

Market Update

Equity

Ukrainian equities were marginally lower again on Thursday (Jun 6) as European markets continued their week of considerable correction, with Frankfurt and London both down more than 1% for a second straight day. However, the major US indices rallied on expectations of soft employment data, suggesting that central bank liquidity support for the US economy will not be scaled back. The UX index edged down 0.4%, closing at 847 points. Volume leader Motor Sich (MSICH) sold off rather sharply, dropping 2.0% on turnover of UAH 3.4mn, and Alchevsk Steel (ALMK) lost 1.8% to 4.27 kopecks. CentrEnergy (CEEN) and DonbasEnergy (DOEN) posted moderate rises of 0.8% each after it was revealed that industrial electricity prices were hiked by some 14% during May. In second-tier names, UkrTelecom (UTLM) jumped another 9.5% to 16.50 kopecks on top of its 15% gain on Wednesday, when it was announced that the company will be taken over by System Capital Management.

Fixed Income

Ukrainian benchmark sovereigns were notably lower again on Thursday, with Ukraine-23s declining by 1.2p.p. closing at 93.8/94.6 (8.4%/8.3%), while medium-term Ukraine-17s finished flat at 98.2/99.2 (7.2%/7.0%). Corporate names were mostly down. MHP-20s dropped by 0.6p.p. to 96.3/97.3 (9.0%/8.8%) and Metinvest-18s slipped 0.4p.p. to 98.7/100.1 (9.1%/8.7%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2019.00	-2.0%	3.4	199
Enakievo Steel	ENMZ	34.95	-0.4%	1.6	66
Raiffeisen Bank Aval	BAVL	0.102	-0.2%	1.4	162

Growth Leaders

Ukrtelecom	UTLM	0.16	9.5%	0.14	40
Kryukiv Wagon	KVBZ	23.95	8.8%	0.04	9
Bogdan Motors	LUAZ	0.05	1.1%	0.20	25

Loss Leaders

Motor Sich	MSICH	2,019.00	-2.0%	3.43	199
Yasynivsky Coke	YASK	0.58	-1.9%	0.07	13
Alchevsk Steel	ALMK	0.04	-1.8%	0.70	168

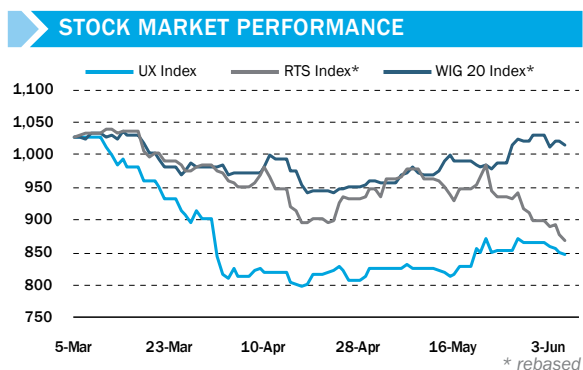
Highlights

POLITICS AND ECONOMICS

- UkrStat: Consumer Prices Rose 0.1% MoM in May

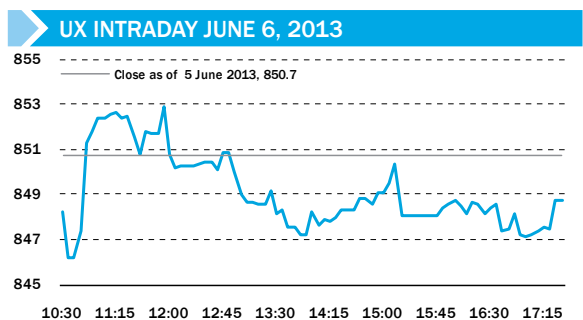
STOCKS IN THE NEWS

- Privat Fails to Oust JGX Oil & Gas CEO Davies



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	847.2	-0.4%	2.6%	-10.9%
RTS	1286.9	-1.1%	-10.1%	-15.7%
WIG20	2446.3	-0.6%	4.6%	-5.3%
MSCI EM	985.1	-0.6%	-5.8%	-6.6%
S&P 500	1622.6	0.8%	0.3%	15.7%



