



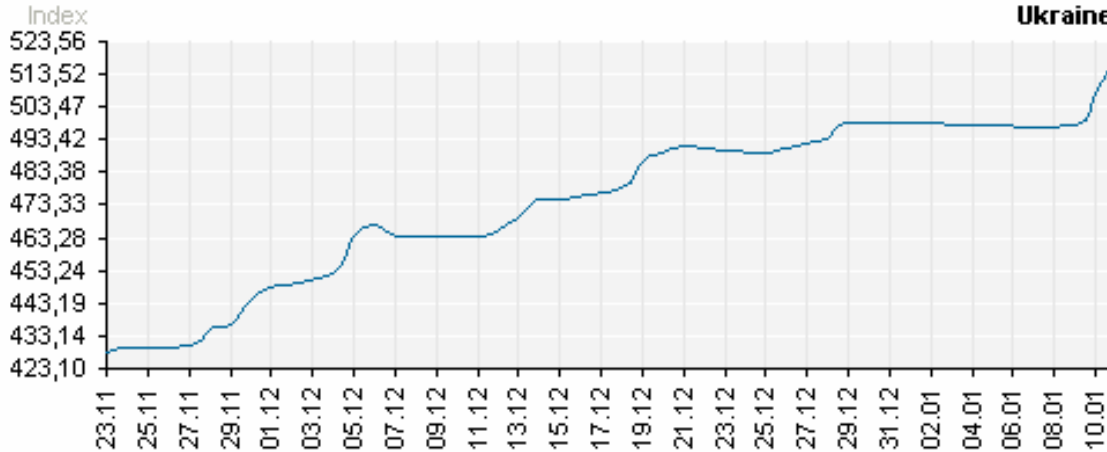
Ukraine Update 8 – 12 January, 2007

<p>Political updates</p> <p>Europe pointed to ideal ombudsman for Ukraine Parliamentary assembly of the European council calls up the Verkhovna Rada of Ukraine to appoint politically independent plenipotentiary on human rights. The Parliamentary assembly of the European council forwarded a letter to the Chairman of the Verkhovna Rada of Ukraine Olexander Moroz concerning appointment of the ombudsman in Ukraine.</p> <p>Macroeconomic updates</p> <p>US to help Ukraine to get free from Russia The United State Senate has been submitted a bill called "Act on Energy Diplomacy and Security." One of its articles stipulates supporting young democracies, of Ukraine and Georgia in particular, in their striving for energy independence. "It is necessary to push forward democracy globally through partnership with foreign governments of young democracies such as Ukraine and Georgia in their willingness to bring down their dependency upon imported oil and gas," reads the bill.</p> <p>Key tasks of Ukrainian diplomacy outlined The VII deliberations of chiefs of Ukrainian diplomatic missions abroad, which have been recently held in Kyiv, in its final document set the key task of the Ukrainian diplomacy as ensuring accession of Ukraine to the EU and NATO, as well as full-fledged integration into the world economic space, in particular, the WTO. The development of strategic partnership on the grounds of observing mutual interests in relations with Russia, Poland and the USA, strengthening good-neighborly relations with limitrophe countries and steady forwarding cooperation with the countries of Asia, Africa, the Middle East and Central Asia, Latin America, Australia and the Oceania is the fundamental part of activities of the Ukrainian diplomatic service.</p> <p>Economic updates</p> <p>Principal tendencies of monetary market of Ukraine development in 2006 According to the official information of the National Bank of Ukraine, in 2006, as in previous years, the development of the monetary market was greatly influenced by changes of balance of payments indicators via relative changes of demand and supply in foreign exchange segment of the market. However, if in previous years it encouraged accelerated increase of money supply (since 1999 increase rates of money supply exceeded 40% per year), then in 2006 the negative foreign trade balance, which was not fully compensated by capital flow, caused slow down of monetary aggregates dynamics. Under these circumstances, the increase of monetary base in 2006 by 17.5% up to 97.2 UAH billion (last year - by 53.9%), as well as the increase of money supply by 34.5% (last year - by 49.3%) can not attest to restricting directivity of the monetary policy. Comparatively high index of consumer prices in 2006 (111.6 %), comparing to 110.3% in previous year, was effected mostly by the increase of administratively regulated tariffs for services and had no significant monetary ground. Average-weighted rate on all refinancing instruments in 2006</p>	<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <thead> <tr style="background-color: #4CAF50; color: white;"> <th colspan="4">STOCK INDICES →</th> </tr> <tr style="background-color: #f2f2f2;"> <th></th> <th>COUNTRY</th> <th>INDICES</th> <th>TIME</th> </tr> </thead> <tbody> <tr> <td>PFTS</td> <td>UA</td> <td>518.54 ↑</td> <td>11.01 17:00</td> </tr> <tr> <td>S&P-500</td> <td>US</td> <td>1 423.82</td> <td>12.01 09:14</td> </tr> <tr> <td>MIB-30</td> <td>IT</td> <td>42 079.00 ↑</td> <td>12.01 11:23</td> </tr> <tr> <td>FTSE-100</td> <td>GB</td> <td>6 246.20 ↑</td> <td>12.01 11:23</td> </tr> <tr> <td>CAC-40</td> <td>FR</td> <td>5 615.87 ↑</td> <td>12.01 11:23</td> </tr> <tr> <td>DAX</td> <td>DE</td> <td>6 695.93 ↑</td> <td>12.01 11:23</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <thead> <tr style="background-color: #4CAF50; color: white;"> <th colspan="5">EXCHANGE RATES IN UKRAINE →</th> </tr> <tr style="background-color: #f2f2f2;"> <th></th> <th colspan="2">Cash 12.01.07 11:10</th> <th colspan="2">Cashless 11.01.07 15:18</th> </tr> <tr style="background-color: #f2f2f2;"> <th></th> <th>BID</th> <th>ASK</th> <th>BID</th> <th>ASK</th> </tr> </thead> <tbody> <tr> <td>1USD</td> <td>5.0500</td> <td>5.0800</td> <td>5.0500</td> <td>5.0700 ↑</td> </tr> <tr> <td>1EUR</td> <td>6.5000 ↓</td> <td>6.6500 ↑</td> <td>6.5300 ↓</td> <td>6.5600 ↓</td> </tr> <tr> <td>10RUB</td> <td>1.8800 ↑</td> <td>1.9050 ↓</td> <td>1.9030</td> <td>1.9070 ↓</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #4CAF50; color: white;"> <th colspan="5">CREDIT FOR BUSINESSES IN UKRAINE →</th> </tr> <tr style="background-color: #f2f2f2;"> <th></th> <th colspan="4">12.01.07</th> </tr> <tr style="background-color: #f2f2f2;"> <th></th> <th>1 MON.</th> <th>3 MON.</th> <th>6 MON.</th> <th>12 MON.</th> </tr> </thead> <tbody> <tr> <td>UAH</td> <td>20.00%</td> <td>22.00%</td> <td>22.00%</td> <td>23.00%</td> </tr> <tr> <td>USD</td> <td>16.00%</td> <td>16.00%</td> <td>16.00%</td> <td>17.00%</td> </tr> <tr> <td>EUR</td> <td>14.00%</td> <td>15.00%</td> <td>15.00%</td> <td>15.00%</td> </tr> </tbody> </table>	STOCK INDICES →					COUNTRY	INDICES	TIME	PFTS	UA	518.54 ↑	11.01 17:00	S&P-500	US	1 423.82	12.01 09:14	MIB-30	IT	42 079.00 ↑	12.01 11:23	FTSE-100	GB	6 246.20 ↑	12.01 11:23	CAC-40	FR	5 615.87 ↑	12.01 11:23	DAX	DE	6 695.93 ↑	12.01 11:23	EXCHANGE RATES IN UKRAINE →						Cash 12.01.07 11:10		Cashless 11.01.07 15:18			BID	ASK	BID	ASK	1USD	5.0500	5.0800	5.0500	5.0700 ↑	1EUR	6.5000 ↓	6.6500 ↑	6.5300 ↓	6.5600 ↓	10RUB	1.8800 ↑	1.9050 ↓	1.9030	1.9070 ↓	CREDIT FOR BUSINESSES IN UKRAINE →						12.01.07					1 MON.	3 MON.	6 MON.	12 MON.	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amounted to 11.53 %.
Transactions on fund mobilization in 2006 amounted to 6760 UAH million.

