.
- The decline in Ukraine's industrial production slowed to 31.6% yoy in February, from 34.1% yoy in January. We believe that Ukraine's industrial output could now be somewhere near the bottom and that a slow L-shaped recovery will follow.
- We reiterate all our key macroeconomic forecasts for 2009. We expect real GDP to fall 7% yoy and industrial output by 11.5% yoy in 2009. Inflation will slow to 15% yoy (CPI) and 18% yoy (PPI), by our estimates. Helped by the deteriorated hryvnya, current account imbalance will nearly narrow to USD 1.3 bln, but the capital account will run a deficit of USD 7.0 bln due to huge corporate debt repayments scheduled for 2009 and weak investment inflow. We forecast the annual average UAH/USD rate at 8.50 this year.

Ukraine's 5Y CDS, bps



Source: Bloomberg

Moving toward the second tranche

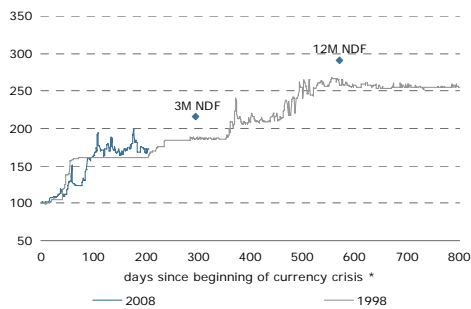
On March 11, Ukrainian authorities agreed to comply with IMF requirements on extension of the second tranche (USD 1.8 bln) of the SDR 11 bln (USD 16.2 bln) stabilization loan. Key political forces also compromised on anti-crisis legislation to be voted on in parliament on March 31 and April 1. As this report was issued, MPs had approved two out of five laws in the package.

In agreeing with the IMF's conditions, Ukraine's leaders approved more independence for the National Bank of Ukraine. The NBU had been obligated to purchase government bonds in unlimited amounts (according to cancelled provisions in the 2009 state budget law) and obtain Cabinet permission before refinancing commercial banks. Additionally, Tymoshenko gave up her quest for the dismissal of NBU governor Volodymyr Stelmakh.

Notably, the talk of a Ukrainian sovereign default has faded. CDS quotes on Ukraine's five-year sovereign Eurobonds has fallen to 3,850 from its peak of 5,305 on March 10.

We reaffirm our view that a sovereign default is highly unlikely in 2009. With a capital account deficit that could reach USD 23 bln by our estimates (excluding funding international organizations, which we estimate at USD 16 bln), and a budget deficit that could hit USD 8 bln (if expenses are not cut) – the government's need to attract debt will be paramount. A default on the country's USD 2.4 bln in external debt payments due in 2009, which would only make debt attraction to cover these substantial imbalances impossible or costly, is not in anyone's interests.

UAH/USD NDF in 2008 feigns 2007 trend



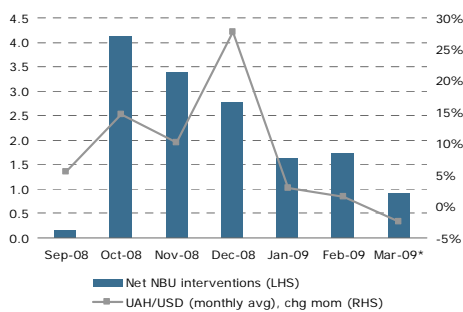
* Zero is August 31 for the 2008 crisis and July 31 for the 1998 crisis

Source: Bloomberg

UAH/USD fairly steady amid less NBU maintenance

The volume of central bank interventions on the local currency market more than halved in 1Q09, from 4Q08. At the same time, the UAH/USD rate has remained relatively stable. Stricter regulation and lower demand for the dollar have helped the NBU to pursue less active maintenance of the exchange rate in 1Q09.

Lower intervention is now enough to support UAH



* As of March 31, amount of interventions estimated by Concorde Capital

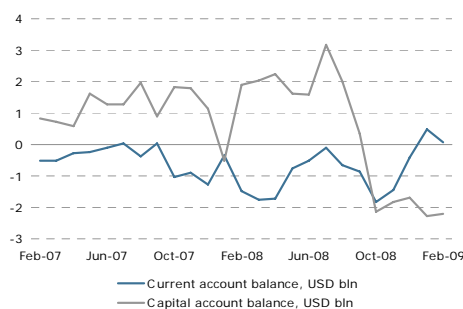
Source: National Bank of Ukraine, Concorde Capital

The market consensus on the high probability of Ukraine receiving the second IMF loan tranche has also helped the exchange rate to stabilize, as US dollar inflow will reinforce the NBU's ability to conduct currency interventions.