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	333.8	2.8%	19.8%	23.2%
CDS 5Y UKR	685.0	7.8%	16.4%	9.6%
Ukraine-17	7.1%	0.0 p.p.	0.4 p.p.	0.2 p.p.
Naftogaz Ukr-14	7.7%	0.4 p.p.	1.4 p.p.	0.1 p.p.
Ukraine-23	8.4%	0.2 p.p.	0.8 p.p.	0.9 p.p.
Privatbank-16	13.5%	0.3 p.p.	0.8 p.p.	-1.8 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.15	0.0%	0.6%	1.3%
EUR	10.80	1.1%	1.9%	1.0%
RUB	0.25	0.2%	-2.7%	-4.1%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	320.0	0.0%	0.0%	0.0%
Steel, USD/t	517.5	0.0%	-4.2%	-2.8%
Oil, USD/bbl	94.8	1.1%	-1.7%	2.7%
Gold, USD/oz	1413.9	0.7%	-3.8%	-14.6%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

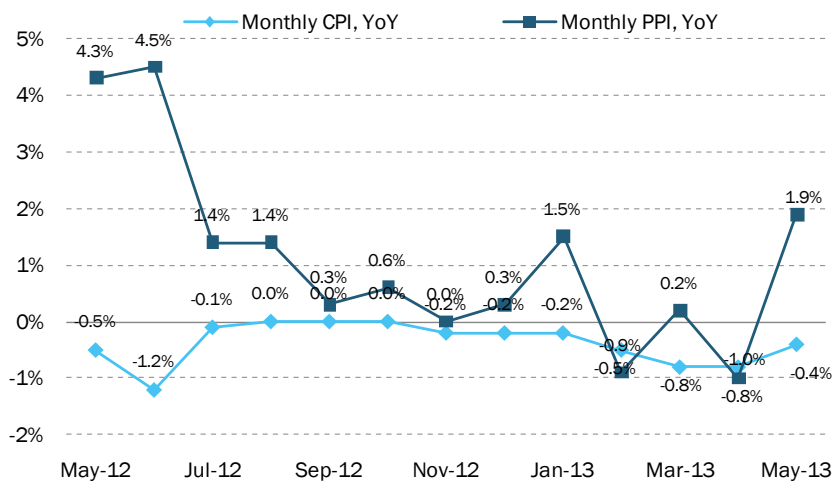
UkrStat: Consumer Prices Rose 0.1% MoM in May

by Dmitry Churin
d.churin@eavex.com.ua

NEWS

Ukraine's State Statistics Committee reported that consumer prices inched up by 0.1% MoM in May, according to data published on Thursday (Jun 6). With the new data, the 12-month change in the CPI remains deflationary at -0.4%. Producer prices jumped by 3.1% MoM, bringing the 12-month increase back into positive territory at 1.9% YoY.

UKRAINE'S MONTHLY INFLATION, YOY



Source: State Statistics Committee

COMMENTARY

Government-controlled prices for food and utility services continue to outweigh moderate price increases for healthcare, education, telecommunication services and a notable 7.5% YoY rise in alcohol and tobacco prices.

In the PPI components, prices in the utility sector jumped 12.8% MoM, led by a 14.0% MoM advance in electricity prices amid a temporary shortage of thermal generation capacity. In the extraction sector there was an unexpected increase in coal prices by 3.3% MoM in May, indicating that the price glut of steam coal on the domestic market may finally have bottomed out.

We think that the acceleration of producer prices will spur consumer prices as well later the year.

Privat Fails to Oust JKX Oil & Gas CEO Davies

by Dmitry Churin
d.churin@eavex.com.ua

JKX OIL&GAS (JKX LN)

Price: GBp 58.75 Market Cap: USD 157mn

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

NEWS

Privat, one of Ukraine's largest financial-industrial groups, failed to oust the top management of London-listed JKX Oil & Gas at this week's annual shareholder meeting. Eclairs Group Limited, a Privat affiliate, with a 27.5% stake in JKX, and fellow Glengary Overseas Ltd, a holder of 11.4% were barred from voting at the AGM on Wednesday (Jun 5). Although Eclairs and Glengary submitted claims to court that the restriction notices are not effective and a court date has been set for Jul 22 to consider these claims, almost all other JKX shareholders voted for the re-election of Paul Davies as CEO.

