

Market Update

Equity

Locally-traded Ukrainian equities rose on Friday (Apr 19), bringing their performance for the week to just below breakeven on a day with no clear external trend. The UX index won some breathing room above the 800-point psychological support level, ending at 816 after a gain of 1.9%. Volume leader Motor Sich broke out of its long slump with a solid 2.9% pickup to UAH 2010, local banking favorite Raiffeisen Aval jumped 3.9% on turnover of UAH 1.9mn, and beaten-down state oil company UkrNafta added 4.7%. Power generator DonbasEnergo appreciated by 2.7%, while Metinvest's Avdyivka Coke was the lone blue chip decliner, dropping 0.8%. The most active issue outside the UX basket was Yasynivsky Coke, which rose 2.5% to 58 kopecks. London-listed issues were broadly higher, with Ferrexpo and MHP adding 3.3% and 4.6% respectively, but Kernel and Astarta both got hammered in Warsaw after the former posted moderately disappointing operational results for the Jan-Mar quarter; the issues each bled off more than 7%, finishing at PLN 49.40 and PLN 46.50 respectively.

Fixed Income

Ukrainian sovereign Eurobonds were down on Friday. Ukraine-21s slid by 1.6p.p. to 100.8/101.8 (7.8%/7.6%) and Ukraine-17s declined by 1.0p.p. finishing at 97.5/98.5 (7.4%/7.1%). Corporate names also showed negative dynamics. The leader of loss was Ferrexpo-16s which dropped by 1.5p.p. to 99.0/99.4 (8.3%/8.2%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2010.00	2.9%	7.8	274
Centrenergo	CEEN	3.905	1.1%	2.6	200
Raiffeisen Bank Aval	BAVL	0.100	3.9%	1.9	266

Growth Leaders

Mariupol Ilyicha	MMKI	0.19	8.8%	0.32	60
Ukrtelecom	UTLM	0.14	6.5%	0.02	7
Ukrnafta	UNAF	124.20	4.7%	0.75	175

Loss Leaders

Interpipe NMPP	NVTR	0.16	-4.3%	0.01	8
Stakhanov Wagon	SVGZ	1.47	-1.9%	0.00	12
Avdyivka Coke	AVDK	3.07	-0.8%	0.70	134

Highlights

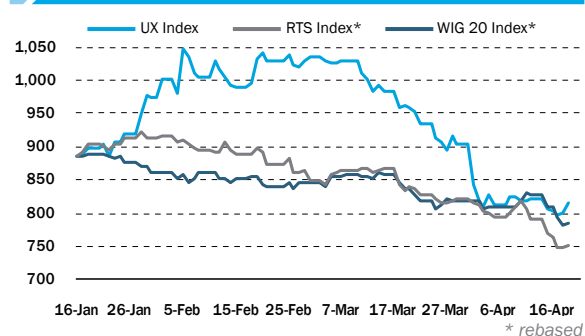
STOCKS IN THE NEWS

- > Krukiv Wagon Announces Dividend of UAH 3.40
- > UkrSotsBank Reports Negligible Net Profit for 1Q13
- > Kernel's Bulk Oil Sales Down 27% YoY in Jan-Mar 2013

FIXED INCOME

- > Metinvest Expands USD 300mn Loan to USD 560mn

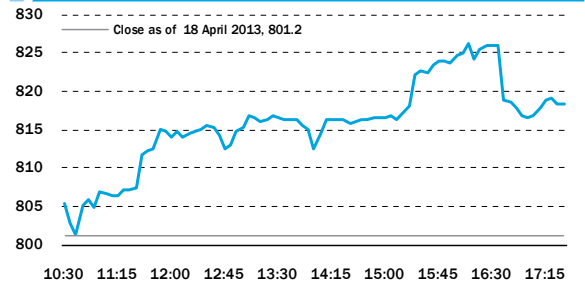
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	816.5	1.9%	-15.1%	-14.1%
RTS	1336.5	0.7%	-9.6%	-12.5%
WIG20	2277.7	0.4%	-6.0%	-11.8%
MSCI EM	1011.2	1.4%	-1.3%	-4.2%
S&P 500	1555.3	0.9%	0.4%	10.9%

UX INTRADAY APRIL 19, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	296.7	-0.7%	-1.1%	9.5%
CDS 5Y UKR	616.1	3.5%	11.5%	-1.4%
Ukraine-13	7.6%	0.2%	1.2%	0.4%
Naftogaz Ukr-14	5.6%	1.8%	1.2%	0.3%
Ukraine-20	7.0%	0.4%	0.4%	-0.6%
Privatbank-16	12.52%	-0.2 p.p.	-0.7 p.p.	-2.8 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.14	0.0%	0.1%	1.2%
EUR	10.62	0.0%	1.4%	-0.6%
RUB	0.26	-0.5%	-2.2%	-3.2%

