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WEEKLY FINANCIAL REVIEW

December 19, 2011



GROWTH/DECLINE OF WORLD CURRENCIES

Devaluation/revaluation of world currencies against USD
(at the close 16.12.2011)*

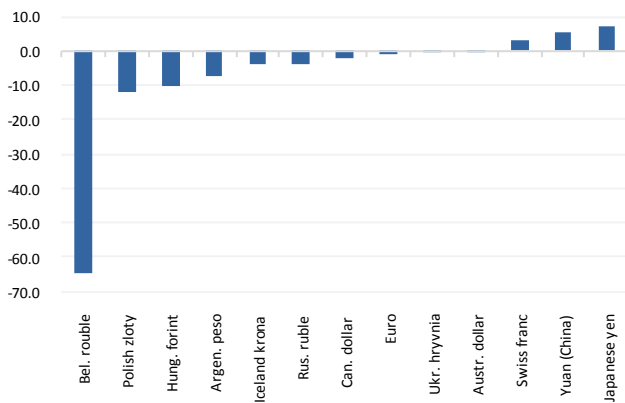
Currency	Ticker	Quotation **	Change, %					
			day	week	month	3 months	6 months	1 year***
America								
Mexican peso	MXN	13.9	-0.1	-2.2	0.9	-5.5	-14.6	-10.6
Chilean peso	CLP	517.6	0.2	-1.5	-1.4	-7.2	-8.9	-8.6
Brazil real	BRL	1.9	0.5	-2.9	-4.4	-6.4	-13.4	-8.0
Argentinian peso	ARS	4.3	-0.1	-0.2	-0.7	-2.0	-4.6	-7.3
Canadian dollar	CAD	1.0	-0.1	-2.1	0.1	-4.7	-5.7	-2.2
Europe								
Belarusian rouble	BYR	8450.0	-	2.7	4.1	-36.4	-41.0	-64.4
Turkish lira	TRY	1.9	-0.0	-2.4	-1.6	-4.4	-15.2	-17.4
Polish zloty	PLN	3.4	-0.2	-2.2	-4.2	-7.6	-19.3	-11.7
Hungarian forint	HUF	233.1	-0.5	-3.2	-3.3	-9.1	-20.0	-9.9
Iceland krona	ISK	121.7	0.2	-2.3	-3.6	-5.2	-3.8	-4.1
Russia's ruble	RUB	32.0	-0.2	-1.5	-2.7	-2.3	-12.3	-3.7
Czech koruna	CZK	19.4	-0.2	-2.3	-2.6	-7.6	-13.4	-1.2
Bulgarian lev	BGN	1.5	-0.3	-2.6	-3.6	-5.0	-9.1	-0.9
Euro	EUR	1.3046	-0.3	-2.5	-3.6	-5.0	-9.1	-0.9
Slovak koruna	SKK	23.1	-0.2	-2.6	-3.6	-5.0	-9.1	-0.9
Ukraine's hryvnia	UAH	8.00	0.2	0.0	-0.0	-0.1	-0.2	-0.3
Pound sterling	GBP	1.5545	-0.3	-0.8	-0.9	-1.3	-4.3	-0.1
Norwegian krone	NOK	6.0	-0.3	-3.5	-3.0	-4.9	-7.3	0.1
Swiss franc	CHF	0.9	-0.2	-1.4	-2.1	-5.9	-9.7	2.9
Africa								
Rand (RSA)	ZAR	8.4	0.3	-3.6	-0.4	-8.6	-18.9	-18.3
Naira (Nigeria)	NGN	161.6	-0.0	0.1	-1.6	-3.0	-3.1	-4.1
Dalasi (Gambia)	GMD	28.7	-1.1	2.6	0.2	0.9	-4.3	0.1
Asia								
Indian rupee	INR	52.7	-0.4	-1.3	-1.6	-9.7	-15.1	-14.2
Korean won	KRW	1158.7	-1.4	-1.0	-2.9	-3.2	-7.6	-2.1
Australian dollar	AUD	0.9983	-0.6	-2.3	0.9	-2.9	-6.2	-0.1
Yuan (China)	CNY	6.4	0.2	0.2	0.3	0.7	2.2	5.2
Japanese yen	JPY	77.8	-0.2	-0.2	-1.3	-1.7	3.0	7.5

Last week **national currencies** sank against the USD on the concerns of European crisis.

