

Market Update

Equity

Ukrainian stocks resumed their slide on Friday (Apr 5) after a 1-session reprieve, retreating in line with the bearish performances of the main European indices and, to a lesser extent, Wall Street. The UX index lost 1.6% to end the week at 813 points. CentrErgo (CEEN) and UkrNafta (UNAF) both shed more than 3%, with the former closing below the UAH 4 level for the first time since the peak of the global financial crisis in the spring of 2009. The metallurgy triple A's, Avdyivka (AVDK), Alchevsk (ALMK), and Azovstal (AZST), each fell by between 1% and 1.5%, while Motor Sich (MSICH) and Raiffeisen Aval (BAVL) were more resistant to the selling, edging down by 0.7% and 0.4% respectively on combined turnover of UAH 6.5mn. Outside the UX basket, LuganskTeplovoz (LTPL) managed a gain of 2.8% and Mariupol Heavy Machinery (MVZM) added 3.6%. In London, Ukrainian issues sold off across the board; MHP (MHPC) was hit hardest with a 5.6% slide to USD 16.24, while Ferrexpo (FXPO) approached its post-2009 low, closing at GBP 155 after a 4.4% drop. The malaise did not extend to Warsaw, where top issues Kernel (KER) and Astarta (AST) were both essentially unchanged.

Fixed Income

Ukrainian sovereign Eurobonds were up on Friday. Ukraine-21s and Ukraine-17s moved up by 0.5p.p. to 107.0/108.0 (6.8%/6.6%) and 100.5/101.5 (6.6%/6.4%), respectively. inched up by 0.1p.p. to 100.2/100.9 (6.7%/6.5%). Corporate names were mostly unchanged. The exceptions were Ferrexpo-16s which declined by 0.2p.p. and closed at 99.7/100.8 (8.0%/7.5%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2032.00	-0.7%	5.1	169
Centrenerg	CEEN	3.922	-3.3%	2.3	197
Raiffeisen Bank Aval	BAVL	0.095	-0.4%	1.4	377

Growth Leaders

Mariupol Ilyicha	MMKI	0.20	10.6%	0.16	24
Mariupol Heavy Machine	MZVM	0.14	3.6%	0.09	48
Luhanskteplovoz	LTPL	1.80	2.8%	0.93	17

Loss Leaders

Poltavsky GOK	PGOK	8.65	-12.6%	0.03	42
Ukrnafta	UNAF	114.00	-3.5%	1.24	180
Centrenerg	CEEN	3.92	-3.3%	2.30	197

Highlights

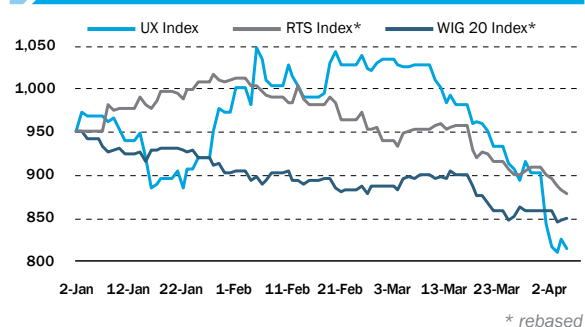
POLITICS AND ECONOMICS

- > Lutsenko Pardoned, Says He Won't Run for President
- > UkrStat Registers Deflation of 0.8% YoY in February

STOCKS IN THE NEWS

- > Court Freezes Transfer of Ferrexpo's Poltavsky GOK Shares
- > Ukraine Sets Import Quota on Coking Coal, Bans Import of Coke

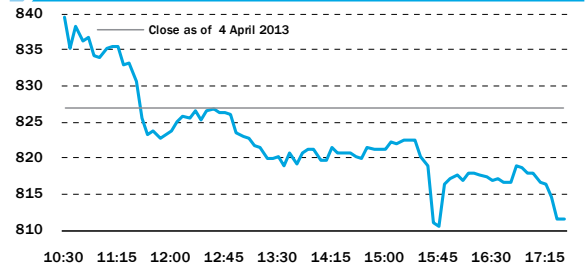
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	813.8	-1.6%	-20.8%	-14.4%
RTS	1411.1	-0.6%	-7.4%	-7.6%
WIG20	2346.4	0.2%	-5.3%	-9.2%
MSCI EM	1008.1	-0.9%	-4.0%	-4.5%
S&P 500	1553.3	-0.4%	0.9%	10.8%