Incentive for the National Bank to prevent hryvnya from further depreciation lies mainly in the implications of a higher exchange rate for Ukraine's banking system, where 59% of loans are denominated in foreign currency, mainly US dollars. The National Bank estimates that 1/2 of foreign currency loans would turn non-performing if the UAH/USD rate hits 12.00.

The forward market appears to be building in further UAH devaluation, resembling Ukraine's 1998 currency crisis (see table on left). However, we think that the NBU is capable of maintaining the UAH/USD rate at around its current level (8.00) over 2Q09 and possibly further, though the balance of payments shortfall could reach USD 8.2 bln this year by our estimates, and thus demand for US dollars would exceed supply during the whole of 2009, making further interventions vital.

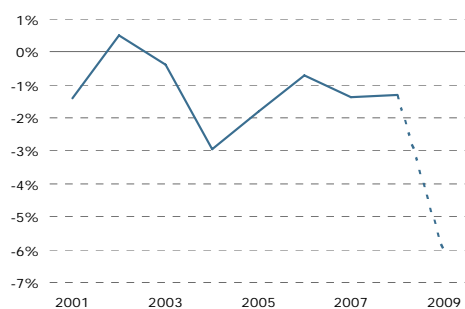
Current and capital account trends flip



Source: National Bank of Ukraine

Net outflows through the capital account hit USD 4.5 bln in January-February. We forecast that in 2009 the capital account shortfall will reach USD 7.0 bln (given that Ukraine will receive USD 9.6 bln from the IMF in 2009), as investment inflow will be scarce. We estimate that about 25% of Ukraine's USD 38.2 bln in corporate external debt due in 2009 will be paid out without being rolled over and 15% will default.

Deleveraging is already taking place, as outstanding corporate external debt decreased from its peak of USD 91.1 bln at end-3Q08 to USD 83.9 bln as of end-January. We expect that by yearend the figure will be USD 68.4 bln.

State budget balance, % of GDP


Source: Ministry of Finance, Concorde Capital estimates

Government to review 2009 budget

The authorities' March 11 agreement on IMF loan conditions also marked an end to the government's unrealistic fiscal stance. It was decided to amend the 2009 budget to take into account more realistic assumptions: the current budget had built in GDP growth at 0.4% yoy, and external trade contracting just 7% yoy. Media reports indicate that the IMF and Ukraine agreed to a UAH 30 bln deficit (the current budget implies a UAH 28.2 bln deficit). We estimate that if expenses are unchanged, the budget would run a UAH 62 bln (6.1% of GDP) shortfall in 2009.

We see four plausible ways Ukraine could cover the shortfall:

Curtail expenses. This option has been continuously advocated by the IMF but, in our view, is the least desirable. In fact, expenses have already eroded in real terms: while consumer prices surged 22.3% yoy over 2008, budget expenses for 2009 were only raised 4.9% yoy. Decreasing budget expenses while the economy is already suffering from a drastic reduction in aggregate demand would only eat into demand further, compounding the problem.

Issue new money. This alternative is frequently criticized by the media as it could lead to runaway inflation, however, we believe that an issuance of, say, UAH 10-15 bln would not harm the economy. Initially, the state seemed to have chosen this plan. The Ministry of Finance has already issued UAH 4.6 bln in sovereign bonds since the beginning of the year, out of which UAH 4.4 bln has been purchased by the NBU.

Attract debt from sovereigns. This is the most desirable option in our view, though it comes with political strings. Yields of 32% (five-year maturity) and cost of protection (CDS) at 38% preclude any chance of Ukraine raising debt on the market. However, the EU and the United States have said that they are ready to help Ukraine cover its budget deficit after the IMF provides the second tranche of the stabilization loan. Japan announced it was considering a USD 5 bln loan to Ukraine, following Yulia Tymoshenko's meeting with Japan's Prime Minister Taro Aso on March 25. Russia also confirmed that Ukraine approached it for a USD 5 bln loan, but has not announced its official position yet.

