

Market Update

Equity

Ukrainian stocks missed out on the big gains posted by the main European and US indices on Wednesday (Apr 10) after the IMF concluded yet another visit to Kyiv without announcing a new standby loan package for Ukraine, as the two-year-long stalemate between the two sides over domestic energy subsidies showed no sign of resolution. The UX index lost 0.6% to close at 820 points on a day when Germany's DAX jumped by 2.3% and the S&P 500 set another all-time high on burgeoning risk appetite in developed markets. Top liquid issue Motor Sich was the biggest local loser, sliding 1.5% to UAH 2008, while DonbasEnergO and Raiffeisen Aval dipped by 1.0% and 0.7% respectively. Other blue chips were down by less than half a percent, and Yenakievo Steel continued its topsy-turvy week with a 1.2% rise. In second-tier names, Metinvest-controlled Pivnichny GOK and Centralny GOK were both hit by concerns of a worse-than-expected dividend declaration at next week's annual meetings, and slumped by 6.1% and 5.0% respectively.

Fixed Income

Ukrainian sovereign Eurobonds were down on Wednesday. Ukraine-21s declined by 1.0p.p. to 105.9/106.6 (6.9%/6.8%) and Ukraine-17s dropped by 0.3p.p. and closed at 101.0/101.7 (6.5%/6.3%). Corporate names closed mixed. MHP-15s moved up by 0.2p.p. to 107.6/108.4 (6.2%/5.9%) while Metinvest-15s edged down by 0.1p.p. to 106.8/107.9 (6.7%/6.2%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2008.00	-1.5%	6.3	136
CentrenergO	CEEN	3.998	-0.4%	2.4	130
Avdyivka Coke	AVDK	3.036	-0.4%	1.7	115

Growth Leaders

Mariupol Heavy Machine	MZVM	0.15	7.0%	0.37	107
Yasynivsky Coke	YASK	0.58	3.8%	0.07	7
Stirol	STIR	11.65	3.1%	0.11	9

Loss Leaders

Pivnichny GOK	SGOK	8.41	-6.1%	0.42	12
Centralny GOK	CGOK	6.70	-5.0%	0.22	34
Motor Sich	MSICH	2,008.00	-1.5%	6.33	136

Highlights

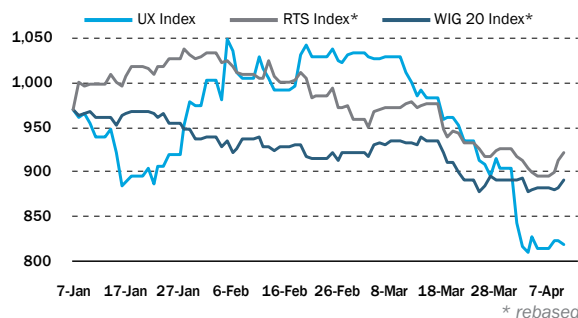
POLITICS AND ECONOMICS

- > IMF-Ukraine Stalemate Continues As No New Loan Announced

STOCKS IN THE NEWS

- > JXK Oil&Gas Posts FY12 Net Loss of USD 11.3mn

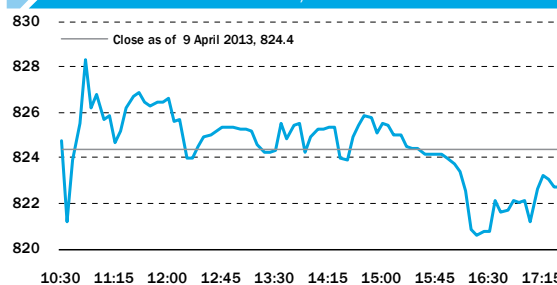
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	819.6	-0.6%	-20.3%	-13.8%
RTS	1453.8	1.0%	-5.1%	-4.8%
WIG20	2370.5	1.0%	-4.8%	-8.2%
MSCI EM	1024.5	0.8%	-3.9%	-2.9%
S&P 500	1587.7	1.2%	2.4%	13.2%

