

**Market Update**

**Equity**

Ukrainian stocks sprang to life on Friday (Jun 7) afternoon, turning around what had been a sluggish session, after global risk appetite jumped on the release of US jobs numbers that were viewed as not strong enough to roll back the Federal Reserve's monetary stimulus policy. The markets' behavior shows that global demand for equities, as well as other risk assets such as emerging market sovereigns, is still being driven by expectations about the Fed's intentions rather than by economic fundamentals. The UX index rose 1.0% to close at 856 points. Alchevsk Steel (ALMK) stood out from the crowd with a 3.3% gain, and CentrEnergO (CEEN) added 1.3% to UAH 4.44. Volume leaders Motor Sich (MSICH) and Yenakievo Steel (ENMZ) combined to print UAH 5.8mn in deals while picking up 0.7% and 1.1% respectively. Second-tier issues saw very limited action. In Warsaw, Astarta (AST PW) rallied by 1.9% to reach a fresh 3-month high just below PLN 65, while Avangard (AVGR LI) edged up by half a percent in London.

**Fixed Income**

Quotes for Ukrainian sovereign and corporate Eurobonds fell on Friday with 10-year papers declining 0.9 p.p. to 95.8/93.7 (8.6%/8.5%). Medium term Ukraine-17s dropped 1.6 p.p. closing at 96.8/97.5 (7.6%/7.4%). In corporate names, Ferrexpo-16s decreased by 0.6 p.p. to close at 97.8/98.8 (8.8%/8.3%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2034.00	0.7%	3.5	160
Enakievo Steel	ENMZ	35.35	1.1%	2.3	84
Raiffeisen Bank Aval	BAVL	0.103	1.1%	1.3	177

**Growth Leaders**

Mariupol Heavy Machine	MZVM	0.14	5.2%	0.00	17
Alchevsk Steel	ALMK	0.04	3.3%	0.69	131
Yasynivsky Coke	YASK	0.59	1.7%	0.16	20

**Loss Leaders**

Stakhanov Wagon	SVGZ	1.30	-7.1%	0.00	7
Ukrtelecom	UTLM	0.16	-5.8%	0.03	21
Centralny GOK	CGOK	6.50	-3.0%	0.02	8

**Highlights**

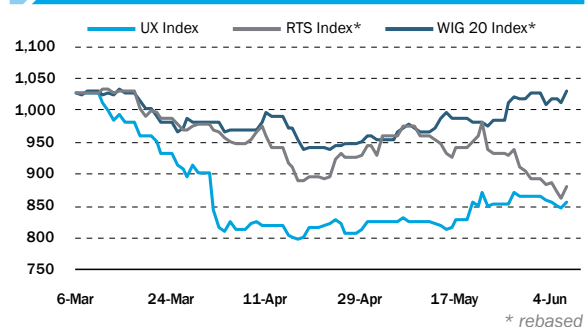
**POLITICS AND ECONOMICS**

- > NBU Reserves Down USD 700mn in May on IMF Redemption

**STOCKS IN THE NEWS**

- > Egg Prices in Ukraine Slide by 18% MoM in pre-Easter April

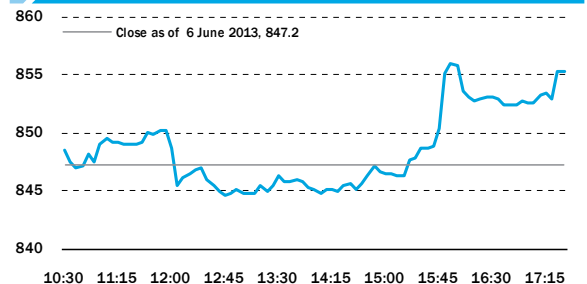
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	855.7	1.0%	2.9%	-10.0%
RTS	1314.4	2.1%	-9.5%	-13.9%
WIG20	2488.8	1.7%	6.0%	-3.6%
MSCI EM	980.6	-0.4%	-6.8%	-7.1%
S&P 500	1643.4	1.3%	1.1%	17.2%

**UX INTRADAY JUNE 7, 2013**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	324.9	-2.7%	17.0%	19.9%
CDS 5Y UKR	688.1	0.5%	19.3%	10.1%
Ukraine-17	7.5%	0.4 p.p.	0.8 p.p.	0.6 p.p.
Naftogaz Ukr-14	8.1%	0.4 p.p.	2.0 p.p.	0.5 p.p.
Ukraine-23	8.5%	0.1 p.p.	1.0 p.p.	1.0 p.p.
Privatbank-16	13.6%	0.1 p.p.	0.6 p.p.	-1.7 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	8.14	-0.2%	1.0%	1.1%
EUR	10.75	-0.4%	1.1%	0.7%
RUB	0.25	-0.6%	-3.5%	-4.7%

