

**Market Update**

**Equity**

Ukrainian equities moved back into positive territory on Thursday (Mar 28) after a six-day slide and a generally rough month of March that had seen the main local benchmark fall by 14% before yesterday's rebound. Externally, the S&P 500 finally broke through its all-time high of 1566 points (set in October 2007) after two months of flirtation. The UX index added a solid 2.3% to close at 915 points. Blue chip issues CentrEnerg (CEEN), Alchevsk Steel (ALMK), and Azovstal (AZST) all gained about 3.5%, Avdyivka Coke (AVDK) rose by 2.1% to UAH 3.11, and volume leader Motor Sich (MSICH) picked up 2.0% on turnover of UAH 9.6mn. However, top banking name Raiffeisen Aval (BAVL) was left in the dust, losing 1.1% to 9.62 kopecks. Outside the UX basket, Stinol (STIR) backtracked on its strong performance from the previous session, sliding 4.3%, while Pokrovske Mine (SHCHZ) added 4.6% on low volume. In London, MHP (MHPC LI) regained most its Wednesday loss with a 4.1% jump, while in Warsaw, top Ukrainian sugar producer Astarta (AST PW) edged up 0.8% to PLN 61.

**Fixed Income**

Quotes for Ukrainian sovereign Eurobonds declined yesterday with Ukraine-22s decreasing 0.2 p.p. to 101.5/102 (7.6%/7.5%). In corporate universe, MHP-15s lost 0.9 p.p. to close at 106.2/108.6 (7.0%/5.8%)

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2288.00	2.0%	9.6	614
Centrenerg	CEEN	5.558	3.5%	3.7	272
Pivnichny GOK	SGOK	8.700	0.6%	2.7	22

**Growth Leaders**

Ukrtelecom	UTLM	0.14	4.8%	0.01	11
Pokrovske Mine	SHCHZ	0.68	4.6%	0.04	17
Azovstal	AZST	0.63	3.6%	1.26	181

**Loss Leaders**

Stinol	STIR	12.62	-4.3%	0.40	16
Yasynivsky Coke	YASK	0.60	-1.8%	0.23	15
Raiffeisen Bank Aval	BAVL	0.10	-1.1%	1.59	389

**Highlights**

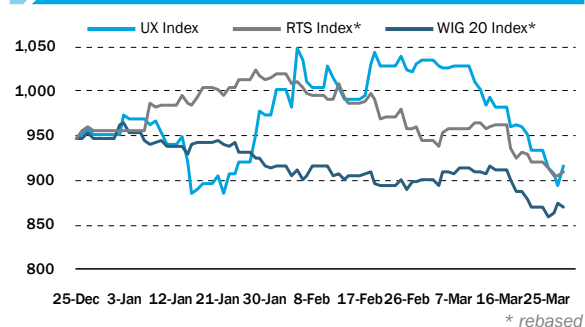
**STOCKS IN THE NEWS**

- > Motor Sich Disappoints With Skimpy UAH 10 Dividend

**FIXED INCOME**

- > Mriya to Refinance 2016 Eurobonds With New Issue

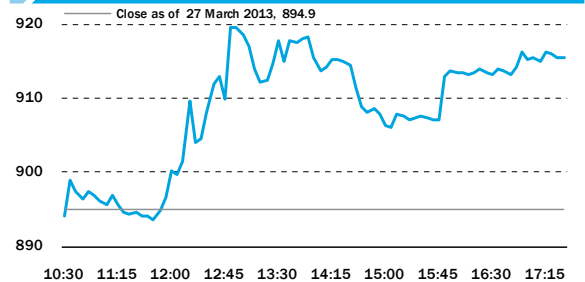
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	915.4	2.3%	-11.8%	-3.7%
RTS	1454.7	0.6%	-7.1%	-4.7%
WIG20	2370.1	-0.6%	-3.5%	-8.2%
MSCI EM	1032.6	0.1%	-2.1%	-2.1%
S&P 500	1569.2	0.4%	5.5%	11.9%