UX INTRADAY APRIL 10, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	287.2	-1.0%	6.9%	6.0%
CDS 5Y UKR	565.2	-0.5%	-5.4%	-9.6%
Ukraine-13	3.72%	0.0 p.p.	-1.8 p.p.	-1.6 p.p.
Naftogaz Ukr-14	6.63%	-0.1 p.p.	-0.7 p.p.	-1.0 p.p.
Ukraine-20	6.55%	-0.1 p.p.	-0.6 p.p.	-0.7 p.p.
Privatbank-16	13.92%	0.0 p.p.	-1.3 p.p.	-1.4 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.15	0.0%	0.3%	1.2%
EUR	10.62	0.0%	-4.2%	-0.6%
RUB	0.26	-0.3%	-2.6%	-0.1%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	320.0	0.0%	0.0%	0.0%
Steel, USD/t	580.0	-1.7%	-0.4%	8.9%
Oil, USD/bbl	90.1	-0.6%	-8.3%	-1.3%
Gold, USD/oz	1573.8	-0.2%	-5.6%	-5.0%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

IMF-Ukraine Stalemate Continues As No New Loan Announced

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NEWS

The latest International Monetary Fund mission to Kyiv ended on Wednesday (Apr 10) without a new standby loan agreement for Ukraine. Mission chief Chris Jarvis was quoted by Bloomberg News as saying that the talks achieved “good progress”, and that the dialogue between the sides would “continue in the coming weeks.”

COMMENTARY

The results, or lack thereof, of the latest IMF-Ukraine talks are in line with our expectations stated in previous research notes (dated 31 Jan 2013 and 11 Oct 2012). Jarvis’s comments are rather similar to those which he made following the Fund’s previous mission to Kyiv in February, i.e., they put the best face on a stalemate which has seen no change in position from either side for more than two years. The IMF wants Ukraine to reduce its costly domestic natural gas subsidies; the Yanukovich government refuses to do so, asserting that it can find equivalent savings elsewhere in the budget. With global capital markets currently more than happy to lend money to the Ukrainian government at rates of 7-8%, Yanukovich clearly sees no need to accede to the IMF’s demands. The trouble with this strategy is that it leaves Ukraine severely exposed to a sudden downturn in global risk appetite, even as it fails to address long-term structural problems in the economy. With less than two years remaining before the next Ukrainian presidential election, the political window for reducing the gas subsidies will soon close, making the prospect of no deal with the IMF until at least mid-2015 an increasing possibility.

JKX Oil&Gas Posts FY12 Net Loss of USD 11.3mn

by Dmitry Churin
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JKX OIL&GAS (JKX LN)

Price: GBp 70.0 Market Cap: USD 184mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2012	0.3	1.0	neg	1.5	0%
2013E	0.3	0.8	3.7	1.3	0%

NEWS

JKX Oil & Gas, an independent E&P company with major assets in Ukraine, reported on Wednesday (Apr 10) that it posted a net loss of USD 11.3mn in FY12. The loss resulted from both a drop in production and non-cash accelerated depreciation charges against its Ukrainian assets, the company said. Excluding the exceptional items, the result for the year would have been a USD 24.7mn profit (vs. USD 59.1mn in FY11).

The company's revenue declined by 14% YoY to USD 202.9mn in FY12 amid an output decline of 8.4% YoY to 8,281 boepd, with a slower than anticipated ramp-up of production in Russia failing to offset the expected decline in production from the company's mature Ukrainian fields.

JKX FINANCIAL RESULTS

USD mn	2012	2011	YoY
Net revenue	202.9	236.9	-14%
Operating profit	51.6*	82.0	-37%
margin	25%	35%	-10 p.p.
Net profit (loss)	-11.3	59.1	nm
net margin	-6%	25%	-31 p.p.

*underlying figures before exceptional item of USD 45.8mn non-cash accelerated depreciation charge against Ukrainian assets

Source: Company data.

Exceptional items

Accelerated depreciation charge - USD 30.7mn

Following the reduction in the oil and gas reserves at Novo-Mykolayivske Complex (Ukraine), and subsequent revision of future production plans from all four fields, certain oil and gas assets became redundant during the year and a one-off non-cash accelerated depreciation charge of USD 30.7mn was recognized in the income statement in respect of these assets.