**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	96.0	1.3%	0.2%	4.1%
Gold, USD/oz	1383.1	-2.2%	-4.8%	-16.5%

\*Ukraine FOB

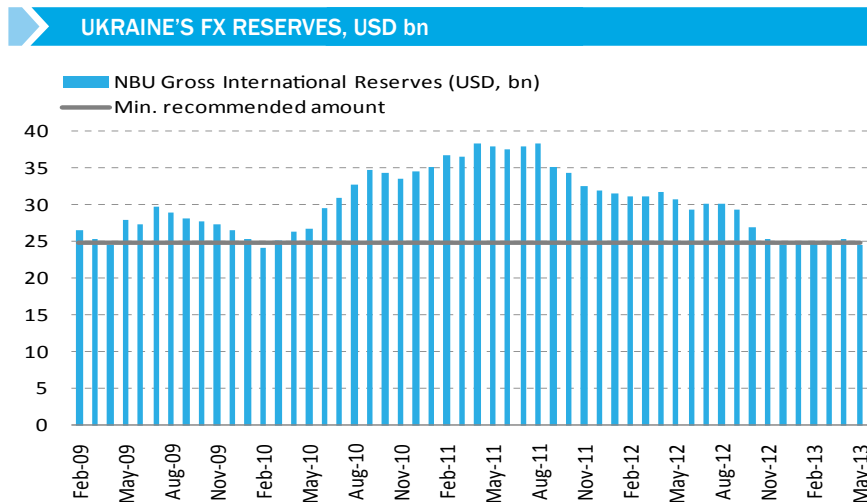
Source: Bloomberg, Ukrainian Exchange

**NBU Reserves Down USD 700mn in May on IMF Redemption**

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**NEWS**

Ukraine's foreign currency reserves declined by USD 697mn (or 2.8% of the total) to USD 24.5bn during May, the National Bank (NBU) reported on Friday (June 7).



Source: National Bank of Ukraine

**COMMENTARY**

The current level of Ukraine's reserves (near USD 25bn for most of 2013) has clearly been sufficient to deter attacks against the hryvnia, but the danger is that no one knows at exactly what point a further fall in reserves might lead to sudden instability in the currency. The drop in the NBU's reported forex reserves for May mirrors the rise of about USD 500mn seen in April after new Ukrainian sovereign bond issues, meaning that the reserves are at around the same level as at end-1Q. We think the Ukrainian authorities will pull out all the stops to avoid showing any more sharp monthly drops in the reserves, since this could lead to speculative attacks on the hryvnia. We note that May's decline would have been greater without the NBU's purchase of USD 395mn during positive interventions on the interbank currency market during the month. Ukraine repaid USD 968mn to the IMF in May and also redeemed USD 427mn in USD-denominated domestic bonds. As in previous years, the hryvnia has been de facto pegged to the dollar, against which it has inched down by 1.3% year-to-date.

## Egg Prices in Ukraine Slide by 18% MoM in pre-Easter April

by Ivan Dzvinka  
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### AVANGARD (AVGR LI)

Price: USD 9.75 Market Cap: USD 623mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2012	1.3	2.7	2.9	0%
2013E	1.2	3.3	3.3	0%

### NEWS

Prices for eggs declined by 18% MoM to UAH 0.532 (ex VAT) per unit in April, government statistics agency UkrStat reported on Friday (Jun 7). The average price given by Ukrstat is close to the one provided by industry association Prichki.net, which registered a price decline of 17% MoM to UAH 0.525.