Ukrainian hryvnia also declined against the USD. Friday's trade session on the Ukrainian interbank market finished at the levels of 8.027/8.030 UAH/USD (bid/offer). Thus, dollar gained 1 kopek against hryvnia. Hryvnia overnight rates decreased to the level of 3%, which is considered as normal.

*currency prices are formed on the basis of Bloomberg statements; based on the quotations average number of competent financial institutions;
**for GBP, EUR and AUD – direct quotation, for the rest – reverse;
***sorted on the year.

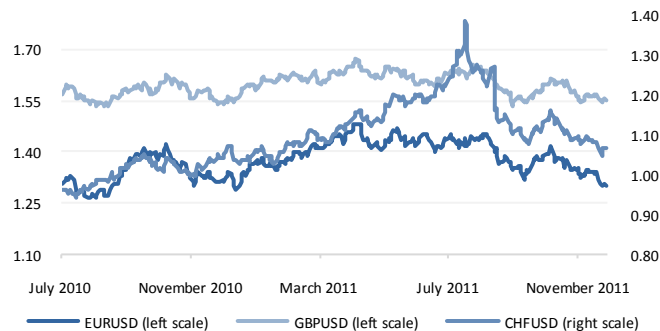
Growth/Decline of world currency (per year),%



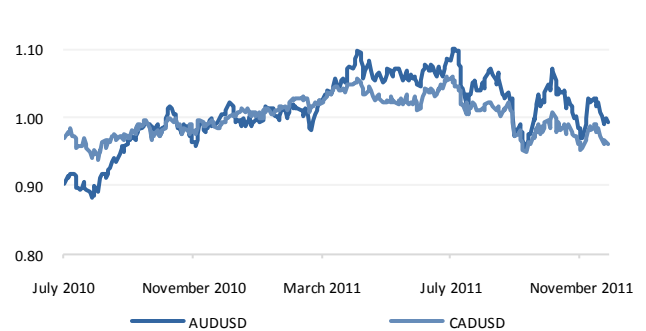
USD index



European currencies



Commodity currencies

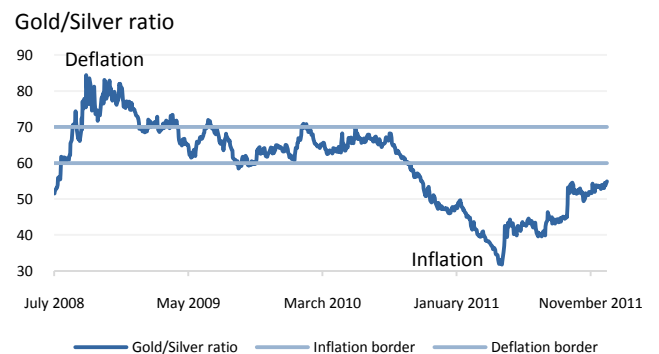
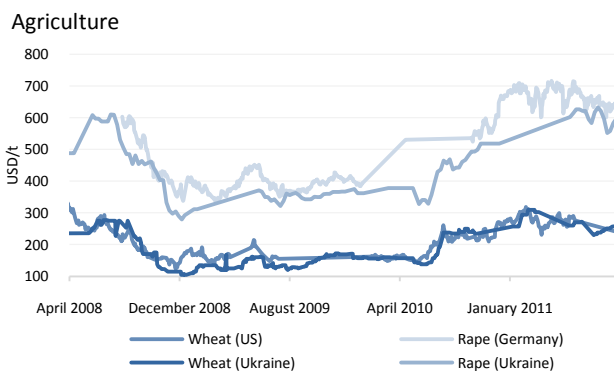
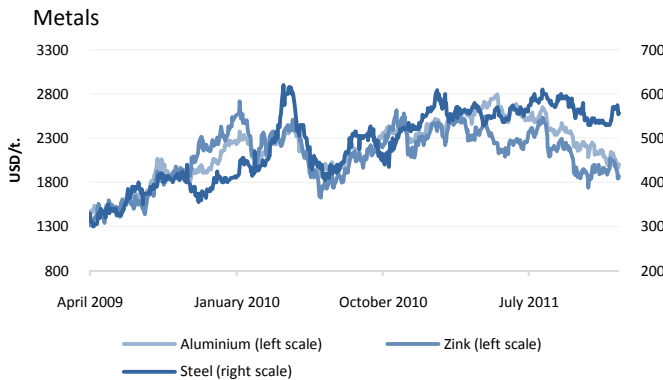
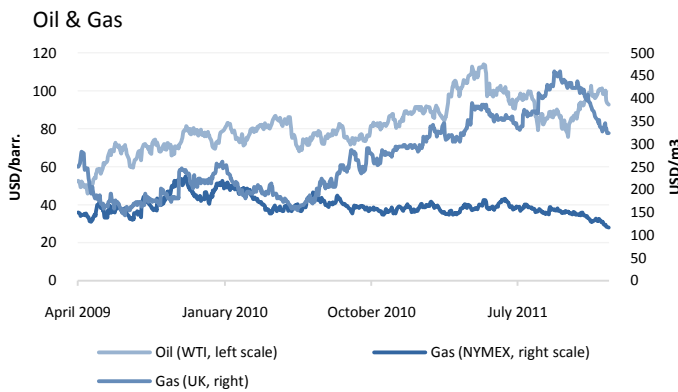