Hungarian assets impairment - USD 15.1mn

Following a more rapid production decline and the watering out of two out of three producing wells in Hungary, related reserves and estimated future production from the company's Hungarian assets have been reduced.

COMMENTARY

JKX's bottom line came in far short of our expectation, as we had forecasted a profitability increase in 2H12. The problem for the company was not only the drop in output, but also weak natural gas prices in Russia. JKX sold gas in Russia at some USD 92 per 1000 cubic meters, compared to USD 427/1000 cu-m in Ukraine. Therefore, gas sales in Russia have a much lower contribution to the company's revenues when compared with the respective sales volumes. JKX's revenue decline came mainly as a result of a 24.8% fall in production in Ukraine. From a total revenue perspective, Ukrainian gas had the biggest impact on the company's revenue as it represented 60% (2011: 70%) of volumes sold by barrel of oil equivalent. The revenues in 2012 by region comprised: Ukraine USD 191mn (2011: USD 225mn), Russia USD 5.1 mn (2011: nil) and Hungary USD 6.6mn (2011: USD 11.3mn).

Among positive developments, JKX reported an upward revision of its 2P reserves by 5.4% to 93.8 MMboe.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, USD per share	Target price, USD per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.07	0.07	-8%	SELL	Non-transparent reporting practises detrimentally affect the company's reported earnings.
Khartsysk Pipe	HRTR	0.07	0.19	171%	BUY	The company has a 100% dividend payout policy, which we expect to remain in place going forward.
Iron Ore						
Ferrexpo	FXPO LN	2.95	U/R	n/a	U/R	Under Review
Pivnichny GOK	SGOK	1.03	1.77	71%	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	0.82	1.30	58%	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	104%	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	488%	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	408%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	2.74	6.18	126%	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	0.21	0.64	199%	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	247	644	161%	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	0.34	1.52	346%	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	444%	BUY	The expected start of operations in JKX's Russian gas field should lift output.