### COMMENTARY

Despite a historical trend of double-digit egg price growth ahead of the Easter holiday, this year prices moved sharply in the opposite direction. We attribute this phenomenon to an oversupply of eggs on the domestic market due to the suspension of Ukrainian egg exports to conflict-ridden Syria, as well as to rising overall output from Ukraine's largest producer Avangard. Given that egg prices experience seasonal downward pressure from a rash of supply from households in the summer months, we expect the 2Q13 earnings and especially profitability of traded egg companies to be worse than the already-weak 1Q13 figures.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, USD per share	Target price, USD per share	Upside, %	Rating	Commentary
<b>Steel&amp;Pipes</b>						
Azovstal	AZST	0.08	0.07	-10%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	2.48	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	0.80	1.30	63%	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	0.39	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	481%	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	486%	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	2.87	6.18	116%	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	225%	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	250	644	158%	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	0.33	1.52	355%	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	572%	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	247%	BUY	DonbasEnergO is Ukraine's next big-ticket privatization object, with an auction expected to be announced in summer 2013.
CenterEnergO	CEEN	0.55	1.84	237%	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	18.5	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	20.11	30.0	49%	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	9.75	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	855.69	1203.21	747.84	1.0%	-1.3%	2.9%	-10.0%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.044	0.07	0.04	3.3%	0.9%	0.9%	-17.4%	2.3%	2.2%	-2.0%	-7.4%
Azovstal	AZST	0.62	1.19	0.56	1.5%	0.8%	5.3%	-16.8%	0.5%	2.1%	2.4%	-6.8%
Dniprospezstal	DNSS	845	1,700	700	0.0%	-0.6%	20.7%	-15.4%	-1.0%	0.7%	17.8%	-5.4%
Enakievo Steel	ENMZ	35.4	48.9	30.6	1.1%	1.7%	6.1%	-7.0%	0.1%	3.0%	3.2%	3.0%
Arcelor Mittal KR	KSTL	1.20	6.00	1.20	0.0%	0.0%	n/a	n/a	-1.0%	1.3%	n/a	n/a
Mariupol Ilyicha	MMKI	0.16	0.32	0.13	-5.9%	-11.1%	-15.8%	-27.3%	-6.9%	-9.8%	-18.7%	-17.3%
<b>Coke</b>												
Avdivka Coke	AVDK	3.20	4.15	2.26	0.1%	-0.9%	5.0%	-2.2%	-0.9%	0.4%	2.1%	7.8%
Yasnyivsky Coking	YASK	0.59	1.16	0.52	1.7%	1.7%	3.5%	-11.9%	0.7%	3.0%	0.6%	-2.0%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	6.50	7.74	4.00	-3.0%	-6.9%	0.8%	-5.8%	-4.0%	-5.6%	-2.1%	4.2%
Ferrexpo	FXPO	2.48	4.58	2.35	-0.2%	-3.7%	-11.4%	-38.3%	-1.2%	-2.4%	-14.3%	-28.3%
Pivnichny GOK	SGOK	7.70	11.44	5.77	0.0%	-1.3%	2.7%	3.5%	-1.0%	0.0%	-0.2%	13.5%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.50	1.30	0.40	-2.0%	-7.4%	-10.7%	-20.6%	-3.0%	-6.1%	-13.6%	-10.7%
