

**Market Update**
**Equity**

Ukrainian equities spent most of Thursday (Apr 11) near the breakeven line, with the UX index closing virtually unchanged at 819 points. Meanwhile, the major global indices rose again, although not by nearly as much as on Wednesday, as the Bank of Japan's recent "shock-and-awe" announcement on monetary stimulus continued to drive risk appetite higher. Locally, Raiffeisen Aval was the day's bright spot, adding 1.5% to just below 10 kopecks, and DonbasEnergio and ISD-controlled Alchevsk Steel picked up 0.6% and 0.9% respectively. On the downside, UkrNafta slumped to a new 4-year low of UAH 112 with a 2.1% drop, and volume leader Motor Sich traded below the UAH 2000 level for the first time in 2013, edging lower by 0.4%. Outside the UX basket, iron ore miner Pivnichny GOK regained its loss from the previous session with a 5.7% jump on strong turnover of UAH 4.2mn, but its sister company Centralny GOK fell again, this time by 4.1% to UAH 6.42. In London, Regal Petroleum followed its Ukrainian peer JKC Oil & Gas lower, sliding 5.6% to GBp 21.

**Fixed Income**

Ukrainian sovereign Eurobonds were largely flat on Thursday. Ukraine-22s inched up by 0.1p.p. to 103.5/104.2 (7.3%/7.2%) while Ukraine-17s finished unchanged at 101.0/101.8 (6.5%/6.3%). Corporate names were insignificantly up. The leader of the gain was Metinvest-15s which moved up by 0.3p.p. to 107.4/107.9 (6.4%/6.2%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2000.00	-0.4%	6.7	212
Pivnichny GOK	SGOK	8.888	5.8%	4.2	24
Centrenergio	CEEN	4.000	0.1%	2.0	129

**Growth Leaders**

Kievenergo	KIEN	11.50	35.3%	0.18	7
Mostobud	MTBD	21.50	8.0%	0.01	17
Pivnichny GOK	SGOK	8.89	5.8%	4.21	24

**Loss Leaders**

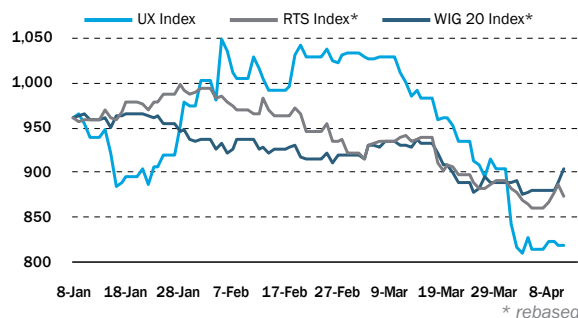
Stakhanov Wagon	SVGZ	1.45	-7.4%	0.02	9
Khartsyzk Pipe	HRTR	0.53	-7.0%	0.02	13
Stirol	STIR	10.85	-6.9%	0.08	25

**Highlights**
**STOCKS IN THE NEWS**

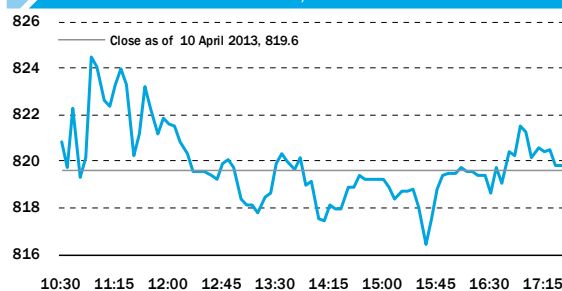
- > Kernel Acquires Farming Business With 108,000 ha Land Bank

**FIXED INCOME**

- > Mriya Issuing New Bonds at 9%-Plus

**STOCK MARKET PERFORMANCE**

**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	819.5	0.0%	-19.0%	-13.8%
RTS	1433.1	-1.4%	-6.9%	-6.1%
WIG20	2409.0	1.6%	-2.8%	-6.7%
MSCI EM	1029.2	0.5%	-3.2%	-2.5%
S&P 500	1593.4	0.4%	2.4%	13.6%