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%	-2.2%	6.1%
Oil, USD/bbl	88.0	0.3%	-4.9%	-4.6%
Gold, USD/oz	1403.9	1.0%	-13.0%	-15.2%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Krukiv Wagon Announces Dividend of UAH 3.40

by Dmitry Churin
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KRUKIV WAGON (KVBZ UK)

Price: UAH 25.0 Market Cap: USD 352mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2012E	0.4	3.7	2.6	13.6%
2013E	0.5	7.3	5.1	6.9%

UkrSotsBank Reports Negligible Net Profit for 1Q13

by Dmitry Churin
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NEWS

Kremenchuk-based railcar maker Krukiv Wagon will distribute about half of its FY12 net profit of UAH 771mn (USD 95mn) to stakeholders by paying a dividend of UAH 3.40 per share, it was announced at the company's annual shareholders meeting on Thursday (Apr 18). The implied dividend yield is 13.6%. The ex-rights date for the dividend will be set by Krukiv Wagon's supervisory board.

COMMENTARY

Investors apparently got wind of the generous dividend payout late last week, as the KVBZ stock jumped by 10% on Thursday (Apr 17). The payout ratio of 50% by Krukiv comes as a pleasant surprise for the local market, especially following the jilting of investors by Metinvest, which this month refused to pay a single kopeck to minority shareholders for FY12 from its profitable Pivnichny GOK, Centralny GOK, and Khartsysk Pipe holdings. Krukiv had historically been distributing about 20% of profits in dividends; we attribute the change in policy to a new shareholder structure, as the TAS Group (affiliated with politician Sergiy Tigipko) last year sold its 23% stake to management-aligned groups. Taking into account the company's target output of 8,000 freight (-27% YoY) railcars in 2013, we forecast a bottom line of about UAH 400mn (-48% YoY) in 2013 and a dividend of UAH 1.74 per share. At the current share price, this implies a 2013E dividend yield of 6.9%.

NEWS

UkrSotsBank, the Ukrainian arm of Italian bank UniCredit, reported a net profit of UAH 4.4mn (USD 540,000) in 1Q13, compared to UAH 2.8mn in 1Q12. According to financials released on Friday (Apr 19), the bank's gross interest income fell by 11.3% YoY and net interest income was down by 35% YoY in the period. Provisions for loan impairment decreased by 70% YoY to UAH 140mn in 1Q13. UkrSotsBank's total assets grew by 1.5% YtD to UAH 39.4bn (USD 4.9bn).

COMMENTARY

UkrSotsBank continues to report quarterly net profit just above breakeven, as it is still creating significant provisions for non-performing loans made in the pre-2008 period. Another negative moment for the financial institution is a decrease in its interest income. Nevertheless, in our view, the released financials will have a neutral impact on the USCB stock, which is by far the least liquid issue included in the UX index and remains a blue chip in name only following last year's share dilution.

Kernel's Bulk Oil Sales Down 27% YoY in Jan-Mar 2013

by Ivan Dzvinka
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KERNEL (KER PW)

Price: PLN 49.37 Market Cap: USD 1,470mn

	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 sunflower oil producer, decreased its bulk oil sales volume by 27% YoY to 163,000 tonnes over in the Jan-Mar quarter, the company announced in its operational update on Friday (Apr 18). Bottled oil sales dropped by 21% YoY to 23,200 tonnes over the stated period. Kernel crushed 679,300 tonnes of sunflower seeds suggesting a 7% YoY decrease. The group's sales of grains totalled 654,000 tonnes (-21% YoY).

For the 9 months ending in March 2013, Kernel increased its grain sales by 21% YoY to 2.23mn tonnes. Bulk oil sales increased by 32% YoY to 739,000 tonnes, while bottled oil sales were down by 22% YoY to 84,200 tonnes. The company said it intends to unveil its Jan-Mar (3-month) and Jul-Mar (9-month) financial results on May 30.

Management also said it expects its EBITDA and net income for FY13 (Kernel's reporting year runs from July to June) to be "moderately below" the previously guided numbers (EBITDA of USD 350mn and net profit of USD 200mn).

COMMENTARY

Sunflower oil sales (both bulk and bottled) turned out to be the company's worst figures over the last 6 quarters. Management said this poor result was due to a large amount of fixed contracts set for delivery in the current Apr-Jun quarter.