Komsomolets Donbasa	SHKD	0.91	2.00	0.65	0.0%	18.2%	-9.0%	-22.9%	-1.0%	19.5%	-11.9%	-12.9%
Energy Coal	CLE	1.14	5.77	0.85	3.0%	-2.2%	-29.4%	-63.1%	2.0%	-0.9%	-32.3%	-53.1%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.51	0.58	0.003	0.0%	0.0%	n/a	-12.1%	-1.0%	1.3%	n/a	-2.1%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.55	1.30	0.45	1.9%	0.0%	3.8%	-21.4%	0.9%	1.3%	0.9%	-11.4%
Interpipe NMPP	NVTR	0.22	0.60	0.10	22.2%	10.0%	22.2%	0.0%	21.2%	11.3%	19.3%	10.0%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	23.3	25.9	16.0	-2.6%	-6.7%	-6.7%	20.3%	-3.6%	-5.4%	-9.6%	30.2%
Luhanskeplovoz	LTPL	1.60	2.20	1.28	0.0%	-5.3%	-5.9%	-14.4%	-1.0%	-4.0%	-8.8%	-4.5%
Stakhanov Wagon	SVGZ	1.30	3.15	1.26	-7.1%	-6.5%	-11.6%	-24.9%	-8.1%	-5.2%	-14.5%	-14.9%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.05	0.22	0.03	0.0%	1.1%	-14.2%	1.6%	-1.0%	2.4%	-17.1%	11.5%
Motor Sich	MSICH	2,034	2,640	1,753	0.7%	-3.4%	1.4%	-8.0%	-0.3%	-2.1%	-1.5%	2.0%
Summy Frunze Engineering	SMASH	3.15	4.00	0.76	0.0%	-1.6%	12.5%	110.0%	-1.0%	-0.3%	9.6%	120.0%
Turboatom	TATM	3.20	3.60	1.88	0.0%	0.0%	n/a	n/a	-1.0%	1.3%	n/a	n/a
WESTA ISIC	WES	0.21	0.45	0.13	1.6%	4.4%	18.6%	-14.2%	0.6%	5.7%	15.7%	-4.2%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.16	0.33	0.12	-5.8%	18.5%	13.6%	-3.1%	-6.8%	19.8%	10.6%	6.9%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	0.33	0.59	0.21	-1.7%	-1.1%	-10.1%	-38.3%	-2.7%	0.2%	-13.0%	-28.3%
JXX Oil	JKX	0.89	1.89	0.84	-2.6%	-3.1%	-16.4%	-25.3%	-3.6%	-1.8%	-19.3%	-15.3%
Ukrnafta	UNAF	116	280	80	0.3%	-2.0%	1.0%	-2.5%	-0.7%	-0.7%	-2.0%	7.5%
<b>Power Utilities</b>												
Centrenerg	CEEN	4.44	7.33	3.76	1.3%	-1.1%	7.5%	-30.1%	0.3%	0.2%	4.6%	-20.1%
Donbasenergo	DOEN	20.9	24.8	15.1	0.3%	-0.1%	2.9%	-1.4%	-0.7%	1.1%	0.0%	8.6%
Zakhidenergo	ZAEN	77.0	127.9	54.0	1.7%	-1.3%	-9.3%	-20.6%	0.7%	0.0%	-12.2%	-10.6%
<b>Consumer</b>												
Agroton	AGT	0.84	4.2	0.36	1.2%	-2.9%	-12.8%	-74.0%	0.2%	-1.6%	-15.7%	-64.1%
Astarta	AST	20.2	22.1	14.5	3.5%	15.8%	26.4%	13.3%	2.5%	17.1%	23.5%	23.3%
Avangardo	AVGR	9.8	12.0	7.61	0.5%	1.0%	11.4%	-13.9%	-0.5%	2.3%	8.5%	-4.0%
Industrial Milk Company	IMC	3.86	5.48	2.76	4.6%	5.5%	-6.1%	-27.3%	3.6%	6.8%	-9.0%	-17.3%
Kernel	KER	17.1	23.0	15.7	2.4%	-1.6%	-4.8%	-20.9%	1.4%	-0.3%	-7.7%	-10.9%
Mriya Agro Holding	MAYA	5.61	6.7	5.04	-0.2%	1.9%	-1.0%	-13.5%	-1.2%	3.2%	-3.9%	-3.5%
MHPC	MHPC	18.5	19.9	10.06	-0.3%	-0.8%	-2.9%	21.0%	-1.3%	0.5%	-5.8%	31.0%
Milkiland	MLK	3.53	5.8	3.11	2.0%	12.8%	-10.7%	-25.0%	1.0%	14.1%	-13.6%	-15.1%
Ovostar Union	OVO	27.1	33.8	23.7	3.6%	5.2%	-7.6%	-6.0%	2.6%	6.5%	-10.5%	3.9%
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	11.9	20.9	10.3	0.0%	1.3%	5.6%	-11.2%	-1.0%	2.6%	2.7%	-1.2%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.103	0.128	0.061	1.1%	-2.7%	-1.3%	19.7%	0.1%	-1.4%	-4.3%	29.7%
UkrSotsbank	USCB	0.120	0.200	0.107	0.4%	-1.9%	-2.3%	-7.4%	-0.6%	-0.6%	-5.2%	2.6%