COMMENTARY

There has been a lot of tension between Privat Group and JKX's management recently. Both sides blam each other for trying to get control over the company without paying attention to the best interest of the shareholders. JKX's operating performance under Davies has clearly left much to be desired. However, ongoing conflict between the company's largest shareholder and management could bring additional harm to the company. JKX's share price is down 24% YtD after an awful 2012, and is currently hovering near a 9-year low of GBp 60 per share.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, USD per share	Target price, USD per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.07	0.07	-9%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	2.49	3.33	34%	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	0.95	1.77	87%	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	94%	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	491%	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	475%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	2.94	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	0.20	0.64	226%	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	248	644	160%	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	348%	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	555%	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	2.56	8.90	248%	BUY	DonbasEnergO is Ukraine's next big-ticket privatization object, with an auction expected to be announced in summer 2013.
CenterEnergO	CEEN	0.54	1.84	242%	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	18.5	24.0	30%	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	19.61	30.0	53%	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	9.70	U/R	n/a	U/R	The company ended 1Q13 with a 6% YoY increase in sales thanks to an expansion of the production. Higher operational results failed to compensate for a 8% YoY drop on selling price for eggs further exacerbated by inflated production costs. This led to decline in both EBITDA and net margins by 10p.p. YoY to 45% and 39%, respectively in 1Q13.