**UX INTRADAY APRIL 11, 2013**

**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	280.5	-0.5%	0.1%	3.5%
CDS 5Y UKR	550.0	-0.5%	0.5%	-12.0%
Ukraine-13	5.04%	0.9 p.p.	1.6 p.p.	-0.3 p.p.
Naftogaz Ukr-14	6.54%	-0.1 p.p.	-0.2 p.p.	-1.1 p.p.
Ukraine-20	6.74%	0.0 p.p.	0.1 p.p.	-0.5 p.p.
Privatbank-16	12.61%	-0.4 p.p.	-0.6 p.p.	-2.7 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	8.14	0.0%	0.0%	1.1%
EUR	10.65	0.2%	0.3%	-0.3%
RUB	0.26	0.0%	-0.4%	-0.6%

**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	93.5	-1.2%	1.1%	1.3%
Gold, USD/oz	1561.5	0.2%	-1.3%	-5.7%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

**Kernel Acquires Farming Business With 108,000 ha Land Bank**

by Ivan Dzvinka  
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**KERNEL (KER PW)**

Price: PLN 59.7 Market Cap: USD 1,407mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2012	0.9	6.7	6.3	0%
2013E	0.7	7.2	6.0	0%

**NEWS**

Kernel, Ukraine's largest producer of sunflower oil, entered into a share purchase agreement to acquire an 80% stake in an unspecified agricultural company which manages 108,000 hectares of farmland and operates 100,000 tons of grain storage capacity. This was reported via a company announcement on Thursday (Apr 11).

The price paid for the stake was USD 68mn. According to Kernel, it will take on net debt of the acquired firm in the amount of USD 101mn.

Kernel said its latest acquisition is fully-equipped with modern machinery and has sufficient working capital. The company's land is located in the north-central Ukrainian provinces of Chernihiv, Sumy and Poltava. Completion of the deal will allow Kernel to cultivate 422,000 ha of land in 2013 season making it the second largest land leasee in Ukraine after Ukrlandfarming with landbank under management of 532,000 ha.

**COMMENTARY**

Based on the provided parameters of the acquired firm, the target company, with high degree of certainty, is Ukrainian agricultural holding Druzhba-Nova. In addition to its land bank of some 110,000 ha, this company also has grain storage capacity of some 100,000 tonnes.

Given that Druzhba-Nova ended 2012 with EBITDA of 62mn (according to public sources), the deal was valued at 2012 EV/EBITDA of 3.0x. Taking into account the premium for control, high profitability of the company's business (EBITDA margin of 35% in 2012), the acquired company's modern approach to cultivation, and its full stock of planting and harvesting machinery, we would have expected an appropriate deal metric of at least 5.5x EV/EBITDA, i.e. Kernel made the acquisition at a very favorable price. For comparison, Dnipropetrovsk-based crop grower KSG Agro, which has a scale of business (in revenue terms) 3x smaller than Druzhba Nova, currently trades at 2012E EV/EBITDA of 5.1x.

## Mriya Issuing New Bonds at 9%-Plus

by Dmitry Churin  
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### NEWS

Mriya Agro Holding, a western-Ukraine based crop grower, will issue new USD 350mn 5-year Eurobonds with a yield of between 9% and 10%, according to unnamed market sources. On Thursday (Apr 11), the company reported that it had received buyback agreements for 71% of its outstanding USD 250mn 2016 bonds to be refinanced by the new issue at USD 1,067.50 for each USD 1,000 principal amount of notes. As we reported earlier, the longer tender offer price (expiring on Apr 24) is USD 1,037.50.

### COMMENTARY

According to unofficial information, Mriya's new bonds are oversubscribed due to investors' appetite for high-yield issues. The final pricing for Mriya-18s is not available, but we see the most optimistic scenario for the company being around 9%.

Mriya's total debt amounted to USD 471mn as of end-2012, with the Net Debt/EBITDA ratio coming in at 1.4x.