**UX INTRADAY MARCH 28, 2013**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	307.4	-0.1%	6.4%	13.4%
CDS 5Y UKR	595.0	0.6%	0.7%	-4.8%
Ukraine-13	4.22%	-1.3 p.p.	0.0 p.p.	-1.1 p.p.
Naftogaz Ukr-14	7.34%	0.2 p.p.	0.4 p.p.	-0.3 p.p.
Ukraine-20	6.98%	0.0 p.p.	0.1 p.p.	-0.3 p.p.
Privatbank-16	12.78%	0.1 p.p.	-1.5 p.p.	-2.5 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	8.15	0.0%	0.1%	1.2%
EUR	10.44	0.5%	-1.8%	-2.3%
RUB	0.26	-0.2%	-1.3%	-1.2%

**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%	-4.2%	6.1%
Oil, USD/bbl	97.2	0.7%	4.0%	5.4%
Gold, USD/oz	1596.8	-0.5%	0.2%	-3.6%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Motor Sich Disappoints With Skimpy UAH 10 Dividend

by Dmitry Churin  
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### MOTOR SICH (MSICH UK)

Price: UAH 2,288 Market Cap: USD 585mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2012E	0.8	0.7	2.4	1.9	0.4%
2013E	0.6	0.6	2.2	1.8	1.9%

### NEWS

Motor Sich, Ukraine's monopoly aircraft engine producer, will pay a UAH 10 per share dividend from its FY12 profit, it was announced at the company's annual shareholder meeting on Thursday (Mar 28). As we reported earlier, Motor Sich earned UAH 2.0bn (USD 247mn) in net profit in 2012, implying earnings per share of UAH 961 and a dividend payout ratio of only 1%.

### COMMENTARY

The announced dividend is well below our expectation of UAH 40 per share and implies a measly 0.4% dividend yield. Motor Sich had paid a UAH 25 DPS from its FY11 profit, and the board of directors had said it planned to increase the FY12 dividend payout. Obviously, they did not keep their promise, which, in our view, reflects poorly on the company's corporate governance. It is unfortunate but not surprising to see a highly profitable Ukrainian company such as Motor Sich giving the shaft to its minority shareholders.

## Mriya to Refinance 2016 Eurobonds With New Issue

by Dmitry Churin  
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### NEWS

Mriya Agro Holding, a Western-Ukraine based crop grower, said it intends to refinance the full amount of its outstanding USD 250mn Eurobonds due in 2016. The information is according to Mriya's filing with the Irish Stock Exchange on Thursday (Mar 28). The early tender offer price (expiring on Apr 10) is USD 1,067.50 for each USD 1,000 principal amount of notes. The tender offer price (expiring on Apr 24) is USD 1,037.50.

### COMMENTARY

Mriya's move to refinance its outstanding bonds is in line with previous similar decisions by MHP and DTEK, which both took advantage of strong global appetite for yield to knock around 200 basis points off their debt financing costs. Mriya plans to issue USD 350mn in new Eurobonds to cover the buyback of the outstanding Eurobonds, which were issued with a 10.97% coupon. We estimate that Mriya should be able to issue its new debt at in the 8.5% - 9.5% range. Mriya's total debt amounted to USD 471mn as of 31 Dec 2012. The Net Debt/EBITDA ratio was 1.4x as of the end of 2012.

