

**Market Update**

**Equity**

Ukrainian blue chips were mixed on Tuesday (Mar 26), with European markets yet to determine their direction in the post-Cyprus bailout environment. The UX index lost half a percent to close at 908 points, with steelmakers Azovstal (AZST) and Alchevsk (ALMK) down by 1.1% and 1.5% respectively. Also in negative territory for the day was volume leader Motor Sich (MSICH), which slipped 0.8% to finish just below UAH 2300. On the upside, Raiffeisen Aval (BAVL) reversed its recent slide, rallying by 1.2% on turnover of UAH 1.8mn, and Avdyivka Coke (AVDK) kept its nose above the UAH 3 level with a 0.6% pickup. Outside the UX basket, Pivnichny GOK (SGOK) fell 2.2% and Stirol (STIR) dropped 3.9% to UAH 12.50, representing a fresh 3-year low for the issue. In London, Avangard (AVGR LI) regained some ground from yesterday's steep fall with a 3.4% rise, and MHP (MHPC LI) also bounced back from share price losses posted over the past two weeks, adding 1.7% to USD 17.90.

**Fixed Income**

Ukrainian sovereign Eurobonds declined on Tuesday. Ukraine-22s was down by 0.9p.p. to 103.0/103.5 (7.4%/7.3%) while Ukraine-17s decreased by 0.6p.p. finishing at 100.1/100.9 (6.7%/6.5%). Corporate names were also mostly down. Metinvest-15s and Ferrexpo-16s edged down by 0.1p.p. to 103.0/103.9 (8.0%/7.7%) and 100.3/101.3 (7.8%/7.3%), respectively. The largest loss was demonstrated by Avangard-15s which dropped by 0.5p.p. to 99.7/100.9 (10.2%/9.6%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2316.00	-3.4%	5.4	262
Centrenergo	CEEN	5.437	-3.0%	4.3	392
Raiffeisen Bank Aval	BAVL	0.100	-3.3%	2.4	412

**Growth Leaders**

Pivnichny GOK	SGOK	8.64	5.1%	0.06	23
Kryukiv Wagon	KVBZ	22.68	4.9%	0.05	7
Bogdan Motors	LUAZ	0.05	1.4%	0.09	14

**Loss Leaders**

Dniproenergo	DNEN	220.00	-6.0%	0.15	18
Stirol	STIR	13.01	-4.0%	0.18	15
Motor Sich	MSICH	2,316.00	-3.4%	5.43	262

**Highlights**

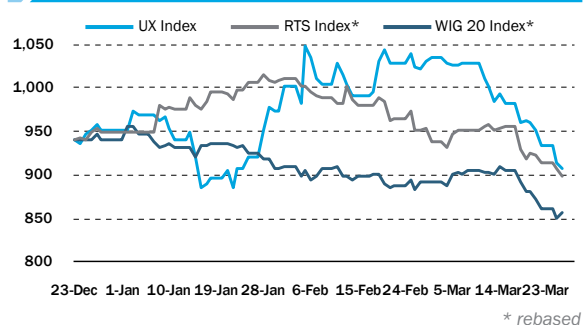
**POLITICS AND ECONOMICS**

- > NBU: Balance of Payments Was Positive in February

**FIXED INCOME**

- > DTEK Issues 5-Year Dollar Bonds at 8.25%

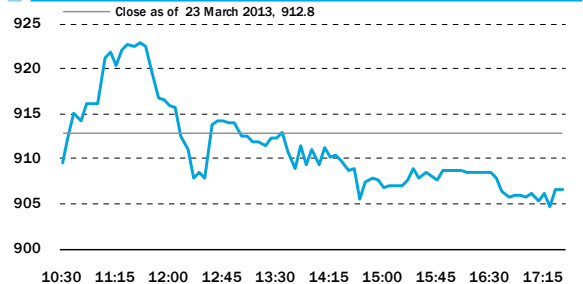
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	908.3	-0.5%	-11.8%	-4.4%
RTS	1445.5	-0.9%	-6.8%	-5.3%
WIG20	2353.4	0.6%	-3.4%	-8.9%
MSCI EM	1028.7	0.6%	-2.3%	-2.5%
S&P 500	1563.8	0.8%	3.2%	11.5%

**UX INTRADAY MARCH 26, 2013**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	301.1	0.3%	5.5%	11.1%
CDS 5Y UKR	574.8	0.5%	-3.0%	-8.0%
Ukraine-13	3.68%	-0.2 p.p.	-0.9 p.p.	-1.6 p.p.
Naftogaz Ukr-14	6.87%	0.1 p.p.	0.0 p.p.	-0.7 p.p.
Ukraine-20	6.77%	0.2 p.p.	-0.2 p.p.	-0.5 p.p.
Privatbank-16	12.67%	-0.1 p.p.	-1.9 p.p.	-2.6 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	8.13	0.0%	-0.2%	0.9%
EUR	10.45	0.1%	-2.7%	-2.2%
RUB	0.26	0.2%	-1.8%	-0.7%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	320.0	0.0%	0.0%	0.0%
Steel, USD/t	565.0	0.0%	-5.4%	6.1%
Oil, USD/bbl	96.3	1.6%	3.0%	4.9%
Gold, USD/oz	1600.0	-0.3%	1.2%	-3.4%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