Mriya-16 Eurobonds are currently quoted at 8.6%/8.2%, implying a spread to sovereign papers of 180 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	0.07	0.19	192%	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	2.97	3.33	12%	BUY	Launch of its new Yeristovo Mine in 2H12 should allow Ferrexpo to increase pellet output by 10% YoY to 10.6mn tonnes in 2013 with further growth to 12.0mn tonnes in 2015.
Pivnichny GOK	SGOK	1.09	1.77	62%	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	0.79	1.30	64%	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	0.37	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	494%	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	0.07	0.36	409%	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	2.73	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	0.22	0.64	198%	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	246	644	162%	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	0.35	1.52	329%	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	438%	BUY	The expected start of operations in JKX's Russian gas field should lift output.
<b>Power Utilities</b>						
DonbasEnergO	DOEN	2.39	8.90	272%	BUY	DonbasEnergO recently launched Ukraine's most efficient power generation unit.
CenterEnergO	CEEN	0.49	1.84	274%	BUY	CenterEnergO's privatization is on the horizon for 2013.
<b>Consumer</b>						
MHP	MHPC	17.3	24.0	39%	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	20.17	30.0	49%	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	8.25	28.3	243%	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	819.47	1428.72	747.84	0.0%	-0.9%	-19.0%	-13.8%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.046	0.09	0.04	0.9%	0.2%	-11.0%	-14.8%	0.9%	1.1%	8.0%	-1.0%
Azovstal	AZST	0.60	1.32	0.54	0.0%	-0.5%	-10.5%	-18.9%	0.0%	0.4%	8.5%	-5.2%
Dniprospezstal	DNSS	980	1,700	970	0.0%	1.0%	-2.0%	-1.9%	0.0%	1.9%	17.0%	11.9%
Enakievo Steel	ENMZ	33.6	65.9	27.7	-0.9%	-0.8%	-5.0%	-11.6%	-0.9%	0.1%	14.0%	2.2%
Arcelor Mittal KR	KSTL	1.20	n/a	n/a	0.0%	0.0%	-69.8%	n/a	0.0%	0.9%	-50.9%	n/a
Mariupol Ilyicha	MMKI	0.19	0.32	0.13	0.0%	5.6%	-5.0%	-13.6%	0.0%	6.5%	14.0%	0.2%
<b>Coke</b>												
Avdivka Coke	AVDK	3.05	5.14	1.90	0.3%	-0.2%	-5.6%	-7.0%	0.3%	0.7%	13.4%	6.8%
Yasnyivsky Coking	YASK	0.58	1.30	0.54	0.0%	-4.9%	-10.8%	-13.4%	0.0%	-4.0%	8.2%	0.4%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	6.43	8.35	4.00	-4.0%	-5.4%	-11.9%	-6.8%	-4.0%	-4.5%	7.0%	7.0%
Ferrexpo	FXPO	2.98	4.78	2.35	1.1%	20.3%	-7.3%	-26.1%	1.1%	21.2%	11.7%	-12.3%
Pivnichny GOK	SGOK	8.89	12.75	6.00	5.7%	4.6%	-6.9%	19.5%	5.7%	5.5%	12.0%	33.3%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.58	1.40	0.40	0.0%	-6.5%	-7.9%	-7.9%	0.0%	-5.6%	11.0%	5.9%
Komsomolets Donbasa	SHKD	1.11	2.00	0.80	0.0%	9.9%	-3.5%	-5.9%	0.0%	10.8%	15.5%	7.9%
Energy Coal	CLE	1.92	8.29	1.75	0.3%	4.8%	-40.2%	-38.0%	0.4%	5.7%	-21.3%	-24.2%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.40	0.58	0.003	0.0%	0.0%	n/a	-31.0%	0.0%	0.9%	n/a	-17.2%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.53	1.34	0.50	-7.0%	-27.4%	-30.3%	-24.3%	-7.0%	-26.5%	-11.3%	-10.5%
Interpipe NMPP	NVTR	0.17	0.60	0.10	0.0%	-5.6%	6.3%	-22.7%	0.0%	-4.7%	25.2%	-8.9%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	22.2	24.0	14.2	-0.1%	3.3%	-3.8%	14.5%	-0.1%	4.2%	15.1%	28.3%
Luhanskeplovoz	LTPL	1.75	2.45	1.28	0.6%	0.0%	-10.3%	-6.4%	0.6%	0.9%	8.7%	7.4%
Stakhanov Wagon	SVGZ	1.45	4.40	1.44	-7.6%	0.0%	-14.2%	-16.2%	-7.6%	0.9%	4.8%	-2.4%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.05	0.22	0.03	0.0%	5.4%	-2.2%	0.4%	0.0%	6.3%	16.8%	14.2%
Motor Sich	MSICH	2,000	2,880	1,750	-0.4%	-2.2%	-22.1%	-9.5%	-0.4%	-1.4%	-3.1%	4.3%
Summy Frunze Engineering	SMASH	3.26	4.00	0.76	0.0%	8.7%	67.2%	117.3%	0.0%	9.6%	86.1%	131.1%
Turboatom	TATM	3.20	n/a	n/a	0.0%	0.0%	n/a	n/a	0.0%	0.9%	n/a	n/a
WESTA ISIC	WES	0.21	1.12	0.13	1.7%	12.3%	-10.5%	-10.9%	1.7%	13.2%	8.4%	2.9%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.13	0.40	0.12	-1.1%	-4.5%	-5.1%	-18.1%	-1.1%	-3.6%	13.8%	-4.3%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	0.35	0.59	0.21	4.0%	-2.9%	-20.9%	-34.6%	4.0%	-2.0%	-1.9%	-20.8%
JKX Oil	JKX	1.12	2.39	0.87	1.3%	-4.0%	4.6%	-6.6%	1.3%	-3.1%	23.6%	7.2%
Ukrnafta	UNAF	112	292	80	-2.1%	-5.2%	-30.5%	-5.6%	-2.1%	-4.4%	-11.5%	8.1%
<b>Power Utilities</b>												
Centrenerg	CEEN	4.00	8.43	3.90	0.1%	-1.4%	-31.1%	-37.0%	0.1%	-0.5%	-12.1%	-23.2%
Donbasenergo	DOEN	19.5	28.3	15.0	0.6%	-3.6%	-13.0%	-8.2%	0.6%	-2.7%	5.9%	5.6%
Zakhidenergo	ZAEN	81.0	199.8	54.0	0.0%	-3.6%	-14.6%	-16.5%	0.0%	-2.7%	4.3%	-2.7%
<b>Consumer</b>												
Agroton	AGT	2.60	7.1	2.24	-2.8%	0.7%	-11.3%	-19.9%	-2.8%	1.6%	7.7%	-6.1%
Astarta	AST	20.2	22.1	13.9	0.9%	3.0%	2.2%	13.4%	0.9%	3.9%	21.2%	27.2%
Avangardo	AVGR	8.3	14.3	7.61	0.6%	4.4%	-17.1%	-27.2%	0.6%	5.3%	1.9%	-13.4%
Industrial Milk Company	IMC	4.55	5.48	2.73	-1.6%	5.0%	-7.0%	-14.2%	-1.5%	5.9%	11.9%	-0.4%
Kernel	KER	19.1	23.7	14.8	1.7%	4.5%	-1.6%	-12.0%	1.7%	5.4%	17.4%	1.8%
Mriya Agro Holding	MAYA	6.05	7.4	5.04	0.5%	1.0%	-2.3%	-6.7%	0.5%	1.9%	16.7%	7.1%
MHPC	MHPC	17.3	19.9	10.00	1.0%	0.4%	-10.3%	13.2%	1.0%	1.3%	8.7%	27.0%
Milkiland	MLK	4.38	6.3	4.24	-1.7%	3.2%	-8.8%	-7.0%	-1.7%	4.1%	10.1%	6.8%
Ovostar Union	OVO	30.3	33.8	23.2	0.2%	3.5%	-3.6%	5.1%	0.2%	4.4%	15.4%	18.9%
Sintal	SNPS	n/a	2.21	0.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MCB Agricole	4GW1	n/a	1.14	0.22	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Chemicals</b>												
Stirol	STIR	10.9	28.4	10.6	-6.9%	-9.6%	-23.0%	-19.0%	-6.8%	-8.7%	-4.1%	-5.2%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.100	0.131	0.061	1.5%	4.3%	-16.3%	16.1%	1.6%	5.2%	2.6%	29.9%
UkrSotsbank	USCB	0.118	0.215	0.107	-1.3%	0.2%	-12.9%	-8.9%	-1.3%	1.1%	6.1%	4.9%