Mriya-16 Eurobonds are currently quoted at 8.7%/8.3%, implying a spread to sovereign papers of 190 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	0.08	0.07	-12%	SELL	Non-transparent reporting practises detrimentally affect the company's reported earnings.
Khartsysk Pipe	HRTR	0.09	0.19	119%	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	2.63	U/R	n/a	U/R	Under Review
Pivnichny GOK	SGOK	1.07	1.77	65%	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	0.86	1.30	52%	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	100%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.07	0.42	471%	BUY	Yasynivsky 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	331%	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	2.82	6.18	119%	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	168%	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	281	644	129%	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	0.37	1.52	315%	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	422%	BUY	The expected start of operations in JKX's Russian gas field should lift output.
<b>Power Utilities</b>						
DonbasEnergo	DOEN	2.52	8.90	254%	BUY	DonbasEnergo recently launched Ukraine's most efficient power generation unit.
CenterEnergo	CEEN	0.68	1.84	170%	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	18.68	30.0	61%	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	8.15	28.3	247%	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	915.40	1452.55	747.84	2.3%	-3.8%	-11.8%	-3.7%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.048	0.10	0.04	3.4%	-3.2%	-8.6%	-10.1%	1.2%	0.6%	3.3%	-6.4%
Azovstal	AZST	0.63	1.33	0.54	3.6%	1.0%	-10.9%	-15.2%	1.3%	4.8%	0.9%	-11.5%
Dniprospezstal	DNSS	970	1,700	970	0.0%	0.0%	n/a	-2.9%	-2.3%	3.8%	n/a	0.8%
Enakievo Steel	ENMZ	34.8	85.0	27.7	2.8%	0.2%	-5.2%	-8.5%	0.5%	4.0%	6.6%	-4.8%
Arcelor Mittal KR	KSTL	3.00	n/a	n/a	0.0%	-24.6%	n/a	n/a	-2.3%	-20.8%	n/a	n/a
Mariupol Ilyicha	MMKI	0.18	0.32	0.13	0.0%	-10.0%	5.9%	-18.2%	-2.3%	-6.2%	17.7%	-14.5%
<b>Coke</b>												
Avdivka Coke	AVDK	3.11	5.30	1.90	2.1%	1.2%	-7.5%	-5.0%	-0.2%	5.0%	4.4%	-1.3%
Yasnyivsky Coking	YASK	0.60	1.31	0.56	-1.6%	-3.2%	-14.3%	-10.4%	-3.9%	0.6%	-2.4%	-6.7%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	6.98	8.35	4.00	0.0%	-0.9%	8.2%	1.2%	-2.3%	3.0%	20.1%	4.9%
Ferrexpo	FXPO	2.63	4.89	2.35	0.6%	0.5%	-29.3%	-34.7%	-1.7%	4.3%	-17.5%	-31.0%
Pivnichny GOK	SGOK	8.70	12.75	6.00	0.6%	-0.7%	0.6%	16.9%	-1.7%	3.1%	12.4%	20.6%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.68	1.40	0.40	4.6%	70.0%	1.5%	7.9%	2.3%	73.8%	13.3%	11.6%
Komsomolets Donbasa	SHKD	1.05	2.00	0.80	-3.7%	-4.5%	-16.0%	-11.0%	-6.0%	-0.7%	-4.2%	-7.3%
Energy Coal	CLE	1.94	8.62	1.91	0.4%	-21.5%	-45.5%	-37.2%	-1.9%	-17.7%	-33.6%	-33.5%