While the news on poor oil sales volume as well as revised FY13 results guidance naturally should have provided negative sentiment for the KER stock, the plunge in its price by 10% on Friday (Apr 19) on top of a 10% decline experienced from Apr 12-18 looks to be a bit of an overreaction, in our opinion. This is further supported by opened long positions in KER stock by the group's managers at the end of last week. According to the company's press release, two Kernel's managers acquired 100,000 and 8,000 of KER stocks, respectively on Apr 19.

**Metinvest Expands USD 300mn
Loan to USD 560mn**

by Ivan Dzvinka
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NEWS

Metinvest, Ukraine's largest metals and mining holding, has expanded the volume of an existing 3-year LIBOR + 5.25% pre-export facility to USD 560mn from USD 300mn, according to a company press release. The first stage of the facility was obtained in November 2012. The funds will be used to finance the group's capital expenditure program as well as for general corporate purposes.

COMMENTARY

Metinvest had initially planned to expand the facility by USD 100mn, but oversubscription on strong global risk appetite allowed it to raise an additional USD 260mn. With the new debt, we estimate Metinvest's Net Debt-to-EBITDA ratio at 2.0x, still substantially below the company's Eurobond covenant level of 3.0x. For comparison, Evrax Group, Metinvest's close Russian peer, has a Net Debt/EBITDA metric of 3.1x.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, USD per share	Target price, USD per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.07	0.07	-4%	SELL	Non-transparent reporting practises detrimentally affect the company's reported earnings.
Khartsysk Pipe	HRTR	0.06	0.19	212%	BUY	The company has a 100% dividend payout policy, which we expect to remain in place going forward.
Iron Ore						
Ferrexpo	FXPO LN	2.54	3.33	31%	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	0.76	1.77	133%	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	0.77	1.30	68%	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	0.38	0.76	102%	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	489%	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	394%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	3.07	6.18	101%	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	210%	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	0.35	1.52	334%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	1.0	6.0	482%	BUY	The expected start of operations in JKX's Russian gas field should lift output.
Power Utilities						
DonbasEnergO	DOEN	2.42	8.90	267%	BUY	DonbasEnergO recently launched Ukraine's most efficient power generation unit.
CenterEnergO	CEEN	0.48	1.84	284%	BUY	CenterEnergO's privatization is on the horizon for 2013.
Consumer						
MHP	MHPC	17.5	24.0	37%	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	14.79	30.0	103%	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	8.58	28.3	230%	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	816.54	1423.97	747.84	1.9%	-0.5%	-15.1%	-14.1%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.042	0.09	0.04	0.7%	-7.2%	-15.5%	-20.6%	-1.2%	-6.7%	-0.4%	-6.5%
Azovstal	AZST	0.58	1.28	0.54	0.0%	-4.3%	-9.7%	-21.9%	-1.9%	-3.8%	5.4%	-7.8%
Dniprospezstal	DNSS	980	n/a	n/a	0.0%	0.0%	-2.0%	-1.9%	-1.9%	0.5%	13.1%	12.2%
Enakievo Steel	ENMZ	33.6	64.2	27.7	2.1%	-0.6%	-5.1%	-11.6%	0.2%	-0.1%	10.0%	2.5%
Arcelor Mittal KR	KSTL	1.20	n/a	n/a	0.0%	0.0%	-69.8%	n/a	-1.9%	0.5%	-54.8%	n/a
Mariupol Ilyicha	MMKI	0.19	0.32	0.13	11.8%	0.0%	-5.0%	-13.6%	9.9%	0.5%	10.1%	0.5%
