

**Market Update**

**Equity**

Ukrainian blue chips were mixed on Thursday (May 16), with a late-session bump pushing the main benchmark into marginally positive territory. Turnover continued to be among the lowest in the history of the Ukrainian Exchange; although a recent article in the *Commerçant* business daily claimed that the UX has been overtaken by other exchanges in terms of volume, we doubt that the majority of the non-UX volume represents actual equity trading activity. The UX index finished at 817 points, a gain of 0.3%. Motor Sich (MSICH) and Raiffeisen Aval (BAVL) both snapped 4-session losing streaks, adding 1.0% and 1.5% respectively on combined turnover of UAH 3.8mn. On the downside, Azovstal (AZST) shed 0.5% and Alchevsk Steel (ALMK) slipped 0.7% to 4.28 kopecks. In London, MHP (MHPC LI) slid 2.9% to USD 17.60, while JKY Oil & Gas (JKY LN) was hammered by investors for failing to show an improvement in its Ukrainian gas output in 1Q; the stock slumped 10.7% to GBp 60.

**Fixed Income**

Ukrainian sovereign Eurobonds ended generally higher yesterday with 10-year bonds edging up 0.3 p.p to 99.3/100.1 (7.6%/7.5%). Medium term Ukraine-17s rose by 0.5 p.p. to close at 99.5/100.5 (6.9%/6.6%). In corporate names, Mriya-16s added 0.8 p.p closing at 106.5/107.8 (8.4%/7.9%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2002.00	1.0%	2.3	115
Raiffeisen Bank Aval	BAVL	0.100	1.5%	1.5	123
Enakievo Steel	ENMZ	32.740	1.3%	1.3	60

**Growth Leaders**

Ukrtelecom	UTLM	0.14	2.2%	0.00	9
Raiffeisen Bank Aval	BAVL	0.10	1.5%	1.48	123
Ukrnafta	UNAF	114.30	1.3%	0.58	61

**Loss Leaders**

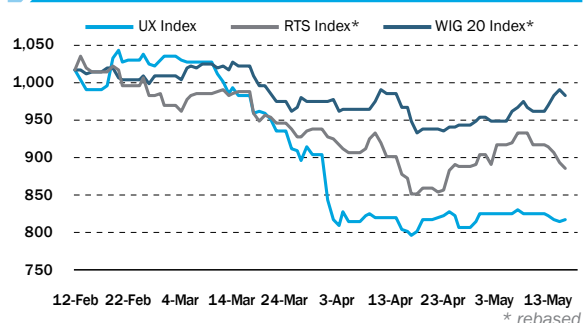
Alchevsk Steel	ALMK	0.04	-0.7%	0.61	151
Azovstal	AZST	0.58	-0.5%	0.70	75
Centrenergo	CEEN	3.99	-0.5%	0.74	114

**Highlights**

**STOCKS IN THE NEWS**

- > MHP Provides Details on Dividends Distribution & Unveils 1Q13 Results
- > JKY's Output Slips 6% in 1st Quarter
- > KSG Agro Unveils Mixed Earnings Results for 1Q13

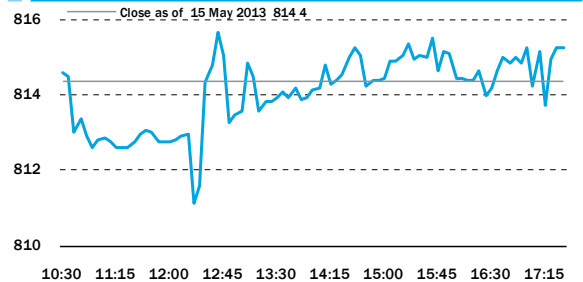
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	817.3	0.4%	1.5%	-14.0%
RTS	1380.6	-0.7%	1.0%	-9.6%
WIG20	2390.3	-0.8%	1.7%	-7.5%
MSCI EM	1046.3	0.0%	4.3%	-0.8%
S&P 500	1650.5	-0.5%	6.3%	17.7%

**UX INTRADAY MAY 16, 2013**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	285.8	1.9%	-1.3%	5.5%
CDS 5Y UKR	598.8	-0.4%	5.2%	-4.2%
Ukraine-13	7.1%	-0.1%	0.2%	-0.1%
Naftogaz Ukr-14	3.0%	-0.2%	-9.5%	-2.3%
Ukraine-20	6.5%	0.0%	-0.1%	-1.2%
Privatbank-16	12.86%	0.0 p.p.	-0.3 p.p.	-2.4 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	8.14	-0.1%	0.0%	1.1%
EUR	10.48	-0.2%	-1.2%	-1.9%
RUB	0.26	0.1%	0.4%	-2.2%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	322.1	0.0%	0.0%	0.0%
Steel, USD/t	540.0	0.0%	-4.4%	1.4%
Oil, USD/bbl	95.2	0.9%	6.9%	3.1%
Gold, USD/oz	1386.0	-0.5%	2.8%	-16.3%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## MHP Provides Details on Dividends Distribution & Unveils 1Q13 Results