<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	0.71	1.34	0.60	-4.1%	-2.7%	-11.3%	1.4%	-6.3%	1.1%	0.6%	5.1%
Interpipe NMPP	NVTR	0.19	0.60	0.12	0.0%	-13.6%	26.7%	-13.6%	-2.3%	-9.8%	38.5%	-9.9%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	22.9	24.0	14.2	0.0%	6.4%	0.2%	18.2%	-2.3%	10.2%	12.0%	21.9%
Luhanskeplovoz	LTPL	1.95	2.45	1.28	0.5%	5.4%	0.5%	4.3%	-1.8%	9.2%	12.4%	8.0%
Stakhanov Wagon	SVGZ	1.55	4.53	1.46	3.3%	0.0%	-15.3%	-10.4%	1.0%	3.8%	-3.5%	-6.7%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.05	0.22	0.03	7.0%	-1.1%	-25.8%	2.7%	4.7%	2.7%	-14.0%	6.4%
Motor Sich	MSICH	2,288	2,880	1,750	2.0%	-5.7%	-8.3%	3.5%	-0.3%	-1.9%	3.5%	7.2%
Summy Frunze Engineering	SMASH	3.49	4.04	0.76	0.0%	0.0%	105.3%	132.7%	-2.3%	3.8%	117.1%	136.4%
Turboatom	TATM	3.20	n/a	n/a	0.0%	n/a	-8.6%	n/a	-2.3%	n/a	3.3%	n/a
WESTA ISIC	WES	0.21	1.25	0.13	1.9%	2.6%	4.0%	-11.8%	-0.4%	6.4%	15.9%	-8.1%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.14	0.42	0.12	4.8%	1.1%	-5.9%	-14.7%	2.5%	4.9%	6.0%	-11.0%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	0.37	0.59	0.21	1.0%	-9.7%	-20.7%	-32.3%	-1.3%	-5.9%	-8.8%	-28.6%
JKX Oil	JKX	1.15	2.57	0.87	-0.5%	-3.1%	20.6%	-3.8%	-2.8%	0.7%	32.4%	-0.1%
Ukrnafta	UNAF	136	305	80	-0.2%	-9.7%	-17.5%	14.4%	-2.5%	-5.8%	-5.7%	18.1%
<b>Power Utilities</b>												
Centrenerg	CEEN	5.56	8.43	4.05	3.5%	-4.1%	-7.8%	-12.5%	1.2%	-0.3%	4.1%	-8.8%
Donbasenergo	DOEN	20.5	29.4	15.0	2.8%	-1.7%	-12.6%	-3.3%	0.5%	2.1%	-0.7%	0.4%
Zakhidenergo	ZAEN	84.0	237.4	54.0	-0.4%	-1.2%	-13.1%	-13.4%	-2.6%	2.6%	-1.3%	-9.7%
<b>Consumer</b>												
Agroton	AGT	2.58	7.7	2.24	-0.6%	-18.7%	-19.7%	-20.5%	-2.9%	-14.9%	-7.9%	-16.8%
Astarta	AST	18.7	22.1	13.9	1.3%	4.8%	-12.8%	4.9%	-1.0%	8.6%	-0.9%	8.6%
Avangardo	AVGR	8.2	14.3	7.61	-0.4%	-5.2%	-20.9%	-28.1%	-2.7%	-1.4%	-9.0%	-24.4%
Industrial Milk Company	IMC	4.73	5.48	2.73	3.1%	-1.0%	-9.3%	-10.9%	0.8%	2.8%	2.5%	-7.2%
Kernel	KER	18.1	23.7	14.8	2.0%	8.1%	-13.9%	-16.2%	-0.3%	11.9%	-2.0%	-12.5%
Mriya Agro Holding	MAYA	5.91	7.4	5.04	0.4%	0.0%	-3.3%	-8.9%	-1.9%	3.8%	8.5%	-5.2%
MHPC	MHPC	17.8	19.9	10.00	4.4%	0.9%	-2.5%	16.4%	2.1%	4.7%	9.4%	20.1%
Milkiland	MLK	4.37	6.3	4.24	1.7%	-1.4%	-8.3%	-7.0%	-0.6%	2.4%	3.5%	-3.3%
Ovostar Union	OVO	29.2	37.7	23.2	0.4%	-2.4%	-2.4%	1.0%	-1.9%	1.5%	9.4%	4.7%
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	1.87	0.22	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Chemicals</b>												
Stirol	STIR	12.6	28.4	11.7	-4.3%	-6.9%	-10.6%	-5.8%	-6.6%	-3.0%	1.2%	-2.1%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.096	0.137	0.061	-1.1%	-8.3%	-21.9%	12.3%	-3.4%	-4.5%	-10.0%	16.0%
UkrSotsbank	USCB	0.118	0.218	0.107	1.8%	-2.1%	-16.0%	-8.9%	-0.5%	1.7%	-4.2%	-5.2%