COMMODITIES

Contract	Quotation	Date	Change, %			
			day	week	month	year
Oil, 1M, USD/barr.						
Brent (ICE)	103.4	16.12.2011	-1.7	-4.9	-7.6	12.7
WTI (NYMEX)	93.5	16.12.2011	-0.4	-5.9	-8.8	6.6
Gas, 3M, USD/1000 m3						
Gas (Great Britain)	323.5	16.12.2011	-	-6.4	-13.7	-1.1
Gas (NYMEX)	117.8	16.12.2011	-0.1	-4.8	-8.5	-21.4
Precious metals, SPOT, USD/oz						
Gold	1,599.0	16.12.2011	1.8	-6.6	-9.3	16.7
Silver	29.7	16.12.2011	2.0	-7.7	-11.9	3.0
Metals, LME, 3M, USD/t						
Aluminium	2,004.0	16.12.2011	1.5	-3.0	-7.1	-13.5
Copper	7,345.0	16.12.2011	1.9	-6.0	-5.0	-18.3
Nickel	18,550.0	16.12.2011	3.7	-0.3	2.3	-24.9
Steel	557.0	16.12.2011	0.5	-2.3	3.1	1.8
Minerals, SPOT, USD/t						
Iron ore (China)	138.0	16.12.2011	-	-4.8	-4.2	-20.2
Coke (China)	267.0	16.12.2011	0.8	-	0.4	15.6
Coal (Russia)	109.9	02.12.2011	-	-	-8.5	-12.8
Agriculture goods, SPOT, USD/t						
Wheat (US)	212.7	16.12.2011	1.8	-1.2	-5.4	-17.3
Wheat(Ukraine)	217.5	12.12.2011	-	-	-	-15.5
Rape (Germany)	560.5	16.12.2011	0.3	-2.0	-5.6	-15.2
Rape (Ukraine)	494.0	09.12.2011	-	-	-7.1	-17.9

Metal demand in China, the biggest consumer of copper and aluminum, may grow at a slower pace in 2012 and prices may be lower than this year, claimed Wang Huajun, deputy secretary-general of the China Nonferrous Metals Industry Association. "It is unlikely to see metals demand to grow at more than 10 % next year, given the macroeconomic environment", Wang said at a forum in Shanghai. Refined copper demand may increase 6 %, while primary aluminum consumption may grow 8 %, he said. Lead and zinc consumption may rise by 7 % and 5 % respectively, Wang said.

The Organisation of Petroleum Exporting Energy Countries (OPEC) on Wednesday decided, for the first time in three years, to increase its production ceiling to 30 mln barrels per day, but, the group will not set individual quotas for each member. According to OPEC estimates, November production from OPEC mamebers stated 30.37 mln barrels a day. The quotas will be reviewed at its next meeting on June 14.