Source: Bloomberg

\* companies listed abroad are in USD

**MAIN FINANCIAL FORECASTS, USD mn**

Name	Ticker	Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2011	2012E	2013E	2011	2012E	2013E	2011	2012E	2013E	2011	2012	2013E	2011	2012E	2013E
<b>Steel</b>																
Alchevsk Steel	ALMK	2,339	1,695	1,667	145	-21	-2	6.2%	neg	neg	36	-127	-52	1.6%	neg	neg
Enakievo Steel	ENMZ	1,716	1,578	1,577	-108	-84	-69	neg	neg	neg	31	9	-125	1.8%	0.5%	neg
Azovstal	AZST	3,867	2,794	2,788	-102	-173	-64	neg	neg	neg	-64	-333	-170	neg	neg	neg
<b>Coke</b>																
Avdyivka Coke	AVDK	1,457	1,072	1,054	6	-128	-74	0.4%	neg	neg	-32	-137	-97	neg	neg	neg
Yasynivsky Coking	YASK	566	444	448	29	29	28	5.1%	6.5%	6.2%	15	11	11	2.7%	2.4%	2.4%
<b>Iron Ore Mining</b>																
Centralny GOK	CGOK	805	566	508	497	238	202	61.8%	42.0%	39.8%	325	95	104	40.4%	16.8%	20.5%
Pivnichny GOK	SGOK	1,834	1,515	1,301	1,174	813	640	64.0%	53.6%	49.2%	783	436	359	42.7%	28.8%	27.6%
Ferrexpo	FXPO	1,788	1,424	1,566	801	402	445	44.8%	28.2%	28.4%	575	215	263	32.2%	15.1%	16.8%
<b>Coal Mining</b>																
Komsomolets Donbasa	SHKD	192	256	255	67	99	90	35.1%	38.8%	35.3%	15	39	35	8.0%	15.1%	13.7%
Coal Energy	CLE	151	165	199	51	62	64	33.7%	37.5%	32.1%	37	38	43	24.4%	23.2%	21.7%
<b>Pipe Manufacturing</b>																
Khartsyzk Pipe	HRTR	775	659	699	145	74	77	18.7%	11.3%	11.1%	98	34	34	12.7%	5.1%	4.9%
<b>Railcar Manufacturing</b>																
Luhanskteplovoz	LTPL	199	167	213	14	12	15	7.0%	7.4%	7.2%	9	7	8	4.5%	4.1%	3.8%
Kryukiv Wagon	KVBZ	770	887	643	118	134	93	15.3%	15.1%	14.4%	85	95	50	11.0%	10.7%	7.9%
Stakhanov Wagon	SVGZ	437	311	318	33	7	11	7.6%	2.3%	3.4%	20	1	3	4.6%	0.2%	0.9%
<b>Specialized Machinery</b>																
Turboatom	TATM	169	173	193	63	47	52	37.0%	27.3%	26.8%	53	38	42	31.5%	22.1%	21.7%
Motor Sich	MSICH	722	828	933	285	309	330	39.4%	37.4%	35.3%	168	247	270	23.2%	29.8%	28.9%
<b>Telecom</b>																
Ukrtelecom	UTLM	843	858	744	206	205	208	24.5%	23.8%	28.0%	-17	45	48	neg	5.3%	6.5%
<b>Oil &amp; Gas</b>																
Ukrnafta	UNAF	3,051	2,816	2,444	439	507	429	14.4%	18.0%	17.6%	272	312	226	8.9%	11.1%	9.2%
Regal Petroleum	RPT	19	50	80	-4	23	36	neg	45.9%	44.7%	6	12	24	33.7%	24.0%	30.0%
JKX Oil	JKX	237	225	250	114	145	150	48.3%	64.4%	60.2%	59	40	50	24.9%	17.8%	20.0%
<b>Electric Utilities</b>																
Centrenergo	CEEN	894	1,071	1,136	49	61	68	5.4%	5.7%	6.0%	4	29	33	0.5%	2.7%	2.9%
Donbasenergo	DOEN	495	600	665	21	17	24	4.2%	2.9%	3.6%	-3	4	10	neg	0.6%	1.5%
<b>Consumer</b>																
MHP	MHPC	1,229	1,408	1,532	401	468	523	32.6%	33.2%	34.1%	259	311	271	21.1%	22.1%	17.7%
Kernel	KER	1,899	2,157	2,800	310	322	339	16.3%	14.9%	12.1%	226	211	195	11.9%	9.8%	7.0%
Astarta	AST	402	458	549	144	98	121	29.9%	17.8%	18.3%	114	50	59	23.6%	9.1%	9.0%
Avangardco	AVGR	553	629	701	251	280	293	45.3%	44.5%	41.8%	196	228	232	35.5%	36.3%	33.1%
Agroton	AGT	122	93	107	19	31	33	15.3%	33.5%	31.0%	-2	19	21	neg	20.0%	19.5%
<b>Banks</b>																
		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	6,948	7,020	7,476	812	861	924	750	707	646	0	4	29	0.0%	0.5%	3.1%
Ukrspotsbank	USCB	5,032	5,151	5,064	827	814	788	449	451	469	2	2	13	0.2%	0.3%	1.7%