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	1,578	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
<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	144	3.9%	6	1,559	4.0	neg	neg	10.7	neg	neg	0.7	0.9	0.9	538	464	418	\$/tonne
Yenakievo Steel	ENMZ	44	8.8%	4	36	1.4	5.1	neg	neg	neg	neg	0.0	0.0	0.0	14	14	13	\$/tonne
Azovstal	AZST	310	4.1%	13	288	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	51	49	46	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	73	7.5%	6	70	neg	neg	neg	11.6	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
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	926	0.5%	5	926	2.9	9.7	8.9	1.9	3.9	4.6	1.2	1.6	1.8				
Pivnichny GOK	SGOK	2,518	0.5%	14	2,642	3.2	5.8	7.0	2.3	3.3	4.1	1.4	1.7	2.0				
Ferrexpo	FXPO	1,751	24.0%	420	2,002	3.0	8.1	6.7	2.5	5.0	4.5	1.1	1.4	1.3				
<b>Coal Mining</b>																		
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
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	169	2.0%	3	212	1.7	5.0	5.0	1.5	2.9	2.7	0.3	0.3	0.3	336	558	530	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	47	24.0%	11	47	5.3	6.8	5.8	3.4	3.8	3.1	0.2	0.3	0.2				
Krukiw Wagon	KVBZ	313	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	40	8.0%	3	79	2.0	>30	14.0	2.4	11.1	7.3	0.2	0.3	0.2				
<b>Specialized Machinery</b>																		
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	511	24.0%	123	521	3.0	2.1	1.9	1.8	1.7	1.6	0.7	0.6	0.6				
<b>Telecom</b>																		
Ukrtelecom	UTLM	302	7.2%	22	638	neg	6.7	6.3	3.1	3.1	3.1	0.8	0.7	0.9				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	746	3.0%	22	736	2.7	2.4	3.3	1.7	1.5	1.7	0.2	0.3	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	114	49.0%	56	96	17.7	9.5	4.7	neg	4.2	2.7	5.1	1.9	1.2	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	192	50.4%	97	300	3.2	4.8	3.8	2.6	2.1	2.0	1.3	1.3	1.2	79	55	41	\$/boe
<b>Electric Utilities</b>																		
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	57	14.2%	8	113	neg	14.8	5.6	5.5	6.6	4.8	0.2	0.2	0.2	14	13	13	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	1,824	34.1%	622	2,869	7.0	5.9	6.7	7.2	6.1	5.5	2.3	2.0	1.9	8966	8966	8966	\$/tonne
Kernel	KER	1,404	61.8%	867	2,014	6.2	6.7	7.2	6.5	6.3	5.9	1.1	0.9	0.7				
Astarta	AST	506	31.0%	157	653	4.4	10.1	8.6	4.5	6.7	5.4	1.6	1.4	1.2	3310	2015	1673	\$/tonne
Avangardco	AVGR	527	22.5%	119	675	2.7	2.3	2.3	2.7	2.4	2.3	1.2	1.1	1.0	153	116	109	\$/mneegs
Agroton	AGT	56	44.6%	25	90	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	367	4.0%	15		>30	>30	12.9	0.5	0.4	0.4	0.05	0.05	0.05				
Ukrsotsbank	USCB	266	1.6%	4		>30	>30	21.8	0.3	0.3	0.3	0.06	0.06	0.06				

