

Market Update

Equity

Ukrainian stocks saw some choppy movement in Tuesday's (May 22) session against a backdrop of flat European shares, with most local blue chips ending lower on profit-taking after Monday's solid gains. Pedigree steel names Azovstal (AZST) and Alchevsk (ALMK) both shed 1.8% to lead the decline along with UkrNafta (UNAF), which lost 2.1% to UAH 118. CentrEnergo (CEEN) gave back 1% of its 7% rise from Monday to finish at UAH 4.30, while Motor Sich (MSICH) inched up 0.2% on volume of UAH 4.5mn and Raiffeisen Aval (BAVL) managed a pickup of half of percent. Outside the UX basket, it was a busy day for iron ore miner Centralny GOK (CGOK), which added 4.9% on above-average turnover of nearly UAH 1mn, while coal miner Pokrovske Mine (SHCHZ) moved down 5.3% to 54 kopecks. In London, all the major Ukrainian names finished higher, with JKX Oil & Gas (JKX LN) and Ferrexpo (FXPO LN) posting respective gains of 1.3% and 1.6%, while Avangard (AVGR LI) rose 2.6% to USD 9.29.

Fixed Income

Ukrainian sovereign Eurobonds were up on Tuesday. Ukraine-23s increased by 0.8p.p. closing at 101.4/102.0 (7.3%/7.2%) and Ukraine-17s improved by 0.3p.p. to 100.8/101.6 (6.5%/6.3%). Corporate names were mixed. Mriya-16s grew by 0.2p.p. to 106.9/107.9 (8.2%/7.8%) while Metinvest-18s declined by 0.3p.p. to 101.7/102.9 (8.3%/8.0%) on a worse YoY FY12 results.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2104.00	0.2%	4.5	295
Donbasenergo	DOEN	20.800	0.1%	1.9	95
Raiffeisen Bank Aval	BAVL	0.104	0.6%	1.5	309

Growth Leaders

Bogdan Motors	LUAZ	0.05	21.2%	0.13	18
KRAZ	KRAZ	0.03	20.4%	0.02	8
Mariupol Heavy Machine	MZVM	0.17	6.0%	0.00	12

Loss Leaders

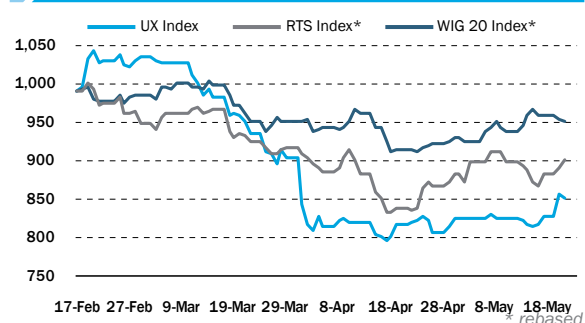
Ukrtelecom	UTLM	0.13	-2.9%	0.00	9
Ukrnafta	UNAF	118.00	-2.1%	1.20	156
Azovstal	AZST	0.59	-1.8%	0.66	66

Highlights

FIXED INCOME

- > Mriya's 1Q Net Profit Falls 46% YoY to USD 5.2mn
- > No Surprises in Metinvest's Audited FY12 Results

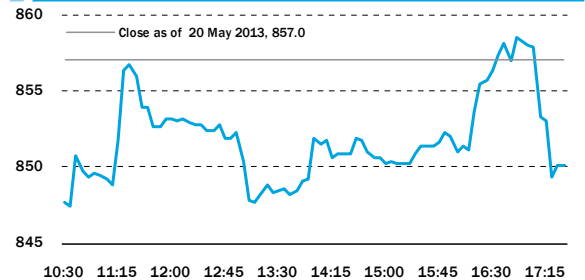
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	851.4	-0.6%	4.3%	-10.4%
RTS	1433.0	1.1%	7.2%	-6.2%
WIG20	2370.3	-0.3%	4.1%	-8.2%
MSCI EM	1048.1	0.0%	3.7%	-0.7%
S&P 500	1669.2	0.2%	7.3%	19.0%