Power Utilities						
DonbasEnergo	DOEN	2.38	8.90	275%	BUY	DonbasEnergo recently launched Ukraine's most efficient power generation unit.
CenterEnergo	CEEN	0.49	1.84	274%	BUY	CentrEnergo's privatization is on the horizon for 2013.
Consumer						
MHP	MHPC	17.1	24.0	40%	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	20.06	30.0	50%	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	8.20	28.3	245%	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	819.63	1428.72	747.84	-0.6%	1.2%	-20.3%	-13.8%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.045	0.09	0.04	-0.2%	2.0%	-13.6%	-15.5%	0.4%	0.8%	6.7%	-1.8%
Azovstal	AZST	0.60	1.32	0.54	0.2%	1.4%	-12.9%	-18.9%	0.7%	0.1%	7.3%	-5.2%
Dniprospezstal	DNSS	980	1,700	970	1.0%	1.0%	n/a	-1.9%	1.6%	-0.2%	n/a	11.9%
Enakievo Steel	ENMZ	33.9	66.0	27.7	1.2%	2.1%	-5.5%	-10.8%	1.8%	0.9%	14.8%	3.0%
Arcelor Mittal KR	KSTL	1.20	n/a	n/a	0.0%	0.0%	-69.8%	n/a	0.6%	-1.2%	-49.6%	n/a
Mariupol Ilyicha	MMKI	0.19	0.32	0.13	0.0%	5.6%	-5.0%	-13.6%	0.6%	4.3%	15.3%	0.1%
Coke												
Avdivka Coke	AVDK	3.04	5.14	1.90	-0.4%	-0.1%	-8.9%	-7.2%	0.2%	-1.3%	11.4%	6.5%
Yasnyivsky Coking	YASK	0.58	1.30	0.54	3.6%	-3.3%	-13.4%	-13.4%	4.2%	-4.6%	6.8%	0.3%
Iron Ore Mining												
Centralny GOK	CGOK	6.70	8.35	4.00	-5.0%	-2.6%	-9.2%	-2.9%	-4.4%	-3.8%	11.1%	10.9%
Ferrexpo	FXPO	2.94	4.78	2.35	3.9%	20.5%	-10.4%	-26.9%	4.5%	19.3%	9.9%	-13.1%
Pivnichny GOK	SGOK	8.41	12.75	6.00	-6.0%	-3.1%	-15.4%	13.0%	-5.5%	-4.3%	4.9%	26.8%
Coal Mining												
Pokrovske Mine	SHCHZ	0.58	1.40	0.40	-3.3%	-3.3%	-9.4%	-7.9%	-2.8%	-4.6%	10.9%	5.8%
Komsomolets Donbasa	SHKD	1.11	2.00	0.80	0.0%	11.0%	-3.5%	-5.9%	0.6%	9.8%	16.8%	7.8%
Energy Coal	CLE	1.91	8.29	1.75	1.3%	3.5%	-40.4%	-38.2%	1.8%	2.3%	-20.2%	-24.5%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.40	0.58	0.003	0.0%	0.0%	n/a	-31.0%	0.6%	-1.2%	n/a	-17.3%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.57	1.34	0.55	3.6%	-18.6%	-26.0%	-18.6%	4.2%	-19.8%	-5.7%	-4.8%
Interpipe NMPP	NVTR	0.17	0.60	0.10	-10.5%	13.3%	-5.6%	-22.7%	-9.9%	12.1%	14.7%	-9.0%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	22.3	24.0	14.2	0.0%	0.5%	-3.0%	14.7%	0.6%	-0.7%	17.3%	28.5%
Luhanskeplovoz	LTPL	1.74	2.45	1.28	-0.6%	-8.4%	-7.9%	-7.0%	0.0%	-9.6%	12.3%	6.8%