Source: Eavex Research

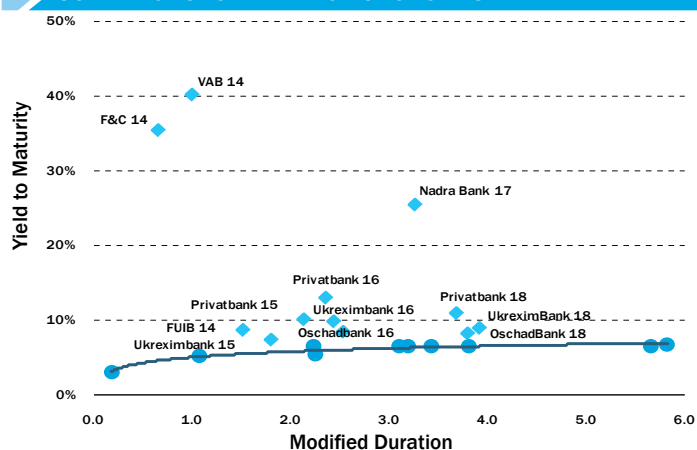
UKRAINIAN EUROBONDS

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	100.8	5.9%	2.7%	-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
<b>Corporate Eurobonds</b>											
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+
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2014	82.0	86.0	39.5%	32.1%	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	41.9%	39.1%	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
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	97.0	98.9	9.4%	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