UX INTRADAY APRIL 5, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	297.0	-1.6%	4.5%	9.6%
CDS 5Y UKR	565.8	-2.3%	4.1%	-9.5%
Ukraine-13	4.56%	0.0 p.p.	0.4 p.p.	-0.7 p.p.
Naftogaz Ukr-14	6.86%	-0.1 p.p.	0.4 p.p.	-0.8 p.p.
Ukraine-20	6.63%	-0.1 p.p.	0.1 p.p.	-0.6 p.p.
Privatbank-16	13.07%	0.3 p.p.	-0.6 p.p.	-2.2 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.14	-0.1%	0.2%	1.1%
EUR	10.57	0.3%	-0.3%	-1.1%
RUB	0.26	0.0%	-2.8%	-2.7%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	322.1	0.0%	0.0%	0.0%
Steel, USD/t	565.0	0.0%	-2.6%	6.1%
Oil, USD/bbl	92.7	-0.6%	1.6%	0.5%
Gold, USD/oz	1581.2	1.7%	0.4%	-4.5%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Lutsenko Pardoned, Says He Won't Run for President

by Will Ritter
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NEWS

Former Interior Minister and opposition politician Yuriy Lutsenko was freed from prison on Sunday (Apr 7) after being pardoned by President Yanukovych. Lutsenko had been jailed since late 2010 on an abuse-of-office charge connected with providing improper state benefits to his driver while serving in the government of former PM Yulia Tymoshenko, who is herself currently imprisoned on charges of forging the Cabinet's approval of an intergovernmental gas agreement with Russia in 2009. Lutsenko told the press that he does not intend to run for president in the 2015 election, but that he will support a candidate nominated by the opposition to challenge Yanukovych.

COMMENTARY

Although Lutsenko is a staunch ally of Tymoshenko and the two have been often lumped together as victims of "selective justice" by the West, in our view, their individual cases are very different. The charges faced by Lutsenko always looked to be trumped-up, probably in revenge for Lutsenko's active law enforcement pursuit of a number of top Party of Regions politicians when he became Interior Minister following the 2004 Orange Revolution. Tymoshenko, on the other hand, faces much more serious charges, including the diversion of hundreds of millions of dollars of Ukraine's Kyoto Protocol funds and the 1996 contract murder of a business rival. Therefore, we doubt that the pardon of Lutsenko is going to be followed by a similar decision on Tymoshenko.

Lutsenko's release was welcomed by European Union enlargement commissioner Stefan Fule, who called it "an important first step" in ending the politically motivated prosecutions that have threatened to derail Ukraine's association agreement (AA/DCFTA) with the EU. The AA/DCFTA's signing is backed by all major Ukrainian political parties except the Communists.

Lutsenko, a colorful and outspoken character, should add some firepower to the current opposition lineup, although he previously had a very public rivalry with current Batkivschyna party leader Arseniy Yatseniuk, famously referring to him during the 2010 presidential campaign as a "bunny rabbit" while backing Tymoshenko.

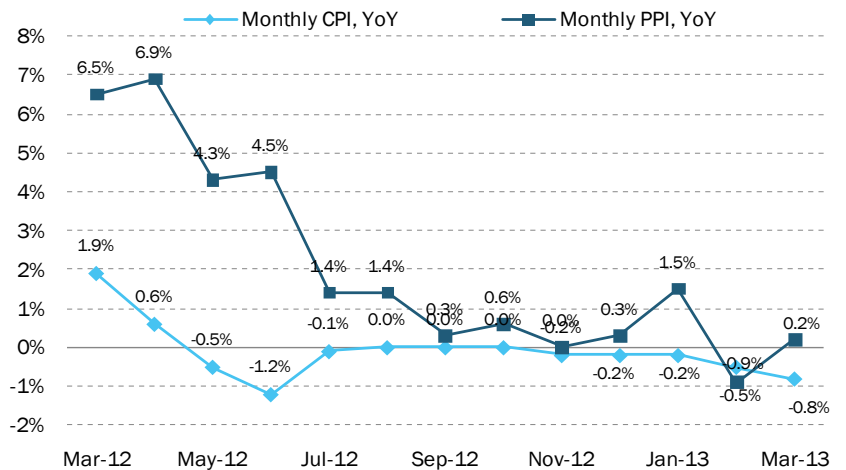
UkrStat Registers Deflation of 0.8% YoY in February

by Dmitry Churin
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NEWS

Ukraine's State Statistics Committee reported on Friday (Apr 5) that consumer prices were unchanged in March compared to February. Headline inflation for the last 12 months fell to -0.8% with the inclusion of the March 2013 data. Producer prices, however, jumped by 2.2% in March compared to February.

UKRAINE'S MONTHLY INFLATION, YOY



Source: State Statistics Committee

COMMENTARY

Food prices continue to restrain inflation in the country. In our opinion, the prices of the main food products, most notably bread, are being held down administratively, with the government trying to stay one step ahead of any social unrest amid the current heightened tensions in Parliament.

Among the PPI components, the utility sector contributed the main part of the growth, as prices in the sector jumped 9.3% MoM at the end of March after a major fire at the Uglegorsk thermal power plant. Prices in other sectors were relatively flat over the month.

Court Freezes Transfer of Ferrexpo's Poltavsky GOK Shares

by Ivan Dzvinka
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FERREXPO (FXPO LN)

Price: GBP 1.55 Market Cap: USD 1,404mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2012	1.2	6.5	4.1	5.5%
2013E	1.1	5.3	3.7	5.5%

NEWS

The Kyiv Commercial Court issued a ruling that froze any movement in the shares of Poltavsky GOK, the main operating asset of London-listed iron ore producer Ferrexpo, according to a filing in the Ukraine's state court register dated Mar 26. The court case was initiated by a former owner of Poltavsky GOK, Alexander Babakov, to regain ownership of a 40% stake in the company which he sold in 2002 to Constantine Zhevago, today's majority owner of Ferrexpo.

