

Market Update

Equity

Friday's (May 24) session on the Ukrainian Exchange brought a rather quiet ending to a week that saw significant daily movements in both directions in the local market. In New York, the main indices more or less shrugged off concerns that there could soon be a slowdown in the pace of the Federal Reserve's quantitative easing, reclaiming early losses to finish unchanged. The UX ended the day higher by 0.3% at 853 points; for the week, the benchmark added 3.1%, its best showing since February. Azovstal was the day's standout performer, picking up 1.7% to just below 60 kopecks; heavyweight issues Motor Sich and CentrEnergo were both unchanged on combined turnover of UAH 4.6mn. Outside the UX basket, it was an active day for electricity distributor KrymEnergo, which gained 3.3%, while coal mine Comсомоlets Donbasa slipped 1.1%. In Warsaw, Sadovaya Group rose 5.4% to PLN 1.16; in London, Ferrexpo was down another 2.8% following its 9% drop on Thursday, closing just above GBP 170.

Fixed Income

Quotes for Ukrainian 10-year Eurobonds were almost unchanged at 99.4/100.0 (7.6%/7.5%) on Friday. Meanwhile, quotes for quasi sovereign Naftogaz-14s declined by 0.2 p.p. to 103.4/104.1 (6.9%/6.3%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2097.00	0.1%	4.1	140
Raiffeisen Bank Aval	BAVL	0.105	0.6%	1.4	191
Enakievo Steel	ENMZ	33.990	1.7%	1.3	69

Growth Leaders

Ukrtelecom	UTLM	0.14	6.3%	0.08	11
Krymenergo	KREN	0.79	3.3%	0.69	12
Azovstal	AZST	0.60	1.7%	0.49	124

Loss Leaders

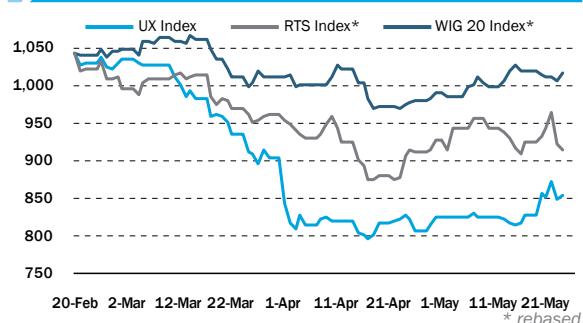
Stirol	STIR	11.27	-4.5%	0.17	25
Poltavsky GOK	PGOK	8.00	-3.0%	0.02	12
Stakhanov Wagon	SVGZ	1.35	-2.8%	0.01	19

Highlights

STOCKS IN THE NEWS

- > Privat Moves to Oust JKC Oil & Gas CEO Davies
- > Sadovaya Group Set to Sell One of Its Two Mines

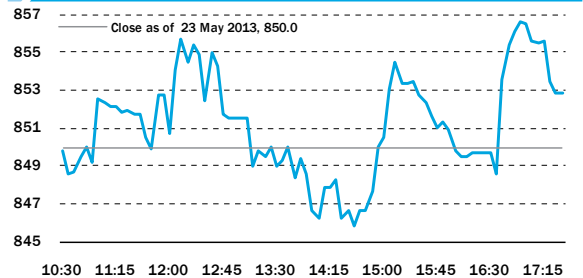
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	853.0	0.4%	3.7%	-10.3%
RTS	1388.5	-0.9%	4.1%	-9.1%
WIG20	2384.6	1.1%	4.9%	-7.7%
MSCI EM	1026.7	0.1%	1.7%	-2.7%
S&P 500	1649.6	-0.1%	4.5%	17.6%

UX INTRADAY MAY 24, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	292.2	1.4%	-0.5%	7.8%
CDS 5Y UKR	577.3	0.6%	-5.5%	-7.6%
Ukraine-13	7.0%	0.0%	-0.3%	-0.2%
Naftogaz Ukr-14	2.6%	-1.5%	-1.9%	-2.7%
Ukraine-20	6.5%	0.2%	-0.2%	-1.1%
Privatbank-16	12.71%	-0.2 p.p.	0.1 p.p.	-2.6 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.14	-0.1%	0.0%	1.1%
EUR	10.53	-0.8%	-0.4%	-1.4%
RUB	0.26	0.3%	1.0%	-2.0%