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	-21	-2	6.2%	neg	neg	36	-127	-52	1.6%	neg	neg
Enakievo Steel	ENMZ	1,716	1,611	1,577	-108	-102	-69	neg	neg	neg	31	9	-125	1.8%	0.5%	neg
Azovstal	AZST	3,867	2,794	2,788	-102	-173	-64	neg	neg	neg	-64	-333	-170	neg	neg	neg
<b>Coke</b>																
Avdyivka Coke	AVDK	1,457	1,072	1,054	6	-128	-74	0.4%	neg	neg	-32	-137	-97	neg	neg	neg
Yasynivsky Coking	YASK	566	444	448	29	29	28	5.1%	6.5%	6.2%	15	11	11	2.7%	2.4%	2.4%
<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	74	77	18.7%	11.3%	11.1%	98	34	34	12.7%	5.1%	4.9%
<b>Railcar Manufacturing</b>																
Luhanskteplovoz	LTPL	199	167	213	14	12	15	7.0%	7.4%	7.2%	9	7	8	4.5%	4.1%	3.8%
Kryukiv Wagon	KVBZ	770	887	643	118	134	93	15.3%	15.1%	14.4%	85	95	50	11.0%	10.7%	7.9%
Stakhanov Wagon	SVGZ	437	311	318	33	7	11	7.6%	2.3%	3.4%	20	1	3	4.6%	0.2%	0.9%
<b>Specialized Machinery</b>																
Turboatom	TATM	169	173	193	63	47	52	37.0%	27.3%	26.8%	53	38	42	31.5%	22.1%	21.7%
Motor Sich	MSICH	722	828	933	285	309	330	39.4%	37.4%	35.3%	168	247	270	23.2%	29.8%	28.9%
<b>Telecom</b>																
Ukrtelecom	UTLM	843	858	744	206	205	208	24.5%	23.8%	28.0%	-17	45	48	neg	5.3%	6.5%
<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%
Regal Petroleum	RPT	19	50	80	-4	23	36	neg	45.9%	44.7%	6	12	24	33.7%	24.0%	30.0%
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