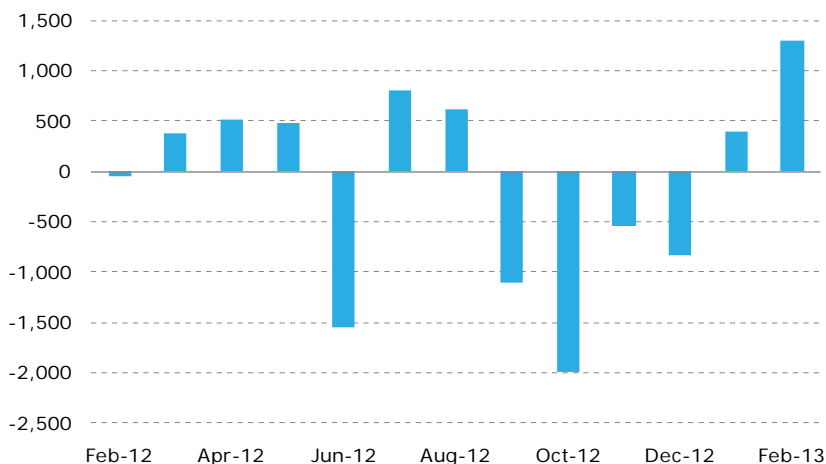
**NBU: Balance of Payments Was Positive in February**

by Dmitry Churin  
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**NEWS**

Ukraine's balance of payments (BoP) surplus was USD 1.3bn in February, compared to a deficit of USD 55mn for the same period of 2012, according to data from the National Bank. The country's current account deficit decreased by 40% YoY to USD 967mn while the capital account surplus grew by 45% YoY to USD 2.3bn during the month. The BoP surplus in 2M13 was USD 1.7bn compared to a deficit of USD 944mn a year earlier.

**UKRAINE'S MONTHLY BALANCE OF PAYMENT DATA, USD mn**



Source: National Bank of Ukraine

**COMMENTARY**

We suppose that the main reason for the BoP's positive turn in February was the placement of USD 1bn bonds by the Ukrainian government. The BoP surplus for 2M13 has clearly provided some support for the hryvnia, which has been stable in its peg to the dollar for the last 8 weeks. The next stress test for the hryvnia will be the period from Apr 30 to Jun 11, when the government is due to pay USD 2.5bn related to external borrowings, including repayments to the IMF and Eurobond redemptions and coupon payments.

**DTEK Issues 5-Year Dollar Bonds at 8.25%**

by Dmitry Churin  
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**NEWS**

DTEK, Ukraine's dominant player in coal-fired electricity generation, issued 5-year USD-denominated bonds at 8.25%, Interfax reported, citing a source on the financial market familiar with the matter. The amount raised was not available. In terms of its buyback of 60% of its existing USD 500mn 2015 Eurobonds (issued at 9.5%), the company said it had received tenders for USD 370mn of the bonds. Holders of the 2015 bonds who participate in the buyback will receive USD 1,062.50 for each USD 1,000 principal as well as a bonus of USD 5.00 for each USD 1,000 principal amount.

**COMMENTARY**

DTEK previously said it planned to raise USD 1.5bn through a new bond issue(s) to fund the 2015 buyback as well as for large scale CapEx, although it may have to settle for a lower amount at the 8.25% coupon. Nonetheless, we believe that DTEK should be able to raise significantly more than the USD 750mn obtained by MHP at the same coupon rate earlier this month, due to it having a notably lower Net Debt/EBITDA ratio than the latter. DTEK's new bonds were issued with a spread of 160 basis points to the sovereign yield curve. DTEK's Net Debt/EBITDA ratio stood at 1.04x at end-2012, and assuming an additional USD 1.2bn in debt (USD 1.5bn minus the USD 300mn buyback), the company's ratio would rise to a still-manageable level of 1.7x.