Dynamics of change the index PFTS Index, Ukraine

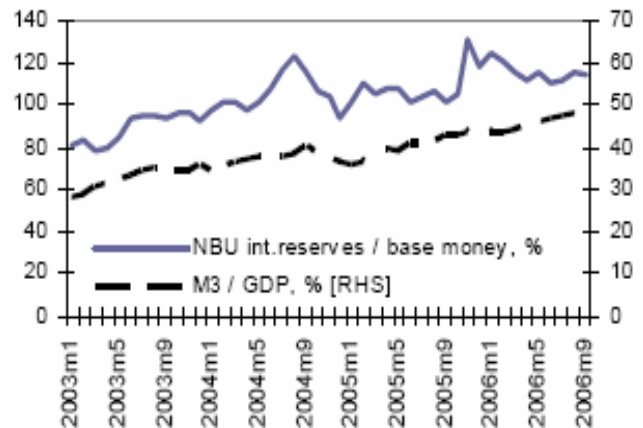


Sectoral updates

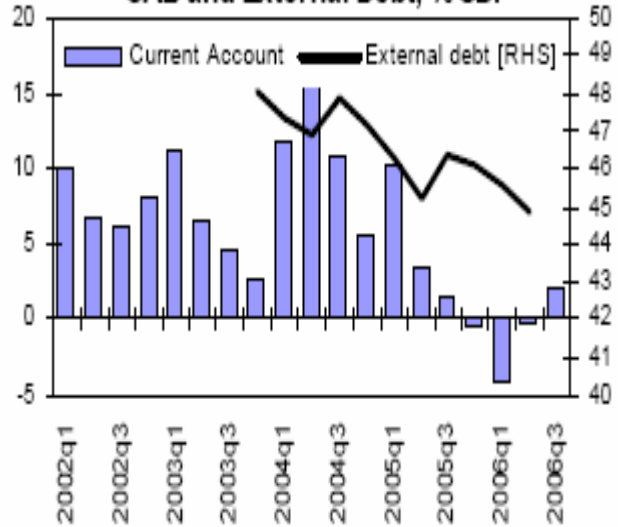
Ukraine's President bids to resolve housing problem

Victor Yushchenko has sent a letter to the government and the Verkhovna Rada with a suggestion to improve legislation on the renewal of old houses. He wants to involve lawmakers, ministers, Secretariat officials, scholars and NGOs in formulating transparent mechanisms of reconstruction.

Monetization and Reserves



CAB and External Debt, % GDP



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