COMMENTARY

Freezing share transfers is an ordinary step these types of disputes, and the Kyiv court's ruling was expected, although it provided negative sentiment for the FXPO stock, which fell 4.5% on Friday (Apr 5). Given that the level of independence of Ukrainian courts leaves much to be desired, it is complicated at this stage to predict either the time frame for a final ruling in the case, or the probability that the dispute will ultimately be resolved in favor of Mr. Zhevago. If the Ukrainian court rules against Ferrexpo, we expect the company to file an appeal in the United Kingdom, where we believe Mr. Zhevago would have a very good chance of winning the case due to not strong enough, in our view, claims of former owner in that dispute. According to the claimant, the share purchase agreement in 2002 was conducted not in compliance with several formalities required by Ukrainian securities legislation.

Ukraine Sets Import Quota on Coking Coal, Bans Import of Coke

by Ivan Dzvinka
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NEWS

Ukraine's Cabinet of Ministers has introduced an import quota on coking coal in the amount of 10.2mn tonnes for 2013, Interfax reported on Friday (Apr 5). The Cabinet's resolution also banned the import of coke effective immediately. In 2012, Ukraine had imported 13.5mn tonnes of coking coal and 500,000 tonnes of coke; these figures represent, respectively, about 35% and 3% of domestic usage.

COMMENTARY

The news of coking coal import restrictions is negative for the domestic coke sector. The move is aimed at reducing the deficit of coking coal on the domestic market after a surge in imports of the material during 2012. Ukrainian coke makers expanded their coke imports by 23% YoY to 13.5mn tonnes in 2012 despite a 3% YoY decline in domestic coke production. We attribute this trend to the greater efficiency of imported coal in the coke-making process compared to that of lower-quality domestic coal, especially given the reduction in the price differential between imported and domestic coking coal that occurred over 2012.

The ban on coke imports is marginally positive for domestic coke makers in light of a 4x YoY surge in coke imports observed since the start of 2013. However, the effect will not be very pronounced due to the low share of imports in total Ukrainian coke usage (3%).