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### MHP S.A. (MHPS LI)

Price: USD 17.61 Market Cap: USD 1,860mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2012	2.1	6.0	6.2	6.4%
2013E	1.9	6.9	5.6	5.7%

### NEWS

MHP, Ukraine's largest poultry producer, this morning (May 17) disclosed its 1Q13 financial results as well as provided details on distribution of previously approved dividend for FY12. Dividends in the amount of USD 1.13 per share will be paid on 28 May to MHP's shareholders on the register as of 22 May 2013.

MHP's net revenue grew up by 2% YoY to USD 304mn in 1Q13. EBITDA was down by 13% YoY to USD 73mn suggesting EBITDA margin of 24%, or 4.2p.p. YoY decrease. Net income dropped by 24% YoY to USD 36mn implying net margin of 12% (-4.1p.p. YoY).

MHP is continuing a gradual expansion of its operations at new Vinnytsia complex and currently utilizing 100% of the launched capacities. The company completed sowing campaign and expects a strong harvest in 2013.

MHP's net debt stood at USD 1,056mn as of end-1Q13 vs. USD 1,045mn as of end-2012. This implies a Net Debt/EBITDA ratio of 2.31x, or slightly higher than the 2012 figure of 2.23x and remaining below the company's covenant level of 3.0x. CapEx declined by 45% YoY to USD 56mn in 1Q13.

### MHP: FINANCIAL RESULTS, USD MN

USD mn	1Q13	1Q12	YoY
Net Revenue	303.6	297.6	2.0%
EBITDA	73.0	84.0	-13.1%
EBITDA margin	24.0%	28.2%	-4.2pp
Net Income	36.3	47.9	-24.2%
Net margin	12.0%	16.1%	-4.1pp

Source: Company data, Eavex Research

### COMMENTARY

Slight improvement in the company's top line was offsetted by an increase in production cost. A 2% YoY increase in MHP's revenue was mostly a result of a 8% expansion of poultry sales volume on the back of launch of Vinnytsia capacities. Meanwhile, a 3% YoY decline in average selling price for poultry meat to UAH 16.3/kg exacerbated with a 15% YoY growth in poultry production cost led to deterioration of the company's EBITDA and net profitability margins by some 4p.p.

On the eve of ex-rights day (22 May), we presume positive move in the company's stock price in the coming days due to lucrative current dividend yield of 15%.

**JKX's Output Slips 6% in 1st Quarter**

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**JKX OIL&GAS (JKX LN)**

Price: GBp 60.0 Market Cap: USD 157mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2012	0.2	0.8	neg	1.3	0%
2013E	0.2	0.7	3.1	1.1	0%

**NEWS**

JKX Oil&Gas, a London-listed E&P company with assets in Ukraine and Russia, decreased its output by 6.6% YoY to approximately 6,840 boepd in 1Q13, according to an interim management statement released on Thursday (May 16). The company also said that in April, daily average oil and gas extraction accelerated to some 11,700 boepd following successful hydrochloric acid treatment of its production wells in Russia.

**JKX PRODUCTION UPDATE**

	April 2013	1Q13	1Q12	change
Production (boepd)	11,713	6,844	7,330	6.6%
Gas Production (MMcfd)	62.7	32.6	33.6	2.9%
Oil Production (bopd)	1,264	1,417	1,725	-17.8%
Realized gas price (USD per Mcf)	5.49	9.15	12.41	-26.2%
Realized oil price (USD per barrel)	88.20	94.32	99.80	-5.4%
Realized LPG price (USD per tonne)	837.90	925.13	848.52	9.0%

Source: Company data

**COMMENTARY**

Although JKX finally saw a significant increase in production in April thanks to development of its Russian assets, the market was not impressed, as natural gas prices in Russia are some 3x lower than in Ukraine. Therefore, increased extraction volume in Russia has a only a limited impact to the company's profitability, and investors duly hammered the JKX stock, pushing it down by 11% yesterday. On the other hand, JKX declared the initiation of a 5-well development on one of its promising Ukrainian fields, which could start yielding gas in late 2013. If the company meets its targets in Ukraine then investors' trust, which has been flagging due to several postponements in the start of gas extraction in Russia, could return, bringing JKX's capitalization back closer to fair value. In the short term, however, the JKX stock may be weighed down by expectations of poor 1Q13 financial results, given the quite disappointing production figures for the period.