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%	0.0%	1.4%
Oil, USD/bbl	94.2	-0.1%	5.2%	2.0%
Gold, USD/oz	1386.7	-0.3%	-1.9%	-16.3%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Privat Moves to Oust JKX Oil & Gas CEO Davies

by Dmitry Churin
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JKX OIL&GAS (JKX LN)

Price: GBp 56.2 Market Cap: USD 145mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2012	0.2	0.8	neg	1.2	0%
2013E	0.2	0.6	2.9	1.1	0%

NEWS

Privat, one of Ukraine's largest financial-industrial groups, intends to initiate a change in the top management of London-listed JKX Oil & Gas, according to an open letter from JKX shareholder Eclairs Group Limited. Eclairs, a Privat affiliate, owns a 27.5% stake in JKX. Eclairs' letter called for other shareholders to vote against the re-election of Paul Davies as CEO at the company's annual meeting scheduled for Jun 5, as well as for the replacement of Commercial Director Peter Dixon. The letter blamed management for JKX's poor operating and financial performance since 2008, and said there should be a wide-ranging external search for a new CEO. The market capitalization of JKX has fallen from GBP 838mn in May 2008 to just GBP 100mn currently. Glengary Overseas Ltd, a holder of 11.4% of JKX, has also expressed its concerns about the management of the company, the open letter said.

COMMENTARY

JKX's development over the last several years has consistently failed to keep pace with management's declared strategy. The company several times postponed the start of gas production at its Russian fields, failed to increase extraction at its highly-profitable Ukrainian fields, and posted a net loss in FY12 due to a non-cash depreciation charge on its Ukrainian assets. If shareholders indeed vote to dismiss Davies on Jun 5, the company's investment attractiveness will improve, in our view.

Sadovaya Group Set to Sell One of Its Two Mines

by Ivan Dzvinka
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SADOVAYA GROUP (SGR PW)

Price: PLN 1.16 Market Cap: USD 15mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2012	n/a	neg	neg	0.0
2013E	n/a	neg	neg	0.0

NEWS

Warsaw-listed Ukrainian coal miner and trader Sadovaya Group is seeking a buyer for its "Rassvet-1" mine, Interfax reported on Friday (May 24), citing Sadovaya's top management. Rassvet-1 is one of two mines owned by the company. As one of the reasons for the sale of the mine, the company cited its need to cover wage liabilities in the amount of UAH 3.5mn (USD 430,000).

Coal extraction at Rassvet-1 during FY12 was 203,000 tonnes, or on par with the 204,000 tonnes extracted at the company's eponymous Sadovaya mine. Since October 2012, extraction operations at Rassvet-1 have been drastically reduced due to low coal demand. As a result, the mine produced just 4,800 tonnes of coal over Nov-Dec 2012, or 2.4% of its FY12 output.

COMMENTARY

There has been a steady flow of downbeat news about Sadovaya over the last 15 months; since mid-February 2012, the SGR share price has plunged by 90%. While the announcement of the sale of a major operating asset might initially provide more negative sentiment for the stock, we see the downside as limited, due to the issue having already fallen by so much. Conversely, the sale of Rassvet-1 could improve the company's liquidity and solvency, and thus reduce the risk of bankruptcy, at least for the near term.

