

**Market Update**

**Equity**

Apart from the 3% drop in Japan's Nikkei during the overnight, Monday (May 27) was a rather subdued day of trading across most equity markets, with bourses in New York and London shut for separate holidays. Paris and Frankfurt managed to rebound quietly from last week's selloff by 1% each, while locally, the UX index rallied late to end the day essentially unchanged at 852 points. Metinvest-controlled metallurgy blue chips Azovstal (AZST), Avdyivka Coke (AVDK), and Yenakievo Steel (ENMZ) all moved down by about 1%, while Alchevsk Steel (ALMK) and DonbasEnergO (DOEN) posted respective gains of 0.7% and 0.9%. Outside the UX basket, DonetskStal-controlled Yasynivsky Coke (YASK) slipped 2.3% to 55.7 kopecks. In Warsaw, egg producer Ovostar (OVO PW) and car battery maker Westa (WES PW) were down by 1.9% and 5.7% respectively, with the latter ending at PLN 0.66.

**Fixed Income**

Ukrainian sovereign long term Eurobonds ended unchanged yesterday. In banking papers, UkrEximBank-16s declined 0.2 p.p. to close at 88.2/90.7 (10.9%/9.8%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2099.00	0.1%	5.2	165
Raiffeisen Bank Aval	BAVL	0.104	-0.2%	1.4	191
CentrenergO	CEEN	4.315	0.3%	1.2	106

**Growth Leaders**

KRAZ	KRAZ	0.03	17.4%	0.00	11
Komsomolets Donbasa	SHKD	1.00	16.2%	0.05	7
Pivnichny GOK	SGOK	7.61	11.7%	0.02	17

**Loss Leaders**

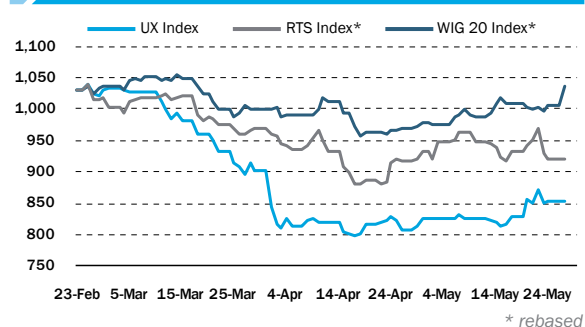
Bank Forum	FORM	0.57	-12.2%	0.00	30
Zhytomyroblenergo	ZHEN	0.63	-4.4%	0.00	18
Kryukiv Wagon	KVBZ	23.94	-2.6%	0.00	8

**Highlights**

**STOCKS IN THE NEWS**

- > Alchevsk Steel Planning to Reach Breakeven in 4Q13

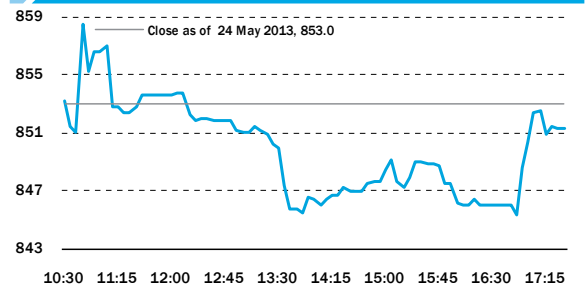
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	851.9	-0.1%	5.7%	-10.4%
RTS	1385.1	-0.2%	0.2%	-9.3%
WIG20	2451.1	2.8%	6.8%	-5.1%
MSCI EM	1028.5	0.2%	0.6%	-2.5%
S&P 500	1649.6	0.0%	4.3%	17.6%

**UX INTRADAY MAY 27, 2013**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	292.2	0.0%	-1.6%	7.8%
CDS 5Y UKR	578.5	0.2%	-5.6%	-7.4%
Ukraine-13	7.0%	0.0%	-0.5%	-0.2%
Naftogaz Ukr-14	-16.2%	-18.8%	-19.2%	-21.5%
Ukraine-20	6.5%	0.0%	-0.2%	-1.1%
Privatbank-16	12.71%	0.0 p.p.	-0.2 p.p.	-2.6 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	8.16	0.3%	0.2%	1.3%
EUR	10.55	0.1%	-0.6%	-1.3%
RUB	0.26	0.2%	0.0%	-1.8%

**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	0.0%	1.0%	2.0%
Gold, USD/oz	1394.8	0.6%	-4.6%	-15.8%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Alchevsk Steel Planning to Reach Breakeven in 4Q13

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### ▶ ALCHEVSK STEEL (ALMK UK)

Price: UAH 0.044 Market Cap: USD 138mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2012	1.0	neg	neg	0.0
2013E	1.1	neg	neg	0.0

### NEWS

Alchevsk Steel, the fourth-largest steelmaker in Ukraine in terms of year-to-date output, expects to reach a breakeven bottom line in 4Q13 due to implementation of energy optimization measures, Interfax reported yesterday (May 27), citing CEO Taras Shevchenko. The company is launching an in-house thermal power plant in June, he said, which should considerably reduce energy costs.