## KSG Agro Unveils Mixed Earnings Results for 1Q13

by Ivan Dzvinka  
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### NEWS

Dnipropetrovsk-based crop grower KSG Agro increased its net revenue by 78% YoY in 1Q13, while net profit was nearly flat YoY (+1% YoY), according to financials released on Thursday (May 16). KSG's net revenue amounted to USD 7.2mn in 1Q13 and net profit was USD 1.8mn. Operating profit advanced by 53% YoY to USD 3.7mn in 1Q13, suggesting an EBIT margin of 45% (-7p.p. YoY). EBITDA moved up by 52% YoY to USD 6.2mn in the period.

The company's net debt increased by 20% YoY to USD 69mn in 1Q13, implying a net debt to equity ratio of 0.64x, up from 0.54x as of end 1Q12.

#### KSG AGRO: FINANCIAL RESULTS, USD MN

USD mn	1Q13	1Q12	YoY
Net revenue	8.2	4.6	78%
Gross Profit	4.7	3.0	57%
Gross margin	57%	65%	-8p.p.
EBIT	3.7	2.4	53%
EBIT margin	45%	52%	-7p.p.
Net profit	1.8	1.8	1%
Net margin	22%	39%	-17p.p.

Source: Company data

### COMMENTARY

The improvement in the Warsaw-listed company's financials (with the exception of its bottom line) is encouraging news for the KSG stock. Meanwhile, despite the robust prices for sunflower seeds seen in 1Q13, KSG's profitability margins showed a drop across the board due to a pronounced pattern of production cost growth. This was mainly a result of a decline in the average crop yield of sunflower seed by 21% YoY, to 1.72 tonnes per hectare, over the 2012 harvest. The largely flat net income was attributable to a 2.9x YoY surge in interest expenses associated with a higher total debt amount as of end-1Q13.