Privatization. In February, the government announced plans to privatize Ukrtelecom. On March 18, the State Property Fund announced auctions to sell public stakes in six Oblenergos. If realized, these privatizations could bring up to UAH 10-15 bln to the budget in 2009, however we think that these initiatives will most likely be blocked due over political issues and privatization proceeds will be not more than UAH 1 bln this year.

Recapitalization underway

As of March 31, the NBU had temporary administration over eleven Ukrainian banks, which account for 7.7% of total assets of the banking system. Prominvestbank, the first bank to fall under NBU oversight, came out on the other end of the process on March 17, as its situation stabilized since acquisition by Russian Vnesheconombank in January. Nevertheless, we think in coming months we will see more banks seeking recourse to the government.

On January 29, the IMF estimated that 17 tier-1 banks (66% of total banking system assets) would need UAH 24.7 bln in fresh capital to comply with capital adequacy requirements. Extrapolating the estimate onto other banks, the entire banking system needs at least UAH 37 bln in new capital.

Foreign parents of Ukrainian banks have already pledged to inject USD 2 bln into their local daughters. Another USD 1.4 bln has been committed by the World Bank and the EBRD. The announced sums make about 3/4 of the UAH 37 bln needed to recapitalize the banking system. On March 25, the EBRD said it would provide financing to Bank Forum, Ukrsofsbank, Megabank, Ukreximbank, and Ukrsiibbank. Several banks (Megabank, Kredobank, etc) have already announced additional share issues.

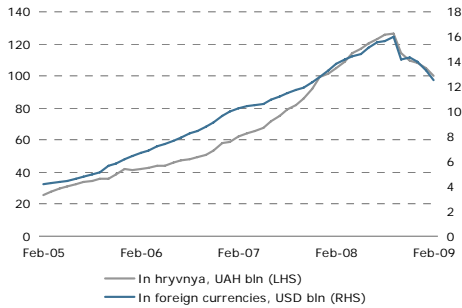
Banks under temporary administration

Bank	Rank*	Market share*
Nadra	8	3.3%
Ukrprombank	15	1.7%
Rodovid Bank	20	1.4%
Bank Kyiv	39	0.5%
BIG-Energiya	66	0.2%
Zakhidncombank	72	0.1%
Transbank	78	0.1%
Bank for Regional Development	83	0.1%
Bank Odesa	111	0.1%
National Credit	123	0.1%
Prychornomor'ya	144	0.0%
Total		7.7%

* by total assets; data as of Jan-01, 2009

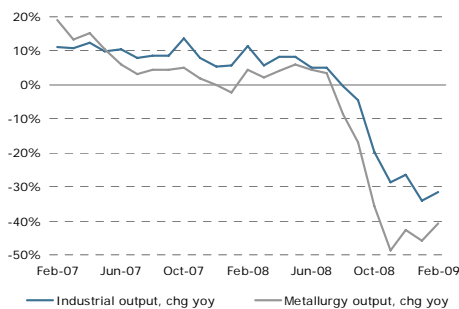
Source: National Bank of Ukraine, Concorde Capital

Retail deposits shrank 21% since end-Sept.



Source: National Bank of Ukraine, Concorde Capital

Industry's tumble



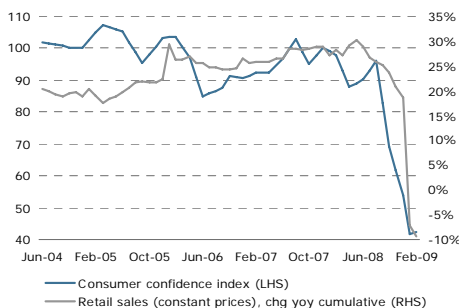
Source: State Statistics Committee

Production by sector, chg yoy



Source: State Statistics Committee, Concorde Capital estimates

Consumer confidence stops deteriorating



Source: GfK, International Centre for Policy Studies, State Statistics Committee, Concorde Capital

Several banks have also declared an interest in selling a stake to the state. According to the NBU officials, about UAH 8-12 bln in public money alone may be directed to recapitalize Ukrprombank and Nadra Bank. An additional, as yet undetermined sum, will be used to recapitalize Rodovid Bank, Ukgazbank, and Finance & Credit Bank. The Cabinet of Ministers passed a resolution on Feb. 18 that requires banks to transfer a stake of no less than 50%+1 to the National Bank of Ukraine in return for recapitalization support from the state.