### COMMENTARY

Increasing energy efficiency is obviously an important step in the company's modernization process. However, we think that market conditions for Ukrainian steel exports will remain weak this year, making it unlikely that Alchevsk will show a positive bottom line in 4Q13. The company, which is half-owned by Ukrainian financial-industrial group ISD and half by un-named Russian investors, posted a UAH 1.01bn (USD 125mn) net loss in FY12 compared to a net profit of UAH 142mn (USD 18mn) in FY11. We believe that Alchevsk, like Metinvest's steelmakers, employs transfer pricing schemes as needed in order to move most of the profitability related to sales of its steel offshore. However, we estimate that the real profitability of Metinvest's steel business is higher than that of ISD, due to the latter's lack of vertical integration.

## 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	-6%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	2.57	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	0.93	1.77	89%	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.
<b>Coke</b>						
Avdyivka Coke	AVDK	0.38	0.76	98%	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	515%	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	487%	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	2.93	6.18	111%	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	207%	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	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.
<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	0.34	1.52	352%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	0.8	6.0	606%	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>						
DonbasEnergO	DOEN	2.57	8.90	246%	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	248%	BUY	CentrEnergO'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	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	17.42	30.0	72%	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	851.88	1203.21	747.84	-0.1%	-0.6%	5.7%	-10.4%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.044	0.07	0.04	0.7%	-2.2%	3.1%	-17.8%	0.8%	-1.6%	-2.6%	-7.4%
Azovstal	AZST	0.59	1.19	0.54	-0.8%	-1.3%	3.7%	-19.9%	-0.7%	-0.7%	-2.0%	-9.5%
Dniprospezstal	DNSS	700	1,700	700	0.0%	0.0%	0.0%	-29.9%	0.1%	0.6%	-5.7%	-19.5%
Enakievo Steel	ENMZ	33.7	48.9	27.7	-1.0%	-1.2%	3.5%	-11.4%	-0.9%	-0.6%	-2.1%	-1.1%
Arcelor Mittal KR	KSTL	1.20	6.00	1.20	0.0%	0.0%	0.0%	n/a	0.1%	0.6%	-5.7%	n/a
Mariupol Ilyicha	MMKI	0.19	0.32	0.13	5.6%	5.6%	0.0%	-13.6%	5.7%	6.2%	-5.7%	-3.3%
<b>Coke</b>												
Avdivka Coke	AVDK	3.14	4.15	1.90	-1.3%	-1.9%	6.2%	-4.1%	-1.2%	-1.3%	0.5%	6.3%
Yasnyivsky Coking	YASK	0.56	1.16	0.52	-1.8%	-3.4%	0.0%	-16.4%	-1.6%	-2.9%	-5.7%	-6.0%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	6.70	7.74	4.00	10.6%	4.9%	9.8%	-2.9%	10.7%	5.4%	4.2%	7.5%
Ferrexpo	FXPO	2.58	4.58	2.35	0.0%	-10.7%	-7.3%	-36.0%	0.1%	-10.1%	-12.9%	-25.6%