UX INTRADAY MAY 21, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	284.8	1.7%	-4.0%	5.1%
CDS 5Y UKR	571.7	0.3%	-7.2%	-8.5%
Ukraine-13	6.8%	-0.1%	-1.0%	-0.4%
Naftogaz Ukr-14	4.3%	-0.2%	-2.2%	-1.0%
Ukraine-20	6.2%	0.1%	-0.9%	-1.5%
Privatbank-16	12.69%	0.0 p.p.	0.2 p.p.	-2.6 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.16	0.0%	0.2%	1.4%
EUR	10.51	0.0%	-1.0%	-1.6%
RUB	0.26	0.0%	1.8%	-1.4%

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	96.2	-0.8%	8.7%	4.2%
Gold, USD/oz	1376.4	-1.3%	-2.0%	-16.9%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Mriya's 1Q Net Profit Falls 46% YoY to USD 5.2mn

by Dmitry Churin
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NEWS

Western Ukraine-based crop grower Mriya Agro Holding's net profit fell by 46% YoY to USD 5.2mn in 1Q13, according to financials released on Tuesday (May 21). The company's total revenue rose by 78% YoY to USD 60.1mn in the period, while operating profit increased by 2.7% YoY to USD 14.7mn.

MRIYA FINANCIAL RESULTS			
USD mn	1Q13	1Q12	YoY
Total revenue	60.1	33.7	78.2%
Operating profit	14.7	14.3	2.7%
margin	24.4%	42.4%	-18.0 p.p.
Net Income	5.2	9.7	-45.9%
net margin	8.7%	28.6%	-19.9 p.p.

Source: Company data.

On the balance sheet side, the company's net debt amounted to USD 458mn as of 31 Mar 2013 and total assets were USD 1.4bn.

COMMENTARY

Like most agro companies, Mriya's business has a seasonal pattern weighted toward the second half of the year, and the 1Q results therefore provide only limited information about the company's ability to generate cash this year. Nevertheless, we estimate the company's net debt-to-EBITDA ratio at 1.8x, well within what is viewed as manageable. The company's main controlling shareholder with 80% stake is the Huta family while a 20% stake has been placed among institutional investors. The MAYA stock is listed in Frankfurt but there is no adequate liquidity for the stock.

Mriya-16 outstanding Eurobonds are currently quoted at 8.2%/7.8%, implying a spread to sovereigns of 190 bps.

No Surprises in Metinvest's Audited FY12 Results

by Ivan Dzvinka
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NEWS

Metinvest, Ukraine's largest metals and mining holding, released its full set of audited financials for FY12 on Tuesday (May 21). The major figures of the group's P&L are the same as those provided when the company unveiled its unaudited data at the end of February. Revenue declined by 11% YoY to USD 12.6bn, while EBITDA amounted to USD 1.99bn, a 46% YoY drop. Net income was down by 77% YoY to USD 435mn in FY12, implying a net margin of 3.5% (-10p.p. YoY).

The company's Net Debt/EBITDA ratio stood at 1.9x as of end 2012, up from 0.9x last year. Metinvest spent on CapEx USD 739mn in 2012, compared to USD 1.16bn in 2011.