**MAIN TRADING MULTIPLES**

Ticker	MCap USD mn	Free Float % USD mn	EV USD mn	P/E			EV/EBITDA			EV/Sales			EV/Output			Units		
				2011	2012	2013E	2011	2012	2013E	2011	2012	2013E	2011	2012	2013E			
<b>Steel</b>																		
Alchevsk Steel	ALMK	152	3.9%	6	1,567	4.2	neg	neg	10.8	neg	neg	0.7	0.9	0.9	540	466	420	\$/tonne
Yenakievo Steel	ENMZ	45	8.8%	4	38	1.4	5.3	neg	neg	neg	neg	0.0	0.0	0.0	15	14	14	\$/tonne
Azovstal	AZST	323	4.1%	13	302	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	54	51	48	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	74	7.5%	6	72	neg	neg	neg	11.8	neg	neg	0.0	0.1	0.1	21	16	13	\$/tonne
Yasynivsky Coke	YASK	20	9.0%	2	49	1.3	1.9	1.9	1.7	1.7	1.8	0.1	0.1	0.1	1.7	1.7	1.8	\$/tonne
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	1,004	0.5%	5	1,003	3.1	10.6	9.6	2.0	4.2	5.0	1.2	1.8	2.0				
Pivnichny GOK	SGOK	2,460	0.5%	14	2,585	3.1	5.6	6.9	2.2	3.2	4.0	1.4	1.7	2.0				
Ferrexpo	FXPO	1,548	24.0%	372	1,798	2.7	7.2	5.9	2.2	4.5	4.0	1.0	1.3	1.1				
<b>Coal Mining</b>																		
Komsomolets Donbasa	SHKD	43	5.4%	2	145	2.8	1.1	1.2	2.2	1.5	1.6	0.8	0.6	0.6	35	34	32	\$/tonne
Coal Energy	CLE	88	11.9%	11	114	2.4	2.3	2.1	2.2	1.8	1.8	0.8	0.7	0.6	2.2	1.8	1.8	\$/tonne
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	226	2.0%	5	269	2.3	6.7	6.6	1.9	3.6	3.5	0.3	0.4	0.4	427	708	672	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	52	24.0%	13	52	5.8	7.6	6.5	3.7	4.2	3.4	0.3	0.3	0.2				
Krukiv Wagon	KVBZ	323	5.0%	16	325	3.8	3.4	6.4	2.8	2.4	3.5	0.4	0.4	0.5				
Stakhanov Wagon	SVGZ	43	8.0%	3	82	2.2	>30	15.0	2.5	11.4	7.5	0.2	0.3	0.3				
<b>Specialized Machinery</b>																		
Turboatom	TATM	181	5.8%	10	129	3.4	4.8	4.3	2.1	2.7	2.5	0.8	0.7	0.7				
Motor Sich	MSICH	583	24.0%	140	594	3.5	2.4	2.2	2.1	1.9	1.8	0.8	0.7	0.6				
<b>Telecom</b>																		
Ukrtelecom	UTLM	314	7.2%	23	650	neg	6.9	6.5	3.2	3.2	3.1	0.8	0.8	0.9				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	903	3.0%	27	893	3.3	2.9	4.0	2.0	1.8	2.1	0.3	0.3	0.4	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	117	49.0%	58	100	18.4	9.8	4.9	neg	4.4	2.8	5.3	2.0	1.2	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	197	50.4%	100	306	3.3	4.9	3.9	2.7	2.1	2.0	1.3	1.4	1.2	80	56	42	\$/boe
<b>Electric Utilities</b>																		
CentrEnergO	CEEN	252	21.7%	55	335	>30	8.7	7.5	6.9	5.5	5.0	0.4	0.3	0.3	23	23	19	\$/MWh
DonbasEnergO	DOEN	59	14.2%	8	116	neg	15.6	5.9	5.6	6.7	4.9	0.2	0.2	0.2	14	14	13	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	1,875	34.1%	640	2,920	7.2	6.0	6.9	7.3	6.2	5.6	2.4	2.1	1.9	9125	9125	9125	\$/tonne
Kernel	KER	1,337	61.8%	826	1,947	5.9	6.3	6.9	6.3	6.0	5.7	1.0	0.9	0.7				
Astarta	AST	468	31.0%	145	615	4.1	9.4	7.9	4.3	6.3	5.1	1.5	1.3	1.1	3118	1898	1576	\$/tonne
Avangardco	AVGR	521	22.5%	117	669	2.7	2.3	2.2	2.7	2.4	2.3	1.2	1.1	1.0	151	115	108	\$/mneegs
Agroton	AGT	56	44.6%	25	89	neg	3.0	2.7	4.8	2.9	2.7	0.7	1.0	0.8	0.7	n/a	n/a	\$/th/ha
<b>Banks</b>																		
Raiffeisen Bank Aval	BAVL	354	4.0%	14		>30	>30	12.4	0.4	0.4	0.4	0.05	0.05	0.05				
Ukrsotsbank	USCB	265	1.6%	4		>30	>30	21.8	0.3	0.3	0.3	0.06	0.06	0.06				