Industrial production could be near the bottom

The decline of Ukraine's industrial production slowed to 31.6% yoy in February, from 34.1% yoy in January. We expect a figure of 29-28% for the month of March. We believe Ukraine's industry could be near the bottom now and will follow a gradual L-shaped recovery.

Local output of crude steel has been rising over the last three months. According to the NBU, in February steel mills were loaded at 60-65% of capacity, up from 35% in November 2008. Nevertheless, the partial recovery in output could turn out to be temporary, as orders are quite volatile. From our discussions with the management of companies in the sector, orders are hardly predictable beyond more than several weeks.

Now that local metal-intensive sectors (machine-building and construction) have more than halved production, metallurgy has become even more reliant on exports (about 70% of Ukraine's steel output). Hence, we do not see a revival by Ukraine's metallurgy any time before 2010.

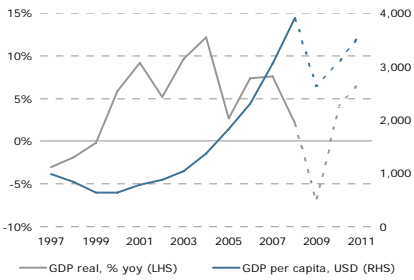
In 2008 agriculture stood out as the best-performing sector; in 2009 it remains fundamentally in a far better situation than the rest of the economy. The price for the wheat exported from Ukraine has risen from USD 110-120/mt in Nov-Dec 2008 to USD 153/mt in February, still markedly below USD 240-260/mt in summer 2008.

Meanwhile, Ukraine expects another plentiful harvest this year: the Ministry of Economy forecasts the grain harvest to reach 45 mln mt in 2009. By comparison, in 2008 the Ministry initially forecasted a harvest of 40 mln mt, vs. the actual take of an all-time high of 53 mln mt.

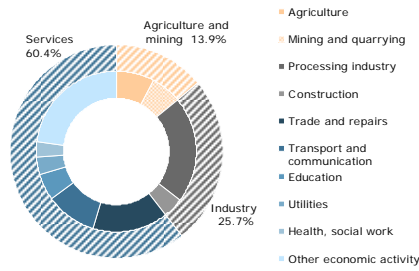
The index of consumer sentiment in Ukraine stabilized in February on greater confidence in the currency and labor markets, according to GfK and the International Center for Policy Studies. Sentiment rose for the first time in February (up 0.5 pp) after falling steadily since September 2008 (down 9.0 pp on average per month over the period).