EAVEX RECOMMENDATIONS

Name	Ticker	Price, USD per share	Target price, USD per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.07	0.07	-7%	SELL	Non-transparent reporting practises detrimentally affect the company's reported earnings.
Khartsysk Pipe	HRTR	0.09	0.19	121%	BUY	The company has a 100% dividend payout policy, which we expect to remain in place going forward.
Iron Ore						
Ferrexpo	FXPO LN	2.38	U/R	n/a	U/R	Under Review
Pivnichny GOK	SGOK	1.06	1.77	66%	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	0.84	1.30	55%	BUY	CGOK is a strong dividend play. A DPS of USD 0.27 was approved in April 2012, implying a dividend yield of 26%.
Coke						
Avdyivka Coke	AVDK	0.37	0.76	106%	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	467%	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.
Coal						
Pokrovske Mine	SHCHZ	0.07	0.36	388%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	2.63	6.18	135%	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	0.22	0.64	189%	BUY	LuganskTeplovoz's incorporation into TransMashHolding should help it to exploit its already-dominant position on the Russian market for diesel locomotives.
Specialized Machinery						
Motor Sich	MSICH	250	644	158%	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.
Oil & Gas						
Concern Galnaftogaz	GLNG	0.018	0.030	63%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	0.35	1.52	331%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	1.1	6.0	427%	BUY	The expected start of operations in JKX's Russian gas field should lift output.
Power Utilities						
DonbasEnerg	DOEN	2.41	8.90	270%	BUY	DonbasEnerg recently launched Ukraine's most efficient power generation unit.
CenterEnerg	CEEN	0.48	1.84	282%	BUY	CenterEnerg's privatization is on the horizon for 2013.
Consumer						
MHP	MHPC	16.2	24.0	48%	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	19.93	30.0	51%	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	7.70	28.3	268%	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	813.84	1428.72	747.84	-1.6%	-9.9%	-20.8%	-14.4%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.045	0.09	0.04	-1.5%	-6.3%	-14.2%	-16.3%	0.0%	3.6%	6.6%	-1.9%
Azovstal	AZST	0.60	1.32	0.54	-1.2%	-5.9%	-13.9%	-19.5%	0.4%	4.1%	6.9%	-5.1%
Dniprospezstal	DNSS	970	1,700	970	0.0%	0.0%	n/a	-2.9%	1.6%	9.9%	n/a	11.5%
Enakievo Steel	ENMZ	33.9	66.0	27.7	-0.1%	-3.1%	-6.3%	-10.9%	1.5%	6.8%	14.4%	3.5%
Arcelor Mittal KR	KSTL	1.20	n/a	n/a	0.0%	0.0%	-69.8%	n/a	1.6%	9.9%	-49.1%	n/a
Mariupol Ilyicha	MMKI	0.20	0.32	0.13	11.1%	11.1%	0.0%	-9.1%	12.7%	21.0%	20.8%	5.3%
Coke												
Avdivka Coke	AVDK	3.01	5.14	1.90	-1.3%	-2.5%	-9.6%	-8.0%	0.3%	7.4%	11.1%	6.4%
Yasnyivsky Coking	YASK	0.60	1.31	0.54	-1.6%	0.0%	-13.0%	-10.4%	-0.1%	9.9%	7.7%	3.9%
Iron Ore Mining												
Centralny GOK	CGOK	6.84	8.35	4.00	0.6%	-0.9%	5.7%	-0.9%	2.2%	9.0%	26.5%	13.5%
Ferrexpo	FXPO	2.38	4.78	2.35	-3.7%	-9.4%	-26.7%	-40.8%	-2.1%	0.5%	-6.0%	-26.4%
Pivnichny GOK	SGOK	8.65	12.75	6.00	1.8%	-3.9%	-3.4%	16.3%	3.3%	6.0%	17.4%	30.6%