## 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	-4%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	2.82	3.33	18%	BUY	Operations at Ferrexpo's new Yeristovo Mine should allow the company to increase its iron ore pellet output by 10% YoY to 10.6mn tonnes in 2013, with further growth to 12.0mn tonnes in 2015.
Pivnichny GOK	SGOK	0.81	1.77	118%	BUY	Secured demand for SGOK's iron ore products and lucrative ore pricing allow the company to operate with high profitability (EBITDA margin of not lower than 45% since 2009). Weak sides of the stock are its low liquidity & approval of no dividends in 2013 for the first time since 2005.
Centralny GOK	CGOK	0.78	1.30	66%	BUY	The company operates in highly profitable iron ore industry with its EBITDA margin have been staying not lower than 35% since 2009. Weak sides of the stock are its low liquidity & approval of no dividends in 2013 for the first time since 2005.
<b>Coke</b>						
Avdyivka Coke	AVDK	0.38	0.76	103%	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.
<b>Coal</b>						
Pokrovske Mine	SHCHZ	0.06	0.36	457%	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	2.95	6.18	110%	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	208%	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	0.36	1.52	324%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	0.9	6.0	556%	BUY	The launch of extraction at JKX's Russian gas field has lifted output, but the company's higher-margin Ukrainian operations continue to lag behind expectations.
<b>Power Utilities</b>						
DonbasEnero	DOEN	2.46	8.90	262%	BUY	DonbasEnero is Ukraine's next big-ticket privatization object, with an auction expected to be announced in summer 2013.
CenterEnero	CEEN	0.49	1.84	276%	BUY	CenterEnero's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
<b>Consumer</b>						
MHP	MHPC	17.6	24.0	36%	BUY	MHP launched production at Phase 1 of its new Vinnitsya poultry complex in late 2012. This will allow the company to expand its poultry production by some 60,000 tonnes in 2013, up from the current 384,000 tonnes.
Astarta	AST	17.64	30.0	70%	BUY	Astarta's business leans on three pillars: sugar beet cultivation/processing, grain cultivation, and cattle farming. With sugar prices depressed since 2011, a favorable market for grain should continue to drive the company's profitability.
Avangardco	AVGR	8.85	28.3	220%	BUY	Avangard's standing with investors has been hit by concerns that the company inflates its margins by selling its eggs to related-party wholesalers at above-market prices. The company reports 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	817.26	1203.21	747.84	0.4%	-0.8%	1.5%	-14.0%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.043	0.07	0.04	-0.7%	-1.6%	-2.5%	-19.9%	-1.0%	-0.8%	-4.0%	-5.8%
Azovstal	AZST	0.58	1.19	0.54	-0.5%	-0.7%	-2.5%	-22.1%	-0.9%	0.2%	-4.0%	-8.0%
Dniprospezstal	DNSS	700	n/a	n/a	0.0%	0.0%	-28.6%	-29.9%	-0.4%	0.8%	-30.1%	-15.9%
Enakievo Steel	ENMZ	32.7	48.9	27.7	1.3%	-0.8%	-0.6%	-13.8%	0.9%	0.1%	-2.1%	0.2%
Arcelor Mittal KR	KSTL	1.20	n/a	n/a	0.0%	n/a	0.0%	n/a	-0.4%	n/a	-1.5%	n/a
Mariupol Ilyicha	MMKI	0.18	0.32	0.13	0.0%	-5.3%	-5.3%	-18.2%	-0.4%	-4.4%	-6.8%	-4.2%
<b>Coke</b>												
Avdivka Coke	AVDK	3.07	4.15	1.90	0.5%	1.9%	1.0%	-6.3%	0.2%	2.7%	-0.5%	7.7%
Yasnyivsky Coking	YASK	0.58	1.16	0.54	0.0%	1.8%	-1.7%	-13.4%	-0.4%	2.6%	-3.2%	0.6%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	6.39	7.74	4.00	0.0%	0.0%	0.2%	-7.4%	-0.4%	0.8%	-1.3%	6.6%