DTEK-15s are currently trading at 6.6%/6.3% YTM, implying a spread to sovereign papers of just 10 basis points.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, USD per share	Target price, USD per share	Upside, %	Rating	Commentary
<b>Steel&amp;Pipes</b>						
Azovstal	AZST	0.07	0.07	-8%	SELL	Non-transparent reporting practises detrimentally affect the company's reported earnings.
Khartsysk Pipe	HRTR	0.09	0.19	103%	BUY	The company has a 100% dividend payout policy, which we expect to remain in place going forward.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	2.62	U/R	n/a	U/R	Under Review
Pivnichny GOK	SGOK	1.04	1.77	70%	BUY	Pivnichny GOK's dividend payout was 99% for FY11 with a DPS of USD 0.33, implying a dividend yield of 22%. The company has a dividend payout policy of nearly 100%, which we expect to remain in place going forward.
Centralny GOK	CGOK	0.83	1.30	56%	BUY	CGOK is a strong dividend play. A DPS of USD 0.27 was approved in April 2012, implying a dividend yield of 26%.
<b>Coke</b>						
Avdyivka Coke	AVDK	0.38	0.76	103%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasnyivsky Coke	YASK	0.08	0.42	430%	BUY	Yasnyivsky Coke benefits from steady demand for its output both in Ukraine & abroad thanks to the high quality of its coke relative to other domestic producers.
<b>Coal</b>						
Pokrovske Mine	SHCHZ	0.08	0.36	343%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
<b>Railcar Manufacturing</b>						
Krukiv Wagon	KVBZ	2.78	6.18	122%	BUY	Having achieving its post-1991 production maximum in 2011, Krukiv Wagon's revenue should rise at a 7% CAGR in 2012-2016E, with the EBITDA and net margins for the period near 15% and 11%, respectively.
LuganskTeplovoz	LTPL	0.24	0.64	162%	BUY	LuganskTeplovoz's incorporation into TransMashHolding should help it to exploit its already-dominant position on the Russian market for diesel locomotives.
<b>Specialized Machinery</b>						
Motor Sich	MSICH	283	644	128%	BUY	Motor Sich should see its sales grow with a 2012-2016E CAGR of 9%, reaching USD 1.2bn. For 2012-2016, we forecast an average EBITDA margin of 35% and a net margin of 28%.
Turboatom	TATM	0.44	1.09	148%	BUY	We model Turboatom's revenue as increasing at 18% CAGR over 2012-2015. Deliveries of hydro and steam turbines to export markets will remain the company's key revenue drivers.
<b>Oil &amp; Gas</b>						
Concern Galnaftogaz	GLNG	0.018	0.030	63%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	0.39	1.52	289%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	1.2	6.0	414%	BUY	The expected start of operations in JKX's Russian gas field should lift output.
<b>Power Utilities</b>						
DonbasEnergO	DOEN	2.46	8.90	261%	BUY	DonbasEnergO recently launched Ukraine's most efficient power generation unit.
CenterEnergO	CEEN	0.66	1.84	177%	BUY	CentrEnergO's privatization is on the horizon for 2013.
<b>Consumer</b>						
MHP	MHPC	17.8	24.0	35%	BUY	MHP plans to launch production at Phase 1 of its new Vinnitsya poultry complex in early 2013. This will expand its poultry production capacity by some 60,000 tonnes p.a. in 2013, up from the current 384,000 tonnes.
Astarta	AST	18.44	30.0	63%	BUY	Rising global prices for agriculture products should offset the company's weaker than expected harvest this year. Astarta's business leans on three pillars: sugar beet cultivation/processing, grain cultivation, and cattle farming.
Avangardco	AVGR	7.99	28.3	254%	BUY	Avangard operates with a gross margin of 36% vs. the industry average of 22% and expects to raise its output by 56% by 2015, to 6.8bn eggs. Exports to the EU and the Middle East will be sales growth drivers.