INTERNATIONAL RESERVES (WITHOUT GOLD)

International reserve assets (by countries)

Country	Reserves, bln USD	Date	Changes, %			World share, %		
			current	year before	2 years before	quarter	year	2 years
America								
Brazil	351.1	31.10.2011	1.9	23.8	52.6	3.4	3.1	3.0
Mexico	141.3	09.12.2011	3.6	27.3	61.4	1.4	1.2	1.1
Argentina	40.8	31.10.2011	-10.8	-12.4	-6.9	0.4	0.5	0.6
USA	47.7	02.12.2011	-3.6	-1.7	0.5	0.5	0.5	0.6
Canada	52.1	31.10.2011	4.5	11.5	17.6	0.5	0.5	0.6
Europe								
Russia	477.0	31.10.2011	-2.7	2.8	15.2	4.6	5.1	5.4
Eurozone total	207.1	31.10.2011	-3.1	-0.5	5.7	2.0	2.3	2.6
Turkey	94.8	02.12.2011	6.8	19.7	33.0	0.9	0.9	0.9
Poland	94.3	31.10.2011	-4.4	1.6	21.5	0.9	1.0	1.0
Great Britain	57.8	31.10.2011	-1.5	22.4	45.1	0.6	0.5	0.5
Germany	38.5	31.10.2011	0.1	3.0	1.1	0.4	0.4	0.5
Rumania	44.4	31.10.2011	-3.2	2.1	9.0	0.4	0.5	0.5
Italy	34.3	31.10.2011	-0.0	-6.2	-2.9	0.3	0.4	0.5
Hungary	51.0	31.10.2011	1.6	14.4	17.8	0.5	0.5	0.6
Ukraine (without gold)	32.5	31.10.2011	-10.4	-1.5	31.4	0.3	0.4	0.3
Ukraine (with gold)	32.4	30.11.2011	-15.2	-3.4	18.8	0.3	0.4	0.4
France	30.4	31.10.2011	-18.2	-3.4	15.9	0.3	0.3	0.3
Bulgaria	15.2	31.10.2011	3.3	4.1	-7.1	0.1	0.2	0.2
Spain	17.3	31.10.2011	11.3	28.8	36.4	0.2	0.1	0.2
Netherlands	9.8	31.10.2011	1.8	1.2	1.9	0.1	0.1	0.1
Belgium	8.1	31.10.2011	1.6	0.4	0.9	0.1	0.1	0.1
Iceland	7.7	31.10.2011	13.0	95.7	129.6	0.1	0.0	0.0
Belarus	2.3	31.10.2011	17.8	-44.7	-27.3	0.0	0.0	0.0
Portugal	0.9	31.10.2011	-11.3	-60.2	1.3	0.0	0.0	0.0
Africa								
Algeria	178.3	31.08.2011	3.3	19.1	23.8	1.7	1.7	1.9
Libya	100.6	31.01.2011	1.6	6.8	13.1	1.0	1.0	1.2
UAE	54.2	30.06.2011	-2.1	63.1	51.0	0.5	0.4	0.5
Egypt	20.7	31.08.2011	-11.9	-35.2	-30.7	0.2	0.4	0.4
RSA	40.4	30.09.2011	-1.7	12.3	25.3	0.4	0.4	0.4
Asia								
China	3,201.7	30.09.2011	0.1	20.9	40.9	31.1	29.4	29.8
Japan	1,224.8	30.11.2011	7.9	17.6	20.3	11.9	11.6	13.4
Taiwan	388.0	30.11.2011	-3.1	2.3	11.8	3.8	4.2	4.6
India	271.6	09.12.2011	-3.2	2.0	4.1	2.6	3.0	3.4
South Korea	308.6	30.11.2011	-1.1	6.3	13.9	3.0	3.2	3.6
World	10,283.6	16.12.2011	0.5	14.1	34.9	100.0	100.0	100.0