Ferrexpo	FXPO	2.83	4.58	2.35	1.5%	-6.9%	10.7%	-29.6%	1.1%	-6.0%	9.2%	-15.6%
Pivnichny GOK	SGOK	6.60	12.47	5.77	-4.2%	-13.2%	0.9%	-11.3%	-4.6%	-12.3%	-0.6%	2.7%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.53	1.30	0.40	-7.0%	-5.4%	-8.6%	-15.9%	-7.4%	-4.5%	-10.1%	-1.8%
Komsomolets Donbasa	SHKD	0.80	2.00	0.76	-20.0%	-20.0%	-25.2%	-32.2%	-20.4%	-19.2%	-26.7%	-18.2%
Energy Coal	CLE	1.44	5.77	0.85	7.7%	-8.5%	-5.3%	-53.3%	7.3%	-7.7%	-6.8%	-39.3%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.40	n/a	n/a	0.0%	n/a	0.0%	-31.0%	-0.4%	n/a	-1.5%	-17.0%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.51	1.30	0.47	-1.9%	-1.9%	-3.8%	-27.1%	-2.3%	-1.1%	-5.3%	-13.1%
Interpipe NMPP	NVTR	0.16	0.60	0.10	-5.9%	-15.8%	-15.8%	-27.3%	-6.2%	-14.9%	-17.3%	-13.2%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	24.0	25.9	14.2	0.0%	-3.6%	7.6%	23.7%	-0.4%	-2.8%	6.1%	37.7%
Luhanskeplovoz	LTPL	1.69	2.28	1.28	-3.4%	0.0%	-3.4%	-9.6%	-3.8%	0.8%	-4.9%	4.4%
Stakhanov Wagon	SVGZ	1.35	3.40	1.26	-2.2%	-7.5%	-3.6%	-22.0%	-2.5%	-6.7%	-5.1%	-7.9%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.04	0.22	0.03	0.0%	-17.8%	14.1%	-4.2%	-0.4%	-17.0%	12.6%	9.8%
Motor Sich	MSICH	2,002	2,640	1,750	1.0%	-0.2%	2.2%	-9.4%	0.6%	0.6%	0.7%	4.6%
Sumy Frunze Engineering	SMASH	2.73	4.00	0.76	-9.0%	3.0%	13.8%	82.0%	-9.4%	3.9%	12.2%	96.0%
Turboatom	TATM	3.20	n/a	n/a	0.0%	n/a	0.0%	n/a	-0.4%	n/a	-1.5%	n/a
WESTA ISIC	WES	0.17	0.64	0.13	2.2%	-3.0%	-16.9%	-29.4%	1.8%	-2.2%	-18.4%	-15.4%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.14	0.37	0.12	2.2%	2.2%	0.1%	-14.4%	1.8%	3.0%	-1.4%	-0.4%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	0.36	0.59	0.21	2.8%	-3.3%	4.4%	-33.6%	2.5%	-2.5%	2.9%	-19.5%
JKX Oil	JKX	0.92	1.89	0.87	-10.2%	-16.6%	-14.6%	-23.2%	-10.6%	-15.7%	-16.1%	-9.2%
Ukrnafta	UNAF	114	280	80	1.3%	-0.1%	0.2%	-3.6%	1.0%	0.8%	-1.3%	10.4%
<b>Power Utilities</b>												
Centrenerg	CEEN	3.99	7.33	3.76	-0.5%	-2.5%	0.5%	-37.2%	-0.8%	-1.6%	-1.0%	-23.2%
Donbasenergo	DOEN	20.0	28.1	15.0	0.2%	-0.9%	7.0%	-5.5%	-0.2%	-0.1%	5.5%	8.5%
Zakhidenergo	ZAEN	81.0	149.2	54.0	-5.5%	-0.6%	8.0%	-16.5%	-5.8%	0.2%	6.5%	-2.5%
<b>Consumer</b>												
Agroton	AGT	0.91	4.2	0.36	3.9%	6.3%	152.5%	-72.0%	3.5%	7.2%	151.0%	-58.0%
Astarta	AST	17.7	22.1	13.9	3.5%	6.5%	-8.9%	-0.8%	3.2%	7.3%	-10.4%	13.2%
Avangardo	AVGR	8.9	13.4	7.61	0.6%	1.8%	10.0%	-21.9%	0.2%	2.7%	8.5%	-7.9%
Industrial Milk Company	IMC	3.99	5.48	2.73	0.3%	-3.5%	-10.5%	-24.8%	0.0%	-2.6%	-12.0%	-10.8%
Kernel	KER	18.2	23.0	14.8	-2.5%	0.3%	-0.7%	-16.1%	-2.8%	1.1%	-2.3%	-2.1%
Mriya Agro Holding	MAYA	5.59	7.1	5.04	0.3%	-1.6%	1.8%	-13.9%	-0.1%	-0.8%	0.3%	0.2%
MHPC	MHPC	17.6	19.9	10.00	-2.2%	-6.6%	4.7%	15.5%	-2.5%	-5.7%	3.2%	29.5%
Milkiland	MLK	3.60	5.8	3.29	3.4%	-6.7%	-14.6%	-23.4%	3.1%	-5.8%	-16.1%	-9.4%
Ovostar Union	OVO	26.5	33.8	23.2	-0.9%	-5.2%	-9.3%	-8.3%	-1.3%	-4.4%	-10.8%	5.8%
Sintal	SNPS	n/a	1.47	0.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MCB Agricole	4GW1	n/a	0.69	0.22	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Chemicals</b>												
Stirol	STIR	11.3	21.0	10.3	-0.9%	0.9%	2.7%	-15.7%	-1.2%	1.7%	1.2%	-1.6%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.100	0.128	0.061	1.5%	-1.6%	3.6%	17.0%	1.2%	-0.7%	2.1%	31.1%
UkrSotsbank	USCB	0.121	0.207	0.107	-0.2%	0.5%	3.9%	-6.4%	-0.5%	1.3%	2.4%	7.6%