Based on a comparative valuation approach, we estimate the value of Rassvet-1 in the range of USD 20-25mn. But given the small size of the mine, the limited pool of potential buyers, and Sadovaya's immediate need for cash, we presume that the receipt of USD 15mn would not be the worst outcome for the company. This would allow Sadovaya to pay its wage arrears and provide cash for debt servicing and short-term debt redemptions. Outstanding short-term debt stood at USD 8.1mn as of the end of the first quarter.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, USD per share	Target price, USD per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.07	0.07	-7%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	2.58	3.33	29%	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	0.84	1.77	111%	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	0.74	1.30	75%	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	95%	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	500%	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	0.06	0.36	482%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	3.02	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	209%	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	257	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	351%	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	605%	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						
DonbasEnero	DOEN	2.55	8.90	249%	BUY	DonbasEnero is Ukraine's next big-ticket privatization object, with an auction expected to be announced in summer 2013.
CenterEnero	CEEN	0.53	1.84	248%	BUY	CentrEnero's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Consumer						
MHP	MHPC	18.0	24.0	33%	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	9.50	28.3	198%	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	852.95	1203.21	747.84	0.4%	2.9%	3.7%	-10.3%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.044	0.07	0.04	-1.4%	0.0%	0.7%	-18.4%	-1.7%	-2.9%	-3.0%	-8.1%
Azovstal	AZST	0.60	1.19	0.54	1.7%	2.6%	2.8%	-19.2%	1.4%	-0.3%	-1.0%	-8.9%
Dniprospezstal	DNSS	700	1,700	700	0.0%	0.0%	-26.3%	-29.9%	-0.4%	-2.9%	-30.0%	-19.7%
Enakievo Steel	ENMZ	34.0	48.9	27.7	1.7%	2.8%	2.9%	-10.6%	1.3%	-0.1%	-0.8%	-0.3%
Arcelor Mittal KR	KSTL	1.20	6.00	1.20	0.0%	0.0%	0.0%	n/a	-0.4%	-2.9%	-3.7%	n/a
Mariupol Ilyicha	MMKI	0.18	0.32	0.13	0.0%	0.0%	5.9%	-18.2%	-0.4%	-2.9%	2.2%	-7.9%
Coke												
Avdivka Coke	AVDK	3.18	4.15	1.90	0.7%	0.0%	2.0%	-2.9%	0.3%	-2.9%	-1.8%	7.4%
Yasnyivsky Coking	YASK	0.57	1.16	0.54	0.0%	-1.7%	-1.7%	-14.9%	-0.4%	-4.6%	-5.5%	-4.7%
Iron Ore Mining												
Centralny GOK	CGOK	6.06	7.74	4.00	0.0%	-5.2%	20.0%	-12.2%	-0.4%	-8.1%	16.3%	-1.9%
Ferrexpo	FXPO	2.58	4.58	2.35	-2.9%	-10.6%	-0.1%	-36.0%	-3.2%	-13.5%	-3.9%	-25.7%
Pivnichny GOK	SGOK	6.81	12.47	5.77	0.1%	3.2%	10.7%	-8.5%	-0.2%	0.3%	7.0%	1.8%
Coal Mining												