Pivnichny GOK	SGOK	7.61	12.47	5.77	11.7%	15.3%	17.4%	2.3%	11.9%	15.9%	11.8%	12.7%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.50	1.30	0.40	0.0%	-12.3%	-9.1%	-20.6%	0.1%	-11.7%	-14.7%	-10.3%
Komsomolets Donbasa	SHKD	1.00	2.00	0.65	16.3%	17.6%	8.7%	-15.3%	16.4%	18.2%	3.0%	-4.9%
Energy Coal	CLE	1.29	5.77	0.85	-5.7%	-16.1%	6.0%	-58.3%	-5.6%	-15.5%	0.3%	-47.9%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.27	0.58	0.003	-32.5%	-32.5%	-32.5%	-53.4%	-32.4%	-31.9%	-38.2%	-43.1%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.54	1.30	0.45	5.9%	3.8%	10.2%	-22.9%	6.0%	4.4%	4.5%	-12.5%
Interpipe NMPP	NVTR	0.20	0.60	0.10	5.3%	17.6%	11.1%	-9.1%	5.4%	18.2%	5.5%	1.3%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	23.9	25.9	14.2	-2.6%	-0.9%	-4.2%	23.4%	-2.5%	-0.3%	-9.9%	33.8%
Luhanskeplovoz	LTPL	1.70	2.28	1.28	0.6%	0.0%	1.2%	-9.1%	0.7%	0.6%	-4.5%	1.3%
Stakhanov Wagon	SVGZ	1.37	3.18	1.26	1.5%	3.8%	-0.7%	-20.8%	1.6%	4.4%	-6.4%	-10.4%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.05	0.22	0.03	-1.8%	16.6%	0.2%	11.6%	-1.6%	17.1%	-5.5%	22.0%
Motor Sich	MSICH	2,099	2,640	1,750	0.1%	0.0%	6.5%	-5.0%	0.2%	0.6%	0.8%	5.4%
Sumy Frunze Engineering	SMASH	3.00	4.00	0.76	0.0%	0.0%	20.0%	100.0%	0.1%	0.6%	14.3%	110.4%
Turboatom	TATM	3.20	7.50	0.83	0.0%	0.0%	0.0%	n/a	0.1%	0.6%	-5.7%	n/a
WESTA ISIC	WES	0.20	0.47	0.13	-5.6%	-6.9%	-8.5%	-15.3%	-5.5%	-6.3%	-14.2%	-5.0%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.14	0.37	0.12	0.0%	3.8%	8.0%	-15.6%	0.1%	4.4%	2.3%	-5.2%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	0.34	0.59	0.21	0.0%	-3.0%	-17.2%	-37.9%	0.1%	-2.4%	-22.9%	-27.5%
JKX Oil	JKX	0.85	1.89	0.84	0.0%	-5.8%	-18.6%	-28.9%	0.1%	-5.2%	-24.3%	-18.5%
Ukrnafta	UNAF	116	280	80	-1.0%	-3.8%	2.0%	-2.3%	-0.9%	-3.2%	-3.6%	8.1%
<b>Power Utilities</b>												
Centrenerg	CEEN	4.32	7.33	3.76	0.3%	-0.6%	8.3%	-32.0%	0.4%	0.0%	2.6%	-21.7%
Donbasenergo	DOEN	21.0	24.8	15.0	0.9%	1.0%	7.5%	-1.0%	1.0%	1.6%	1.9%	9.4%
Zakhidenergo	ZAEN	79.7	130.0	54.0	0.0%	-7.0%	-7.1%	-17.8%	0.1%	-6.4%	-12.8%	-7.5%
<b>Consumer</b>												
Agroton	AGT	0.94	4.2	0.36	7.9%	1.4%	25.7%	-71.1%	8.0%	2.0%	20.0%	-60.8%
Astarta	AST	17.4	22.1	14.0	-1.5%	-2.4%	11.3%	-2.4%	-1.4%	-1.8%	5.6%	8.0%
Avangardo	AVGR	9.5	12.0	7.61	0.0%	5.0%	11.8%	-16.2%	0.1%	5.6%	6.1%	-5.8%
Industrial Milk Company	IMC	3.64	5.48	2.73	-1.5%	0.4%	-11.5%	-31.3%	-1.3%	1.0%	-17.1%	-20.9%
Kernel	KER	17.7	23.0	14.8	3.0%	-7.1%	11.4%	-18.2%	3.1%	-6.5%	5.7%	-7.9%
Mriya Agro Holding	MAYA	5.36	6.7	5.04	0.1%	-0.7%	-6.4%	-17.4%	0.2%	-0.1%	-12.1%	-7.0%
MHPC	MHPC	18.0	19.9	10.00	0.0%	-1.2%	-2.8%	18.2%	0.1%	-0.6%	-8.5%	28.6%
Milkiland	MLK	3.17	5.8	3.11	2.1%	-6.3%	-3.5%	-32.6%	2.2%	-5.8%	-9.1%	-22.2%
Ovostar Union	OVO	26.2	33.8	23.7	-1.7%	-0.6%	-2.3%	-9.5%	-1.6%	0.0%	-7.9%	0.9%
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
<b>Chemicals</b>												
Stirol	STIR	11.5	20.9	10.3	1.6%	-0.9%	5.5%	-14.6%	1.7%	-0.3%	-0.1%	-4.2%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.104	0.128	0.061	-0.2%	1.1%	6.3%	21.8%	-0.1%	1.7%	0.7%	32.2%
UkrSotsbank	USCB	0.121	0.201	0.107	-0.8%	-1.3%	2.4%	-5.9%	-0.7%	-0.7%	-3.2%	4.5%