Coke												
Avdivka Coke	AVDK	3.07	5.14	1.90	-0.8%	0.6%	-1.5%	-6.1%	-2.8%	1.1%	13.6%	8.0%
Yasnyivsky Coking	YASK	0.58	1.28	0.54	1.8%	-1.7%	-3.3%	-13.4%	-0.2%	-1.2%	11.8%	0.7%
Iron Ore Mining												
Centralny GOK	CGOK	6.30	7.74	4.00	-1.1%	0.0%	-9.9%	-8.7%	-3.0%	0.5%	5.2%	5.4%
Ferrexpo	FXPO	2.54	4.78	2.35	2.8%	-9.1%	-7.5%	-36.9%	0.9%	-8.6%	7.6%	-22.8%
Pivnichny GOK	SGOK	6.16	12.75	6.00	2.5%	-24.1%	-30.0%	-17.2%	0.6%	-23.6%	-14.9%	-3.1%
Coal Mining												
Pokrovske Mine	SHCHZ	0.59	1.40	0.40	9.3%	-1.7%	9.3%	-6.3%	7.3%	-1.1%	24.3%	7.7%
Komsomolets Donbasa	SHKD	1.00	2.00	0.80	-6.5%	-13.0%	-9.9%	-15.3%	-8.5%	-12.5%	5.2%	-1.2%
Energy Coal	CLE	1.17	8.20	1.17	-0.2%	-30.9%	-54.1%	-62.0%	-2.1%	-30.4%	-39.0%	-47.9%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.40	0.58	0.003	0.0%	0.0%	n/a	-31.0%	-1.9%	0.5%	n/a	-16.9%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.50	1.34	0.47	2.0%	-5.7%	-35.9%	-28.6%	0.1%	-5.1%	-20.8%	-14.5%
Interpipe NMPP	NVTR	0.16	0.60	0.10	-5.9%	-20.0%	-20.0%	-27.3%	-7.8%	-19.5%	-4.9%	-13.2%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	25.0	25.9	14.2	0.8%	8.8%	11.1%	28.9%	-1.1%	9.3%	26.1%	43.0%
Luhanskeplovoz	LTPL	1.68	2.45	1.28	-3.4%	-4.0%	-9.2%	-10.2%	-5.4%	-3.5%	5.9%	3.9%
Stakhanov Wagon	SVGZ	1.47	4.33	1.30	-2.0%	-2.6%	-3.9%	-15.0%	-3.9%	-2.1%	11.2%	-0.9%
Specialized Machinery												
Bogdan Motors	LUAZ	0.04	0.22	0.03	-0.7%	30.3%	-10.2%	-9.8%	-2.7%	30.9%	4.9%	4.3%
Motor Sich	MSICH	2,010	2,880	1,750	2.9%	1.1%	-19.3%	-9.0%	1.0%	1.6%	-4.2%	5.0%
Sumy Frunze Engineering	SMASH	2.48	4.00	0.76	0.4%	-14.2%	-13.0%	65.3%	-1.5%	-13.6%	2.1%	79.4%
Turboatom	TATM	3.20	n/a	n/a	0.0%	0.0%	n/a	n/a	-1.9%	0.5%	n/a	n/a
WESTA ISIC	WES	0.24	1.12	0.13	4.3%	11.6%	5.8%	-2.0%	2.4%	12.2%	20.8%	12.1%
Telecom												
Ukrtelecom	UTLM	0.14	0.40	0.12	6.5%	1.1%	1.1%	-13.4%	4.5%	1.6%	16.2%	0.7%
Oil & Gas												
Regal Petroleum	RPT	0.35	0.59	0.21	-0.4%	2.5%	-15.7%	-35.3%	-2.3%	3.1%	-0.6%	-21.2%
JXX Oil	JKX	1.03	2.26	0.87	1.8%	-5.3%	-12.1%	-13.7%	-0.1%	-4.8%	3.0%	0.4%
Ukrnafta	UNAF	124	292	80	4.7%	9.5%	-20.0%	4.7%	2.8%	10.1%	-4.9%	18.8%
Power Utilities												
Centrenerg	CEEN	3.91	8.24	3.76	1.1%	-2.8%	-31.7%	-38.5%	-0.8%	-2.3%	-16.6%	-24.4%
Donbasenergo	DOEN	19.7	28.1	15.0	2.8%	1.6%	-5.0%	-6.9%	0.9%	2.1%	10.1%	7.2%
Zakhidenergo	ZAEN	83.9	190.7	54.0	5.5%	11.9%	-3.6%	-13.5%	3.6%	12.4%	11.5%	0.6%
Consumer												
Agroton	AGT	0.86	6.8	0.36	-21.7%	-25.3%	-73.4%	-73.5%	-23.6%	-24.8%	-58.3%	-59.4%
Astarta	AST	14.8	22.1	13.9	-7.3%	-26.9%	-19.4%	-17.1%	-9.2%	-26.3%	-4.4%	-3.0%
Avangardo	AVGR	8.6	14.3	7.61	1.8%	1.8%	-7.8%	-24.3%	-0.1%	2.3%	7.3%	-10.2%
Industrial Milk Company	IMC	4.29	5.48	2.73	2.0%	-8.9%	-7.5%	-19.1%	0.1%	-8.3%	7.6%	-5.0%
Kernel	KER	15.7	23.5	14.8	-7.6%	-17.6%	-12.4%	-27.5%	-9.6%	-17.1%	2.7%	-13.4%
Mriya Agro Holding	MAYA	5.67	7.4	5.04	-0.1%	-6.0%	-3.7%	-12.5%	-2.0%	-5.5%	11.4%	1.6%
MHPC	MHPC	17.5	19.9	10.00	2.3%	2.3%	-4.9%	14.8%	0.4%	2.9%	10.2%	28.9%
Milkiland	MLK	3.98	6.3	3.80	4.2%	-9.1%	-15.0%	-15.5%	2.3%	-8.6%	0.0%	-1.4%
Ovostar Union	OVO	25.5	33.8	23.2	-5.8%	-16.2%	-17.5%	-11.9%	-7.7%	-15.6%	-2.4%	2.2%
Sintal	SNPS	n/a	2.09	0.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MCB Agricole	4GW1	n/a	1.02	0.22	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chemicals												
Stirol	STIR	11.4	27.4	10.3	-1.4%	6.9%	-15.6%	-14.6%	-3.3%	7.5%	-0.5%	-0.5%
Banks												
Raiffeisen Bank Aval	BAVL	0.100	0.128	0.061	3.9%	1.0%	-5.6%	16.1%	1.9%	1.6%	9.5%	30.2%
UkrSotsbank	USCB	0.120	0.215	0.107	3.3%	1.6%	3.7%	-6.8%	1.4%	2.1%	18.8%	7.3%