Stakhanov Wagon	SVGZ	1.57	4.40	1.45	6.1%	5.4%	-10.3%	-9.2%	6.7%	4.2%	10.0%	4.5%
Specialized Machinery												
Bogdan Motors	LUAZ	0.05	0.22	0.03	0.0%	21.3%	12.5%	0.4%	0.6%	20.1%	32.8%	14.2%
Motor Sich	MSICH	2,008	2,880	1,750	-1.5%	-0.3%	-22.6%	-9.1%	-0.9%	-1.6%	-2.3%	4.6%
Sumy Frunze Engineering	SMASH	3.26	4.00	0.76	-6.9%	-1.2%	38.7%	117.3%	-6.3%	-2.4%	59.0%	131.1%
Turboatom	TATM	3.20	n/a	n/a	0.0%	0.0%	n/a	n/a	0.6%	-1.2%	n/a	n/a
WESTA ISIC	WES	0.21	1.16	0.13	5.0%	5.8%	-18.4%	-12.3%	5.6%	4.6%	1.9%	1.4%
Telecom												
Ukrtelecom	UTLM	0.13	0.40	0.12	2.8%	6.0%	-4.1%	-17.2%	3.4%	4.8%	16.2%	-3.4%
Oil & Gas												
Regal Petroleum	RPT	0.34	0.59	0.21	0.5%	-6.3%	-18.6%	-37.1%	1.1%	-7.5%	1.7%	-23.3%
JXX Oil	JKX	1.10	2.39	0.87	2.1%	-5.5%	1.8%	-7.8%	2.6%	-6.7%	22.0%	6.0%
Ukrnafta	UNAF	114	292	80	-0.9%	-3.4%	-30.6%	-3.6%	-0.3%	-4.6%	-10.3%	10.1%
Power Utilities												
Centrenerg	CEEN	4.00	8.43	3.90	-0.3%	-0.5%	-31.7%	-37.0%	0.2%	-1.8%	-11.5%	-23.3%
Donbasenergo	DOEN	19.3	28.3	15.0	-1.0%	-0.9%	-15.3%	-8.8%	-0.4%	-2.1%	4.9%	5.0%
Zakhidenergo	ZAEN	81.0	217.9	54.0	-3.2%	-3.6%	-18.2%	-16.5%	-2.6%	-4.8%	2.1%	-2.7%
Consumer												
Agroton	AGT	2.68	7.1	2.24	0.5%	6.2%	-11.3%	-17.5%	1.1%	5.0%	9.0%	-3.8%
Astarta	AST	20.1	22.1	13.9	-0.5%	4.5%	3.4%	12.4%	0.1%	3.2%	23.7%	26.2%
Avangardo	AVGR	8.2	14.3	7.61	0.2%	3.8%	-17.6%	-27.6%	0.8%	2.6%	2.7%	-13.9%
Industrial Milk Company	IMC	4.62	5.48	2.73	3.8%	7.9%	-8.1%	-12.8%	4.4%	6.7%	12.2%	0.9%
Kernel	KER	18.7	23.7	14.8	-0.7%	2.9%	-0.1%	-13.5%	-0.1%	1.7%	20.2%	0.3%
Mriya Agro Holding	MAYA	6.02	7.4	5.04	-0.2%	1.7%	-2.4%	-7.2%	0.4%	0.5%	17.9%	6.6%
MHPC	MHPC	17.1	19.9	10.00	0.6%	-2.3%	-12.3%	12.1%	1.2%	-3.5%	8.0%	25.9%
Milkiland	MLK	4.45	6.3	4.24	0.0%	5.1%	-6.7%	-5.3%	0.6%	3.9%	13.5%	8.4%
Ovostar Union	OVO	30.3	34.7	23.2	0.4%	2.5%	-1.2%	4.8%	0.9%	1.3%	19.1%	18.6%
Sintal	SNPS	n/a	2.30	0.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MCB Agricole	4GW1	n/a	1.18	0.22	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chemicals												
Stirol	STIR	11.7	28.4	10.9	3.1%	1.4%	-17.4%	-13.1%	3.7%	0.2%	2.9%	0.7%
Banks												
Raiffeisen Bank Aval	BAVL	0.098	0.131	0.061	-0.7%	9.0%	-18.2%	14.4%	-0.1%	7.8%	2.1%	28.1%
UkrSotsbank	USCB	0.119	0.215	0.107	-0.3%	1.0%	-12.8%	-7.7%	0.2%	-0.2%	7.5%	6.1%