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	139	3.9%	5	1,554	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	305	4.1%	13	284	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	51	48	45	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	75	7.5%	6	72	neg	neg	neg	11.9	neg	neg	0.0	0.1	0.1	21	16	13	\$/tonne
Yasynivsky Coke	YASK	19	9.0%	2	48	1.2	1.7	1.7	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	962	0.5%	5	962	3.0	10.1	9.2	1.9	4.0	4.8	1.2	1.7	1.9				
Pivnichny GOK	SGOK	2,149	0.5%	12	2,274	2.7	4.9	6.0	1.9	2.8	3.6	1.2	1.5	1.7				
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				
<b>Coal Mining</b>																		
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	59	11.9%	7	84	1.6	1.5	1.4	1.7	1.4	1.3	0.6	0.5	0.4	1.7	1.4	1.3	\$/tonne
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	172	2.0%	3	215	1.8	5.1	5.0	1.5	2.9	2.8	0.3	0.3	0.3	341	565	536	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	46	24.0%	11	46	5.1	6.6	5.6	3.3	3.7	3.0	0.2	0.3	0.2				
Kruiiv Wagon	KVBZ	337	5.0%	17	339	4.0	3.5	6.7	2.9	2.5	3.6	0.4	0.4	0.5				
Stakhanov Wagon	SVGZ	38	8.0%	3	77	1.9	>30	13.2	2.3	10.7	7.1	0.2	0.2	0.2				
<b>Specialized Machinery</b>																		
Turboatom	TATM	181	5.8%	10	129	3.4	4.8	4.3	2.1	2.7	2.5	0.8	0.7	0.7				
Motor Sich	MSICH	535	24.0%	128	545	3.2	2.2	2.0	1.9	1.8	1.7	0.8	0.7	0.6				
<b>Telecom</b>																		
Ukrtelecom	UTLM	310	7.2%	22	646	neg	6.8	6.5	3.1	3.2	3.1	0.8	0.8	0.9				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	770	3.0%	23	760	2.8	2.5	3.4	1.7	1.5	1.8	0.2	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
<b>Electric Utilities</b>																		
CentrEnergO	CEEN	195	21.7%	42	278	>30	6.8	5.9	5.7	4.6	4.1	0.3	0.3	0.2	19	19	16	\$/MWh
DonbasEnergO	DOEN	61	14.2%	9	117	neg	15.9	6.0	5.7	6.8	4.9	0.2	0.2	0.2	15	14	13	\$/MWh
<b>Consumer</b>																		
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	1,305	61.8%	806	1,915	5.8	6.2	6.7	6.2	5.9	5.6	1.0	0.9	0.7				
Astarta	AST	435	31.0%	135	582	3.8	8.7	7.4	4.0	6.0	4.8	1.4	1.3	1.1	2952	1797	1493	\$/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	20	44.6%	9	53	neg	1.1	1.0	2.9	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	384	4.0%	16		>30	>30	13.4	0.5	0.4	0.4	0.06	0.05	0.05				
Ukrsotsbank	USCB	274	1.6%	4		>30	>30	21.8	0.3	0.3	0.3	0.06	0.06	0.06				