MACRO MONITOR

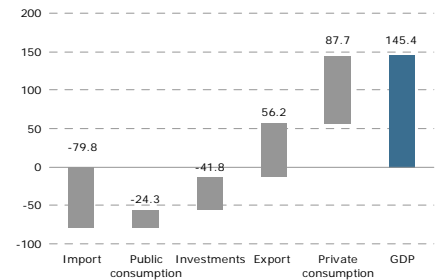
GDP growth and GDP per capita



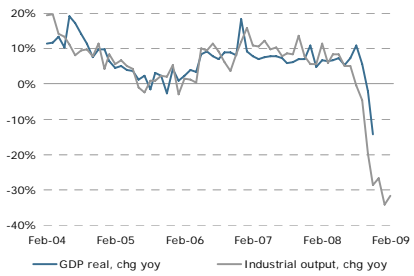
GDP by sector in 9M08



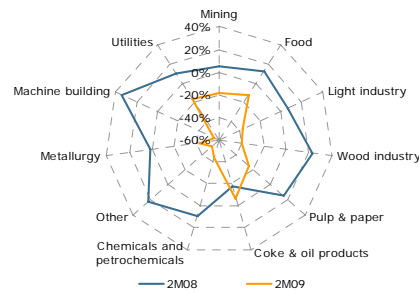
GDP by expenditures in 9M08, USD bln



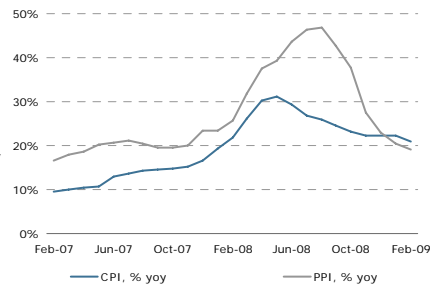
Real GDP and industrial output, chg yoy



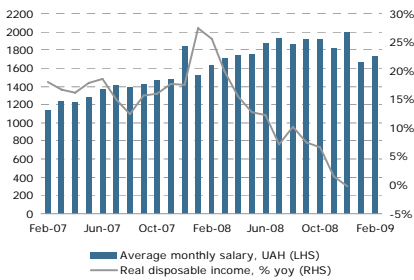
Industrial output growth by sector, chg yoy



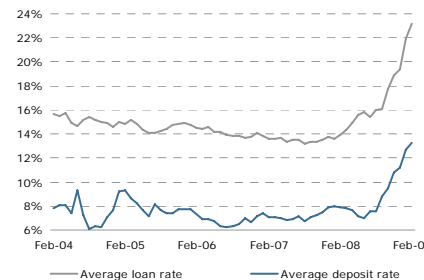
Inflation, chg yoy



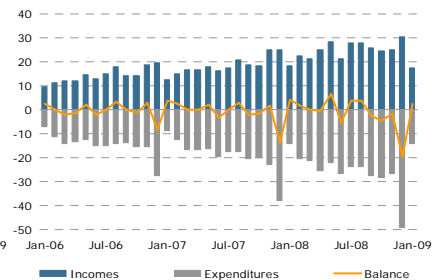
Real disposable income and average salary