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	134	3.9%	5	1,550	3.7	neg	neg	10.7	neg	neg	0.7	0.9	0.9	534	461	415	\$/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	298	4.1%	12	276	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	49	47	44	\$/tonne
Coke																		
Avdyivka Coke	AVDK	74	7.5%	6	71	neg	neg	neg	11.7	neg	neg	0.0	0.1	0.1	20	15	13	\$/tonne
Yasynivsky Coke	YASK	19	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	907	0.5%	5	906	2.8	9.5	8.7	1.8	3.8	4.5	1.1	1.6	1.8				
Pivnichny GOK	SGOK	1,743	0.5%	10	1,868	2.2	4.0	4.9	1.6	2.3	2.9	1.0	1.2	1.4				
Ferrexpo	FXPO	1,494	24.0%	359	1,744	2.6	6.9	5.7	2.2	4.3	3.9	1.0	1.2	1.1				
Coal Mining																		
Komsomolets Donbasa	SHKD	41	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	53	11.9%	6	79	1.4	1.4	1.2	1.5	1.3	1.2	0.5	0.5	0.4	1.5	1.3	1.2	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	160	2.0%	3	202	1.6	4.7	4.7	1.4	2.7	2.6	0.3	0.3	0.3	321	532	505	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	45	24.0%	11	45	5.0	6.6	5.6	3.2	3.6	3.0	0.2	0.3	0.2				
Kruiiv Wagon	KVBZ	352	5.0%	18	354	4.2	3.7	7.0	3.0	2.6	3.8	0.5	0.4	0.6				
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	0.7	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	319	7.2%	23	654	neg	7.0	6.6	3.2	3.2	3.1	0.8	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	827	3.0%	25	817	3.0	2.6	3.7	1.9	1.6	1.9	0.3	0.3	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	112	49.0%	55	95	17.6	9.4	4.7	neg	4.1	2.7	5.0	1.9	1.2	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	177	50.4%	89	286	3.0	4.4	3.5	2.5	2.0	1.9	1.2	1.3	1.1	75	52	39	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	177	21.7%	38	260	>30	6.1	5.3	5.3	4.3	3.8	0.3	0.2	0.2	18	18	15	\$/MWh
DonbasEnergO	DOEN	57	14.2%	8	114	neg	15.0	5.7	5.5	6.6	4.8	0.2	0.2	0.2	14	13	13	\$/MWh
Consumer																		
MHP	MHPC	1,849	34.1%	631	2,894	7.1	5.9	6.8	7.2	6.2	5.5	2.4	2.1	1.9	9042	9042	9042	\$/tonne
Kernel	KER	1,157	61.8%	715	1,767	5.1	5.5	5.9	5.7	5.5	5.2	0.9	0.8	0.6				
Astarta	AST	370	31.0%	115	517	3.2	7.4	6.3	3.6	5.3	4.3	1.3	1.1	0.9	2619	1595	1324	\$/tonne
Avangardco	AVGR	548	22.5%	123	696	2.8	2.4	2.4	2.8	2.5	2.4	1.3	1.1	1.0	157	120	113	\$/mneegs
Agroton	AGT	19	44.6%	8	52	neg	1.0	0.9	2.8	1.7	1.6	0.4	0.6	0.5	0.4	n/a	n/a	\$/th/ha
Banks																		
Raiffeisen Bank Aval	BAVL	367	4.0%	15		>30	>30	12.8	0.5	0.4	0.4	0.05	0.05	0.05				
Ukrsotsbank	USCB	272	1.6%	4		>30	>30	21.8	0.3	0.3	0.3	0.06	0.06	0.06				