Source: Eavex Research

**MAIN TRADING MULTIPLES**

Ticker	MCap USD mn	Free Float % USD mn	EV USD mn	P/E			EV/EBITDA			EV/Sales			EV/Output			Units		
				2011	2012	2013E	2011	2012	2013E	2011	2012	2013E	2011	2012	2013E			
<b>Steel</b>																		
Alchevsk Steel	ALMK	140	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	46	8.8%	4	38	1.5	5.3	neg	neg	neg	neg	0.0	0.0	0.0	15	14	14	\$/tonne
Azovstal	AZST	318	4.1%	13	296	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	53	50	48	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	77	7.5%	6	74	neg	neg	neg	12.2	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
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	936	0.5%	5	936	2.9	9.8	9.0	1.9	3.9	4.6	1.2	1.7	1.8				
Pivnichny GOK	SGOK	2,180	0.5%	12	2,305	2.8	5.0	6.1	2.0	2.8	3.6	1.3	1.5	1.8				
Ferrexpo	FXPO	1,462	24.0%	351	1,713	2.5	6.8	5.6	2.1	4.3	3.8	1.0	1.2	1.1				
<b>Coal Mining</b>																		
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	52	11.9%	6	77	1.4	1.4	1.2	1.5	1.2	1.2	0.5	0.5	0.4	1.5	1.2	1.2	\$/tonne
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	176	2.0%	4	218	1.8	5.2	5.1	1.5	2.9	2.8	0.3	0.3	0.3	346	574	546	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	43	24.0%	10	43	4.8	6.3	5.3	3.1	3.5	2.8	0.2	0.3	0.2				
Kruviv Wagon	KVBZ	329	5.0%	16	331	3.9	3.5	6.5	2.8	2.5	3.6	0.4	0.4	0.5				
Stakhanov Wagon	SVGZ	36	8.0%	3	75	1.8	>30	12.6	2.3	10.5	6.9	0.2	0.2	0.2				
<b>Specialized Machinery</b>																		
Turboatom	TATM	182	5.8%	10	130	3.4	4.8	4.3	2.1	2.8	2.5	0.8	0.8	0.7				
Motor Sich	MSICH	519	24.0%	125	529	3.1	2.1	1.9	1.9	1.7	1.6	0.7	0.6	0.6				
<b>Telecom</b>																		
Ukrtelecom	UTLM	357	7.2%	26	693	neg	7.9	7.4	3.4	3.4	3.3	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	107	49.0%	52	89	16.7	8.9	4.5	neg	3.9	2.5	4.7	1.8	1.1	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	153	50.4%	77	262	2.6	3.8	3.1	2.3	1.8	1.7	1.1	1.2	1.0	69	48	36	\$/boe
<b>Electric Utilities</b>																		
CentrEnergO	CEEN	202	21.7%	44	284	>30	7.0	6.0	5.8	4.7	4.2	0.3	0.3	0.3	19	20	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	1,949	34.1%	665	2,994	7.5	6.3	7.2	7.5	6.4	5.7	2.4	2.1	2.0	9356	9356	9356	\$/tonne
Kernel	KER	1,262	61.8%	780	1,873	5.6	6.0	6.5	6.0	5.8	5.5	1.0	0.9	0.7				
Astarta	AST	506	31.0%	157	652	4.4	10.1	8.6	4.5	6.7	5.4	1.6	1.4	1.2	3308	2014	1673	\$/tonne
Avangardco	AVGR	623	22.5%	140	771	3.2	2.7	2.7	3.1	2.8	2.6	1.4	1.2	1.1	174	133	125	\$/mneegs
Agroton	AGT	18	44.6%	8	51	neg	1.0	0.9	2.8	1.7	1.5	0.4	0.6	0.5	0.4	n/a	n/a	\$/th/ha
<b>Banks</b>																		
Raiffeisen Bank Aval	BAVL	379	4.0%	15		>30	>30	13.3	0.5	0.4	0.4	0.05	0.05	0.05				
Ukrsotsbank	USCB	270	1.6%	4		>30	>30	21.8	0.3	0.3	0.3	0.06	0.06	0.06				