Coal Mining												
Pokrovske Mine	SHCHZ	0.60	1.40	0.40	-3.2%	-6.3%	-4.8%	-4.8%	-1.6%	3.7%	16.0%	9.6%
Komsomolets Donbasa	SHKD	1.01	2.00	0.80	0.0%	-1.9%	-15.1%	-14.4%	1.6%	8.0%	5.6%	0.0%
Energy Coal	CLE	1.75	8.29	1.75	-4.4%	-10.0%	-45.2%	-43.4%	-2.8%	-0.1%	-24.5%	-29.1%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.40	0.58	0.003	0.0%	n/a	n/a	-31.0%	1.6%	n/a	n/a	-16.7%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.70	1.34	0.60	-4.1%	-6.7%	-5.4%	0.0%	-2.5%	3.2%	15.4%	14.4%
Interpipe NMPP	NVTR	0.20	0.60	0.10	11.1%	0.0%	17.6%	-9.1%	12.7%	9.9%	38.4%	5.3%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	21.4	24.0	14.2	-0.5%	-6.7%	-7.1%	10.3%	1.1%	3.2%	13.7%	24.7%
Luhanskeplovoz	LTPL	1.80	2.45	1.28	2.9%	-8.6%	-7.2%	-3.7%	4.4%	1.3%	13.5%	10.6%
Stakhanov Wagon	SVGZ	1.47	4.40	1.45	1.4%	-2.0%	-16.9%	-15.0%	3.0%	7.9%	3.8%	-0.6%
Specialized Machinery												
Bogdan Motors	LUAZ	0.04	0.22	0.03	3.7%	-10.5%	-24.9%	-1.1%	5.3%	-0.6%	-4.2%	13.3%
Motor Sich	MSICH	2,032	2,880	1,750	-0.7%	-7.9%	-20.9%	-8.1%	0.9%	2.0%	-0.2%	6.3%
Summy Frunze Engineering	SMASH	3.50	4.00	0.76	16.7%	-1.1%	90.2%	133.3%	18.2%	8.8%	111.0%	147.7%
Turboatom	TATM	3.20	n/a	n/a	0.0%	0.0%	n/a	n/a	1.6%	9.9%	n/a	n/a
WESTA ISIC	WES	0.20	1.17	0.13	5.1%	-5.5%	-22.6%	-16.6%	6.6%	4.4%	-1.8%	-2.2%
Telecom												
Ukrtelecom	UTLM	0.14	0.41	0.12	0.0%	3.0%	-3.2%	-14.3%	1.6%	12.9%	17.6%	0.1%
Oil & Gas												
Regal Petroleum	RPT	0.35	0.59	0.21	-3.4%	-3.8%	-22.2%	-34.9%	-1.8%	6.1%	-1.5%	-20.5%
JKX Oil	JKX	1.14	2.50	0.87	-2.1%	-1.1%	14.1%	-4.9%	-0.6%	8.8%	34.9%	9.5%
Ukrnafta	UNAF	114	292	80	-3.5%	-12.9%	-30.0%	-3.9%	-1.9%	-3.0%	-9.3%	10.5%
Power Utilities												
Centrenerg	CEEN	3.92	8.43	3.90	-3.3%	-28.0%	-33.0%	-38.2%	-1.8%	-18.1%	-12.2%	-23.8%
Donbasenergo	DOEN	19.6	28.4	15.0	-2.9%	-4.4%	-15.9%	-7.6%	-1.3%	5.5%	4.9%	6.8%
Zakhidenergo	ZAEN	83.7	219.8	54.0	-0.4%	-0.4%	-10.5%	-13.7%	1.2%	9.6%	10.3%	0.7%
Consumer												
Agroton	AGT	2.62	7.3	2.24	1.5%	1.7%	-11.9%	-19.2%	3.1%	11.6%	8.9%	-4.8%
Astarta	AST	20.0	22.1	13.9	1.6%	6.6%	0.8%	11.8%	3.2%	16.5%	21.5%	26.2%
Avangardo	AVGR	7.7	14.3	7.61	-2.5%	-5.5%	-24.9%	-32.0%	-1.0%	4.4%	-4.1%	-17.7%
Industrial Milk Company	IMC	4.38	5.48	2.73	1.0%	-7.3%	-14.2%	-17.4%	2.6%	2.6%	6.5%	-3.1%
Kernel	KER	18.5	23.7	14.8	1.7%	2.2%	-2.5%	-14.4%	3.3%	12.1%	18.2%	0.0%
Mriya Agro Holding	MAYA	6.00	7.4	5.04	0.2%	1.5%	-7.0%	-7.5%	1.7%	11.4%	13.8%	6.8%
MHPC	MHPC	16.2	19.9	10.00	-5.6%	-8.5%	-15.9%	6.5%	-4.0%	1.4%	4.8%	20.9%
Milkiland	MLK	4.34	6.3	4.24	2.4%	-0.7%	-5.1%	-7.7%	3.9%	9.2%	15.7%	6.7%
Ovostar Union	OVO	29.3	35.3	23.2	-0.2%	0.3%	-4.9%	1.3%	1.4%	10.2%	15.9%	15.7%
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	1.27	0.22	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chemicals												
Stirol	STIR	12.0	28.4	10.9	0.2%	-3.3%	-18.2%	-10.3%	1.7%	6.6%	2.6%	4.1%
Banks												
Raiffeisen Bank Aval	BAVL	0.095	0.131	0.061	-0.4%	-2.4%	-20.7%	10.9%	1.2%	7.6%	0.1%	25.2%
UkrSotsbank	USCB	0.115	0.215	0.107	-1.7%	-1.7%	-15.0%	-10.6%	-0.1%	8.2%	5.7%	3.8%