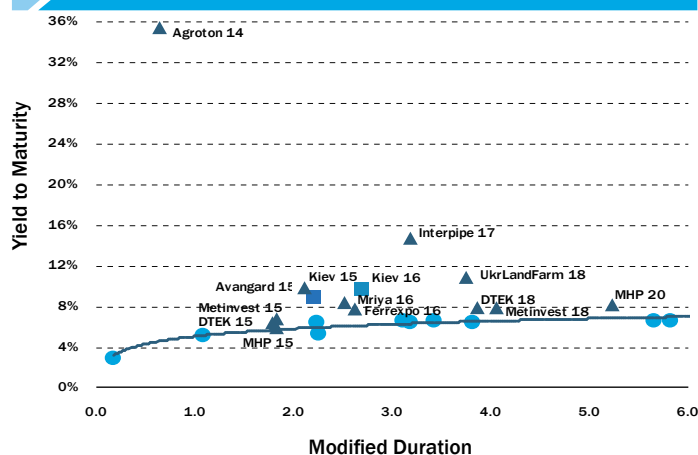
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



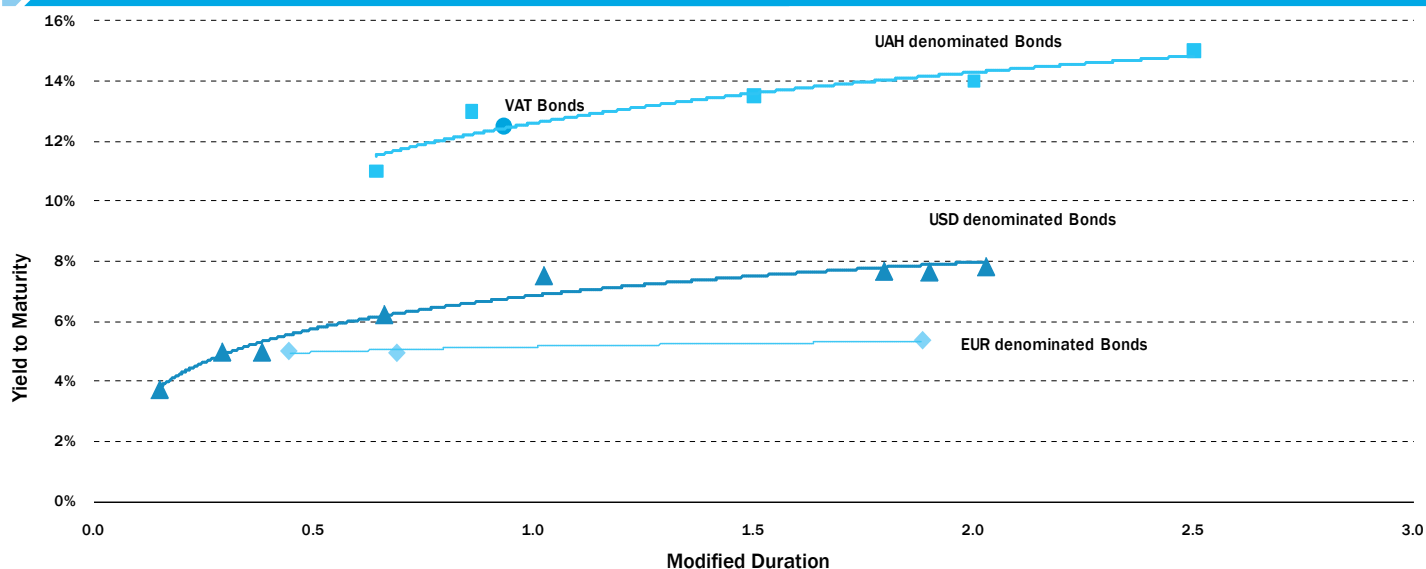
Source: Bloomberg, Cbonds, Eavex Research



**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			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
<b>USD denominated Bonds</b>									
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
<b>EUR denominated Bonds</b>									
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
<b>VAT Bonds</b>									
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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