Source: Eavex Research

**PRICES AND QUOTES**

Name	Ticker	Today, UAH*	52 high, UAH*	52 low, UAH*	Absolute performance				Performance relative to the UX index			
					1d	1w	1m	ytd	1d	1w	1m	ytd
UX Index	UX	908.33	1452.55	747.84	-0.5%	-5.5%	-11.8%	-4.4%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.047	0.10	0.04	-1.5%	-7.2%	-10.4%	-12.7%	-1.0%	-1.6%	1.4%	-8.3%
Azovstal	AZST	0.60	1.33	0.54	-1.1%	-5.8%	-13.0%	-18.5%	-0.7%	-0.2%	-1.2%	-14.1%
Dniprospezstal	DNSS	970	1,700	970	0.0%	-3.0%	-3.0%	-2.9%	0.5%	2.5%	8.8%	1.5%
Enakievo Steel	ENMZ	34.7	85.0	27.7	-0.4%	-2.0%	-4.6%	-8.8%	0.1%	3.5%	7.1%	-4.3%
Arcelor Mittal KR	KSTL	3.98	n/a	n/a	0.0%	0.0%	n/a	n/a	0.5%	5.5%	n/a	n/a
Mariupol Ilyicha	MMKI	0.18	0.32	0.13	0.0%	-10.0%	-10.0%	-18.2%	0.5%	-4.5%	1.8%	-13.7%
<b>Coke</b>												
Avdyivka Coke	AVDK	3.05	5.41	1.90	0.6%	-2.3%	-8.5%	-6.8%	1.1%	3.2%	3.3%	-2.4%
Yasnyivsky Coking	YASK	0.64	1.31	0.56	1.6%	6.7%	-8.6%	-4.5%	2.1%	12.2%	3.2%	0.0%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	6.75	8.35	4.00	-4.1%	-3.4%	4.7%	-2.2%	-3.6%	2.1%	16.4%	2.3%
Ferrexpo	FXPO	2.62	4.89	2.35	1.4%	-4.6%	-28.9%	-34.9%	1.9%	1.0%	-17.2%	-30.5%
Pivnichny GOK	SGOK	8.45	12.75	6.00	-2.2%	-4.0%	-1.4%	13.6%	-1.7%	1.6%	10.4%	18.0%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.66	1.40	0.40	10.0%	22.2%	-1.5%	4.8%	10.5%	27.8%	10.3%	9.2%
Komsomolets Donbasa	SHKD	1.05	2.00	0.80	0.0%	-5.4%	-16.0%	-11.0%	0.5%	0.1%	-4.2%	-6.6%
Energy Coal	CLE	1.91	8.69	1.91	-19.4%	-25.5%	-49.3%	-38.4%	-18.9%	-19.9%	-37.5%	-33.9%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	n/a	0.58	0.003	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.76	1.34	0.60	0.0%	-2.6%	-6.2%	8.6%	0.5%	3.0%	5.6%	13.0%
Interpipe NMPP	NVTR	0.19	0.60	0.12	-9.5%	-5.0%	0.0%	-13.6%	-9.0%	0.5%	11.8%	-9.2%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	22.6	23.5	14.2	-0.4%	0.4%	-0.9%	16.5%	0.1%	5.9%	10.9%	20.9%
Luhanskeplovoz	LTPL	1.99	2.45	1.28	5.3%	7.6%	3.1%	6.4%	5.8%	13.1%	14.9%	10.9%
Stakhanov Wagon	SVGZ	1.62	4.55	1.46	-2.4%	5.9%	-9.5%	-6.4%	-1.9%	11.4%	2.3%	-1.9%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.04	0.22	0.03	-21.8%	-13.3%	-34.8%	-12.9%	-21.4%	-7.8%	-23.0%	-8.5%