COMMENTARY

The numbers were more or less previously known by the market from the financial picture of the group painted by the February release. The declines in Metinvest's revenue and earnings were mainly due to weaker prices for steel and iron ore, coupled with high energy costs and sluggish steel demand, especially in the EU. While management expects 2013 to be another tough year for the metallurgical industry and for Metinvest in particular, the company predicts that its steel division will improve its earnings results in FY13 after negative EBITDA of USD -270mn posted in FY12 (vs. USD +50mn in 2011). Taking this guidance at face value and juxtaposing our expectation that the group's mining segment will post results similar to what was seen for 2012, we presume that Metinvest's earnings results this year should be slightly better than in 2012.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, USD per share	Target price, USD per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.07	0.07	-6%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	2.93	3.33	13%	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	0.83	1.77	113%	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	0.82	1.30	58%	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.
Coke						
Avdyivka Coke	AVDK	0.39	0.76	97%	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	480%	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	446%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	3.01	6.18	105%	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	205%	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	258	644	150%	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	341%	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	574%	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.
Power Utilities						
DonbasEnergO	DOEN	2.55	8.90	249%	BUY	DonbasEnergO is Ukraine's next big-ticket privatization object, with an auction expected to be announced in summer 2013.
CenterEnergO	CEEN	0.53	1.84	249%	BUY	CentrEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Consumer						
MHP	MHPC	19.0	24.0	26%	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	17.72	30.0	69%	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	9.29	28.3	205%	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	851.43	1203.21	747.84	-0.6%	4.0%	4.3%	-10.4%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.044	0.07	0.04	-1.8%	1.1%	4.0%	-17.4%	-1.1%	-2.9%	-0.3%	-7.0%
Azovstal	AZST	0.59	1.19	0.54	-1.8%	2.1%	2.1%	-20.3%	-1.2%	-2.0%	-2.2%	-9.9%
Dniprospezstal	DNSS	700	1,700	700	0.0%	0.0%	-28.6%	-29.9%	0.6%	-4.0%	-32.8%	-19.5%
Enakievo Steel	ENMZ	33.8	48.9	27.7	-0.9%	4.5%	0.5%	-11.2%	-0.2%	0.4%	-3.8%	-0.8%
Arcelor Mittal KR	KSTL	1.20	6.00	1.20	0.0%	0.0%	0.0%	n/a	0.6%	-4.0%	-4.3%	n/a
Mariupol Ilyicha	MMKI	0.18	0.32	0.13	0.0%	0.0%	-5.3%	-18.2%	0.6%	-4.0%	-9.5%	-7.8%
Coke												
Avdivka Coke	AVDK	3.16	4.15	1.90	-1.2%	3.6%	2.8%	-3.5%	-0.5%	-0.5%	-1.5%	7.0%
Yasnyivsky Coking	YASK	0.59	1.16	0.54	1.7%	1.7%	1.7%	-11.9%	2.4%	-2.3%	-2.5%	-1.5%
Iron Ore Mining												
Centralny GOK	CGOK	6.70	7.74	4.00	4.9%	4.9%	6.3%	-2.9%	5.5%	0.8%	2.1%	7.5%