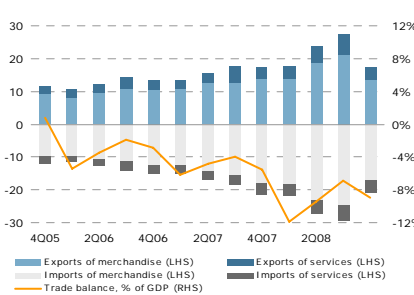
Interest rates



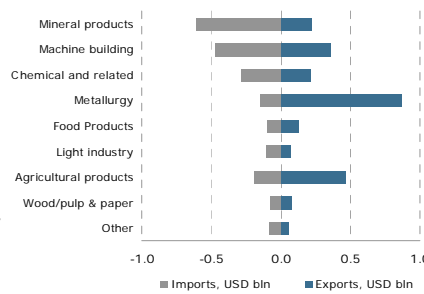
Consolidated budget execution, UAH bln



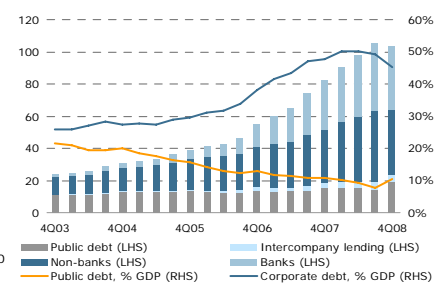
External trade, USD bln



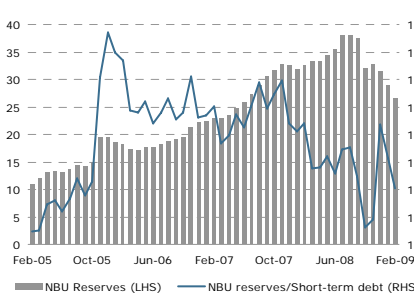
External trade in merchandise, 1M09



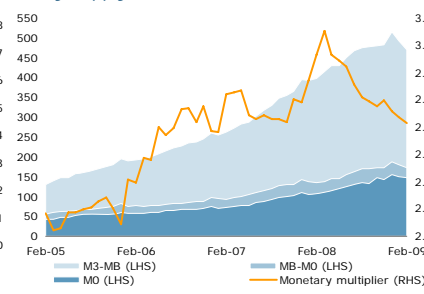
External debt, USD bln



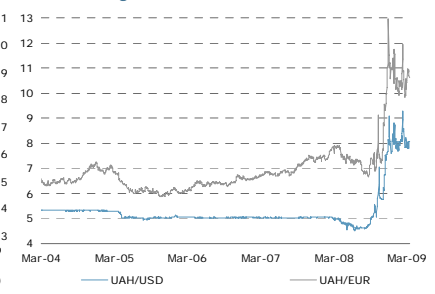
NBU reserves



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	-7.0	4.0
Nominal GDP, UAH bln	204	226	267	345	441	538	713	950.5	1016	1136
Nominal GDP, USD bln	38.0	42.4	50.1	65.0	86.1	106.5	141.2	180.4	119.5	140.2
GDP per capita, UAH	4195	4685	5591	7273	9372	11630	15372	20614	22150	24878
GDP per capita, USD	781	880	1048	1371	1829	2303	3044	3912	2606	3071
Consumption, chg yoy *	9.6	9.5	11.5	13.1	20.6	15.9	17.1	12.5	-10.0	4.0
Investment, chg yoy *	17.9	-1.5	24.3	5.5	14.0	18.5	22.1	15.0	-14.0	5.0
Industrial output, chg yoy	14.2	7.0	15.8	12.5	3.1	6.2	10.2	-3.1	-11.5	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	-1.3	0.2
Current account balance, % GDP	3.7	7.5	5.8	10.6	2.9	-1.5	-4.2	-6.6	-1.1	0.2
Trade balance, USD bln	0.6	1.9	1.3	5.0	0.7	-3.1	-7.9	-13.7	-2.3	-1.4
Trade balance, % GDP	1.6	4.4	2.6	7.7	0.8	-2.9	-5.6	-7.6	-2.0	-1.0
Exports, USD bln	21.1	23.4	29.0	41.3	44.4	50.2	64.0	85.7	64.5	75.2
Exports, chg yoy	8.0	10.7	24.0	42.6	7.5	13.2	27.4	33.9	-24.5	17.4
Imports, USD bln	20.5	21.5	27.7	36.3	43.7	53.3	71.9	99.4	66.8	76.6
Imports, chg yoy	14.1	5.0	28.7	31.3	20.4	22.0	34.8	38.3	-32.5	11.7
Capital account balance, USD bln	0.4	-1.2	0.1	-4.6	7.7	3.7	15.3	12.7	-7.0	-7.2
Capital account balance, % GDP	1.1	-2.9	0.2	-7.1	9.0	3.5	10.9	7.0	-5.9	-5.1
FDI net, USD bln	0.8	0.7	1.4	1.7	7.5	5.7	9.2	9.9	7.5	9.0
NBU reserves, USD bln	n/a	4.4	5.1	9.5	19.4	22.3	32.5	31.5	23.3	16.0
Debt indicators										
Public debt, USD bln	12.5	13.8	14.5	16.0	15.5	15.9	17.6	24.1	40.4	50.0
Public debt, % of GDP	33.0	32.5	29.0	24.7	18.0	15.0	12.4	13.4	34.3	35.7
Corporate external debt, USD bln	n/a	n/a	13.0	17.8	25.5	40.7	67.5	83.9	63.4	63.9
Corporate external debt, % of GDP	n/a	n/a	25.9	27.3	29.6	38.3	47.8	46.5	53.7	45.6
Gross external debt, USD bln	n/a	n/a	23.8	30.6	38.9	54.5	82.7	103.2	93.1	98.9
Gross external debt, % of GDP	n/a	n/a	47.5	47.1	45.2	51.2	58.6	57.2	78.9	70.5
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
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 (MB/M3), eop	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	53.1	54.1
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	203.2	238.6
Expenses, UAH bln	n/a	n/a	55.8	79.5	112.8	137.1	174.2	241.5	265.6	272.6
Balance, % GDP	n/a	n/a	-0.4	-3.0	-1.8	-0.7	-1.4	-1.3	-6.1	-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, eop), % *	10.9	9.6	9.1	8.6	7.2	6.8	6.4	8.0	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