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%
Ukrspatsbank	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	143	3.9%	6	1,558	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	14	\$/tonne
Azovstal	AZST	310	4.1%	13	288	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	51	49	46	\$/tonne
Coke																		
Avdyivka Coke	AVDK	73	7.5%	5	70	neg	neg	neg	11.5	neg	neg	0.0	0.1	0.1	20	15	13	\$/tonne
Yasynivsky Coke	YASK	20	9.0%	2	48	1.3	1.8	1.8	1.7	1.7	1.7	0.1	0.1	0.1	1.7	1.7	1.7	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	965	0.5%	5	965	3.0	10.2	9.3	1.9	4.1	4.8	1.2	1.7	1.9				
Pivnichny GOK	SGOK	2,382	0.5%	13	2,507	3.0	5.5	6.6	2.1	3.1	3.9	1.4	1.7	1.9				
Ferrexpo	FXPO	1,733	24.0%	416	1,983	3.0	8.1	6.6	2.5	4.9	4.5	1.1	1.4	1.3				
Coal Mining																		
Komsomolets Donbasa	SHKD	46	5.4%	2	148	3.0	1.2	1.3	2.2	1.5	1.6	0.8	0.6	0.6	36	35	33	\$/tonne
Coal Energy	CLE	87	11.9%	10	112	2.4	2.3	2.0	2.2	1.8	1.8	0.7	0.7	0.6	2.2	1.8	1.8	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	182	2.0%	4	225	1.9	5.4	5.3	1.6	3.0	2.9	0.3	0.3	0.3	357	591	562	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	47	24.0%	11	47	5.2	6.8	5.8	3.3	3.8	3.1	0.2	0.3	0.2				
Kruiiv Wagon	KVBZ	314	5.0%	16	316	3.7	3.3	6.2	2.7	2.4	3.4	0.4	0.4	0.5				
Stakhanov Wagon	SVGZ	44	8.0%	3	83	2.2	>30	15.2	2.5	11.5	7.6	0.2	0.3	0.3				
Specialized Machinery																		
Turboatom	TATM	182	5.8%	10	130	3.4	4.8	4.4	2.1	2.8	2.5	0.8	0.8	0.7				
Motor Sich	MSICH	513	24.0%	123	523	3.1	2.1	1.9	1.8	1.7	1.6	0.7	0.6	0.6				
Telecom																		
Ukrtelecom	UTLM	305	7.2%	22	641	neg	6.7	6.4	3.1	3.1	3.1	0.8	0.7	0.9				
Oil & Gas																		
Ukrnafta	UNAF	762	3.0%	23	752	2.8	2.4	3.4	1.7	1.5	1.8	0.2	0.3	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	109	49.0%	54	92	17.1	9.1	4.6	neg	4.0	2.6	4.8	1.8	1.1	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	189	50.4%	95	298	3.2	4.7	3.8	2.6	2.1	2.0	1.3	1.3	1.2	78	54	41	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	182	21.7%	39	264	>30	6.3	5.4	5.4	4.4	3.9	0.3	0.2	0.2	18	18	15	\$/MWh
DonbasEnergO	DOEN	56	14.2%	8	113	neg	14.7	5.6	5.5	6.5	4.7	0.2	0.2	0.2	14	13	13	\$/MWh
Consumer																		
MHP	MHPC	1,806	34.1%	616	2,851	7.0	5.8	6.7	7.1	6.1	5.5	2.3	2.0	1.9	8910	8910	8910	\$/tonne
Kernel	KER	1,380	61.8%	853	1,991	6.1	6.5	7.1	6.4	6.2	5.9	1.0	0.9	0.7				
Astarta	AST	501	31.0%	156	648	4.4	10.0	8.5	4.5	6.6	5.4	1.6	1.4	1.2	3287	2001	1662	\$/tonne
Avangardco	AVGR	524	22.5%	118	672	2.7	2.3	2.3	2.7	2.4	2.3	1.2	1.1	1.0	152	116	109	\$/mneegs
Agroton	AGT	58	44.6%	26	91	neg	3.1	2.8	4.9	2.9	2.7	0.7	1.0	0.9	0.7	n/a	n/a	\$/th/ha
Banks																		
Raiffeisen Bank Aval	BAVL	362	4.0%	15		>30	>30	12.7	0.4	0.4	0.4	0.05	0.05	0.05				
Ukrsotsbank	USCB	270	1.6%	4		>30	>30	21.8	0.3	0.3	0.3	0.06	0.06	0.06				

