

## **Tim Ash comments on resignation of Gontareva as NBU governor**

### **Opinion**

Posted by:

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**Ash: "I think we are likely entering a tricky domestic political time for Ukraine, with the resignation of Gontareva being just one piece in the jigsaw."**

LONDON, Apr 10, 2017 (UBO) – Responding to the announcement earlier today of the resignation of Valeria Gontareva as governor of the National Bank of Ukraine, Timothy Ash of Bluebay Asset Management offered the following comments as of 10:17 today: Poroshenko has one month to find a replacement - Gontareva served one month's notice. Parliament also has to accept the resignation - which I think they will, given that the Rada very often gave Gontareva a torrid time when she had to appear. Gontareva had indicated her intention to resign some months ago, so Poroshenko has had plenty of time to mull over a replacement. The added complication herein is we are nearing the one -year anniversary of the approval of PM Groysman's government on April 14, and that could well also see an effort to table a no confidence motion therein. In order to survive that we might see some horse-trading over the position of Governor of the NBU. The IMF in its announcement of the signing off of the 3rd review also signaled the importance of the position of the NBU - so likely will want to have some kind of input into the decision. But the conditionality attached to the 4th review looks tough, and we could see foot-dragging therein from this/the next government if Groysman is dropped also. Lots of names mentioned in dispatches to replace Gontareva, including Lavrenchuk (chairman of Aval) who is seemingly the favourite for reformers/IFIs, then Alex Hrytsenko (CEO of Ukreximbank, former Standard banker) plus also former PM Yatsenyuk. Yatsenyuk is likely too political - albeit some would say the NBU has to be political to deliver on the final stages of cleaning up the banks. Net-net, I think we are likely entering a tricky domestic political time for Ukraine, with the resignation of Gontareva being just one piece in the jigsaw. \*\* Please note that any views expressed herein are those of the author as of the date of publication and are subject to change at any time due to market or economic conditions. The views expressed do not reflect the opinions of all portfolio managers at BlueBay, or the views of the firm as a whole. In addition, these conclusions are speculative in nature, may not come to pass and are not intended to predict the future of any specific investment. No representation or warranty can be given with respect to the accuracy or completeness of the information. Charts and graphs provided herein are for illustrative purposes only."