* Data for 2008 is estimated

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
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	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	n/a
GDP per capita, USD	1,925	2,027	2,147	2,273	2,393	2,555	2,758	3,032	3,229	3,554	3,986	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	n/a	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	n/a	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
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
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
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
Current account balance, % GDP	-3.7	-1.7	-0.3	-1.5	-4.6	-3.4	-2.5	-4.2	-9.7	-7.9	-5.7	0.0
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
Trade balance, % GDP	-5.4	-3.4	-1.9	-2.9	-6.2	-4.8	-3.9	-5.6	-11.9	-9.5	-6.9	-8.9
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
Exports, chg yoy	-0.1	5.2	11.6	13.2	28.6	29.0	26.4	27.4	31.0	40.9	46.6	0.0
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
Imports, chg yoy	25.4	20.1	20.5	22.0	30.1	32.4	31.8	34.8	46.0	53.5	55.5	0.0
Capital account balance, USD bln	-1.4	0.3	0.9	3.9	2.5	3.5	4.2	5.2	3.4	4.7	6.1	-1.5
Capital account balance, % GDP	8.9	-6.7	-2.5	-0.3	3.5	9.5	10.3	10.4	10.9	9.1	9.5	9.7
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
NBU reserves, 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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
Unemployment (ILO methodology), %	7.9	6.8	6.4	6.8	7.4	6.6	6.2	6.4	7.1	6.2	6.0	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
Real disposable income, chg yoy	24.2	20.0	17.8	16.1	11.1	10.8	11.7	12.8	19.8	14.7	13.0	10.3

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

Ukrainian macro indicators monthly

	Jan	Feb	Mar	Apr	May	2008						2009		
						Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Business cycle indicators														
Industrial output, chg yoy	5.7	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
CPI, chg yoy	19.4	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
CPI, chg mom	2.1	2.9	2.7	3.8	3.1	1.3	0.8	-0.5	-0.1	1.1	1.7	1.5	2.1	2.9
PPI, chg yoy	23.3	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
PPI, chg mom	3.2	2.3	3.0	6.6	6.6	3.7	4.2	3.6	1.8	-1.8	-1.4	-6.5	-0.4	0.2
External sector indicators														
Merchandise exports, USD bln	3.7	4.7	5.4	5.6	6.3	6.9	7.6	6.7	6.7	5.9	3.6	4.0	2.4	n/a
Merchandise exports, chg yoy	14.2	37.3	32.5	37.0	53.9	62.8	78.9	61.2	62.5	34.9	-18.6	-17.6	-33.4	n/a
Merchandise imports, USD bln	4.6	6.5	7.7	7.9	7.7	7.9	8.8	8.2	8.5	7.6	5.3	4.8	2.0	n/a
Merchandise imports, chg yoy	25.0	50.4	55.7	64.6	58.9	69.5	66.0	67.4	74.8	30.2	-9.6	-27.9	-55.9	n/a
Merchandise trade balance, USD bln	-1.0	-1.8	-2.3	-2.4	-1.4	-1.0	-1.2	-1.4	-1.8	-1.8	-1.6	-0.8	0.4	n/a
Merchandise trade balance, % GDP	-8.4	-14.8	-16.1	-15.5	-8.7	-6.2	-5.8	-7.1	-10.0	-10.6	-13.1	n/a	n/a	n/a
NBU reserves, USD bln	31.8	32.5	33.2	33.3	34.4	35.4	37.9	38.1	37.5	31.9	32.7	31.5	28.8	n/a
Monetary indicators														
Monetary base, UAH bln	136.3	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
Monetary base, chg yoy	46.0	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
Monetary base, chg mom	-4.0	-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
Money supply (M3), UAH bln	391.3	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
Money supply (M3), chg yoy	51.7	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
Money supply (M3), chg mom	-1.2	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
Monetary multiplier (MB/M3)	2.9	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
Monetization (M3/GDP), %	42.7	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
Exchange rate														
Interbank UAH/USD (eop)	5.06	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
Interbank UAH/USD (avg)	5.06	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
State budget														
Revenues, UAH bln	13.9	31.3	46.7	66.3	89.4	104.8	n/a	149.2	169.1	188.0	208.0	231.7	13.4	n/a
Expenses, UAH bln	12.1	28.6	45.5	65.2	83.2	102.9	n/a	143.1	165.1	186.4	205.5	241.5	10.9	n/a
Balance, % GDP	3.2	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
Social indicators														
Population, mln (eop)	46.3	46.3	46.3	46.3	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.1	46.1	n/a
Average monthly salary, UAH	1,521	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
Real disposable income, chg yoy	23.4	22.1	19.8	17.7	16.0	14.7	13.7	13.4	13.0	12.4	11.4	10.3	n/a	n/a

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

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