Source: Eavex Research

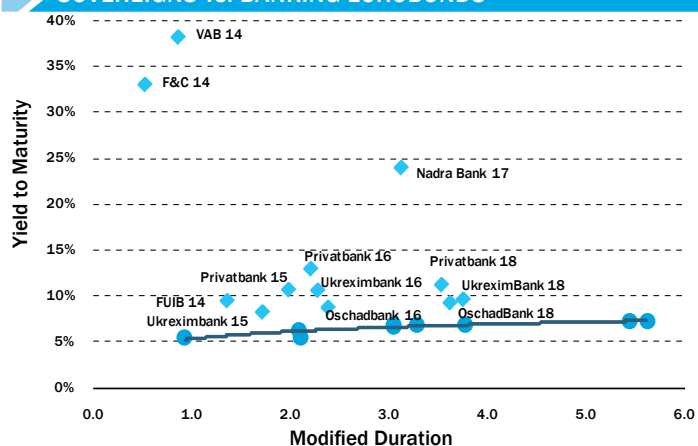
UKRAINIAN EUROBONDS

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, 2014	100.8	101.4	7.1%	6.4%	-0.7%	0.9	7.95%	S/A	6 Apr. 2014	1,000	B3/B/B
Naftogaz Ukraine, 2014	101.2	102.1	8.7%	7.9%	-1.3%	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	99.9	100.6	7.0%	6.6%	-1.0%	2.1	6.875%	S/A	23 Sept 2015	500	B3/B/B
Ukraine, 2016	97.1	97.9	7.5%	7.3%	-2.4%	3.0	6.58%	S/A	21 Nov 2016	1,000	B3/B/B
Ukraine, 2016-2	96.8	97.5	7.3%	7.1%	-2.5%	3.0	6.25%	S/A	17 Jun 2016	1,250	B3/B/B
Ukraine, 2017	96.8	97.5	7.6%	7.4%	-2.1%	3.7	6.75%	S/A	14 Nov 2017	700	B3/B/B
Ukraine, 2017-2	104.9	105.4	7.8%	7.7%	-1.9%	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	93.8	95.8	9.1%	8.6%	2.1%	3.9	7.40%	S/A	20 Apr 2018	690	B3/-/-
Ukraine, 2020	97.3	98.0	8.3%	8.1%	-5.2%	5.3	7.75%	S/A	23 Sept 2020	1,500	B3/B/B
Ukraine, 2021	98.0	99.0	8.3%	8.1%	-5.2%	5.5	7.95%	S/A	23 Feb 2021	1,500	B3/B/B
Ukraine, 2022	94.7	95.7	8.6%	8.5%	-5.7%	6.5	7.80%	S/A	28 Nov 2022	1,250	B3/B/B
Ukraine, 2023	92.8	93.7	8.6%	8.5%	-6.7%	6.7	7.50%	S/A	17 Apr 2023	1,250	B3/B/B
<b>Corporate Eurobonds</b>											
Agroton, 2014	73.1	79.6	46.6%	36.8%	n/a	0.8	12.50%	S/A	14 Jul 2014	50	-/-/B-
MHP, 2015	103.9	105.8	8.1%	7.5%	-0.6%	1.7	10.25%	S/A	29 Apr 2015	585	B3//B
MHP, 2020	96.2	97.2	9.0%	8.8%	-3.3%	5.0	8.25%	S/A	2 Apr 2020	750	B3//B
Avangardco, 2015	101.5	103.4	9.4%	8.4%	7.0%	2.1	10.00%	S/A	29 Oct 2015	200	-/-/B
UkrLandFarming, 2018	98.5	99.8	11.3%	10.9%	-0.8%	3.6	10.88%	S/A	26 Mar 2018	275	B-//B
Mriya, 2016	106.1	107.6	8.5%	7.9%	3.7%	2.4	10.95%	S/A	30 Mar 2016	250	-/B/B-
DTEK, 2015	104.5	105.1	7.0%	6.6%	3.6%	1.7	9.50%	S/A	28 Apr 2015	500	B2//B
DTEK, 2018	98.0	98.9	8.4%	8.1%	-1.6%	3.9	7.88%	S/A	4 Apr 2018	750	B2//B
Metinvest, 2015	105.1	105.8	7.4%	7.0%	1.6%	1.7	10.25%	S/A	20 May 2015	500	B3//B-
Metinvest, 2018	98.0	99.0	9.3%	9.0%	1.7%	3.6	8.75%	S/A	14 Feb 2018	750	B2-//B-
Ferrexpo, 2016	97.8	98.8	8.8%	8.3%	0.9%	2.4	7.875%	S/A	07 Apr 2016	500	B2/B+/B
Interepipe, 2017	77.0	80.1	18.5%	16.9%	-3.8%	2.9	10.25%	S/A	2 Aug 2017	200	-/B+/B+
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2014	89.0	91.0	31.9%	27.6%	50.0%	0.5	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	100.0	103.1	11.4%	9.1%	0.6%	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	95.2	96.4	12.0%	11.3%	1.1%	1.9	9.38%	S/A	23 Sept 2015	200	B1//B
PrivatBank, 2016	81.2	85.1	14.6%	12.5%	7.7%	2.2	8.75%	S/A	9 Feb 2016	150	B1//B
PrivatBank, 2018	97.5	99.0	11.6%	11.2%	-1.8%	3.5	10.88%	S/A	28 Feb 2018	175	//B
UkrEximBank, 2015	99.5	100.4	8.8%	8.2%	0.0%	1.7	8.38%	S/A	27 Apr 2015	750	B1//B
UkrEximBank, 2016	87.0	90.0	11.7%	10.3%	5.0%	2.2	8.40%	S/A	2 Sept 2016	125	B1//B
UkrEximBank, 2018	95.4	96.4	10.0%	9.7%	-4.1%	3.6	8.75%	S/A	22 Jan 2018	500	B3//B
VAB Bank, 2014	77.0	80.0	41.5%	36.7%	45.4%	0.8	10.50%	Q	14 Jun 2014	125	Caa1-//WD
Oschadbank, 2016	96.8	97.8	9.7%	9.3%	2.3%	2.3	8.25%	S/A	10 Mar 2016	700	B2//B
Oschadbank, 2018	94.5	95.9	10.4%	10.0%	-4.8%	3.7	8.88%	S/A	20 Mar 2018	500	B1//B
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	95.0	97.0	10.5%	9.5%	2.6%	2.1	8.00%	S/A	6 Nov 2015	250	B1/CCC+/B
City of Kyiv, 2016	95.4	97.5	11.2%	10.3%	3.1%	2.5	9.375%	S/A	30 Jun 2016	300	B1/CCC+/B