Source: Eavex Research

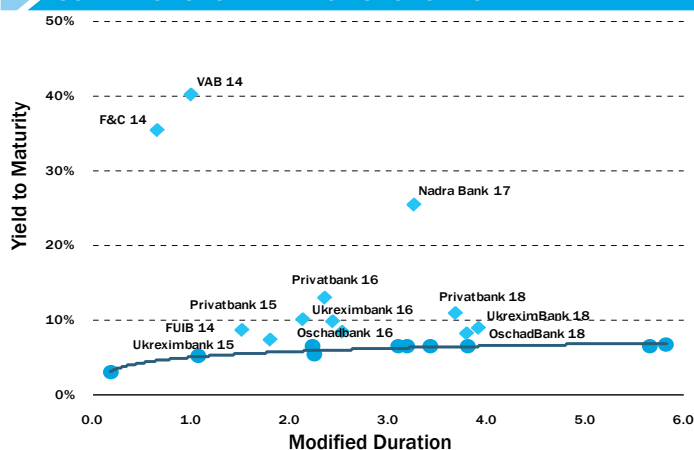
UKRAINIAN EUROBONDS

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%	2.8%	-0.5%	0.2	7.65%	S/A	11 Jun. 2013	1,000	/B+/B
Ukraine, 2014	102.6	103.2	5.5%	5.0%	1.1%	1.1	7.95%	S/A	6 Apr. 2014	1,000	/B+/B
Naftogaz Ukraine, 2014	103.3	104.0	7.1%	6.6%	0.6%	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	100.5	101.0	6.7%	6.4%	-0.5%	2.2	6.875%	S/A	23 Sept 2015	500	B2/B+/B
Ukraine, 2016	99.3	100.3	6.8%	6.5%	-0.1%	3.1	6.58%	S/A	21 Nov 2016	1,000	B//B
Ukraine, 2016-2	98.9	99.6	6.6%	6.4%	-0.4%	3.2	6.25%	S/A	17 Jun 2016	1,250	B2/B+/B
Ukraine, 2017	100.5	101.5	6.6%	6.4%	1.8%	3.8	6.75%	S/A	14 Nov 2017	700	B2/B+/B
Ukraine, 2017-2	109.3	110.0	6.7%	6.5%	2.3%	3.4	9.25%	S/A	24 Jul 2017	2,000	B2/B+/B
Ukraine, 2017 Infr. projects	102.0	103.5	7.9%	7.5%	4.6%	3.6	8.375%	S/A	3 Nov 2017	568	B2/-/-
Ukraine, 2018 Infr. projects	97.2	98.5	8.2%	7.8%	5.4%	4.0	7.40%	S/A	20 Apr 2018	690	B2/-/-
Ukraine, 2020	106.0	107.0	6.7%	6.5%	3.4%	5.6	7.75%	S/A	23 Sept 2020	1,500	B2/B+/B
Ukraine, 2021	107.0	108.0	6.8%	6.6%	3.5%	5.8	7.95%	S/A	23 Feb 2021	1,500	B2/B+/B
Ukraine, 2022	104.4	105.1	7.2%	7.0%	3.8%	6.6	7.80%	S/A	28 Nov 2022	1,250	//B
Corporate Eurobonds											
Agroton, 2014	75.0	80.0	39.4%	33.0%	n/a	1.0	12.50%	S/A	14 Jul 2014	50	-/-/B-
MHP, 2015	107.9	108.5	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	99.7	101.0	10.2%	9.6%	4.9%	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	105.5	106.1	6.6%	6.3%	4.6%	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	106.4	107.3	6.9%	6.5%	2.9%	1.8	10.25%	S/A	20 May 2015	500	B3//B-
Metinvest, 2018	102.7	103.7	8.0%	7.8%	6.5%	3.8	8.75%	S/A	14 Feb 2018	750	B2-/-/B-
Ferrexpo, 2016	99.7	100.8	8.0%	7.5%	2.9%	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	39.4%	32.0%	36.7%	0.6	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	103.1	104.6	9.2%	8.2%	2.8%	1.5	11.00%	Q	31 Dec 2014	275	B2//B-
Nadra Bank, 2017	73.7	80.2	28.7%	22.2%	5.0%	3.2	8.00%	A	22 Jun 2017	175	WD//WD
PrivatBank, 2015	97.7	99.2	10.5%	9.8%	3.9%	2.1	9.38%	S/A	23 Sept 2015	200	B1//B
PrivatBank, 2016	82.0	84.4	13.6%	12.5%	7.8%	2.3	8.75%	S/A	9 Feb 2016	150	B1//B
PrivatBank, 2018	99.6	101.1	11.0%	10.6%	0.4%	3.7	10.88%	S/A	28 Feb 2018	175	//B
UkrEximBank, 2015	101.4	102.2	7.6%	7.2%	1.9%	1.8	8.38%	S/A	27 Apr 2015	750	B1//B
UkrEximBank, 2016	88.8	91.7	10.5%	9.2%	7.0%	2.4	8.40%	S/A	2 Sept 2016	125	B1//B
UkrEximBank, 2018	101.5	102.3	8.4%	8.1%	1.9%	3.8	8.75%	S/A	22 Jan 2018	500	B3//B
VAB Bank, 2014	73.0	75.0	41.8%	39.0%	35.2%	1.0	10.50%	Q	14 Jun 2014	125	Caa1-/-/WD
Oschadbank, 2016	99.1	99.9	8.6%	8.3%	4.6%	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	97.0	98.9	9.3%	8.5%	4.7%	2.2	8.00%	S/A	6 Nov 2015	250	B1/CCC+/B
City of Kyiv, 2016	98.1	99.8	10.1%	9.4%	5.8%	2.7	9.375%	S/A	30 Jun 2016	300	B1/CCC+/B