Motor Sich	MSICH	2,298	2,880	1,750	-0.8%	-7.7%	-8.0%	4.0%	-0.3%	-2.2%	3.7%	8.4%
Summy Frunze Engineering	SMASH	3.49	4.23	0.76	2.6%	22.5%	105.3%	132.7%	3.1%	28.0%	117.1%	137.1%
Turboatom	TATM	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
WESTA ISIC	WES	0.22	1.25	0.13	-2.0%	-3.3%	15.1%	-10.4%	-1.5%	2.2%	26.8%	-6.0%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.13	0.42	0.12	-2.8%	-2.2%	0.8%	-16.3%	-2.3%	3.4%	12.5%	-11.8%
<b>Oil &amp; Gas</b>												
Concern Galnaftogas	GLNG	0.12	n/a	n/a	0.0%	0.0%	-7.7%	0.0%	0.5%	5.5%	4.1%	4.4%
JXX Oil	JKX	1.17	2.95	0.87	-0.6%	-0.7%	23.2%	-2.5%	-0.1%	4.8%	35.0%	1.9%
Ukrnafta	UNAF	144	309	80	-2.0%	-7.5%	-12.4%	21.0%	-1.5%	-2.0%	-0.7%	25.4%
<b>Power Utilities</b>												
Centrenerg	CEEN	5.40	8.43	4.05	-0.6%	-5.5%	-10.3%	-14.9%	-0.1%	0.0%	1.4%	-10.5%
Donbasenergo	DOEN	20.0	29.4	15.0	0.2%	-3.5%	-13.8%	-5.5%	0.6%	2.0%	-2.1%	-1.0%
Zakhidenergo	ZAEN	89.1	237.4	54.0	0.0%	2.4%	-7.9%	-8.1%	0.5%	8.0%	3.9%	-3.7%
<b>Consumer</b>												
Agroton	AGT	2.66	7.7	2.24	-7.9%	-17.6%	-17.0%	-18.2%	-7.5%	-12.1%	-5.3%	-13.7%
Astarta	AST	18.4	22.1	13.9	2.7%	0.4%	-11.0%	3.3%	3.2%	6.0%	0.7%	7.8%
Avangardo	AVGR	8.0	14.3	7.61	5.0%	-14.1%	-22.8%	-29.5%	5.5%	-8.5%	-11.0%	-25.0%
Industrial Milk Company	IMC	4.52	5.48	2.73	-2.6%	-2.6%	-12.0%	-14.8%	-2.1%	3.0%	-0.2%	-10.4%
Kernel	KER	17.4	23.7	14.8	-2.5%	-3.2%	-19.2%	-19.8%	-2.0%	2.4%	-7.5%	-15.4%
Mriya Agro Holding	MAYA	5.93	7.4	5.04	0.6%	0.6%	-3.1%	-8.6%	1.0%	6.1%	8.7%	-4.2%
MHPC	MHPC	17.8	19.9	10.00	1.1%	-3.3%	-3.2%	16.7%	1.6%	2.3%	8.6%	21.2%
Milkiland	MLK	4.30	6.3	4.24	-1.6%	-8.1%	-9.8%	-8.5%	-1.1%	-2.5%	2.0%	-4.1%
Ovostar Union	OVO	29.8	40.4	23.2	1.2%	-3.4%	0.1%	3.2%	1.7%	2.2%	11.8%	7.7%
Sintal	SNPS	n/a	2.35	0.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MCB Agricole	4GW1	n/a	1.88	0.22	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Chemicals</b>												
Stirol	STIR	12.5	28.4	11.7	-3.9%	-7.7%	-9.0%	-6.7%	-3.4%	-2.2%	2.7%	-2.3%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.101	0.137	0.061	1.2%	-4.5%	-16.9%	17.5%	1.7%	1.1%	-5.2%	21.9%
UkrSotsbank	USCB	0.116	0.218	0.107	-0.7%	-0.1%	-15.0%	-10.2%	-0.2%	5.5%	-3.2%	-5.8%