Ferrexpo	FXPO	2.94	4.58	2.35	1.9%	2.5%	15.8%	-27.0%	2.5%	-1.5%	11.5%	-16.5%
Pivnichny GOK	SGOK	6.78	12.47	5.77	2.7%	-11.7%	10.1%	-8.9%	3.4%	-15.8%	5.8%	1.6%
Coal Mining												
Pokrovske Mine	SHCHZ	0.54	1.30	0.40	-5.3%	-5.3%	-8.5%	-14.3%	-4.6%	-9.3%	-12.7%	-3.9%
Komsomolets Donbasa	SHKD	0.82	2.00	0.65	-3.5%	-18.0%	-18.0%	-30.5%	-2.9%	-22.0%	-22.3%	-20.1%
Energy Coal	CLE	1.54	5.77	0.85	0.0%	11.6%	31.0%	-50.3%	0.6%	7.6%	26.7%	-39.8%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.40	0.58	0.003	0.0%	0.0%	0.0%	-31.0%	0.6%	-4.0%	-4.3%	-20.6%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.51	1.30	0.45	-1.9%	-1.9%	2.0%	-27.1%	-1.3%	-6.0%	-2.3%	-16.7%
Interpipe NMPP	NVTR	0.20	0.60	0.10	17.6%	17.6%	25.0%	-9.1%	18.3%	13.6%	20.7%	1.3%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	24.6	25.9	14.2	1.8%	1.6%	-1.7%	26.7%	2.4%	-2.5%	-6.0%	37.1%
Luhanskeplovoz	LTPL	1.72	2.28	1.28	1.2%	1.2%	2.4%	-8.0%	1.8%	-2.9%	-1.9%	2.4%
Stakhanov Wagon	SVGZ	1.35	3.34	1.26	2.3%	0.0%	-8.2%	-22.0%	2.9%	-4.0%	-12.4%	-11.5%
Specialized Machinery												
Bogdan Motors	LUAZ	0.05	0.22	0.03	21.2%	21.2%	28.7%	16.1%	21.9%	17.2%	24.4%	26.5%
Motor Sich	MSICH	2,104	2,640	1,750	0.2%	6.2%	4.7%	-4.8%	0.9%	2.1%	0.4%	5.6%
Sumy Frunze Engineering	SMASH	3.00	4.00	0.76	0.0%	-14.3%	21.0%	100.0%	0.6%	-18.3%	16.7%	110.4%
Turboatom	TATM	3.20	7.50	0.83	0.0%	0.0%	0.0%	n/a	0.6%	-4.0%	-4.3%	n/a
WESTA ISIC	WES	0.21	0.56	0.13	-5.3%	23.2%	-12.1%	-13.8%	-4.6%	19.1%	-16.4%	-3.4%
Telecom												
Ukrtelecom	UTLM	0.13	0.37	0.12	-2.8%	-5.8%	-8.8%	-21.1%	-2.2%	-9.9%	-13.1%	-10.6%
Oil & Gas												
Regal Petroleum	RPT	0.35	0.59	0.21	-0.4%	-1.5%	-1.5%	-36.2%	0.2%	-5.6%	-5.8%	-25.8%
JKX Oil	JKX	0.89	1.89	0.87	-1.3%	-12.7%	-13.6%	-25.5%	-0.6%	-16.8%	-17.9%	-15.0%
Ukrnafta	UNAF	118	280	80	-2.1%	4.3%	-5.0%	-0.5%	-1.4%	0.3%	-9.3%	9.9%
Power Utilities												
Centrenerg	CEEN	4.30	7.33	3.76	-0.9%	6.0%	10.1%	-32.3%	-0.2%	2.0%	5.8%	-21.8%
Donbasenergo	DOEN	20.8	24.8	15.0	0.1%	3.9%	5.5%	-1.8%	0.7%	-0.1%	1.2%	8.6%
Zakhidenergo	ZAEN	85.7	135.9	54.0	0.0%	4.8%	2.1%	-11.6%	0.6%	0.7%	-2.1%	-1.2%
Consumer												
Agroton	AGT	0.90	4.2	0.36	-2.6%	13.8%	4.6%	-72.3%	-2.0%	9.7%	0.3%	-61.9%
Astarta	AST	17.7	22.1	14.0	-0.7%	5.5%	19.8%	-0.7%	-0.1%	1.4%	15.5%	9.7%
Avangardo	AVGR	9.3	12.0	7.61	2.7%	4.7%	8.3%	-18.0%	3.3%	0.6%	4.1%	-7.6%
Industrial Milk Company	IMC	3.72	5.48	2.73	2.6%	-8.3%	-13.3%	-29.9%	3.2%	-12.4%	-17.6%	-19.4%
Kernel	KER	18.4	23.0	14.8	-3.6%	0.9%	17.0%	-15.1%	-3.0%	-3.1%	12.8%	-4.7%
Mriya Agro Holding	MAYA	5.42	7.1	5.04	0.3%	-3.5%	-4.5%	-16.5%	1.0%	-7.5%	-8.8%	-6.1%
MHPC	MHPC	19.0	19.9	10.00	4.1%	5.5%	8.6%	24.6%	4.8%	1.4%	4.3%	35.0%
Milkiland	MLK	3.32	5.8	3.29	-2.0%	-11.1%	-16.5%	-29.4%	-1.4%	-15.1%	-20.8%	-19.0%
Ovostar Union	OVO	26.4	33.8	23.2	0.4%	-1.3%	3.7%	-8.6%	1.0%	-5.3%	-0.5%	1.9%
Sintal	SNPS	n/a	1.28	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
Chemicals												
Stirol	STIR	11.5	20.9	10.3	-0.4%	-0.4%	0.5%	-14.2%	0.2%	-4.5%	-3.7%	-3.8%
Banks												
Raiffeisen Bank Aval	BAVL	0.104	0.128	0.061	0.6%	3.4%	4.4%	21.2%	1.2%	-0.7%	0.1%	31.7%
UkrSotsbank	USCB	0.121	0.207	0.107	-1.5%	0.2%	0.8%	-6.0%	-0.8%	-3.8%	-3.4%	4.4%