Pokrovske Mine	SHCHZ	0.50	1.30	0.40	0.0%	-12.3%	-10.7%	-20.6%	-0.4%	-15.2%	-14.4%	-10.4%
Komsomolets Donbasa	SHKD	0.86	2.00	0.65	-1.1%	14.7%	13.2%	-27.1%	-1.5%	11.8%	9.4%	-16.8%
Energy Coal	CLE	1.37	5.77	0.85	-2.8%	-9.0%	61.3%	-55.7%	-3.1%	-11.9%	57.6%	-45.5%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.40	0.58	0.003	0.0%	0.0%	0.0%	-31.0%	-0.4%	-2.9%	-3.7%	-20.8%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.51	1.30	0.45	-1.9%	-1.9%	4.1%	-27.1%	-2.3%	-4.8%	0.4%	-16.9%
Interpipe NMPP	NVTR	0.19	0.60	0.10	0.0%	-5.0%	5.6%	-13.6%	-0.4%	-7.9%	1.8%	-3.4%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	24.6	25.9	14.2	0.0%	2.4%	-1.7%	26.7%	-0.4%	-0.5%	-5.4%	37.0%
Luhanskeplovoz	LTPL	1.69	2.28	1.28	0.0%	-0.6%	2.4%	-9.6%	-0.4%	-3.5%	-1.3%	0.6%
Stakhanov Wagon	SVGZ	1.35	3.18	1.26	-2.9%	2.3%	-6.2%	-22.0%	-3.2%	-0.6%	-10.0%	-11.7%
Specialized Machinery												
Bogdan Motors	LUAZ	0.05	0.22	0.03	0.0%	18.6%	24.4%	13.6%	-0.4%	15.7%	20.7%	23.9%
Motor Sich	MSICH	2,097	2,640	1,750	0.0%	2.9%	4.5%	-5.1%	-0.3%	0.0%	0.8%	5.2%
Summy Frunze Engineering	SMASH	3.00	4.00	0.76	0.0%	0.0%	11.1%	100.0%	-0.4%	-2.9%	7.4%	110.3%
Turboatom	TATM	3.20	7.50	0.83	0.0%	0.0%	0.0%	n/a	-0.4%	-2.9%	-3.7%	n/a
WESTA ISIC	WES	0.22	0.51	0.13	4.3%	1.7%	-0.7%	-10.3%	4.0%	-1.2%	-4.4%	0.0%
Telecom												
Ukrtelecom	UTLM	0.14	0.37	0.12	6.3%	-0.7%	1.4%	-15.6%	5.9%	-3.6%	-2.3%	-5.4%
Oil & Gas												
Regal Petroleum	RPT	0.34	0.59	0.21	0.0%	-3.7%	-8.7%	-37.9%	-0.4%	-6.6%	-12.4%	-27.6%
JKX Oil	JKX	0.85	1.89	0.84	0.4%	-3.8%	-15.6%	-28.9%	0.1%	-6.8%	-19.4%	-18.6%
Ukrnafta	UNAF	117	280	80	0.3%	0.9%	0.1%	-1.3%	0.0%	-2.0%	-3.6%	9.0%
Power Utilities												
Centrenerg	CEEN	4.30	7.33	3.76	0.1%	6.0%	7.3%	-32.2%	-0.3%	3.1%	3.6%	-22.0%
Donbasenergo	DOEN	20.8	24.8	15.0	-0.4%	3.2%	5.1%	-1.8%	-0.8%	0.3%	1.3%	8.4%
Zakhidenergo	ZAEN	79.7	130.0	54.0	3.2%	-1.6%	-6.1%	-17.8%	2.9%	-4.5%	-9.9%	-7.6%
Consumer												
Agroton	AGT	0.87	4.2	0.36	-1.2%	-2.5%	14.5%	-73.3%	-1.6%	-5.5%	10.8%	-63.0%
Astarta	AST	17.7	22.1	14.0	-0.2%	0.3%	15.3%	-0.9%	-0.5%	-2.7%	11.6%	9.4%
Avangardo	AVGR	9.5	12.0	7.61	0.5%	6.1%	9.2%	-16.2%	0.2%	3.2%	5.5%	-5.9%
Industrial Milk Company	IMC	3.70	5.48	2.73	0.0%	-7.6%	-11.1%	-30.3%	-0.4%	-10.5%	-14.8%	-20.0%
Kernel	KER	17.2	23.0	14.8	-0.3%	-8.2%	9.7%	-20.6%	-0.7%	-11.1%	5.9%	-10.3%
Mriya Agro Holding	MAYA	5.36	6.7	5.04	-2.6%	-2.9%	-5.2%	-17.4%	-2.9%	-5.8%	-8.9%	-7.2%
MHPC	MHPC	18.0	19.9	10.00	-1.2%	-3.8%	2.4%	18.2%	-1.6%	-6.7%	-1.3%	28.5%
Milkiland	MLK	3.11	5.8	3.11	-4.2%	-10.0%	-11.0%	-34.0%	-4.6%	-12.9%	-14.8%	-23.7%
Ovostar Union	OVO	26.6	33.8	23.3	-0.6%	1.4%	3.2%	-7.8%	-1.0%	-1.5%	-0.5%	2.4%
Sintal	SNPS	n/a	1.26	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	11.3	20.9	10.3	-4.5%	-1.6%	2.5%	-15.9%	-4.8%	-4.5%	-1.3%	-5.6%
Banks												
Raiffeisen Bank Aval	BAVL	0.105	0.128	0.061	0.6%	3.3%	3.4%	22.1%	0.2%	0.4%	-0.4%	32.3%
UkrSotsbank	USCB	0.122	0.201	0.107	1.3%	2.0%	2.4%	-5.1%	1.0%	-0.9%	-1.3%	5.2%