Source: Bloomberg

\* companies listed abroad are in USD

**MAIN FINANCIAL FORECASTS, USD mn**

Name	Ticker	Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2011	2012E	2013E	2011	2012E	2013E	2011	2012E	2013E	2011	2012	2013E	2011	2012E	2013E
<b>Steel</b>																
Alchevsk Steel	ALMK	2,339	1,695	1,667	145	3	22	6.2%	0.2%	1.3%	36	-81	-17	1.6%	neg	neg
Enakievo Steel	ENMZ	1,716	1,611	1,577	-108	-102	-69	neg	neg	neg	31	-39	-125	1.8%	neg	neg
Azovstal	AZST	3,867	2,794	2,788	-102	-173	-64	neg	neg	neg	-64	-278	-170	neg	neg	neg
<b>Coke</b>																
Avdyivka Coke	AVDK	1,457	1,072	1,054	6	-128	-74	0.4%	neg	neg	-32	-142	-97	neg	neg	neg
Yasynivsky Coking	YASK	566	444	436	29	26	28	5.1%	5.9%	6.4%	15	7	12	2.7%	1.5%	2.7%
<b>Iron Ore Mining</b>																
Centralny GOK	CGOK	805	566	508	497	238	202	61.8%	42.0%	39.8%	325	95	104	40.4%	16.8%	20.5%
Pivnichny GOK	SGOK	1,834	1,515	1,301	1,174	813	640	64.0%	53.6%	49.2%	783	436	359	42.7%	28.8%	27.6%
Ferrexpo	FXPO	1,788	1,424	1,566	801	402	445	44.8%	28.2%	28.4%	575	215	263	32.2%	15.1%	16.8%
<b>Coal Mining</b>																
Komsomolets Donbasa	SHKD	192	256	255	67	99	90	35.1%	38.8%	35.3%	15	39	35	8.0%	15.1%	13.7%
Coal Energy	CLE	151	165	199	51	62	64	33.7%	37.5%	32.1%	37	38	43	24.4%	23.2%	21.7%
<b>Pipe Manufacturing</b>																
Khartsyzk Pipe	HRTR	775	659	699	145	112	117	18.7%	17.0%	16.8%	98	38	39	12.7%	5.8%	5.5%
<b>Railcar Manufacturing</b>																
Luhanskteplovoz	LTPL	199	167	209	14	15	19	7.0%	9.3%	8.9%	9	9	10	4.5%	5.2%	4.8%
Kryukiv Wagon	KVBZ	770	887	816	118	134	119	15.3%	15.1%	14.5%	85	93	82	11.0%	10.5%	10.0%
Stakhanov Wagon	SVGZ	437	385	388	33	21	17	7.6%	5.4%	4.4%	20	9	9	4.6%	2.3%	2.2%
<b>Specialized Machinery</b>																
Turboatom	TATM	169	173	183	63	47	50	37.0%	27.3%	27.3%	53	38	40	31.5%	22.1%	22.1%
Motor Sich	MSICH	722	873	933	285	309	330	39.4%	35.5%	35.3%	168	243	248	23.2%	27.8%	26.6%
<b>Telecom</b>																
Ukrtelecom	UTLM	843	815	707	206	205	179	24.5%	25.1%	25.3%	-17	31	33	neg	3.8%	4.6%
<b>Oil &amp; Gas</b>																
Ukrnafta	UNAF	3,051	2,816	2,444	439	507	429	14.4%	18.0%	17.6%	272	312	226	8.9%	11.1%	9.2%
<b>Regal Petroleum</b>																
JKX Oil	JKX	237	225	250	114	145	150	48.3%	64.4%	60.2%	59	40	50	24.9%	17.8%	20.0%
<b>Electric Utilities</b>																
Centrenergo	CEEN	894	1,071	1,136	49	61	68	5.4%	5.7%	6.0%	4	29	33	0.5%	2.7%	2.9%
Donbasenergo	DOEN	495	600	665	21	17	24	4.2%	2.9%	3.6%	-3	4	10	neg	0.6%	1.5%
<b>Consumer</b>																
MHP	MHPC	1,229	1,408	1,532	401	468	523	32.6%	33.2%	34.1%	259	311	271	21.1%	22.1%	17.7%
Kernel	KER	1,899	2,157	2,800	310	322	339	16.3%	14.9%	12.1%	226	211	195	11.9%	9.8%	7.0%
Astarta	AST	402	458	549	144	98	121	29.9%	17.8%	18.3%	114	50	59	23.6%	9.1%	9.0%
Avangardco	AVGR	553	629	701	251	280	293	45.3%	44.5%	41.8%	196	228	232	35.5%	36.3%	33.1%
Agroton	AGT	122	93	107	19	31	33	15.3%	33.5%	31.0%	-2	19	21	neg	20.0%	19.5%
<b>Banks</b>																
		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	6,948	7,020	7,476	812	861	924	750	707	646	0	4	29	0.0%	0.5%	3.1%
Ukrspotsbank	USCB	5,032	5,151	5,064	827	814	788	449	451	469	2	2	13	0.2%	0.3%	1.7%