Source: Eavex Research

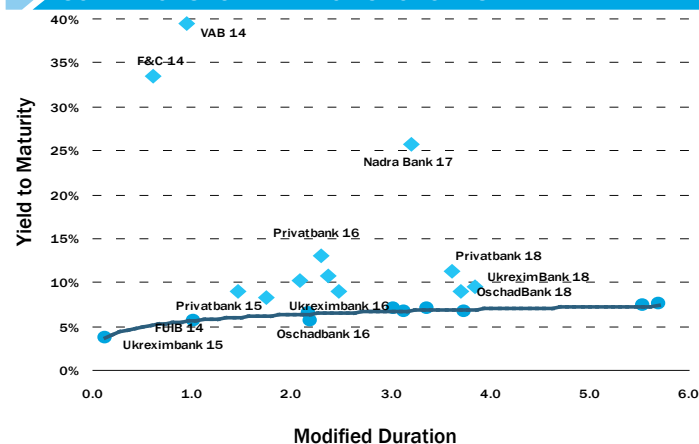
**UKRAINIAN EUROBONDS**

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	100.5	101.0	n/a	n/a	-0.2%	n/a	7.65%	S/A	11 Jun. 2013	1,000	B3/B/B
Ukraine, 2014	102.2	102.7	5.7%	5.2%	0.6%	0.9	7.95%	S/A	6 Apr. 2014	1,000	B3/B/B
Naftogaz Ukraine, 2014	103.4	104.1	6.8%	6.3%	0.7%	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	101.1	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	100.6	6.6%	6.4%	0.4%	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%	0.0%	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	96.4	98.2	8.4%	7.9%	4.8%	4.0	7.40%	S/A	20 Apr 2018	690	B3/-/-
Ukraine, 2020	103.7	104.7	7.1%	6.9%	1.1%	5.5	7.75%	S/A	23 Sept 2020	1,500	B3/B/B
Ukraine, 2021	104.1	105.1	7.2%	7.1%	0.7%	5.6	7.95%	S/A	23 Feb 2021	1,500	B3/B/B
Ukraine, 2022	102.1	103.1	7.5%	7.3%	1.7%	6.6	7.80%	S/A	28 Nov 2022	1,250	B3/B/B
Ukraine, 2023	99.3	99.9	7.6%	7.5%	-0.4%	6.8	7.50%	S/A	17 Apr 2023	1,250	B3/B/B
<b>Corporate Eurobonds</b>											
Agroton, 2014	75.3	80.0	42.3%	35.5%	n/a	0.9	12.50%	S/A	14 Jul 2014	50	-/-/B-
MHP, 2015	106.0	106.9	6.9%	6.7%	0.9%	1.7	10.25%	S/A	29 Apr 2015	585	B3//B
MHP, 2020	98.8	99.4	8.5%	8.4%	-0.9%	5.1	8.25%	S/A	2 Apr 2020	750	B3//B
Avangardco, 2015	102.0	103.2	9.1%	8.5%	7.2%	2.1	10.00%	S/A	29 Oct 2015	200	-/-/B-
UkrLandFarming, 2018	99.4	100.5	11.0%	10.7%	0.0%	3.6	10.88%	S/A	26 Mar 2018	275	B-//B
Mriya, 2016	107.0	108.1	8.2%	7.8%	4.4%	2.4	10.95%	S/A	30 Mar 2016	250	-/B/B-
DTEK, 2015	105.1	105.7	6.7%	6.3%	4.2%	1.7	9.50%	S/A	28 Apr 2015	500	B2//B
DTEK, 2018	99.7	100.6	7.9%	7.7%	0.1%	3.9	7.88%	S/A	4 Apr 2018	750	B2//B
Metinvest, 2015	106.9	107.9	6.5%	6.0%	3.4%	1.8	10.25%	S/A	20 May 2015	500	B3//B-
Metinvest, 2018	101.0	102.0	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%	2.8%	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	87.0	89.0	34.7%	30.6%	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%	10.8%	-0.3%	3.5	10.88%	S/A	28 Feb 2018	175	//B
UkrEximBank, 2015	100.1	101.0	8.4%	7.9%	0.6%	1.7	8.38%	S/A	27 Apr 2015	750	B1//B
UkrEximBank, 2016	88.2	90.7	11.0%	9.8%	6.2%	2.3	8.40%	S/A	2 Sept 2016	125	B1//B
UkrEximBank, 2018	98.5	99.4	9.1%	8.9%	-1.1%	3.6	8.75%	S/A	22 Jan 2018	500	B3//B
VAB Bank, 2014	77.0	80.0	40.1%	35.6%	45.4%	0.9	10.50%	Q	14 Jun 2014	125	Caa1-/-/WD
Oschadbank, 2016	98.9	100.0	8.8%	8.3%	4.5%	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
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	96.9	98.7	9.5%	8.6%	4.6%	2.1	8.00%	S/A	6 Nov 2015	250	B1/CCC+/B
City of Kyiv, 2016	96.6	98.5	10.7%	9.9%	4.3%	2.5	9.375%	S/A	30 Jun 2016	300	B1/CCC+/B