Source: Eavex Research

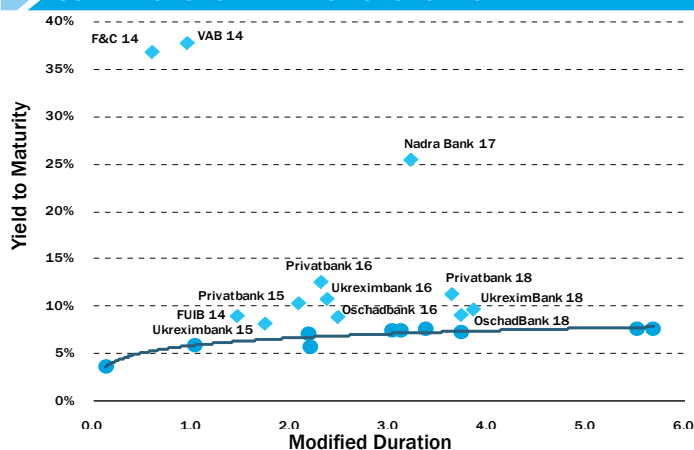
UKRAINIAN EUROBONDS

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	100.0	100.5	7.6%	3.6%	-0.7%	0.1	7.65%	S/A	11 Jun. 2013	1,000	/B+/B
Ukraine, 2014	101.8	102.5	6.2%	5.6%	0.4%	1.0	7.95%	S/A	6 Apr. 2014	1,000	/B+/B
Naftogaz Ukraine, 2014	103.0	103.7	7.3%	6.8%	0.3%	1.3	9.50%	S/A	30 Sept 2014	1,595	//B
Ukraine, 2015 (EUR)	97.5	99.0	6.1%	5.4%	0.8%	2.2	4.95%	A	13 Oct 2015	600*	B2/B+/B
Ukraine, 2015	99.0	100.0	7.3%	6.9%	-1.7%	2.2	6.875%	S/A	23 Sept 2015	500	B2/B+/B
Ukraine, 2016	96.8	97.5	7.6%	7.4%	-2.8%	3.0	6.58%	S/A	21 Nov 2016	1,000	B//B
Ukraine, 2016-2	96.0	96.8	7.5%	7.3%	-3.3%	3.1	6.25%	S/A	17 Jun 2016	1,250	B2/B+/B
Ukraine, 2017	97.5	98.5	7.4%	7.1%	-1.3%	3.7	6.75%	S/A	14 Nov 2017	700	B2/B+/B
Ukraine, 2017-2	105.1	106.6	7.8%	7.4%	-1.2%	3.4	9.25%	S/A	24 Jul 2017	2,000	B2/B+/B
Ukraine, 2017 Infr. projects	99.0	100.5	8.7%	8.3%	1.5%	3.5	8.375%	S/A	3 Nov 2017	568	B2/-/-
Ukraine, 2018 Infr. projects	94.8	96.7	8.8%	8.3%	3.1%	4.1	7.40%	S/A	20 Apr 2018	690	B2/-/-
Ukraine, 2020	100.3	101.3	7.7%	7.5%	-2.2%	5.5	7.75%	S/A	23 Sept 2020	1,500	B2/B+/B
Ukraine, 2021	100.8	101.8	7.8%	7.6%	-2.5%	5.7	7.95%	S/A	23 Feb 2021	1,500	B2/B+/B
Ukraine, 2022	99.0	99.8	7.9%	7.8%	-1.5%	6.4	7.80%	S/A	28 Nov 2022	1,250	//B
Corporate Eurobonds											
Agroton, 2014	75.0	80.0	40.2%	33.7%	n/a	1.0	12.50%	S/A	14 Jul 2014	50	-/-/B-
MHP, 2015	106.0	107.2	7.0%	6.7%	1.0%	1.8	10.25%	S/A	29 Apr 2015	585	B3//B
MHP, 2020	100.5	100.5	8.2%	8.2%	0.5%	5.2	8.25%	S/A	2 Apr 2020	750	B3//B
Avangardco, 2015	99.9	99.9	10.1%	10.1%	4.6%	2.1	10.00%	S/A	29 Oct 2015	200	-/-/B
UkrLandFarming, 2018	99.0	100.2	11.1%	10.8%	-0.4%	3.7	10.88%	S/A	26 Mar 2018	275	B-//B
Mriya, 2016	106.0	106.0	8.6%	8.6%	2.9%	2.5	10.95%	S/A	30 Mar 2016	250	-/B/B-