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	138	3.9%	5	1,553	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	37	1.4	5.1	neg	neg	neg	neg	0.0	0.0	0.0	15	14	14	\$/tonne
Azovstal	AZST	308	4.1%	13	287	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	51	48	46	\$/tonne
Coke																		
Avdivka Coke	AVDK	76	7.5%	6	74	neg	neg	neg	12.1	neg	neg	0.1	0.1	0.1	21	16	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	873	0.5%	5	872	2.7	9.2	8.4	1.8	3.7	4.3	1.1	1.5	1.7				
Pivnichny GOK	SGOK	1,929	0.5%	11	2,053	2.5	4.4	5.4	1.7	2.5	3.2	1.1	1.4	1.6				
Ferrexpo	FXPO	1,516	24.0%	364	1,767	2.6	7.1	5.8	2.2	4.4	4.0	1.0	1.2	1.1				
Coal Mining																		
Komsomolets Donbasa	SHKD	35	5.4%	2	137	2.3	0.9	1.0	2.0	1.4	1.5	0.7	0.5	0.5	34	32	31	\$/tonne
Coal Energy	CLE	62	11.9%	7	87	1.7	1.6	1.4	1.7	1.4	1.4	0.6	0.5	0.4	1.7	1.4	1.4	\$/tonne
Pipe Manufacturing																		
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
Railcar Manufacturing																		
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	346	5.0%	17	349	4.1	3.6	6.9	3.0	2.6	3.8	0.5	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				
Specialized Machinery																		
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	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	311	7.2%	22	647	neg	6.9	6.5	3.1	3.2	3.1	0.8	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	781	3.0%	23	771	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	108	49.0%	53	90	16.8	9.0	4.5	neg	3.9	2.5	4.7	1.8	1.1	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	146	50.4%	74	254	2.5	3.6	2.9	2.2	1.8	1.7	1.1	1.1	1.0	67	46	35	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	195	21.7%	42	278	>30	6.8	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	1,905	34.1%	650	2,950	7.3	6.1	7.0	7.4	6.3	5.6	2.4	2.1	1.9	9217	9217	9217	\$/tonne
Kernel	KER	1,267	61.8%	783	1,878	5.6	6.0	6.5	6.1	5.8	5.5	1.0	0.9	0.7				
Astarta	AST	442	31.0%	137	589	3.9	8.8	7.5	4.1	6.0	4.9	1.5	1.3	1.1	2987	1818	1510	\$/tonne
Avangardco	AVGR	607	22.5%	137	755	3.1	2.7	2.6	3.0	2.7	2.6	1.4	1.2	1.1	171	130	122	\$/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	386	4.0%	16		>30	>30	13.5	0.5	0.4	0.4	0.06	0.05	0.05				
Ukrsotsbank	USCB	277	1.6%	5		>30	>30	21.8	0.3	0.3	0.4	0.06	0.06	0.06				