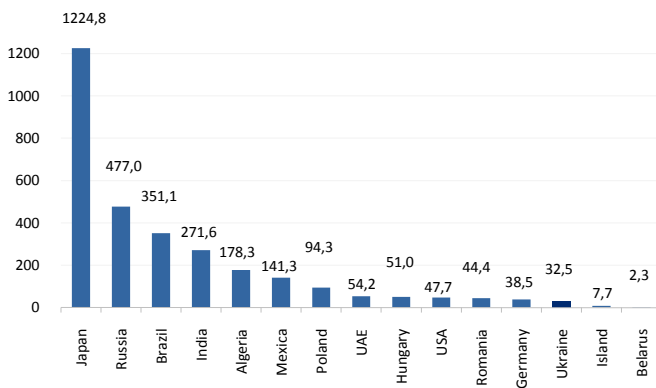
Moody's Investors Service and the Fitch Ratings agency warned that political efforts to protect the euro had not resolved the immediate dangers of a significant economic downturn in the region and troubles in the banking system. Moody's said it was putting the sovereign ratings of European Union countries on review for a possible downgrade in the coming months. Standard & Poor's issued a similar warning on the previous week, saying it could lower the sterling credit ratings of Germany and France and cut other countries' credit scores as Europe headed into a probable recession next year.

International reserve assets (by currencies)

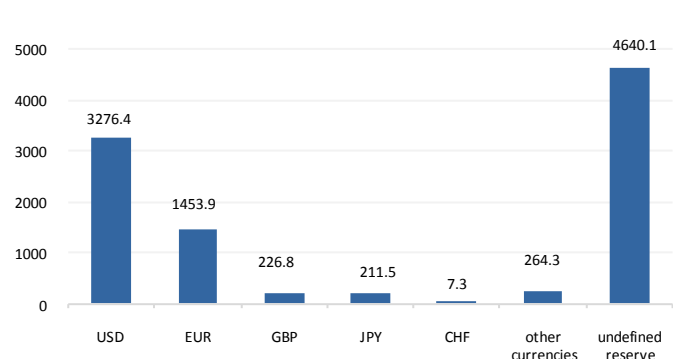
Foreign Exchange Reserve	Reserves, bln USD	Date	Changes, bln USD			Changes, %			Structure, %		
			quarter	year	2 years	quarter	year	2 years	current	year before	2 years before
USD	3,276.4	30.06.2011	41.2	301.8	594.2	1.3	10.2	22.2	32.5	35.3	35.5
EUR	1,453.9	30.06.2011	59.4	209.9	279.6	4.3	16.9	23.8	14.4	14.8	15.5
GBP	226.8	30.06.2011	9.2	28.1	43.4	4.2	14.1	23.7	2.2	2.4	2.4
JPY	211.5	30.06.2011	11.0	58.9	82.0	5.5	38.6	63.3	2.1	1.8	1.7
CHF	7.3	30.06.2011	1.5	2.1	2.1	24.7	40.4	40.6	0.1	0.1	0.1
Other foreign exchanges	264.3	30.06.2011	13.3	85.6	169.4	5.3	47.9	178.7	2.6	2.1	1.3
Total distributed reserve	5,440.2	30.06.2011	135.6	686.4	1,170.8	2.6	14.4	27.4	54.0	56.5	56.4
Undistributed reserve*	4,640.1	30.06.2011	244.3	977.1	1,344.7	5.6	26.7	40.8	46.0	43.5	43.6
Total	10,080.4	30.06.2011	379.9	1,663.5	2,515.5	3.9	19.8	33.3	100.0	100.0	100.0

* unidentified reserve (some countries give reports IMF by total amount – out of subdivision upon currencies)