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
Steel																
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	1,578	1,577	-108	-84	-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
Coke																
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%
Iron Ore Mining																
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%
Coal Mining																
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%
Pipe Manufacturing																
Khartsyzk Pipe	HRTR	775	659	699	145	74	77	18.7%	11.3%	11.1%	98	34	34	12.7%	5.1%	4.9%
Railcar Manufacturing																
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%
Specialized Machinery																
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%
Telecom																
Ukrtelecom	UTLM	843	858	744	206	205	208	24.5%	23.8%	28.0%	-17	45	48	neg	5.3%	6.5%
Oil & Gas																
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%
Electric Utilities																
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%
Consumer																
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%
Banks																
		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%
Ukrspasbank	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			
Steel																		
Alchevsk Steel	ALMK	142	3.9%	5	1,557	3.9	neg	neg	10.7	neg	neg	0.7	0.9	0.9	537	463	417	\$/tonne
Yenakievo Steel	ENMZ	44	8.8%	4	36	1.4	5.1	neg	neg	neg	neg	0.0	0.0	0.0	15	14	13	\$/tonne
Azovstal	AZST	307	4.1%	13	286	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	51	48	46	\$/tonne
Coke																		
Avdyivka Coke	AVDK	72	7.5%	5	70	neg	neg	neg	11.4	neg	neg	0.0	0.1	0.1	20	15	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
Iron Ore Mining																		
Centralny GOK	CGOK	985	0.5%	5	985	3.0	10.4	9.5	2.0	4.1	4.9	1.2	1.7	1.9				
Pivnichny GOK	SGOK	2,449	0.5%	13	2,574	3.1	5.6	6.8	2.2	3.2	4.0	1.4	1.7	2.0				
Ferrexpo	FXPO	1,402	24.0%	337	1,652	2.4	6.5	5.3	2.1	4.1	3.7	0.9	1.2	1.1				
Coal Mining																		
Komsomolets Donbasa	SHKD	42	5.4%	2	143	2.7	1.1	1.2	2.1	1.4	1.6	0.7	0.6	0.6	35	34	32	\$/tonne
Coal Energy	CLE	79	11.9%	9	105	2.2	2.1	1.8	2.1	1.7	1.6	0.7	0.6	0.5	2.1	1.7	1.6	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	224	2.0%	4	266	2.3	6.6	6.6	1.8	3.6	3.4	0.3	0.4	0.4	422	700	665	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	48	24.0%	12	48	5.4	7.0	6.0	3.5	3.9	3.2	0.2	0.3	0.2				
Kruiiv Wagon	KVBZ	302	5.0%	15	304	3.6	3.2	6.0	2.6	2.3	3.3	0.4	0.3	0.5				
Stakhanov Wagon	SVGZ	41	8.0%	3	80	2.1	>30	14.2	2.4	11.1	7.3	0.2	0.3	0.3				
Specialized Machinery																		
Turboatom	TATM	182	5.8%	10	130	3.4	4.8	4.3	2.1	2.8	2.5	0.8	0.8	0.7				
Motor Sich	MSICH	519	24.0%	125	529	3.1	2.1	1.9	1.9	1.7	1.6	0.7	0.6	0.6				
Telecom																		
Ukrtelecom	UTLM	316	7.2%	23	652	neg	7.0	6.6	3.2	3.2	3.1	0.8	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	760	3.0%	23	750	2.8	2.4	3.4	1.7	1.5	1.7	0.2	0.3	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	113	49.0%	55	95	17.7	9.4	4.7	neg	4.2	2.7	5.0	1.9	1.2	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	195	50.4%	98	304	3.3	4.9	3.9	2.7	2.1	2.0	1.3	1.3	1.2	80	55	42	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	178	21.7%	39	261	>30	6.2	5.3	5.4	4.3	3.9	0.3	0.2	0.2	18	18	15	\$/MWh
DonbasEnergO	DOEN	57	14.2%	8	114	neg	14.9	5.6	5.5	6.6	4.8	0.2	0.2	0.2	14	13	13	\$/MWh
Consumer																		
MHP	MHPC	1,715	34.1%	585	2,760	6.6	5.5	6.3	6.9	5.9	5.3	2.2	2.0	1.8	8626	8626	8626	\$/tonne
Kernel	KER	1,366	61.8%	844	1,976	6.0	6.5	7.0	6.4	6.1	5.8	1.0	0.9	0.7				
Astarta	AST	499	31.0%	155	646	4.4	10.0	8.5	4.5	6.6	5.3	1.6	1.4	1.2	3275	1994	1656	\$/tonne
Avangardco	AVGR	492	22.5%	111	640	2.5	2.2	2.1	2.6	2.3	2.2	1.2	1.0	0.9	145	110	104	\$/mneegs
Agroton	AGT	57	44.6%	25	90	neg	3.1	2.7	4.8	2.9	2.7	0.7	1.0	0.8	0.7	n/a	n/a	\$/th/ha
Banks																		
Raiffeisen Bank Aval	BAVL	351	4.0%	14		>30	>30	12.3	0.4	0.4	0.4	0.05	0.05	0.05				
Ukrsotsbank	USCB	261	1.6%	4		>30	>30	21.8	0.3	0.3	0.3	0.06	0.06	0.06				