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	847.23	1203.21	747.84	-0.4%	-2.3%	2.6%	-10.9%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.043	0.07	0.04	-1.8%	-2.7%	0.5%	-20.0%	-1.4%	-0.5%	-2.1%	-9.2%
Azovstal	AZST	0.61	1.19	0.54	-0.2%	0.0%	5.2%	-18.0%	0.2%	2.3%	2.7%	-7.1%
Dniprospezstal	DNSS	845	1,700	700	0.0%	-0.6%	20.7%	-15.4%	0.4%	1.7%	18.2%	-4.5%
Enakievo Steel	ENMZ	35.0	48.9	27.7	-0.4%	1.9%	2.8%	-8.0%	0.0%	4.2%	0.2%	2.8%
Arcelor Mittal KR	KSTL	1.20	6.00	1.20	0.0%	0.0%	n/a	n/a	0.4%	2.3%	n/a	n/a
Mariupol Ilyicha	MMKI	0.17	0.32	0.13	0.0%	-10.5%	0.0%	-22.7%	0.4%	-8.3%	-2.6%	-11.9%
Coke												
Avdivka Coke	AVDK	3.20	4.15	1.90	-0.4%	-0.7%	7.5%	-2.3%	0.0%	1.6%	4.9%	8.5%
Yasnyivsky Coking	YASK	0.58	1.16	0.52	-1.7%	1.8%	5.5%	-13.4%	-1.3%	4.0%	2.9%	-2.6%
Iron Ore Mining												
Centralny GOK	CGOK	6.70	7.74	4.00	0.0%	-1.3%	21.8%	-2.9%	0.4%	0.9%	19.3%	8.0%
Ferrexpo	FXPO	2.49	4.58	2.35	0.3%	-6.1%	-10.2%	-38.2%	0.7%	-3.8%	-12.8%	-27.3%
Pivnichny GOK	SGOK	7.70	11.48	5.77	0.0%	5.5%	14.9%	3.5%	0.4%	7.7%	12.4%	14.4%
Coal Mining												
Pokrovske Mine	SHCHZ	0.51	1.30	0.40	0.0%	0.0%	-13.6%	-19.0%	0.4%	2.3%	-16.1%	-8.2%
Komsomolets Donbasa	SHKD	0.91	2.00	0.65	0.0%	-2.2%	-18.8%	-22.9%	0.4%	0.1%	-21.3%	-12.0%
Energy Coal	CLE	1.11	5.77	0.85	-3.6%	5.8%	-29.6%	-64.1%	-3.1%	8.0%	-32.1%	-53.3%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.51	0.58	0.003	0.0%	88.9%	n/a	-12.1%	0.4%	91.2%	n/a	-1.2%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.54	1.30	0.45	-1.8%	-1.8%	3.8%	-22.9%	-1.4%	0.4%	1.3%	-12.0%
Interpipe NMPP	NVTR	0.18	0.60	0.10	0.0%	-5.3%	5.9%	-18.2%	0.4%	-3.0%	3.3%	-7.3%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	24.0	25.9	14.2	8.8%	-0.2%	-4.4%	23.5%	9.2%	2.1%	-6.9%	34.3%
Luhanskeplovoz	LTPL	1.60	2.20	1.28	0.0%	-5.3%	-5.9%	-14.4%	0.4%	-3.1%	-8.4%	-3.6%
Stakhanov Wagon	SVGZ	1.40	3.15	1.26	-1.4%	5.3%	-2.8%	-19.1%	-1.0%	7.5%	-5.3%	-8.2%
Specialized Machinery												
Bogdan Motors	LUAZ	0.05	0.22	0.03	1.1%	-0.9%	9.1%	1.6%	1.5%	1.4%	6.6%	12.4%