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	136	3.9%	5	1,551	3.7	neg	neg	10.7	neg	neg	0.7	0.9	0.9	535	461	415	\$/tonne
Yenakievo Steel	ENMZ	42	8.8%	4	35	1.4	5.0	neg	neg	neg	neg	0.0	0.0	0.0	14	13	13	\$/tonne
Azovstal	AZST	298	4.1%	12	276	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	49	46	44	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	73	7.5%	6	71	neg	neg	neg	11.6	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
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	920	0.5%	5	920	2.8	9.7	8.8	1.8	3.9	4.6	1.1	1.6	1.8				
Pivnichny GOK	SGOK	1,868	0.5%	10	1,993	2.4	4.3	5.2	1.7	2.5	3.1	1.1	1.3	1.5				
Ferrexpo	FXPO	1,667	24.0%	400	1,917	2.9	7.8	6.3	2.4	4.8	4.3	1.1	1.3	1.2				
<b>Coal Mining</b>																		
Komsomolets Donbasa	SHKD	33	5.4%	2	135	2.1	0.9	0.9	2.0	1.4	1.5	0.7	0.5	0.5	33	32	30	\$/tonne
Coal Energy	CLE	66	11.9%	8	91	1.8	1.7	1.5	1.8	1.5	1.4	0.6	0.5	0.5	1.8	1.5	1.4	\$/tonne
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	163	2.0%	3	205	1.7	4.8	4.8	1.4	2.8	2.7	0.3	0.3	0.3	326	541	514	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	46	24.0%	11	45	5.1	6.6	5.6	3.2	3.7	3.0	0.2	0.3	0.2				
Krukiw Wagon	KVBZ	338	5.0%	17	340	4.0	3.6	6.7	2.9	2.5	3.7	0.4	0.4	0.5				
Stakhanov Wagon	SVGZ	38	8.0%	3	77	1.9	>30	13.1	2.3	10.7	7.0	0.2	0.2	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	315	7.2%	23	651	neg	7.0	6.6	3.2	3.2	3.1	0.8	0.8	0.9				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	762	3.0%	23	751	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	115	49.0%	57	98	18.0	9.6	4.8	neg	4.3	2.7	5.1	2.0	1.2	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	158	50.4%	79	266	2.7	3.9	3.2	2.3	1.8	1.8	1.1	1.2	1.1	70	49	36	\$/boe
<b>Electric Utilities</b>																		
CentrEnergO	CEEN	181	21.7%	39	264	>30	6.3	5.4	5.4	4.3	3.9	0.3	0.2	0.2	18	18	15	\$/MWh
DonbasEnergO	DOEN	58	14.2%	8	115	neg	15.2	5.8	5.6	6.7	4.8	0.2	0.2	0.2	14	13	13	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	1,860	34.1%	635	2,905	7.2	6.0	6.9	7.2	6.2	5.6	2.4	2.1	1.9	9079	9079	9079	\$/tonne
Kernel	KER	1,339	61.8%	827	1,950	5.9	6.4	6.9	6.3	6.1	5.8	1.0	0.9	0.7				
Astarta	AST	443	31.0%	137	589	3.9	8.9	7.5	4.1	6.0	4.9	1.5	1.3	1.1	2989	1820	1511	\$/tonne
Avangardco	AVGR	565	22.5%	127	714	2.9	2.5	2.4	2.8	2.6	2.4	1.3	1.1	1.0	161	123	116	\$/mneegs
Agroton	AGT	20	44.6%	9	53	neg	1.1	0.9	2.8	1.7	1.6	0.4	0.6	0.5	0.4	n/a	n/a	\$/th/ha
<b>Banks</b>																		
Raiffeisen Bank Aval	BAVL	370	4.0%	15		>30	>30	13.0	0.5	0.4	0.4	0.05	0.05	0.05				
Ukrsotsbank	USCB	273	1.6%	4		>30	>30	21.8	0.3	0.3	0.3	0.06	0.06	0.06				