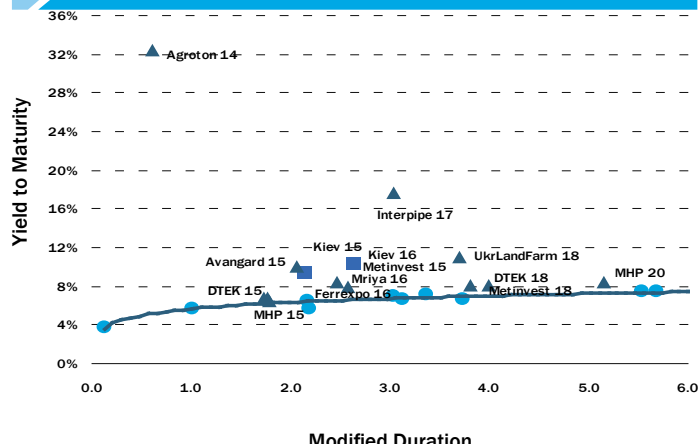
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

Source: Bloomberg, Cbonds, Eavex Research

**SOVEREIGNS vs. BANKING EUROBONDS**



**SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS**

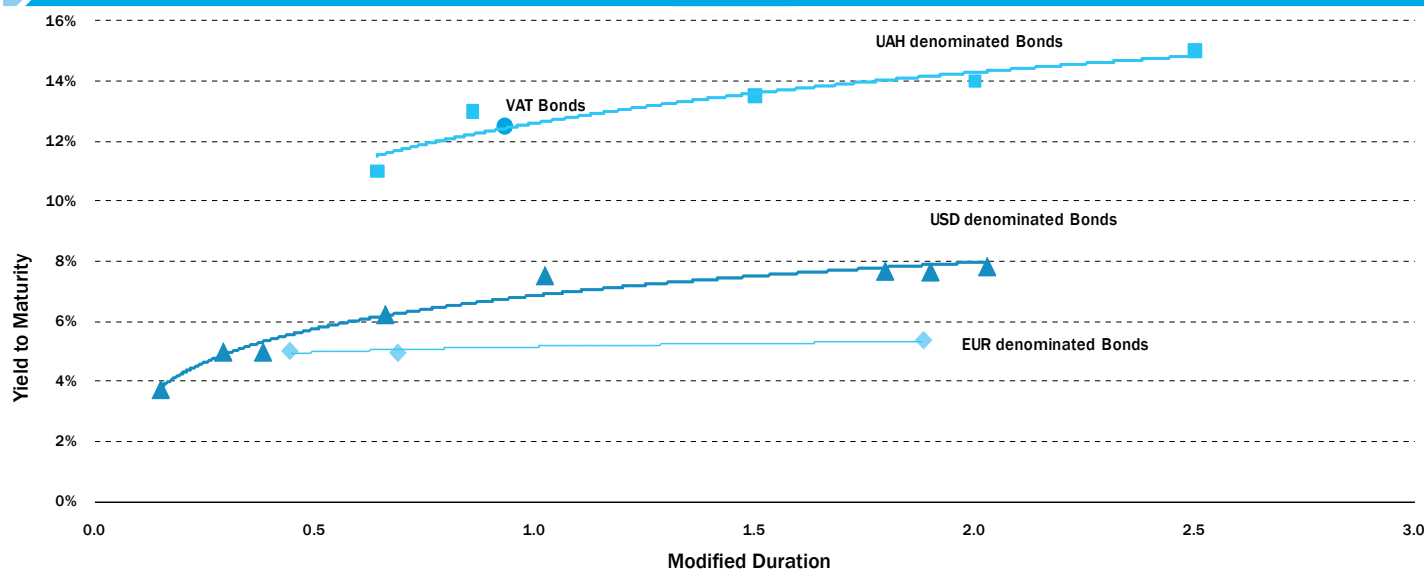


Source: Bloomberg, Cbonds, Eavex Research

**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	100.0	100.0	3.8%	3.0%	0.0	9.30%	S/A	29 May 2013	235
UA4000142384	100.4	100.6	5.5%	4.5%	0.1	9.30%	S/A	24 Jul 2013	413
UA4000136832	100.7	100.9	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	101.3	103.0	7.8%	7.4%	1.7	9.45%	S/A	22 Apr 2015	312
UA4000141071	103.3	104.3	7.9%	7.3%	1.8	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
<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	102.9	103.0	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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