Motor Sich	MSICH	2,019	2,640	1,750	-2.0%	-3.9%	0.0%	-8.6%	-1.6%	-1.6%	-2.5%	2.2%
Sumy Frunze Engineering	SMASH	3.15	4.00	0.76	0.0%	5.0%	21.6%	110.0%	0.4%	7.3%	19.1%	120.9%
Turboatom	TATM	3.20	7.50	0.83	0.0%	0.0%	n/a	n/a	0.4%	2.3%	n/a	n/a
WESTA ISIC	WES	0.20	0.45	0.13	-3.7%	10.9%	11.0%	-15.6%	-3.3%	13.1%	8.5%	-4.7%
Telecom												
Ukrtelecom	UTLM	0.16	0.33	0.12	9.5%	25.8%	20.5%	2.8%	9.9%	28.0%	18.0%	13.7%
Oil & Gas												
Regal Petroleum	RPT	0.34	0.59	0.21	3.8%	0.4%	-9.0%	-37.3%	4.2%	2.7%	-11.6%	-26.4%
JXX Oil	JKX	0.92	1.89	0.84	1.4%	0.6%	-13.9%	-23.3%	1.8%	2.8%	-16.5%	-12.4%
Ukrnafta	UNAF	115	280	80	0.1%	-0.9%	-0.3%	-2.9%	0.5%	1.3%	-2.8%	8.0%
Power Utilities												
Centrenerg	CEEN	4.38	7.33	3.76	0.8%	-3.4%	5.7%	-30.9%	1.2%	-1.1%	3.2%	-20.1%
Donbasenergo	DOEN	20.8	24.8	15.0	0.8%	-0.3%	4.1%	-1.7%	1.2%	2.0%	1.5%	9.2%
Zakhidenergo	ZAEN	75.7	127.9	54.0	-0.5%	0.9%	-10.9%	-22.0%	-0.1%	3.2%	-13.5%	-11.1%
Consumer												
Agroton	AGT	0.83	4.2	0.36	-4.2%	-7.4%	-13.9%	-74.3%	-3.8%	-5.1%	-16.4%	-63.5%
Astarta	AST	19.5	22.1	14.5	3.3%	11.6%	24.1%	9.5%	3.7%	13.9%	21.6%	20.3%
Avangardo	AVGR	9.7	12.0	7.61	-1.5%	2.1%	12.1%	-14.4%	-1.1%	4.4%	9.6%	-3.5%
Industrial Milk Company	IMC	3.69	5.48	2.76	0.8%	0.9%	-11.2%	-30.5%	1.2%	3.1%	-13.8%	-19.6%
Kernel	KER	16.7	23.0	15.7	-0.2%	-8.2%	-4.3%	-22.7%	0.2%	-5.9%	-6.9%	-11.9%
Mriya Agro Holding	MAYA	5.62	6.7	5.04	1.2%	-0.9%	-0.7%	-13.3%	1.7%	1.4%	-3.3%	-2.4%
MHPC	MHPC	18.5	19.9	10.06	0.0%	0.0%	-5.1%	21.3%	0.4%	2.3%	-7.7%	32.2%
Milkiland	MLK	3.46	5.8	3.11	0.7%	10.1%	-15.6%	-26.5%	1.1%	12.4%	-18.1%	-15.7%
Ovostar Union	OVO	26.2	33.8	23.7	-1.3%	1.2%	-5.5%	-9.3%	-0.9%	3.5%	-8.1%	1.6%
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	11.9	20.9	10.3	0.0%	0.3%	1.8%	-11.2%	0.4%	2.6%	-0.8%	-0.3%
Banks												
Raiffeisen Bank Aval	BAVL	0.102	0.128	0.061	-0.2%	-3.9%	-0.5%	18.4%	0.2%	-1.6%	-3.0%	29.3%
UkrSotsbank	USCB	0.119	0.200	0.107	0.4%	-2.6%	-2.0%	-7.8%	0.8%	-0.4%	-4.5%	3.1%