DTEK, 2015	104.8	105.3	6.9%	6.7%	3.9%	1.7	9.50%	S/A	28 Apr 2015	500	B2//B
DTEK, 2018	97.7	98.4	8.4%	8.3%	-1.9%	4.0	7.88%	S/A	4 Apr 2018	600	B2//B
Metinvest, 2015	107.1	107.7	6.5%	6.2%	3.5%	1.8	10.25%	S/A	20 May 2015	500	B3//B-
Metinvest, 2018	102.4	103.4	8.1%	7.9%	6.2%	3.8	8.75%	S/A	14 Feb 2018	750	B2-//B-
Ferrexpo, 2016	99.0	99.0	8.3%	8.2%	1.6%	2.6	7.875%	S/A	07 Apr 2016	500	B2/B+/B
Interepipe, 2017	77.0	80.1	18.2%	16.6%	-3.8%	3.1	10.25%	S/A	2 Aug 2017	200	-/B+/B+
Bank Eurobonds											
Fin&Credit Bank, 2014	82.0	86.0	40.7%	33.0%	36.7%	0.6	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	102.7	104.4	9.4%	8.3%	2.6%	1.5	11.00%	Q	31 Dec 2014	275	B2//B-
Nadra Bank, 2017	75.0	79.7	27.8%	23.1%	-3.8%	3.2	8.00%	A	22 Jun 2017	175	WD//WD
PrivatBank, 2015	97.5	99.2	10.6%	9.8%	3.7%	2.1	9.38%	S/A	23 Sept 2015	200	B1//B
PrivatBank, 2016	82.4	86.7	13.5%	11.5%	9.5%	2.3	8.75%	S/A	9 Feb 2016	150	B1//B
PrivatBank, 2018	98.8	100.6	11.2%	10.7%	-0.3%	3.6	10.88%	S/A	28 Feb 2018	175	//B
UkrEximBank, 2015	100.1	101.1	8.4%	7.8%	0.7%	1.7	8.38%	S/A	27 Apr 2015	750	B1//B
UkrEximBank, 2016	87.8	89.3	11.0%	10.3%	5.1%	2.4	8.40%	S/A	2 Sept 2016	125	B1//B
UkrEximBank, 2018	98.6	99.6	9.1%	8.9%	-0.9%	3.7	8.75%	S/A	22 Jan 2018	500	B3//B
VAB Bank, 2014	76.0	77.0	38.5%	37.1%	40.7%	1.0	10.50%	Q	14 Jun 2014	125	Caa1-//WD
Oschadbank, 2016	98.4	99.1	8.9%	8.6%	3.8%	2.5	8.25%	S/A	10 Mar 2016	700	B2//B
Oschadbank, 2018	96.8	97.9	9.7%	9.4%	-2.7%	3.9	8.88%	S/A	20 Mar 2018	500	B1//B
Municipal Eurobonds											
City of Kyiv, 2015	96.3	98.8	9.7%	8.5%	4.3%	2.1	8.00%	S/A	6 Nov 2015	250	B1/CCC+/B
City of Kyiv, 2016	96.2	98.5	10.8%	9.9%	4.1%	2.6	9.375%	S/A	30 Jun 2016	300	B1/CCC+/B

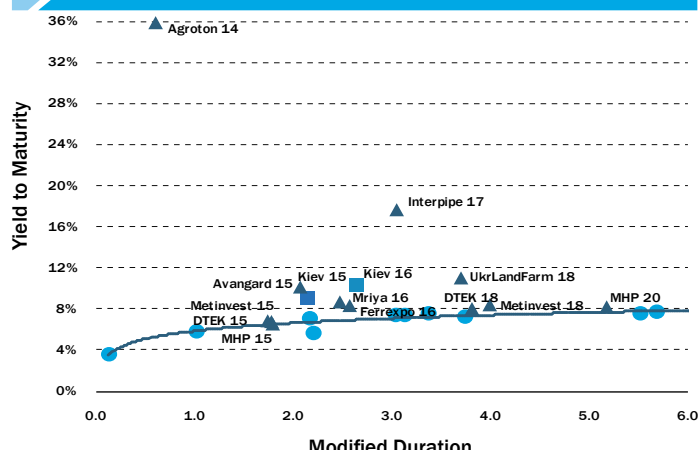
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS