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%
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			
Steel																		
Alchevsk Steel	ALMK	139	3.9%	5	1,555	3.8	neg	neg	10.7	neg	neg	0.7	0.9	0.9	536	462	416	\$/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	303	4.1%	12	282	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	50	47	45	\$/tonne
Coke																		
Avdyivka Coke	AVDK	76	7.5%	6	73	neg	neg	neg	12.0	neg	neg	0.1	0.1	0.1	21	16	13	\$/tonne
Yasynivsky Coke	YASK	20	9.0%	2	49	1.3	1.8	1.8	1.7	1.7	1.8	0.1	0.1	0.1	1.7	1.7	1.8	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	962	0.5%	5	961	3.0	10.1	9.2	1.9	4.0	4.8	1.2	1.7	1.9				
Pivnichny GOK	SGOK	1,914	0.5%	11	2,039	2.4	4.4	5.3	1.7	2.5	3.2	1.1	1.3	1.6				
Ferrexpo	FXPO	1,730	24.0%	415	1,980	3.0	8.0	6.6	2.5	4.9	4.5	1.1	1.4	1.3				
Coal Mining																		
Komsomolets Donbasa	SHKD	34	5.4%	2	136	2.2	0.9	1.0	2.0	1.4	1.5	0.7	0.5	0.5	33	32	30	\$/tonne
Coal Energy	CLE	70	11.9%	8	95	1.9	1.8	1.6	1.9	1.5	1.5	0.6	0.6	0.5	1.9	1.5	1.5	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	162	2.0%	3	205	1.7	4.8	4.8	1.4	2.8	2.6	0.3	0.3	0.3	325	539	512	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	46	24.0%	11	46	5.1	6.7	5.7	3.3	3.7	3.0	0.2	0.3	0.2				
Krukiw Wagon	KVBZ	345	5.0%	17	348	4.1	3.6	6.8	2.9	2.6	3.7	0.5	0.4	0.5				
Stakhanov Wagon	SVGZ	37	8.0%	3	77	1.9	>30	13.0	2.3	10.7	7.0	0.2	0.2	0.2				
Specialized Machinery																		
Turboatom	TATM	181	5.8%	10	129	3.4	4.7	4.3	2.1	2.7	2.5	0.8	0.7	0.7				
Motor Sich	MSICH	536	24.0%	129	546	3.2	2.2	2.0	1.9	1.8	1.7	0.8	0.7	0.6				
Telecom																		
Ukrtelecom	UTLM	290	7.2%	21	626	neg	6.4	6.0	3.0	3.1	3.0	0.7	0.7	0.8				
Oil & Gas																		
Ukrnafta	UNAF	784	3.0%	24	774	2.9	2.5	3.5	1.8	1.5	1.8	0.3	0.3	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	111	49.0%	54	93	17.3	9.2	4.6	neg	4.1	2.6	4.9	1.9	1.2	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	153	50.4%	77	261	2.6	3.8	3.1	2.3	1.8	1.7	1.1	1.2	1.0	69	48	36	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	195	21.7%	42	277	>30	6.7	5.8	5.7	4.6	4.1	0.3	0.3	0.2	19	19	16	\$/MWh
DonbasEnergO	DOEN	60	14.2%	9	117	neg	15.8	6.0	5.7	6.8	4.9	0.2	0.2	0.2	14	14	13	\$/MWh
Consumer																		
MHP	MHPC	2,007	34.1%	685	3,052	7.7	6.5	7.4	7.6	6.5	5.8	2.5	2.2	2.0	9538	9538	9538	\$/tonne
Kernel	KER	1,354	61.8%	836	1,964	6.0	6.4	6.9	6.3	6.1	5.8	1.0	0.9	0.7				
Astarta	AST	443	31.0%	137	590	3.9	8.9	7.5	4.1	6.0	4.9	1.5	1.3	1.1	2990	1820	1512	\$/tonne
Avangardco	AVGR	593	22.5%	134	742	3.0	2.6	2.6	3.0	2.7	2.5	1.3	1.2	1.1	168	128	120	\$/mneegs
Agroton	AGT	19	44.6%	9	53	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	382	4.0%	15		>30	>30	13.4	0.5	0.4	0.4	0.06	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