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%
Ukrstsobank	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	135	3.9%	5	1,550	3.7	neg	neg	10.7	neg	neg	0.7	0.9	0.9	535	461	415	\$/tonne
Yenakievo Steel	ENMZ	45	8.8%	4	38	1.4	5.3	neg	neg	neg	neg	0.0	0.0	0.0	15	14	14	\$/tonne
Azovstal	AZST	312	4.1%	13	291	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	52	49	47	\$/tonne
Coke																		
Avdyivka 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	963	0.5%	5	963	3.0	10.1	9.3	1.9	4.1	4.8	1.2	1.7	1.9				
Pivnichny GOK	SGOK	2,176	0.5%	12	2,301	2.8	5.0	6.1	2.0	2.8	3.6	1.3	1.5	1.8				
Ferrexpo	FXPO	1,464	24.0%	352	1,715	2.5	6.8	5.6	2.1	4.3	3.9	1.0	1.2	1.1				
Coal Mining																		
Komsomolets Donbasa	SHKD	37	5.4%	2	139	2.4	1.0	1.1	2.1	1.4	1.6	0.7	0.5	0.5	34	33	31	\$/tonne
Coal Energy	CLE	50	11.9%	6	76	1.4	1.3	1.2	1.5	1.2	1.2	0.5	0.5	0.4	1.5	1.2	1.2	\$/tonne
Pipe Manufacturing																		
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	537	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	43	24.0%	10	43	4.8	6.2	5.3	3.1	3.5	2.8	0.2	0.3	0.2				
Krukiw Wagon	KVBZ	337	5.0%	17	339	4.0	3.5	6.7	2.9	2.5	3.7	0.4	0.4	0.5				
Stakhanov Wagon	SVGZ	39	8.0%	3	78	2.0	>30	13.5	2.3	10.9	7.1	0.2	0.3	0.2				
Specialized Machinery																		
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	515	24.0%	124	525	3.1	2.1	1.9	1.8	1.7	1.6	0.7	0.6	0.6				
Telecom																		
Ukrtelecom	UTLM	378	7.2%	27	714	neg	8.3	7.9	3.5	3.5	3.4	0.8	0.8	1.0				
Oil & Gas																		
Ukrnafta	UNAF	766	3.0%	23	756	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	109	49.0%	53	91	17.0	9.1	4.5	neg	4.0	2.6	4.8	1.8	1.1	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	157	50.4%	79	266	2.7	3.9	3.1	2.3	1.8	1.8	1.1	1.2	1.1	70	49	36	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	199	21.7%	43	281	>30	6.9	5.9	5.8	4.6	4.2	0.3	0.3	0.2	19	20	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	1,954	34.1%	667	2,999	7.5	6.3	7.2	7.5	6.4	5.7	2.4	2.1	2.0	9372	9372	9372	\$/tonne
Kernel	KER	1,233	61.8%	762	1,843	5.5	5.8	6.3	6.0	5.7	5.4	1.0	0.9	0.7				
Astarta	AST	488	31.0%	151	635	4.3	9.8	8.3	4.4	6.5	5.3	1.6	1.4	1.2	3220	1961	1628	\$/tonne
Avangardco	AVGR	620	22.5%	139	768	3.2	2.7	2.7	3.1	2.7	2.6	1.4	1.2	1.1	174	132	124	\$/mneggs
Agroton	AGT	18	44.6%	8	51	neg	1.0	0.9	2.7	1.6	1.5	0.4	0.6	0.5	0.4	n/a	n/a	\$/ha
Banks																		
Raiffeisen Bank Aval	BAVL	374	4.0%	15		>30	>30	13.1	0.5	0.4	0.4	0.05	0.05	0.05				
Ukrsotsbank	USCB	269	1.6%	4		>30	>30	21.8	0.3	0.3	0.3	0.06	0.06	0.06				