Source: Eavex Research



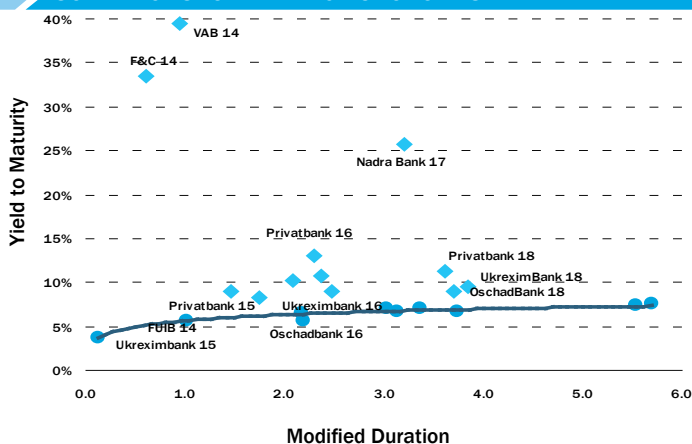
**UKRAINIAN EUROBONDS**

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	100.0	100.5	8.0%	-1.4%	-0.7%	0.1	7.65%	S/A	11 Jun. 2013	1,000	B3/B/B
Ukraine, 2014	102.0	102.7	5.9%	5.3%	0.5%	1.0	7.95%	S/A	6 Apr. 2014	1,000	B3/B/B
Naftogaz Ukraine, 2014	103.5	104.3	6.8%	6.2%	0.8%	1.3	9.50%	S/A	30 Sept 2014	1,595	//B
Ukraine, 2015 (EUR)	98.5	99.5	5.6%	5.2%	1.5%	2.1	4.95%	A	13 Oct 2015	600*	B3/B/B
Ukraine, 2015	101.0	102.0	6.4%	6.0%	0.2%	2.1	6.875%	S/A	23 Sept 2015	500	B3/B/B
Ukraine, 2016	99.0	99.8	6.9%	6.7%	-0.5%	3.0	6.58%	S/A	21 Nov 2016	1,000	B3/B/B
Ukraine, 2016-2	98.5	99.3	6.7%	6.5%	-0.8%	3.1	6.25%	S/A	17 Jun 2016	1,250	B3/B/B
Ukraine, 2017	99.5	100.5	6.9%	6.6%	0.8%	3.8	6.75%	S/A	14 Nov 2017	700	B3/B/B
Ukraine, 2017-2	108.2	108.7	6.9%	6.8%	1.2%	3.3	9.25%	S/A	24 Jul 2017	2,000	B3/B/B
Ukraine, 2017 Infr. projects	99.0	100.5	8.8%	8.3%	1.5%	3.6	8.375%	S/A	3 Nov 2017	568	B3/-/-
Ukraine, 2018 Infr. projects	95.2	97.1	8.7%	8.2%	3.6%	4.0	7.40%	S/A	20 Apr 2018	690	B3/-/-
Ukraine, 2020	103.3	104.0	7.2%	7.0%	0.6%	5.5	7.75%	S/A	23 Sept 2020	1,500	B3/B/B
Ukraine, 2021	104.5	105.3	7.2%	7.0%	1.0%	5.7	7.95%	S/A	23 Feb 2021	1,500	B3/B/B
Ukraine, 2022	102.5	103.2	7.4%	7.3%	1.9%	6.4	7.80%	S/A	28 Nov 2022	1,250	B3/B/B
Ukraine, 2023	99.3	100.1	7.6%	7.5%	-0.3%	6.9	7.50%	S/A	17 Apr 2023	1,250	B3/B/B
<b>Corporate Eurobonds</b>											
Agroton, 2014	75.0	80.0	42.0%	35.0%	n/a	0.9	12.50%	S/A	14 Jul 2014	50	-/-/B-
MHP, 2015	106.3	107.0	6.8%	6.6%	1.1%	1.8	10.25%	S/A	29 Apr 2015	585	B3//B
MHP, 2020	99.5	100.4	8.3%	8.2%	0.0%	5.1	8.25%	S/A	2 Apr 2020	750	B3//B
Avangardco, 2015	101.1	102.9	9.5%	8.7%	6.6%	2.1	10.00%	S/A	29 Oct 2015	200	-/-/B-
UkrLandFarming, 2018	99.0	100.6	11.1%	10.7%	-0.2%	3.6	10.88%	S/A	26 Mar 2018	275	B-//B
Mriya, 2016	106.5	107.8	8.4%	7.9%	4.0%	2.4	10.95%	S/A	30 Mar 2016	250	-/B/B-
DTEK, 2015	105.3	105.8	6.6%	6.3%	4.4%	1.8	9.50%	S/A	28 Apr 2015	500	B2//B
DTEK, 2018	100.0	100.7	7.9%	7.7%	0.3%	3.9	7.88%	S/A	4 Apr 2018	750	B2//B
Metinvest, 2015	107.1	108.0	6.4%	6.0%	3.6%	1.7	10.25%	S/A	20 May 2015	500	B3//B-
Metinvest, 2018	102.5	103.4	8.1%	7.9%	6.2%	3.8	8.75%	S/A	14 Feb 2018	750	B2-//B-
Ferrexpo, 2016	99.8	100.8	8.0%	7.5%	3.0%	2.5	7.875%	S/A	07 Apr 2016	500	B2/B+/B
Interpipe, 2017	77.0	80.1	18.4%	16.8%	-3.8%	3.0	10.25%	S/A	2 Aug 2017	200	-/B+/B+
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2014	84.0	88.0	39.7%	31.5%	43.3%	0.6	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	102.4	104.4	9.6%	8.3%	2.4%	1.4	11.00%	Q	31 Dec 2014	275	B2//B-
Nadra Bank, 2017	77.2	82.2	26.4%	21.4%	-3.8%	3.2	8.00%	A	22 Jun 2017	175	WD//WD
PrivatBank, 2015	97.2	98.6	10.8%	10.1%	3.3%	2.0	9.38%	S/A	23 Sept 2015	200	B1//B
PrivatBank, 2016	82.7	85.7	13.6%	12.1%	9.1%	2.2	8.75%	S/A	9 Feb 2016	150	B1//B
PrivatBank, 2018	99.1	100.5	11.1%	10.7%	-0.2%	3.6	10.88%	S/A	28 Feb 2018	175	//B
UkrEximBank, 2015	100.2	101.1	8.3%	7.8%	0.7%	1.8	8.38%	S/A	27 Apr 2015	750	B1//B
UkrEximBank, 2016	88.7	90.8	10.7%	9.8%	6.5%	2.3	8.40%	S/A	2 Sept 2016	125	B1//B
UkrEximBank, 2018	98.7	99.6	9.1%	8.8%	-0.8%	3.7	8.75%	S/A	22 Jan 2018	500	B3//B
VAB Bank, 2014	75.8	77.8	41.0%	38.0%	42.1%	0.9	10.50%	Q	14 Jun 2014	125	Caa1-/-WD
Oschadbank, 2016	98.6	99.7	8.9%	8.4%	4.2%	2.4	8.25%	S/A	10 Mar 2016	700	B2//B
Oschadbank, 2018	96.9	97.9	9.7%	9.4%	-2.6%	3.8	8.88%	S/A	20 Mar 2018	500	B1//B
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	97.3	99.1	9.3%	8.4%	5.0%	2.2	8.00%	S/A	6 Nov 2015	250	B1/CCC+/B
City of Kyiv, 2016	96.0	98.2	10.9%	10.0%	3.8%	2.6	9.375%	S/A	30 Jun 2016	300	B1/CCC+/B

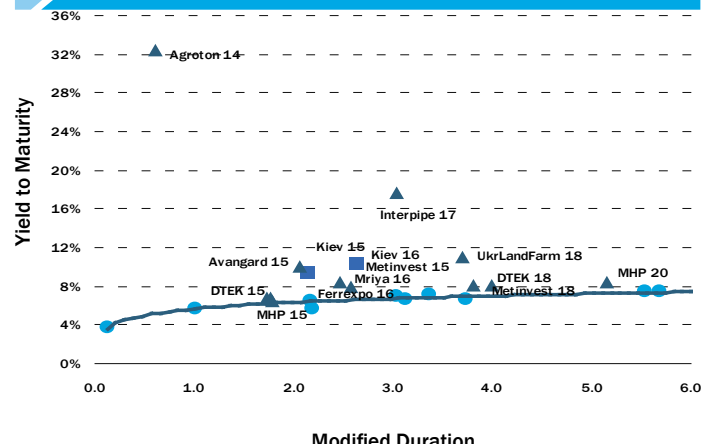
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