Source: Eavex Research

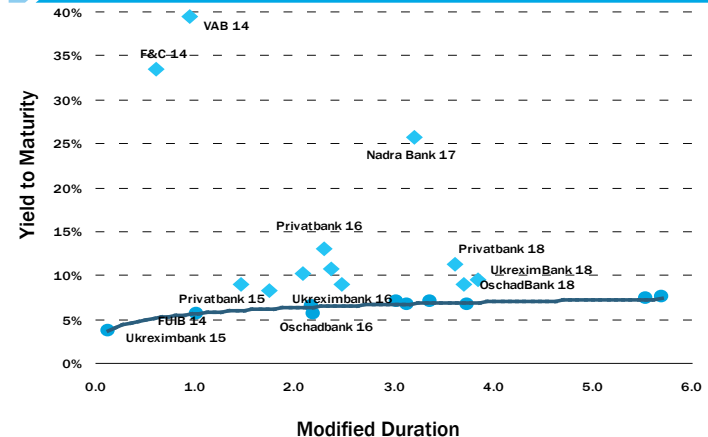
UKRAINIAN EUROBONDS

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	4.6%	0.5%	-0.8%	0.0	7.65%	S/A	11 Jun. 2013	1,000	B3/B/B
Ukraine, 2014	102.1	102.7	5.7%	5.1%	0.6%	0.9	7.95%	S/A	6 Apr. 2014	1,000	B3/B/B
Naftogaz Ukraine, 2014	103.4	104.1	6.9%	6.3%	0.7%	1.2	9.50%	S/A	30 Sept 2014	1,595	//B
Ukraine, 2015 (EUR)	98.0	99.0	5.9%	5.4%	1.0%	2.1	4.95%	A	13 Oct 2015	600*	B3/B/B
Ukraine, 2015	101.1	101.6	6.4%	6.1%	0.1%	2.1	6.875%	S/A	23 Sept 2015	500	B3/B/B
Ukraine, 2016	99.9	100.5	6.6%	6.4%	0.3%	3.1	6.58%	S/A	21 Nov 2016	1,000	B3/B/B
Ukraine, 2016-2	99.3	99.9	6.5%	6.3%	-0.1%	3.1	6.25%	S/A	17 Jun 2016	1,250	B3/B/B
Ukraine, 2017	100.3	101.1	6.7%	6.5%	1.5%	3.8	6.75%	S/A	14 Nov 2017	700	B3/B/B
Ukraine, 2017-2	109.1	109.6	6.7%	6.6%	2.0%	3.3	9.25%	S/A	24 Jul 2017	2,000	B3/B/B
Ukraine, 2017 Infr. projects	100.0	101.5	8.5%	8.1%	2.5%	3.6	8.375%	S/A	3 Nov 2017	568	B3/-/-
Ukraine, 2018 Infr. projects	96.3	98.1	8.4%	8.0%	4.7%	4.0	7.40%	S/A	20 Apr 2018	690	B3/-/-
Ukraine, 2020	103.7	104.7	7.1%	6.9%	1.2%	5.5	7.75%	S/A	23 Sept 2020	1,500	B3/B/B
Ukraine, 2021	104.2	105.2	7.2%	7.1%	0.8%	5.6	7.95%	S/A	23 Feb 2021	1,500	B3/B/B
Ukraine, 2022	102.2	103.2	7.5%	7.3%	1.7%	6.4	7.80%	S/A	28 Nov 2022	1,250	B3/B/B
Ukraine, 2023	99.4	100.0	7.6%	7.5%	-0.3%	6.8	7.50%	S/A	17 Apr 2023	1,250	B3/B/B
Corporate Eurobonds											
Agroton, 2014	75.1	79.9	42.5%	35.7%	n/a	0.9	12.50%	S/A	14 Jul 2014	50	-/-/B-
MHP, 2015	106.1	106.9	6.9%	6.6%	1.0%	1.7	10.25%	S/A	29 Apr 2015	585	B3//B
MHP, 2020	98.8	99.3	8.5%	8.4%	-0.9%	5.1	8.25%	S/A	2 Apr 2020	750	B3//B
Avangardco, 2015	102.1	103.3	9.1%	8.5%	7.3%	2.1	10.00%	S/A	29 Oct 2015	200	-/-/B-
UkrLandFarming, 2018	99.2	100.7	11.1%	10.7%	-0.1%	3.6	10.88%	S/A	26 Mar 2018	275	B-//B
Mriya, 2016	107.0	108.0	8.2%	7.8%	4.4%	2.4	10.95%	S/A	30 Mar 2016	250	-/B/B-
DTEK, 2015	105.1	105.7	6.6%	6.3%	4.2%	1.7	9.50%	S/A	28 Apr 2015	500	B2//B
DTEK, 2018	99.7	100.5	7.9%	7.7%	0.1%	3.9	7.88%	S/A	4 Apr 2018	750	B2//B
Metinvest, 2015	106.9	107.8	6.5%	6.0%	3.4%	1.8	10.25%	S/A	20 May 2015	500	B3//B-
Metinvest, 2018	101.0	101.9	8.5%	8.2%	4.7%	3.7	8.75%	S/A	14 Feb 2018	750	B2-//B-
Ferrexpo, 2016	99.6	100.6	8.1%	7.6%	2.7%	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	87.0	89.0	34.6%	30.5%	46.7%	0.5	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	102.7	104.3	9.4%	8.3%	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	97.6	99.0	10.7%	10.0%	3.7%	2.0	9.38%	S/A	23 Sept 2015	200	B1//B
PrivatBank, 2016	82.3	86.9	13.9%	11.5%	9.6%	2.2	8.75%	S/A	9 Feb 2016	150	B1//B
PrivatBank, 2018	99.1	100.4	11.1%	10.7%	-0.3%	3.5	10.88%	S/A	28 Feb 2018	175	//B
UkrEximBank, 2015	100.1	101.0	8.4%	7.8%	0.6%	1.7	8.38%	S/A	27 Apr 2015	750	B1//B
UkrEximBank, 2016	88.7	90.8	10.8%	9.8%	6.5%	2.3	8.40%	S/A	2 Sept 2016	125	B1//B
UkrEximBank, 2018	98.6	99.4	9.1%	8.9%	-1.0%	3.6	8.75%	S/A	22 Jan 2018	500	B3//B
VAB Bank, 2014	77.0	80.0	40.0%	35.5%	45.4%	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	97.4	98.3	9.6%	9.3%	-2.1%	3.8	8.88%	S/A	20 Mar 2018	500	B1//B
Municipal Eurobonds											
City of Kyiv, 2015	97.0	98.7	9.4%	8.6%	4.6%	2.1	8.00%	S/A	6 Nov 2015	250	B1/CCC+/B
City of Kyiv, 2016	96.6	98.2	10.7%	10.0%	4.1%	2.5	9.375%	S/A	30 Jun 2016	300	B1/CCC+/B