Source: Eavex Research

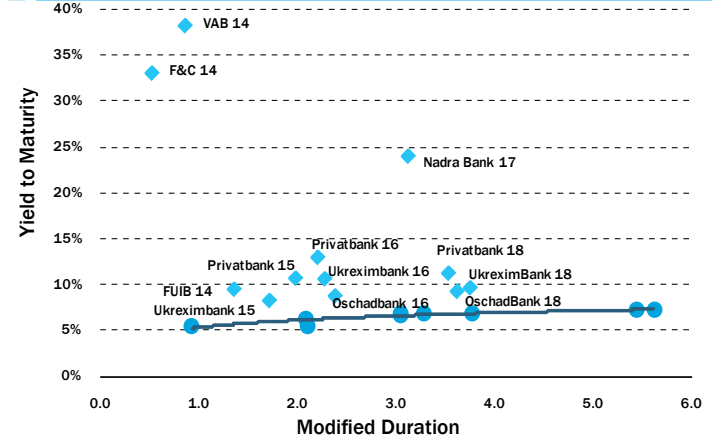
UKRAINIAN EUROBONDS

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, 2014	101.2	101.8	6.7%	6.0%	-0.3%	0.9	7.95%	S/A	6 Apr. 2014	1,000	B3/B/B
Naftogaz Ukraine, 2014	101.8	102.5	8.1%	7.5%	-0.8%	1.2	9.50%	S/A	30 Sept 2014	1,595	//B
Ukraine, 2015 (EUR)	97.5	98.5	6.1%	5.7%	0.5%	2.1	4.95%	A	13 Oct 2015	600*	B3/B/B
Ukraine, 2015	100.3	101.0	6.8%	6.4%	-0.6%	2.1	6.875%	S/A	23 Sept 2015	500	B3/B/B
Ukraine, 2016	98.2	98.8	7.2%	7.0%	-1.4%	3.0	6.58%	S/A	21 Nov 2016	1,000	B3/B/B
Ukraine, 2016-2	97.8	98.4	7.0%	6.7%	-1.5%	3.0	6.25%	S/A	17 Jun 2016	1,250	B3/B/B
Ukraine, 2017	98.2	99.2	7.2%	7.0%	-0.6%	3.7	6.75%	S/A	14 Nov 2017	700	B3/B/B
Ukraine, 2017-2	106.3	106.8	7.5%	7.3%	-0.6%	3.3	9.25%	S/A	24 Jul 2017	2,000	B3/B/B
Ukraine, 2017 Infr. projects	96.0	97.5	9.7%	9.2%	-1.5%	3.5	8.375%	S/A	3 Nov 2017	568	B3/-/
Ukraine, 2018 Infr. projects	94.3	96.6	9.0%	8.4%	2.8%	3.9	7.40%	S/A	20 Apr 2018	690	B3/-/
Ukraine, 2020	99.0	100.0	7.9%	7.8%	-3.4%	5.4	7.75%	S/A	23 Sept 2020	1,500	B3/B/B
Ukraine, 2021	99.6	100.6	8.0%	7.8%	-3.6%	5.5	7.95%	S/A	23 Feb 2021	1,500	B3/B/B
Ukraine, 2022	96.6	97.6	8.3%	8.2%	-3.8%	6.5	7.80%	S/A	28 Nov 2022	1,250	B3/B/B
Ukraine, 2023	93.8	94.6	8.4%	8.3%	-5.8%	6.7	7.50%	S/A	17 Apr 2023	1,250	B3/B/B
Corporate Eurobonds											
Agroton, 2014	73.0	79.6	46.7%	36.7%	n/a	0.8	12.50%	S/A	14 Jul 2014	50	-/-/B-
MHP, 2015	103.9	105.8	8.0%	7.5%	-0.6%	1.7	10.25%	S/A	29 Apr 2015	585	B3//B
MHP, 2020	96.3	97.3	9.0%	8.8%	-3.2%	5.0	8.25%	S/A	2 Apr 2020	750	B3//B
Avangardco, 2015	101.5	103.3	9.4%	8.5%	7.0%	2.1	10.00%	S/A	29 Oct 2015	200	-/-/B
UkrLandFarming, 2018	99.1	100.0	11.1%	10.9%	-0.4%	3.6	10.88%	S/A	26 Mar 2018	275	B-/B
Mriya, 2016	106.3	107.7	8.5%	7.9%	3.9%	2.4	10.95%	S/A	30 Mar 2016	250	-/B/B-
DTEK, 2015	104.5	105.2	6.9%	6.6%	3.7%	1.7	9.50%	S/A	28 Apr 2015	500	B2//B
DTEK, 2018	98.3	99.2	8.3%	8.1%	-1.2%	3.9	7.88%	S/A	4 Apr 2018	750	B2//B
Metinvest, 2015	104.9	105.9	7.5%	7.0%	1.5%	1.7	10.25%	S/A	20 May 2015	500	B3//B-
Metinvest, 2018	98.7	100.1	9.1%	8.7%	2.5%	3.7	8.75%	S/A	14 Feb 2018	750	B2-/B-
Ferrexpo, 2016	98.5	99.2	8.5%	8.2%	1.5%	2.5	7.875%	S/A	07 Apr 2016	500	B2/B+/B
Interepipe, 2017	77.0	80.1	18.5%	16.8%	-3.8%	2.9	10.25%	S/A	2 Aug 2017	200	-/B+/B+
Bank Eurobonds											
Fin&Credit Bank, 2014	89.0	91.0	31.6%	27.4%	50.0%	0.5	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	101.9	103.9	9.9%	8.5%	2.0%	1.3	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	97.1	98.1	11.0%	10.4%	3.0%	2.0	9.38%	S/A	23 Sept 2015	200	B1//B
PrivatBank, 2016	81.3	85.2	14.5%	12.5%	7.9%	2.2	8.75%	S/A	9 Feb 2016	150	B1//B
PrivatBank, 2018	97.3	98.5	11.6%	11.3%	-2.1%	3.5	10.88%	S/A	28 Feb 2018	175	//B
UkrEximBank, 2015	99.5	100.5	8.7%	8.1%	0.1%	1.7	8.38%	S/A	27 Apr 2015	750	B1//B
UkrEximBank, 2016	87.0	90.0	11.7%	10.2%	5.0%	2.3	8.40%	S/A	2 Sept 2016	125	B1//B
UkrEximBank, 2018	95.5	96.9	10.0%	9.6%	-3.8%	3.6	8.75%	S/A	22 Jan 2018	500	B3//B
VAB Bank, 2014	77.0	80.0	41.1%	36.5%	45.4%	0.8	10.50%	Q	14 Jun 2014	125	Caa1-/WD
Oschadbank, 2016	96.8	98.2	9.7%	9.1%	2.5%	2.4	8.25%	S/A	10 Mar 2016	700	B2//B
Oschadbank, 2018	94.7	96.1	10.3%	10.0%	-4.6%	3.7	8.88%	S/A	20 Mar 2018	500	B1//B
Municipal Eurobonds											
City of Kyiv, 2015	94.8	96.9	10.5%	9.5%	2.5%	2.1	8.00%	S/A	6 Nov 2015	250	B1/CCC+/B
City of Kyiv, 2016	95.7	97.7	11.1%	10.3%	3.3%	2.5	9.375%	S/A	30 Jun 2016	300	B1/CCC+/B