Source: Eavex Research



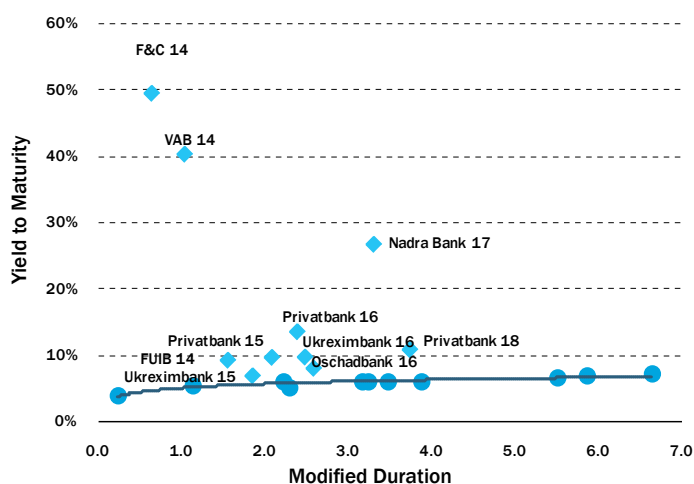
## UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn USD	Ratings <sup>1</sup>
<b>Sovereign Eurobonds</b>											
Ukraine, 2013	100.5	101.0	5.0%	2.5%	-0.2%	0.2	7.65%	S/A	11 Jun. 2013	1,000	/B+/B
Ukraine, 2014	102.5	103.0	5.7%	5.3%	0.9%	1.1	7.95%	S/A	6 Apr. 2014	1,000	/B+/B
Naftogaz Ukraine, 2014	103.3	104.0	7.2%	6.6%	0.7%	1.3	9.50%	S/A	30 Sept 2014	1,595	//B
Ukraine, 2015 (EUR)	98.5	99.5	5.6%	5.2%	1.5%	2.3	4.95%	A	13 Oct 2015	600*	B2/B+/B
Ukraine, 2015	100.3	101.1	6.7%	6.4%	-0.6%	2.3	6.875%	S/A	23 Sept 2015	500	B2/B+/B
Ukraine, 2016	99.1	99.6	6.9%	6.7%	-0.6%	3.1	6.58%	S/A	21 Nov 2016	1,000	B//B
Ukraine, 2016-2	98.9	99.6	6.6%	6.3%	-0.4%	3.2	6.25%	S/A	17 Jun 2016	1,250	B2/B+/B
Ukraine, 2017	100.1	100.9	6.7%	6.5%	1.3%	3.8	6.75%	S/A	14 Nov 2017	700	B2/B+/B
Ukraine, 2017-2	109.0	109.6	6.8%	6.6%	2.0%	3.4	9.25%	S/A	24 Jul 2017	2,000	B2/B+/B
Ukraine, 2017 Infr. projects	101.0	102.5	8.2%	7.8%	3.6%	3.6	8.375%	S/A	3 Nov 2017	568	B2/-/B
Ukraine, 2018 Infr. projects	96.8	98.0	8.3%	7.9%	4.9%	4.0	7.40%	S/A	20 Apr 2018	690	B2/-/B
Ukraine, 2020	105.3	106.1	6.8%	6.7%	2.6%	5.7	7.75%	S/A	23 Sept 2020	1,500	B2/B+/B
Ukraine, 2021	106.0	106.8	6.9%	6.8%	2.4%	5.8	7.95%	S/A	23 Feb 2021	1,500	B2/B+/B
Ukraine, 2022	103.0	103.5	7.4%	7.3%	2.3%	6.6	7.80%	S/A	28 Nov 2022	1,250	//B
<b>Corporate Eurobonds</b>											
Agroton, 2014	75.0	80.0	38.8%	32.6%	n/a	1.0	12.50%	S/A	14 Jul 2014	50	-/-/B-
MHP, 2015	107.7	108.8	6.3%	6.0%	2.6%	1.9	10.25%	S/A	29 Apr 2015	585	B3//B
Avangardco, 2015	99.7	100.9	10.2%	9.6%	4.8%	2.1	10.00%	S/A	29 Oct 2015	200	-/-/B
Mriya, 2016	104.1	105.2	9.4%	9.0%	1.6%	2.4	10.95%	S/A	30 Mar 2016	250	-/B/B-
DTEK, 2015	105.1	106.2	6.8%	6.3%	4.5%	1.8	9.50%	S/A	28 Apr 2015	500	B2//B
Metinvest, 2015	106.0	106.7	7.2%	6.8%	2.5%	1.9	10.25%	S/A	20 May 2015	500	B3//B-
Metinvest, 2018	103.0	103.9	8.0%	7.7%	6.7%	3.9	8.75%	S/A	14 Feb 2018	750	B2/-/B-
Ferrexpo, 2016	100.3	101.3	7.8%	7.3%	3.4%	2.6	7.875%	S/A	07 Apr 2016	500	B2/B+/B
Interepipe, 2017	84.0	88.0	15.4%	13.8%	5.0%	3.2	10.25%	S/A	2 Aug 2017	200	-/B+/B+
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2014	80.0	84.0	41.4%	34.3%	33.3%	0.7	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	102.6	104.4	9.5%	8.4%	2.5%	1.5	11.00%	Q	31 Dec 2014	275	B2//B-
Nadra Bank, 2017	71.0	80.0	31.1%	22.1%	5.0%	3.3	8.00%	A	22 Jun 2017	175	WD//WD
PrivatBank, 2015	98.3	100.0	10.2%	9.4%	4.6%	2.2	9.38%	S/A	23 Sept 2015	200	B1//B
PrivatBank, 2016	82.6	85.2	13.2%	12.0%	8.7%	2.4	8.75%	S/A	9 Feb 2016	150	B1//B
PrivatBank, 2018	99.6	100.7	11.0%	10.7%	0.1%	3.7	10.88%	S/A	28 Feb 2018	175	//B
UkrEximBank, 2015	101.8	102.7	7.4%	7.0%	2.3%	1.8	8.38%	S/A	27 Apr 2015	750	B1//B
UkrEximBank, 2016	89.4	91.9	10.2%	9.1%	7.5%	2.5	8.40%	S/A	2 Sept 2016	125	B1//B
UkrEximBank, 2018	n/a	n/a	n/a	n/a	n/a	n/a	8.75%	S/A	22 Jan 2018	500	B3//B
VAB Bank, 2014	72.0	74.0	42.0%	39.2%	33.3%	1.0	10.50%	Q	14 Jun 2014	125	Caa1-/WD
Oschadbank, 2016	98.7	99.7	8.8%	8.4%	4.3%	2.6	8.25%	S/A	10 Mar 2016	700	B2//B
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	97.2	98.9	9.2%	8.5%	4.8%	2.2	8.00%	S/A	6 Nov 2015	250	B1/CCC+/B
City of Kyiv, 2016	99.0	100.3	9.7%	9.3%	6.5%	2.7	9.375%	S/A	30 Jun 2016	300	B1/CCC+/B