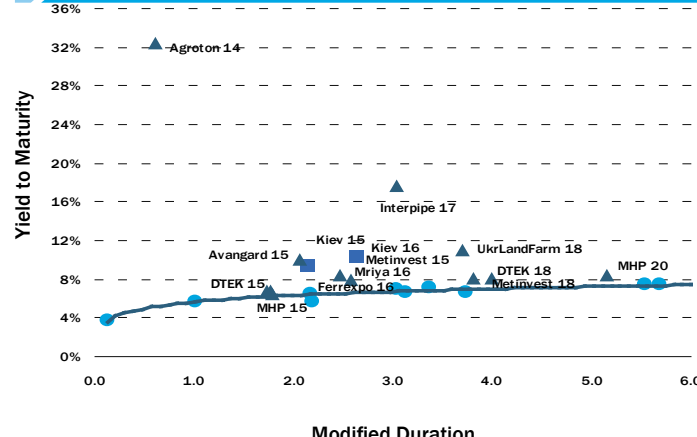
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS

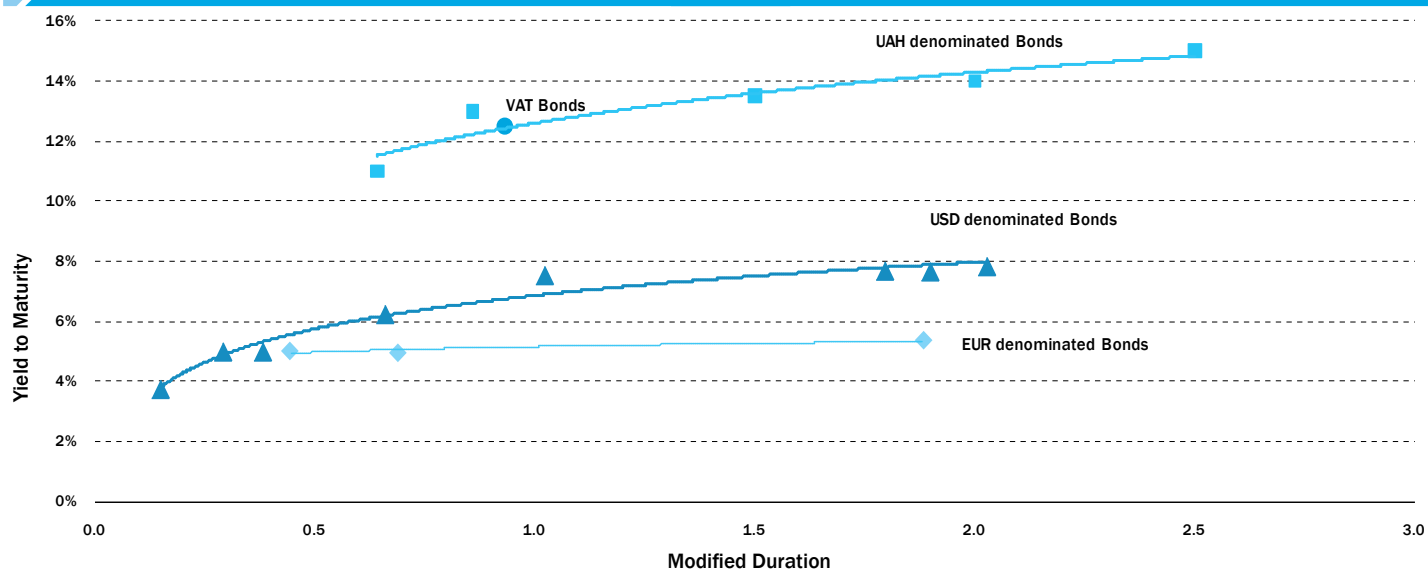


Source: Bloomberg, Cbonds, Eavex Research

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	100.0	3.8%	3.0%	0.0	9.30%	S/A	29 May 2013	235
UA4000142384	100.4	100.5	5.5%	4.5%	0.1	9.30%	S/A	24 Jul 2013	413
UA4000136832	100.5	100.8	5.5%	4.5%	0.2	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	102.0	102.5	7.4%	6.8%	1.0	9.20%	S/A	21 May 2014	171
UA4000142699	99.4	101.0	7.8%	7.4%	1.7	9.45%	S/A	22 Apr 2015	312
UA4000141071	103.3	104.3	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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