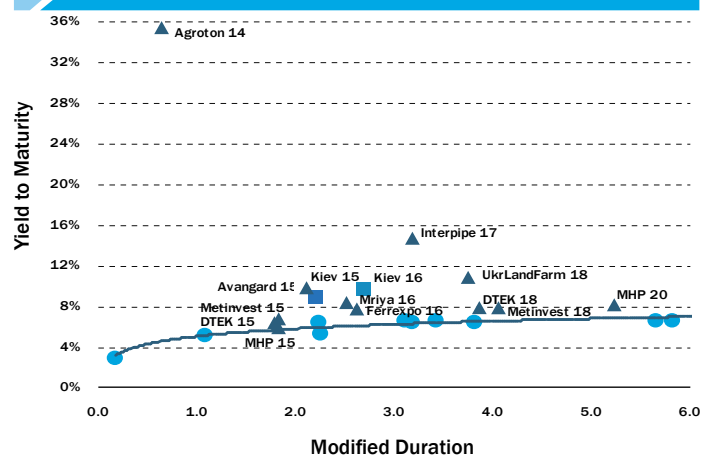
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS

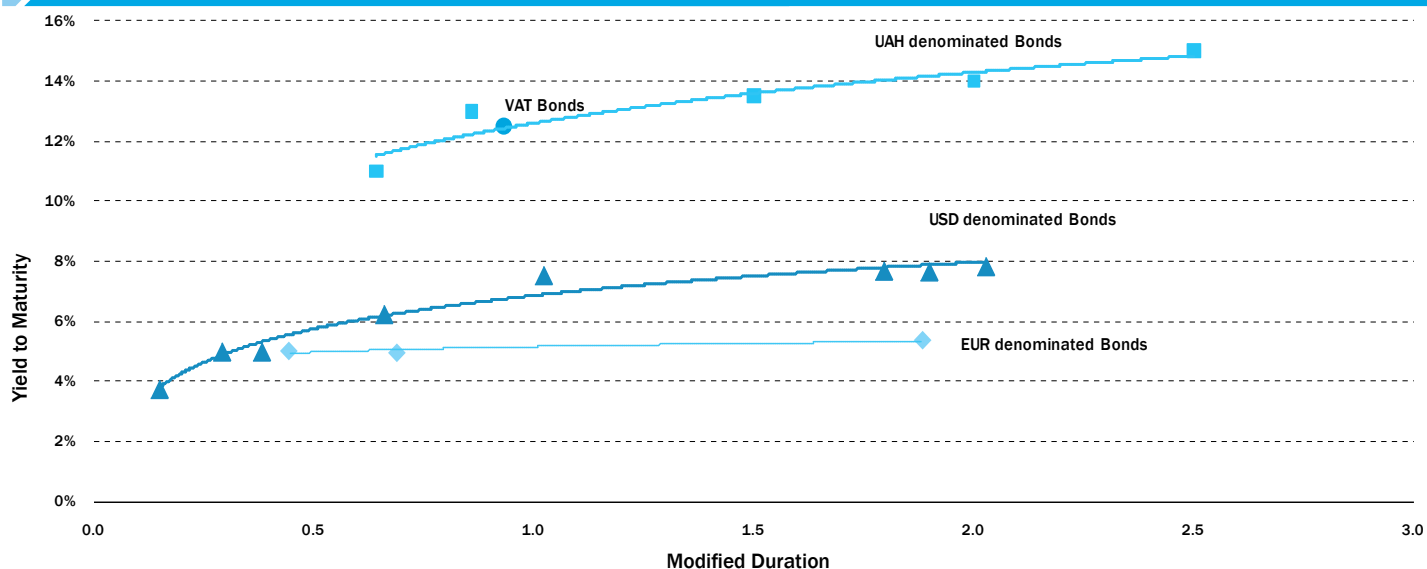


Source: Bloomberg, Cbonds, Eavex Research

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%	0.8	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	100.4	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	103.8	104.3	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	107.4	108.4	8.1%	7.3%	1.9	9.45%	S/A	27 May 2015	152
UA4000142673	97.4	98.4	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	99.6	99.8	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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