Source: Eavex Research

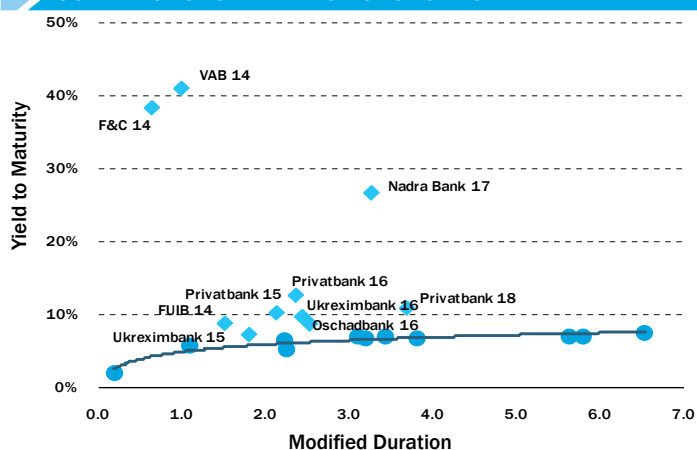
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn USD	Ratings ¹
Sovereign Eurobonds											
Ukraine, 2013	100.3	100.8	6.0%	3.0%	-0.5%	0.2	7.65%	S/A	11 Jun. 2013	1,000	/B+/B
Ukraine, 2014	102.4	103.0	5.7%	5.2%	0.9%	1.1	7.95%	S/A	6 Apr. 2014	1,000	/B+/B
Naftogaz Ukraine, 2014	103.2	103.9	7.2%	6.7%	0.5%	1.4	9.50%	S/A	30 Sept 2014	1,595	//B
Ukraine, 2015 (EUR)	98.5	99.5	5.6%	5.2%	1.5%	2.2	4.95%	A	13 Oct 2015	600*	B2/B+/B
Ukraine, 2015	100.3	101.1	6.7%	6.4%	-0.6%	2.2	6.875%	S/A	23 Sept 2015	500	B2/B+/B
Ukraine, 2016	99.1	99.7	6.8%	6.7%	-0.4%	3.1	6.58%	S/A	21 Nov 2016	1,000	B//B
Ukraine, 2016-2	99.0	99.6	6.5%	6.4%	-0.3%	3.2	6.25%	S/A	17 Jun 2016	1,250	B2/B+/B
Ukraine, 2017	100.0	100.8	6.7%	6.5%	1.2%	3.8	6.75%	S/A	14 Nov 2017	700	B2/B+/B
Ukraine, 2017-2	108.8	109.5	6.8%	6.7%	1.8%	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/-/-
Ukraine, 2018 Infr. projects	96.5	97.7	8.3%	8.0%	4.6%	4.0	7.40%	S/A	20 Apr 2018	690	B2/-/-
Ukraine, 2020	105.5	106.3	6.8%	6.7%	2.8%	5.6	7.75%	S/A	23 Sept 2020	1,500	B2/B+/B
Ukraine, 2021	106.6	107.2	6.8%	6.7%	2.9%	5.8	7.95%	S/A	23 Feb 2021	1,500	B2/B+/B
Ukraine, 2022	103.8	104.5	7.2%	7.1%	3.2%	6.6	7.80%	S/A	28 Nov 2022	1,250	//B
Corporate Eurobonds											
Agroton, 2014	75.0	80.0	39.2%	32.9%	n/a	1.0	12.50%	S/A	14 Jul 2014	50	-/-/B-
MHP, 2015	107.9	108.6	6.1%	5.9%	2.6%	1.8	10.25%	S/A	29 Apr 2015	585	B3//B
MHP, 2020	99.9	100.6	8.3%	8.1%	0.3%	5.2	8.25%	S/A	2 Apr 2020	750	B3//B
Avangardco, 2015	99.5	100.8	10.3%	9.6%	4.6%	2.1	10.00%	S/A	29 Oct 2015	200	-/-/B
UkrLandFarming, 2018	99.5	100.4	11.0%	10.8%	-0.1%	3.7	10.88%	S/A	26 Mar 2018	275	B-//B
Mriya, 2016	106.1	107.2	8.6%	8.2%	3.5%	2.5	10.95%	S/A	30 Mar 2016	250	-/B/B-
DTEK, 2015	105.1	105.9	6.8%	6.4%	4.4%	1.8	9.50%	S/A	28 Apr 2015	500	B2//B
DTEK, 2018	99.6	100.2	8.0%	7.8%	-0.1%	4.1	7.88%	S/A	4 Apr 2018	600	B2//B
Metinvest, 2015	106.5	107.1	6.9%	6.6%	2.9%	1.8	10.25%	S/A	20 May 2015	500	B3//B-
Metinvest, 2018	102.5	103.5	8.1%	7.9%	6.2%	3.9	8.75%	S/A	14 Feb 2018	750	B2/-/B-
Ferrexpo, 2016	100.1	101.1	7.9%	7.4%	3.3%	2.6	7.875%	S/A	07 Apr 2016	500	B2/B+/B
Interepipe, 2017	84.0	88.0	15.5%	13.8%	5.0%	3.2	10.25%	S/A	2 Aug 2017	200	-/B+/B+
Bank Eurobonds											
Fin&Credit Bank, 2014	82.0	86.0	39.0%	31.8%	36.7%	0.6	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	103.0	104.4	9.2%	8.3%	2.7%	1.5	11.00%	Q	31 Dec 2014	275	B2//B-
Nadra Bank, 2017	73.0	80.0	29.4%	22.4%	5.0%	3.3	8.00%	A	22 Jun 2017	175	WD//WD
PrivatBank, 2015	97.3	99.2	10.7%	9.8%	3.6%	2.1	9.38%	S/A	23 Sept 2015	200	B1//B
PrivatBank, 2016	82.4	84.5	13.5%	12.4%	8.1%	2.4	8.75%	S/A	9 Feb 2016	150	B1//B
PrivatBank, 2018	99.6	101.2	11.0%	10.5%	0.4%	3.7	10.88%	S/A	28 Feb 2018	175	//B
UkrEximBank, 2015	101.2	101.9	7.8%	7.4%	1.6%	1.8	8.38%	S/A	27 Apr 2015	750	B1//B
UkrEximBank, 2016	88.0	91.6	10.9%	9.3%	6.5%	2.4	8.40%	S/A	2 Sept 2016	125	B1//B
UkrEximBank, 2018	101.3	102.1	8.4%	8.2%	1.7%	3.8	8.75%	S/A	22 Jan 2018	500	B3//B
VAB Bank, 2014	73.0	75.0	41.6%	38.8%	35.2%	1.0	10.50%	Q	14 Jun 2014	125	Caa1/-/WD
Oschadbank, 2016	99.0	99.8	8.7%	8.4%	4.5%	2.5	8.25%	S/A	10 Mar 2016	700	B2//B
Oschadbank, 2018	99.1	100.0	9.1%	8.9%	-0.4%	3.9	8.88%	S/A	20 Mar 2018	500	B1//B
Municipal Eurobonds											
City of Kyiv, 2015	96.9	98.8	9.4%	8.5%	4.6%	2.2	8.00%	S/A	6 Nov 2015	250	B1/CCC+/B
City of Kyiv, 2016	98.3	99.8	10.0%	9.4%	5.9%	2.7	9.375%	S/A	30 Jun 2016	300	B1/CCC+/B

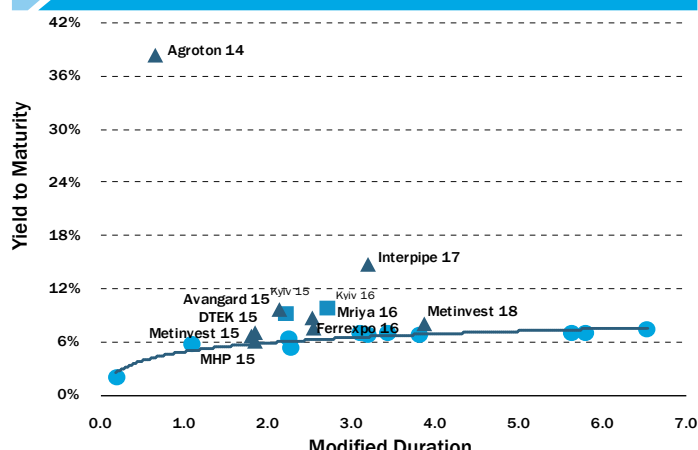
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS