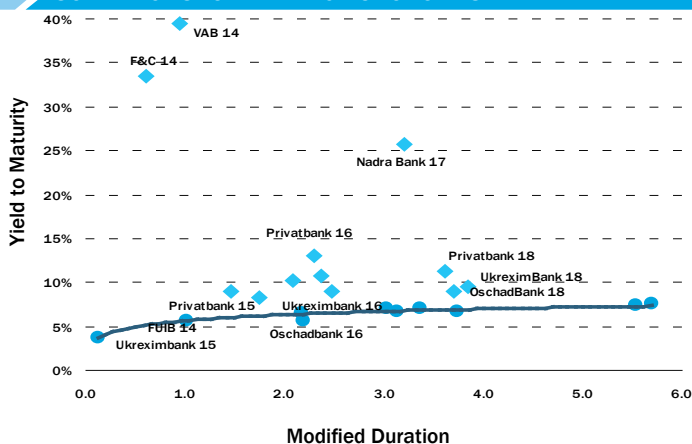
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn USD	Ratings ¹
Sovereign Eurobonds											
Ukraine, 2013	100.1	100.2	5.1%	3.5%	-0.8%	0.1	7.65%	S/A	11 Jun. 2013	1,000	B3/B/B
Ukraine, 2014	102.4	102.9	5.5%	5.0%	0.8%	1.0	7.95%	S/A	6 Apr. 2014	1,000	B3/B/B
Naftogaz Ukraine, 2014	103.9	104.6	6.5%	5.9%	1.2%	1.2	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	101.4	101.9	6.2%	6.0%	0.4%	2.1	6.875%	S/A	23 Sept 2015	500	B3/B/B
Ukraine, 2016	100.7	101.4	6.3%	6.1%	1.2%	3.1	6.58%	S/A	21 Nov 2016	1,000	B3/B/B
Ukraine, 2016-2	100.2	100.8	6.2%	6.0%	0.9%	3.1	6.25%	S/A	17 Jun 2016	1,250	B3/B/B
Ukraine, 2017	100.8	101.6	6.5%	6.3%	2.0%	3.8	6.75%	S/A	14 Nov 2017	700	B3/B/B
Ukraine, 2017-2	110.4	111.0	6.4%	6.2%	3.3%	3.3	9.25%	S/A	24 Jul 2017	2,000	B3/B/B
Ukraine, 2017 Infr. projects	100.5	102.0	8.3%	7.9%	3.1%	3.6	8.375%	S/A	3 Nov 2017	568	B3/-/-
Ukraine, 2018 Infr. projects	97.2	98.6	8.2%	7.8%	5.5%	4.0	7.40%	S/A	20 Apr 2018	690	B3/-/-
Ukraine, 2020	105.0	105.8	6.9%	6.7%	2.3%	5.5	7.75%	S/A	23 Sept 2020	1,500	B3/B/B
Ukraine, 2021	105.9	106.6	6.9%	6.8%	2.3%	5.7	7.95%	S/A	23 Feb 2021	1,500	B3/B/B
Ukraine, 2022	103.9	104.6	7.2%	7.1%	3.3%	6.5	7.80%	S/A	28 Nov 2022	1,250	B3/B/B
Ukraine, 2023	101.4	102.0	7.3%	7.2%	1.7%	6.9	7.50%	S/A	17 Apr 2023	1,250	B3/B/B
Corporate Eurobonds											
Agroton, 2014	75.1	79.9	42.0%	35.3%	n/a	0.9	12.50%	S/A	14 Jul 2014	50	-/-/B-
MHP, 2015	106.4	107.1	6.7%	6.5%	1.2%	1.7	10.25%	S/A	29 Apr 2015	585	B3//B
MHP, 2020	99.3	100.3	8.4%	8.2%	-0.2%	5.1	8.25%	S/A	2 Apr 2020	750	B3//B
Avangardco, 2015	101.5	102.9	9.3%	8.7%	6.8%	2.1	10.00%	S/A	29 Oct 2015	200	-/-/B-
UkrLandFarming, 2018	99.2	100.8	11.1%	10.7%	0.0%	3.6	10.88%	S/A	26 Mar 2018	275	B-//B