Source: Eavex Research

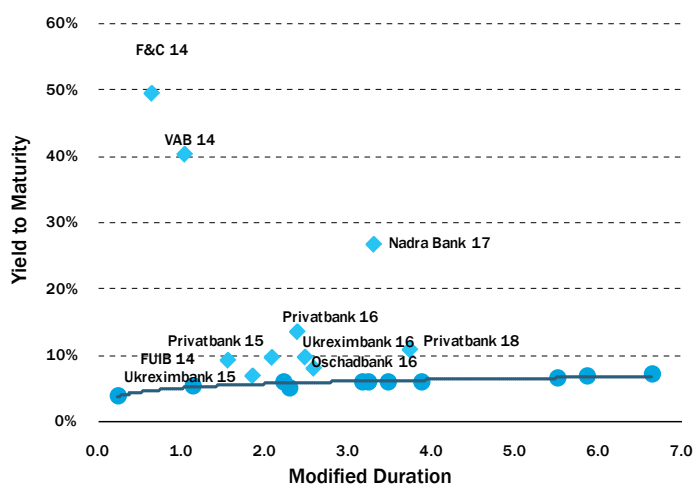
## UKRAINIAN EUROBONDS

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	100.3	101.0	6.2%	2.4%	-0.4%	0.2	7.65%	S/A	11 Jun. 2013	1,000	/B+/B
Ukraine, 2014	102.2	102.7	6.0%	5.5%	0.6%	1.1	7.95%	S/A	6 Apr. 2014	1,000	/B+/B
Naftogaz Ukraine, 2014	102.7	103.3	7.6%	7.1%	0.0%	1.3	9.50%	S/A	30 Sept 2014	1,595	//B
Ukraine, 2015 (EUR)	98.0	99.0	5.8%	5.4%	1.0%	2.3	4.95%	A	13 Oct 2015	600*	B2/B+/B
Ukraine, 2015	99.7	100.5	7.0%	6.7%	-1.1%	2.2	6.875%	S/A	23 Sept 2015	500	B2/B+/B
Ukraine, 2016	98.1	98.6	7.2%	7.0%	-1.5%	3.1	6.58%	S/A	21 Nov 2016	1,000	B//B
Ukraine, 2016-2	98.2	98.5	6.8%	6.7%	-1.3%	3.2	6.25%	S/A	17 Jun 2016	1,250	B2/B+/B
Ukraine, 2017	99.1	99.9	7.0%	6.8%	0.2%	3.8	6.75%	S/A	14 Nov 2017	700	B2/B+/B
Ukraine, 2017-2	108.0	108.6	7.0%	6.9%	1.1%	3.4	9.25%	S/A	24 Jul 2017	2,000	B2/B+/B
Ukraine, 2017 Infr. projects	100.0	101.5	8.4%	8.0%	2.5%	3.6	8.375%	S/A	3 Nov 2017	568	B2/-/B
Ukraine, 2018 Infr. projects	95.3	96.9	8.6%	8.2%	3.6%	4.0	7.40%	S/A	20 Apr 2018	690	B2/-/B
Ukraine, 2020	104.0	104.8	7.0%	6.9%	1.4%	5.6	7.75%	S/A	23 Sept 2020	1,500	B2/B+/B
Ukraine, 2021	104.4	105.1	7.2%	7.1%	0.8%	5.8	7.95%	S/A	23 Feb 2021	1,500	B2/B+/B
Ukraine, 2022	101.5	102.0	7.6%	7.5%	0.8%	6.5	7.80%	S/A	28 Nov 2022	1,250	//B
<b>Corporate Eurobonds</b>											
Agroton, 2014	75.0	80.0	39.0%	32.7%	n/a	1.0	12.50%	S/A	14 Jul 2014	50	-/-/B-
MHP, 2015	106.2	108.6	7.0%	6.4%	1.9%	1.8	10.25%	S/A	29 Apr 2015	585	B3//B
Avangardco, 2015	99.2	100.7	10.4%	9.7%	4.4%	2.1	10.00%	S/A	29 Oct 2015	200	-/-/B
Mriya, 2016	105.9	107.1	8.7%	8.3%	3.4%	2.4	10.95%	S/A	30 Mar 2016	250	-/B/B-
DTEK, 2015	105.1	105.9	6.8%	6.4%	4.3%	1.8	9.50%	S/A	28 Apr 2015	500	B2//B
Metinvest, 2015	106.3	106.8	7.0%	6.8%	2.7%	1.9	10.25%	S/A	20 May 2015	500	B3//B-
Metinvest, 2018	102.4	103.3	8.1%	7.9%	6.1%	3.9	8.75%	S/A	14 Feb 2018	750	B2/-/B-
Ferrexpo, 2016	100.0	100.9	7.9%	7.5%	3.1%	2.5	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	41.7%	34.4%	33.3%	0.7	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	103.0	104.5	9.2%	8.3%	2.8%	1.5	11.00%	Q	31 Dec 2014	275	B2//B-
Nadra Bank, 2017	71.0	80.0	31.4%	22.3%	5.0%	3.3	8.00%	A	22 Jun 2017	175	WD//WD
PrivatBank, 2015	97.2	98.8	10.7%	10.0%	3.4%	2.1	9.38%	S/A	23 Sept 2015	200	B1//B
PrivatBank, 2016	82.6	84.9	13.3%	12.2%	8.5%	2.4	8.75%	S/A	9 Feb 2016	150	B1//B
PrivatBank, 2018	99.5	100.8	11.0%	10.6%	0.2%	3.7	10.88%	S/A	28 Feb 2018	175	//B
UkrEximBank, 2015	101.5	102.4	7.6%	7.1%	2.0%	1.8	8.38%	S/A	27 Apr 2015	750	B1//B
UkrEximBank, 2016	89.0	91.4	10.4%	9.3%	7.0%	2.5	8.40%	S/A	2 Sept 2016	125	B1//B
UkrEximBank, 2018	100.9	101.9	8.5%	8.3%	1.4%	3.8	8.75%	S/A	22 Jan 2018	500	B3//B
VAB Bank, 2014	72.0	74.0	42.1%	39.4%	33.3%	1.0	10.50%	Q	14 Jun 2014	125	Caa1-/WD
Oschadbank, 2016	98.3	99.0	9.0%	8.7%	3.7%	2.5	8.25%	S/A	10 Mar 2016	700	B2//B
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	96.8	99.1	9.4%	8.4%	4.7%	2.2	8.00%	S/A	6 Nov 2015	250	B1/CCC+/B
City of Kyiv, 2016	97.9	99.9	10.2%	9.4%	5.7%	2.7	9.375%	S/A	30 Jun 2016	300	B1/CCC+/B