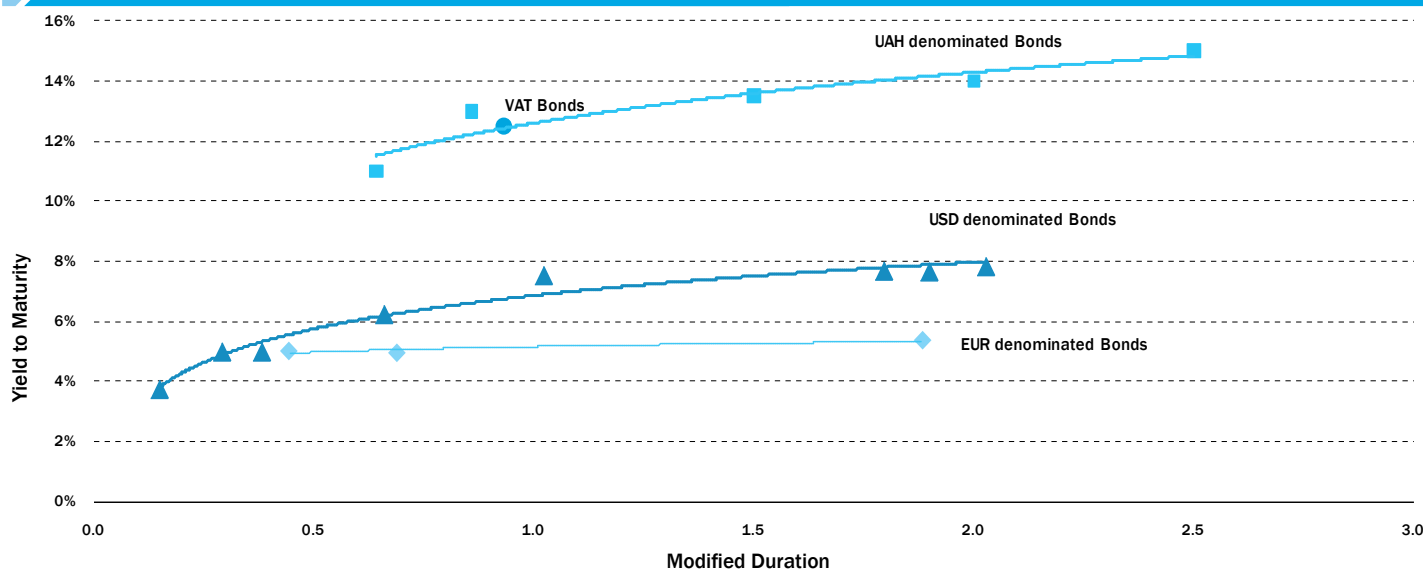


Source: Bloomberg, Cbonds, Eavex Research

UKRAINIAN DOMESTIC BONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn USD
UAH denominated Bonds									
UA4000119473			4.5%	3.0%	0.6	9.00%	S/A	22 May 2013	64
UA4000115117			11.8%	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
USD denominated Bonds									
UA4000134431									
UA4000141063	100.3	100.5	4.5%	3.0%	0.1	9.30%	S/A	29 May 2013	235
UA4000142384	100.6	100.9	5.5%	4.5%	0.3	9.30%	S/A	24 Jul 2013	413
UA4000136832	100.8	101.2	5.5%	4.5%	0.4	9.27%	S/A	28 Aug 2013	254
UA4000138002	102.3	102.8	6.5%	6.0%	0.6	9.30%	S/A	27 Nov 2013	86
UA4000140362	103.6	104.1	7.9%	7.2%	1.0	9.20%	S/A	21 May 2014	171
UA4000142699	101.1	102.9	8.1%	7.3%	1.8	9.45%	S/A	22 Apr 2015	312
UA4000141071	107.1	108.1	8.1%	7.3%	1.9	9.45%	S/A	27 May 2015	152
UA4000142673	97.1	98.1	8.2%	7.5%	2.0	4.50%	S/A	17 Jun 2015	175
EUR denominated Bonds									
UA4000137731	100.1	100.3	3.9%	3.7%	0.4	4.80%	S/A	18 Sept 2013	205
UA4000138846	100.3	100.4	4.1%	3.9%	0.7	4.80%	S/A	25 Dec 2013	70
UA4000142681	99.3	99.4	4.6%	4.5%	1.9	4.80%	S/A	6 May 2015	40
VAT Bonds									
UA4000082531			12.5%	10.8%	0.9	5.50%	S/A	21 Aug 2015	141
UA4000082622			12.5%	10.8%	0.3	5.50%	S/A	24 Aug 2015	571
UA4000083059			12.5%	10.8%	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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