Mriya, 2016	106.9	107.9	8.2%	7.8%	4.3%	2.4	10.95%	S/A	30 Mar 2016	250	-/B/B-
DTEK, 2015	105.2	105.8	6.6%	6.3%	4.3%	1.7	9.50%	S/A	28 Apr 2015	500	B2//B
DTEK, 2018	100.0	100.7	7.9%	7.7%	0.4%	3.9	7.88%	S/A	4 Apr 2018	750	B2//B
Metinvest, 2015	107.5	108.2	6.2%	5.9%	3.9%	1.8	10.25%	S/A	20 May 2015	500	B3//B-
Metinvest, 2018	101.7	102.9	8.3%	8.0%	5.6%	3.7	8.75%	S/A	14 Feb 2018	750	B2-//B-
Ferrexpo, 2016	99.9	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+
Bank Eurobonds											
Fin&Credit Bank, 2014	84.0	88.0	40.4%	32.0%	43.3%	0.5	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	102.5	104.5	9.5%	8.2%	2.5%	1.4	11.00%	Q	31 Dec 2014	275	B2//B-
Nadra Bank, 2017	77.2	82.2	26.4%	21.4%	-3.8%	3.1	8.00%	A	22 Jun 2017	175	WD//WD
PrivatBank, 2015	97.7	98.8	10.6%	10.0%	3.7%	2.0	9.38%	S/A	23 Sept 2015	200	B1//B
PrivatBank, 2016	82.3	86.9	13.8%	11.5%	9.6%	2.2	8.75%	S/A	9 Feb 2016	150	B1//B
PrivatBank, 2018	99.0	100.4	11.1%	10.8%	-0.3%	3.5	10.88%	S/A	28 Feb 2018	175	//B
UkrEximBank, 2015	100.2	101.1	8.3%	7.8%	0.7%	1.7	8.38%	S/A	27 Apr 2015	750	B1//B
UkrEximBank, 2016	88.8	90.8	10.7%	9.8%	6.6%	2.3	8.40%	S/A	2 Sept 2016	125	B1//B
UkrEximBank, 2018	98.8	99.7	9.1%	8.8%	-0.7%	3.6	8.75%	S/A	22 Jan 2018	500	B3//B
VAB Bank, 2014	76.0	78.0	41.1%	38.1%	42.6%	0.9	10.50%	Q	14 Jun 2014	125	Caa1-//WD
Oschadbank, 2016	99.0	100.0	8.7%	8.3%	4.6%	2.4	8.25%	S/A	10 Mar 2016	700	B2//B
Oschadbank, 2018	97.6	98.6	9.5%	9.2%	-1.9%	3.8	8.88%	S/A	20 Mar 2018	500	B1//B
Municipal Eurobonds											
City of Kyiv, 2015	97.4	99.1	9.2%	8.4%	5.1%	2.2	8.00%	S/A	6 Nov 2015	250	B1/CCC+/B
City of Kyiv, 2016	96.1	98.0	10.9%	10.1%	3.7%	2.5	9.375%	S/A	30 Jun 2016	300	B1/CCC+/B

