

## UKRAINE

# Grappling with Volatility

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The volatile metal markets are generating new concerns about economic stability. Although metals demand fundamentals are seen as solid, prices fell in April. Metals consumption trends are unclear, but downside risks are growing.

The ruling party, meanwhile, has taken a time out to revise its reform agenda. Even President Viktor Yanukovich has recognized that the reform “blitzkrieg” has *de facto* failed; he has requested an update of the to-do list. He also brought up the issue of imminent personnel replacements again. Meanwhile, there’s still been no word on pension reform; administrative reform has been restricted to a reshuffle of mid-level Ministry staff. And the utility rate increase, originally scheduled for mid-April, has been postponed once again.

The uncertain outlook for exports reinforced concerns over currency stability>>>