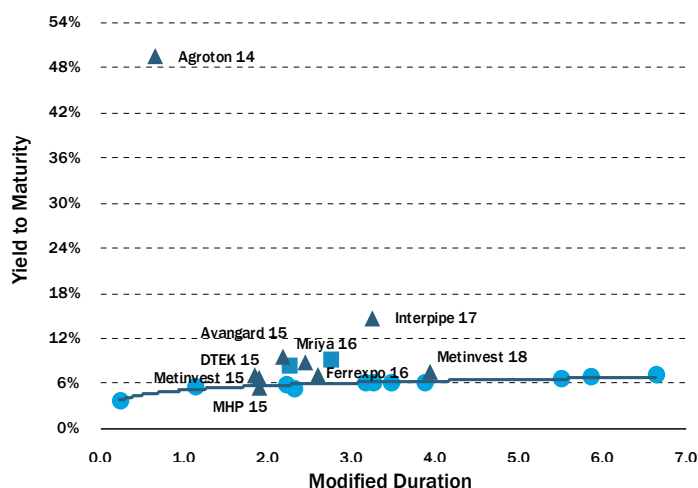
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

Source: Bloomberg, Cbonds, Eavex Research

### SOVEREIGNS vs. BANKING EUROBONDS



### SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



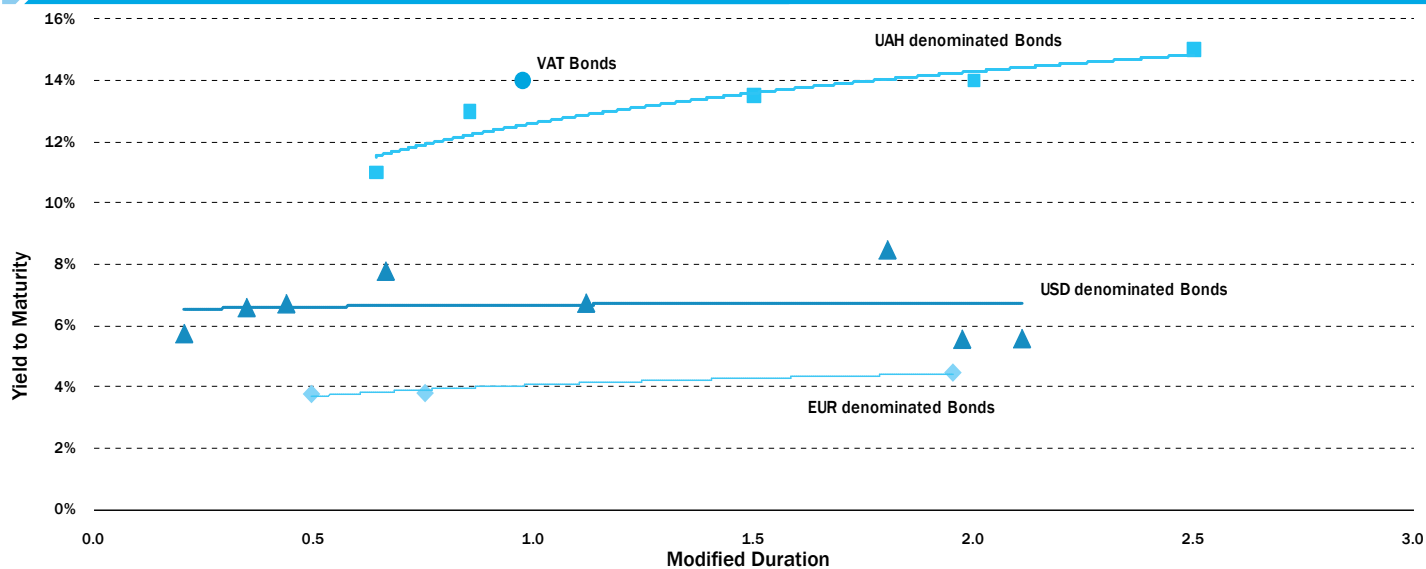
Source: Bloomberg, Cbonds, Eavex Research



**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	100.3	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	102.4	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	106.5	107.5	5.80%	5.33%	1.9	9.45%	S/A	27 May 2015	152
UA4000142673	96.5	97.5	5.83%	5.34%	2.0	4.50%	S/A	17 Jun 2015	175
<b>EUR denominated Bonds</b>									
UA4000137731	99.9	100.0	3.93%	3.70%	0.5	4.80%	S/A	18 Sept 2013	205
UA4000138846	99.9	100.0	4.07%	3.91%	0.7	4.80%	S/A	25 Dec 2013	70
UA4000142681	99.0	99.1	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%	0.9	5.50%	S/A	24 Aug 2015	571
UA4000083059			12.5%	11.5%	0.9	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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