Source: Bloomberg, Cbonds, Eavex Research

**SOVEREIGNS vs. BANKING EUROBONDS**



**SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS**

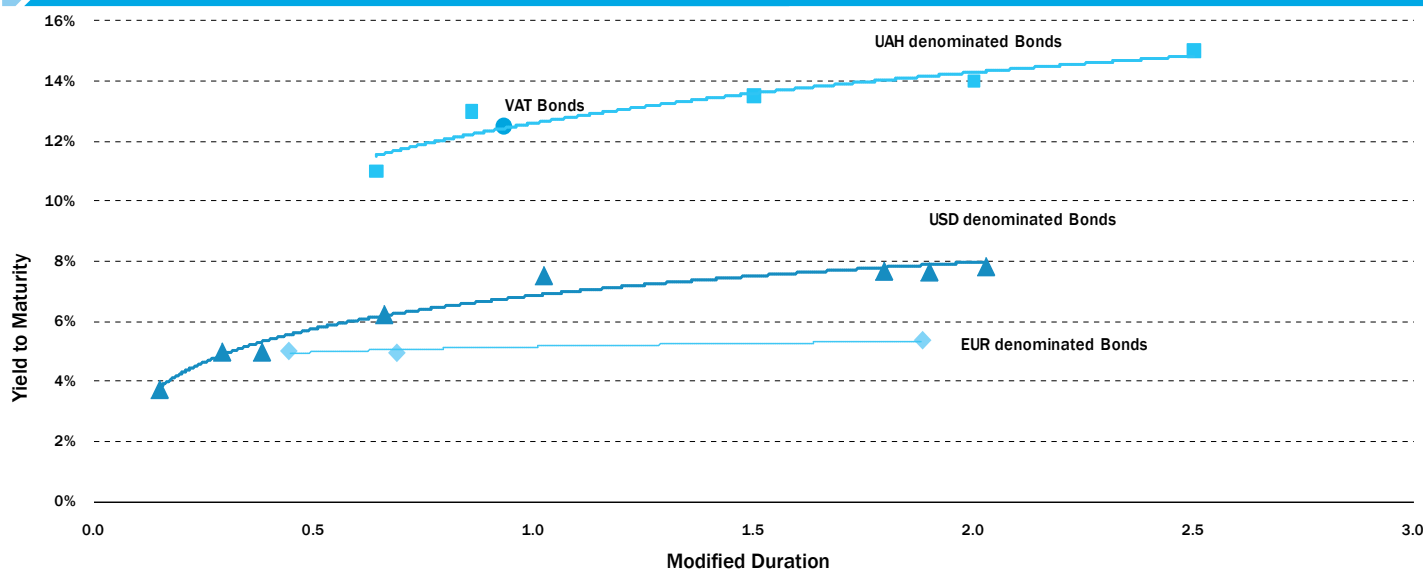


Source: Bloomberg, Cbonds, Eavex Research

**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%	n/a	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	100.1	100.1	3.8%	3.0%	0.0	9.30%	S/A	29 May 2013	235
UA4000142384	100.4	100.6	5.5%	4.5%	0.2	9.30%	S/A	24 Jul 2013	413
UA4000136832	100.6	100.8	5.5%	4.5%	0.3	9.27%	S/A	28 Aug 2013	254
UA4000138002	101.1	101.6	5.5%	4.5%	0.5	9.30%	S/A	27 Nov 2013	86
UA4000140362	101.8	102.3	7.4%	6.8%	0.9	9.20%	S/A	21 May 2014	171
UA4000142699	101.0	102.7	7.8%	7.4%	1.7	9.45%	S/A	22 Apr 2015	312
UA4000141071	103.0	104.0	7.9%	7.3%	1.8	9.45%	S/A	27 May 2015	152
UA4000142673	93.6	94.6	8.1%	7.4%	1.9	4.50%	S/A	17 Jun 2015	175
<b>EUR denominated Bonds</b>									
UA4000137731	100.6	100.8	3.9%	3.7%	0.3	4.80%	S/A	18 Sept 2013	205
UA4000138846	101.1	101.3	4.1%	3.9%	0.6	4.80%	S/A	25 Dec 2013	70
UA4000142681	102.8	102.9	4.6%	4.5%	1.8	4.80%	S/A	6 May 2015	40
<b>VAT Bonds</b>									
UA4000082531			12.3%	11.5%	1.0	5.50%	S/A	21 Aug 2015	141
UA4000082622			12.3%	11.5%	1.0	5.50%	S/A	24 Aug 2015	571
UA4000083059			12.3%	11.5%	1.0	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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