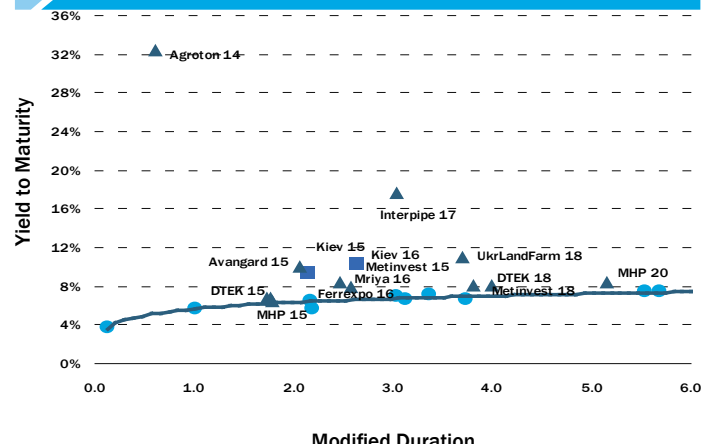
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS

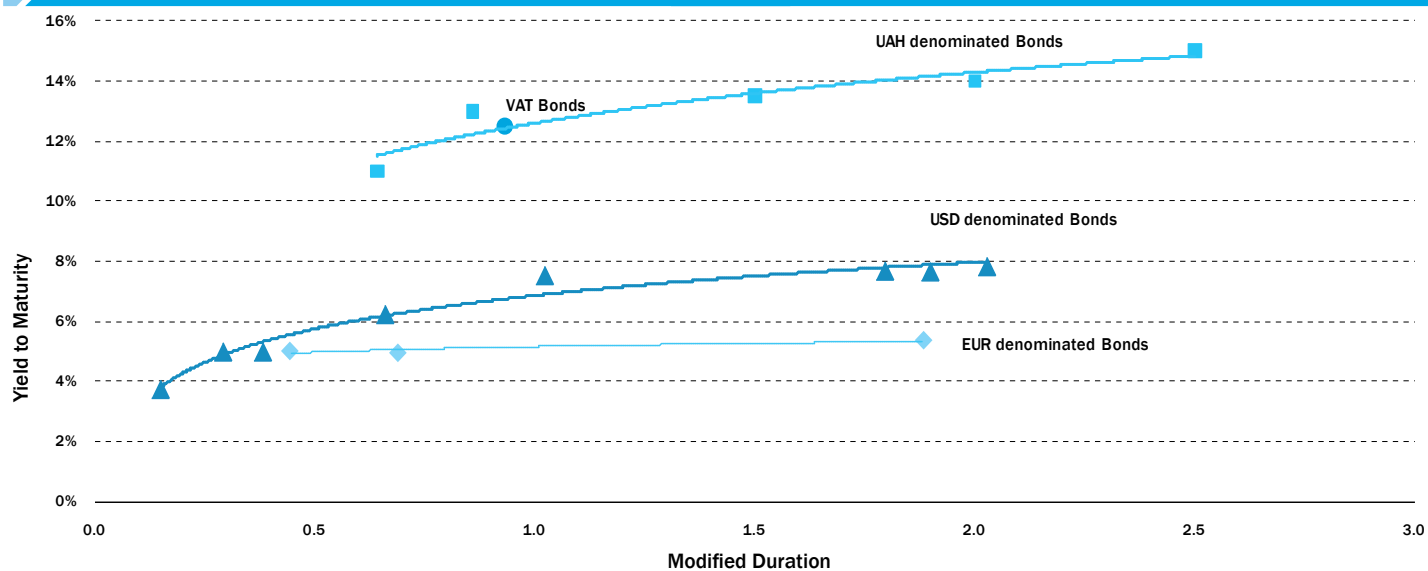


Source: Bloomberg, Cbonds, Eavex Research

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%	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
USD denominated Bonds									
UA4000134431									
UA4000141063	100.0	100.1	3.8%	3.0%	0.0	9.30%	S/A	29 May 2013	235
UA4000142384	100.4	100.5	5.5%	4.5%	0.2	9.30%	S/A	24 Jul 2013	413
UA4000136832	100.5	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	101.9	102.4	7.4%	6.8%	1.0	9.20%	S/A	21 May 2014	171
UA4000142699	101.4	103.1	7.8%	7.4%	1.7	9.45%	S/A	22 Apr 2015	312
UA4000141071	103.4	104.4	7.9%	7.3%	1.7	9.45%	S/A	27 May 2015	152
UA4000142673	94.0	95.0	8.1%	7.4%	1.9	4.50%	S/A	17 Jun 2015	175
EUR denominated Bonds									
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	102.9	103.0	4.6%	4.5%	1.8	4.80%	S/A	6 May 2015	40
VAT Bonds									
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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