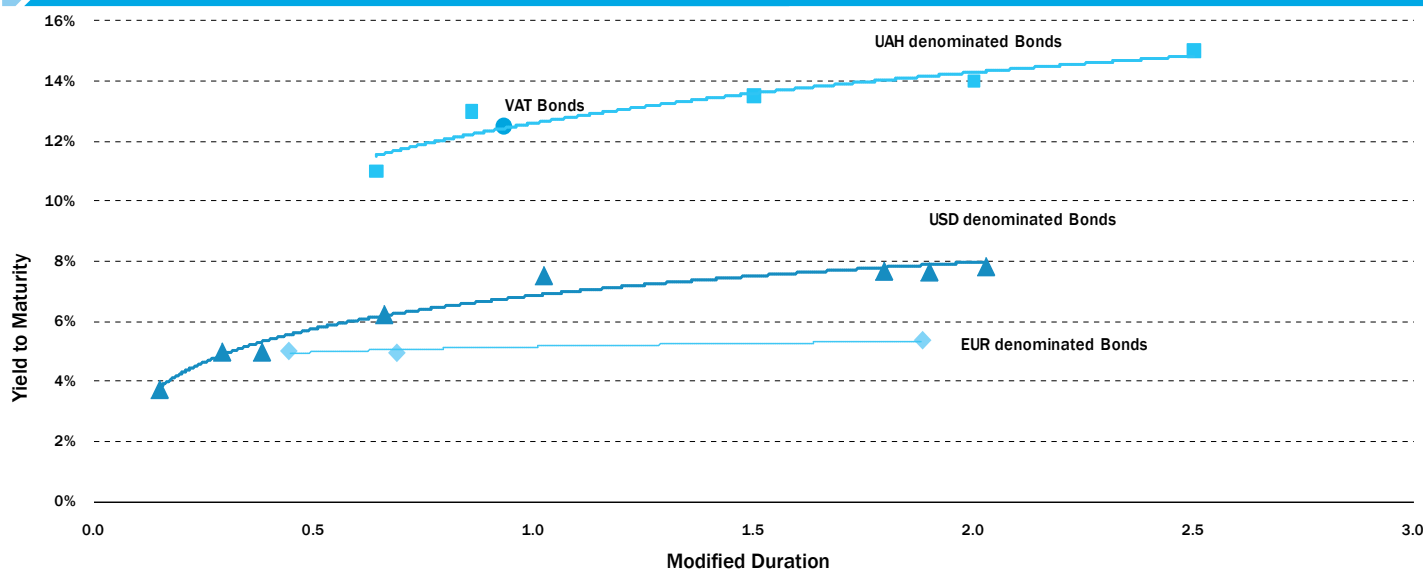


Source: Bloomberg, Cbonds, Eavex Research

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	100.2	100.3	4.5%	3.0%	0.1	9.30%	S/A	29 May 2013	235
UA4000142384	100.5	100.8	5.5%	4.5%	0.2	9.30%	S/A	24 Jul 2013	413
UA4000136832	100.7	101.1	5.5%	4.5%	0.3	9.27%	S/A	28 Aug 2013	254
UA4000138002	100.8	101.3	6.5%	6.0%	0.6	9.30%	S/A	27 Nov 2013	86
UA4000140362	100.9	101.4	7.9%	7.2%	1.0	9.20%	S/A	21 May 2014	171
UA4000142699	101.1	102.8	8.1%	7.3%	1.8	9.45%	S/A	22 Apr 2015	312
UA4000141071	101.4	102.4	8.1%	7.3%	1.8	9.45%	S/A	27 May 2015	152
UA4000142673	91.9	92.9	8.2%	7.5%	2.0	4.50%	S/A	17 Jun 2015	175
EUR denominated Bonds									
UA4000137731	100.3	100.4	3.9%	3.7%	0.4	4.80%	S/A	18 Sept 2013	205
UA4000138846	100.5	100.6	4.1%	3.9%	0.6	4.80%	S/A	25 Dec 2013	70
UA4000142681	100.1	100.3	4.6%	4.5%	1.8	4.80%	S/A	6 May 2015	40
VAT Bonds									
UA4000082531			12.5%	10.8%	1.1	5.50%	S/A	21 Aug 2015	141
UA4000082622			12.5%	10.8%	1.1	5.50%	S/A	24 Aug 2015	571
UA4000083059			12.5%	10.8%	1.1	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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