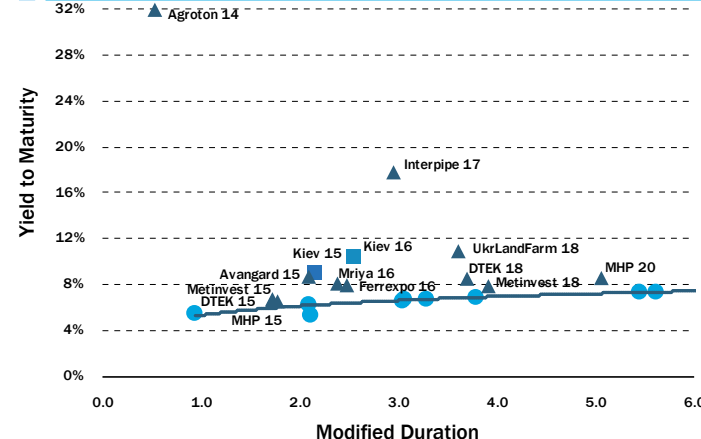
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS

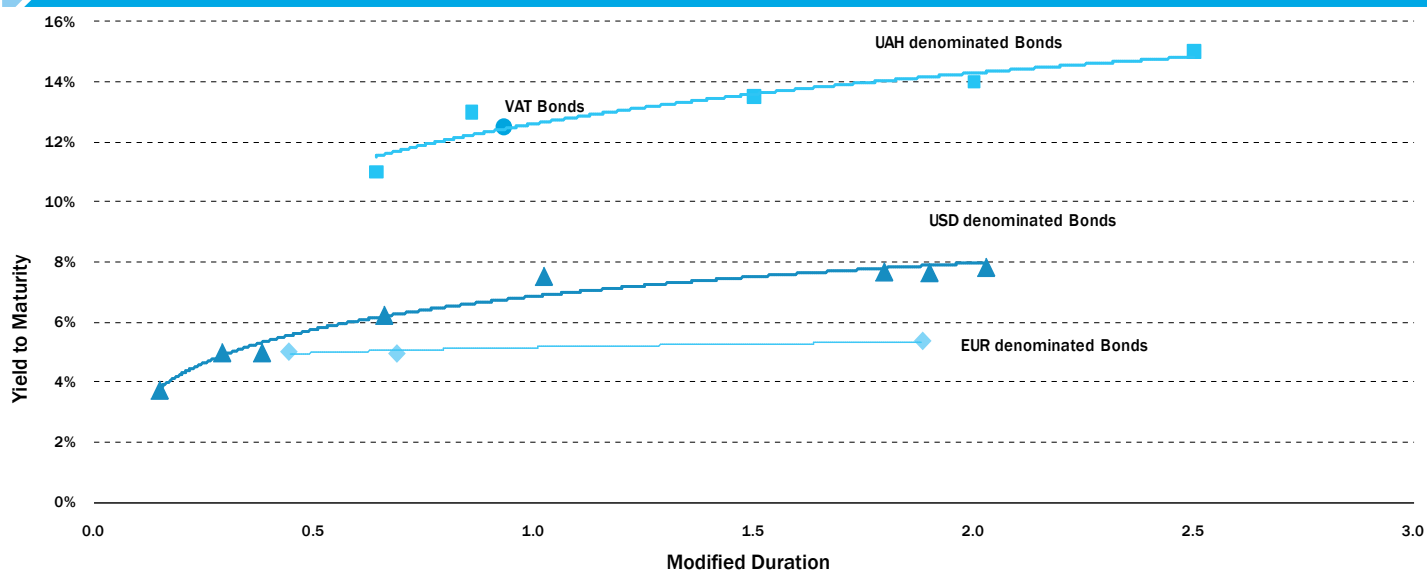


Source: Bloomberg, Cbonds, Eavex Research

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									
UA4000115117			12.0%	10.0%	n/a	10.75%	S/A	26 Mar 2014	187
UA4000141592			13.5%	12.0%	1.5	14.30%	S/A	20 May 2015	31
UA4000142665			15.5%	14.3%	2.0	14.30%	S/A	24 May 2017	184
USD denominated Bonds									
UA4000136832	100.6	100.8	5.5%	4.5%	0.2	9.27%	S/A	28 Aug 2013	254
UA4000138002	100.9	101.0	5.5%	4.5%	0.4	9.30%	S/A	27 Nov 2013	86
UA4000140362	101.4	101.9	7.4%	6.8%	0.9	9.20%	S/A	21 May 2014	171
UA4000142699	101.3	103.0	8.3%	7.5%	1.6	9.45%	S/A	22 Apr 2015	312
UA4000141071	102.3	103.3	8.3%	7.9%	1.7	9.45%	S/A	27 May 2015	152
UA4000142673	93.1	94.1	8.3%	8.0%	1.9	4.50%	S/A	17 Jun 2015	175
EUR denominated Bonds									
UA4000137731	100.6	100.8	5.1%	4.9%	0.3	4.80%	S/A	18 Sept 2013	205
UA4000138846	101.0	101.3	5.0%	4.9%	0.5	4.80%	S/A	25 Dec 2013	70
UA4000142681	102.3	102.4	5.4%	5.3%	1.8	4.80%	S/A	6 May 2015	40
VAT Bonds									
UA4000082531			13.5%	11.8%	n/a	5.50%	S/A	21 Aug 2015	141
UA4000082622			13.5%	11.8%	n/a	5.50%	S/A	24 Aug 2015	571
UA4000083059			13.5%	11.8%	n/a	5.50%	S/A	25 Aug 2015	415

Source: Bloomberg, Cbonds, Eavex Research

DOMESTIC BONDS YIELD CURVE


Source: Bloomberg, Cbonds, Eavex Research

Eavex Capital

Evropa Plaza
33 Shevchenko Blvd.
Floor 11
Kyiv, Ukraine, 01032

Telephone: +38 044 590 5454

Facsimile: +38 044 590 5464

E-mail: office@eavex.com.ua

Web-page: www.eavex.com.ua

Yuriy Yakovenko

Chairman of the Board

yuriy.yakovenko@eavex.com.ua

SALES & TRADING

Pavel Korovitskiy

Managing Director

Equity and Fixed Income

p.korovitsky@eavex.com.ua

Alexander Klymchuk

Equity & Fixed Income

a.klymchuk@eavex.com.ua

Eugene Klymchuk

Fixed Income Sales & Trading

e.klymchuk@eavex.com.ua

Artem Mateshko

Equity Trading

a.mateshko@eavex.com.ua

Serhiy Scherbaniuk

Equity Trading

s.shcherbaniuk@eavex.com.ua

Nazar Malinyak

Online Trading

n.malinyak@eavex.com.ua

RESEARCH

Dmitry Churin

Head of Research

d.churin@eavex.com.ua

Ivan Dzvinka

Research Associate

i.dzvinka@eavex.com.ua

Will Ritter

Research editor

w.ritter@eavex.com.ua

INVESTMENT BANKING

Anatoliy Zaslavchik

Managing Director

Corporate Finance & IB

a.zaslavchik@eavex.com.ua