International Reserve Assets, bln USD

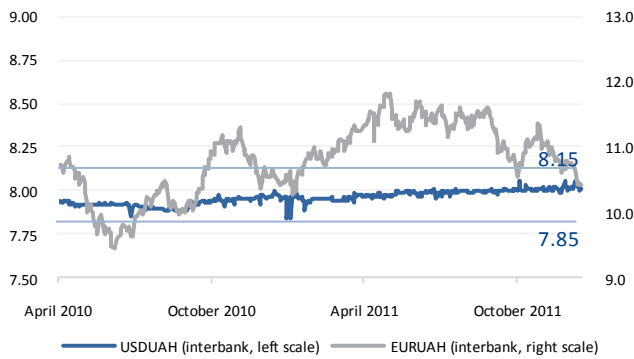


International Reserve Assets, bln USD



FORECASTS

USDUAH forecast

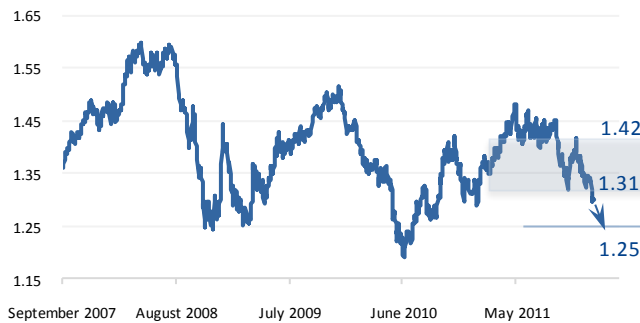


daily

USDUAH – pressure eases

A dollar rate remains in the corridor 7.80-8.15 UAHUSD. We observe some stabilization on the domestic currency market. We consider, the NBU is able to prevent significant fluctuations of the exchange rate in the nearest future. Nevertheless, we continue carefully monitoring situation in the world economy and we recommend to hedge currency risks in order to be ready for hryvnia devaluation.

EURUSD forecast



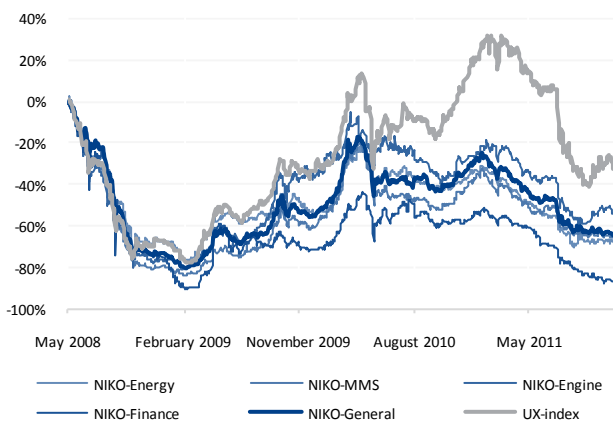
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EURUSD - downtrend continues

EURUSD declined to the level of 1.30 amid the threat of European countries' ratings downgrade.

Our forecast. In a long-run we expect further devaluation of the European currency (to the level of 1.25) due to the fiscal problems of the governments and probable region's low economic growth level. But in a short-term rebound is possible.

Ukrainian stock market forecast



daily

Ukrainian SM – stabilization

During the week NIKO-General lost 3.2% and stopped at the level of 35.6. The Ukrainian market fell into a correction following the tendencies on the developed markets. Investors were disappointed after the German chancellor Angela Merkel has rejected any suggestion of raising the funding limit of Europe's future bailout fund, the European Stability Mechanism (ESM).

Our forecast. In our opinion, situation stabilizes. We believe that major fears about the world economy have been considered by the market earlier. The EU authorities agreed to maintain responsible budget policy and the emerging market started softening their monetary policy due to inflation decrease. We recommend for long-term investors to commit careful purchases, but note that strong risk management is required.

ABOUT THE COMPANY

ASSET MANAGEMENT COMPANY "NIKO" is the investment company, a member of the international "NIKO" Group of companies. The main Company's activity priority is the development of global strategy and selection of the individual instruments for each client: the formation of investment portfolio based on the client's requirements, operational management of the investment targets, share and debt capital raising, M&A, the development of new investment projects and their implementation. The main Company's mission is to not only provide a full-range of wealth management services based on the total confidentiality but to guarantee the flexibility and formation of financial model which matches all client's needs and expectations.

AMC "NIKO" areas of expertise among others include:

- I) Investment Banking (fund raising, M&A);
- II) Alternative Investments (direct and venture investments, corporate treasury);
- III) Asset Management (for private investors and corporate clients).

Established in 2006, the Company currently manages more than USD 60 million in assets. The Company's activity is regulated by the State Commission on Securities and Stock Market of Ukraine (licence AB №456907 dated 05.02.2009).

RISK DISCLOSURES

Trading foreign currency, commodities and securities on margin carries a high level of risk, and may not be suitable for all investors. Before deciding to trade foreign exchange you should carefully consider your monetary objectives, level of experience, and risk appetite. The possibility exists that you could sustain a loss of some or all of your deposited funds and therefore you should not speculate with capital that you cannot afford to lose. You may be liable for losses that exceed the amount of margin that you post. You should be aware of all the risks associated with foreign exchange trading, and seek advice from an independent advisor if you have any doubts.

Past performance is not necessarily indicative of future results.

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