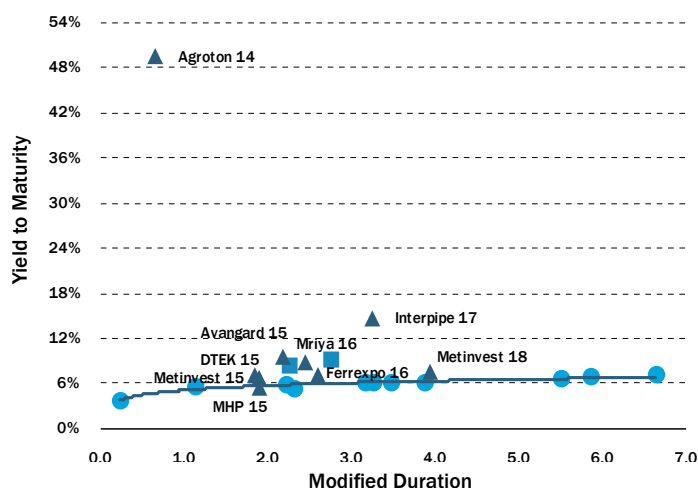
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

Source: Bloomberg, Cbonds, Eavex Research

### SOVEREIGNS vs. BANKING EUROBONDS



### SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



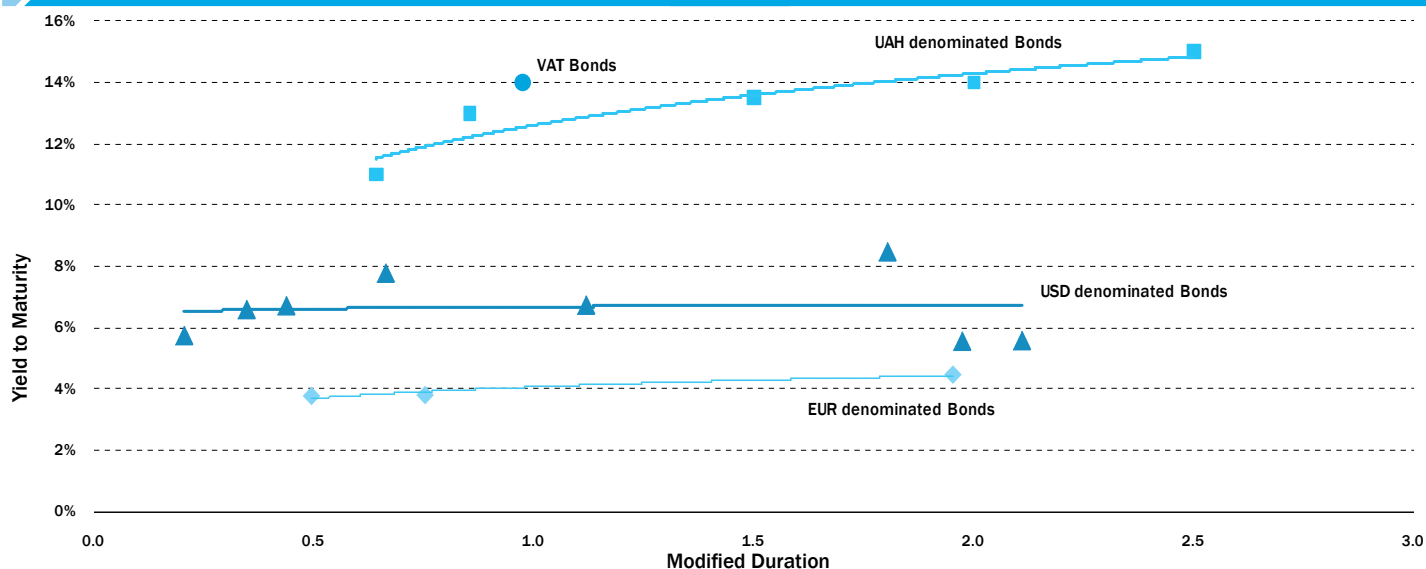
Source: Bloomberg, Cbonds, Eavex Research



**UKRAINIAN DOMESTIC BONDS**

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn USD
<b>UAH denominated Bonds</b>									
UA4000119473			9.0%	7.5%	0.6	9.00%	S/A	22 May 2013	64
UA4000115117			14.0%	10.0%	0.9	10.75%	S/A	26 Mar 2014	187
UA4000141592			15.0%	12.0%	1.5	14.30%	S/A	20 May 2015	31
UA4000142665			17.0%	15.0%	2.0	14.30%	S/A	24 May 2017	184
<b>USD denominated Bonds</b>									
UA4000134431									
UA4000141063	100.4	100.5	6.50%	5.00%	0.2	9.30%	S/A	29 May 2013	235
UA4000142384	100.7	101.0	7.00%	6.21%	0.3	9.30%	S/A	24 Jul 2013	413
UA4000136832	100.9	101.3	7.24%	6.22%	0.4	9.27%	S/A	28 Aug 2013	254
UA4000138002	102.5	103.0	8.10%	7.50%	0.7	9.30%	S/A	27 Nov 2013	86
UA4000140362	103.9	104.4	5.75%	7.75%	1.0	9.20%	S/A	21 May 2014	171
UA4000142699	100.0	101.8	9.00%	8.00%	1.8	9.45%	S/A	22 Apr 2015	312
UA4000141071	107.4	108.4	5.80%	5.33%	1.9	9.45%	S/A	27 May 2015	152
UA4000142673	97.4	98.4	5.83%	5.34%	2.1	4.50%	S/A	17 Jun 2015	175
<b>EUR denominated Bonds</b>									
UA4000137731	100.6	100.8	3.93%	3.70%	0.5	4.80%	S/A	18 Sept 2013	205
UA4000138846	100.9	101.0	4.07%	3.91%	0.7	4.80%	S/A	25 Dec 2013	70
UA4000142681	100.5	100.6	4.56%	4.50%	1.9	4.80%	S/A	6 May 2015	40
<b>VAT Bonds</b>									
UA4000082531			12.5%	11.5%	0.9	5.50%	S/A	21 Aug 2015	141
UA4000082622			12.5%	11.5%	0.3	5.50%	S/A	24 Aug 2015	571
UA4000083059			12.5%	11.5%	0.3	5.50%	S/A	25 Aug 2015	415

Source: Bloomberg, Cbonds, Eavex Research

**DOMESTIC BONDS YIELD CURVE**


Source: Bloomberg, Cbonds, Eavex Research

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