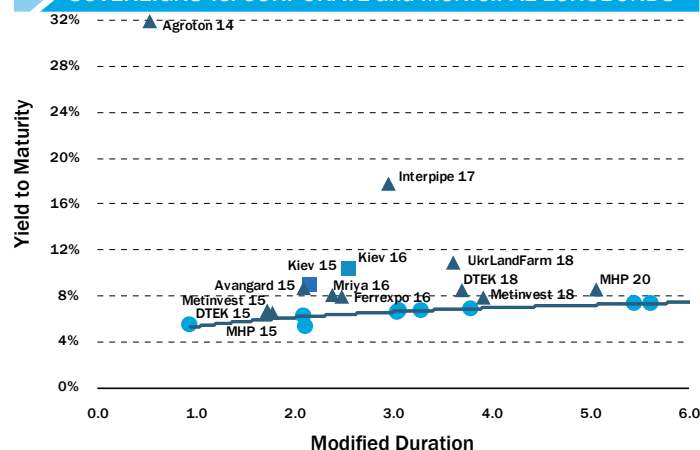
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



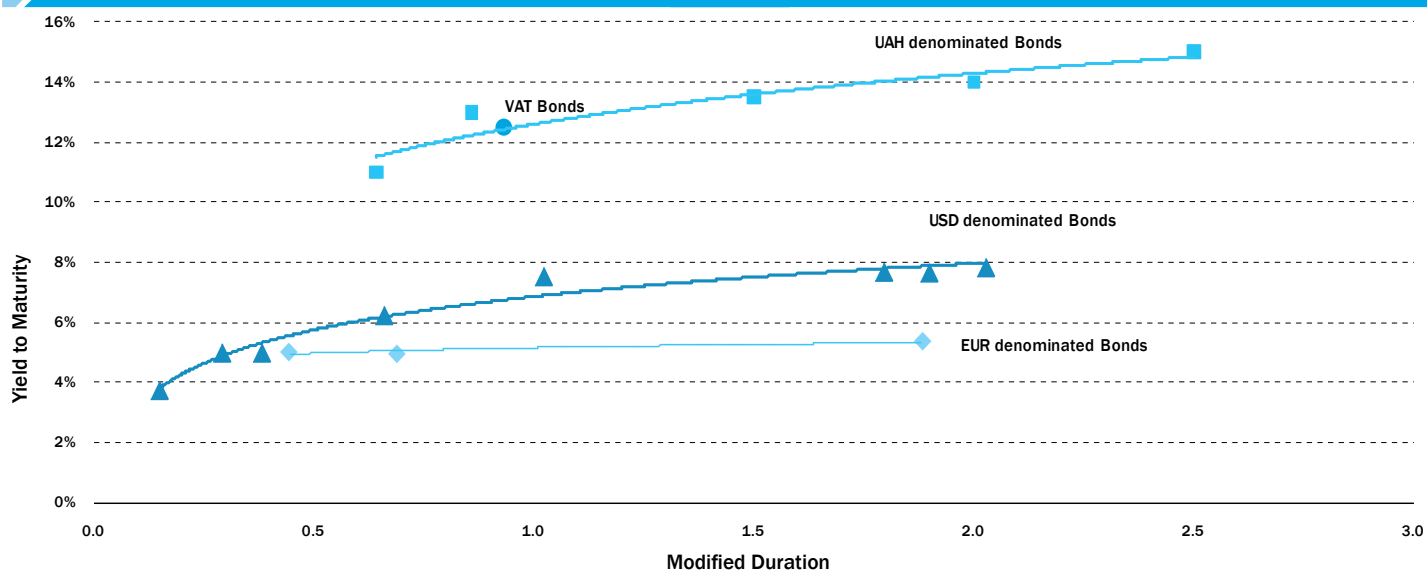
Source: Bloomberg, Cbonds, Eavex Research



**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>									
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
<b>USD denominated Bonds</b>									
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
<b>EUR denominated Bonds</b>									
UA4000137731	100.6	100.8	5.1%	4.9%	0.3	4.80%	S/A	18 Sept 2013	205
UA4000138846	101.1	101.3	5.0%	4.9%	0.5	4.80%	S/A	25 Dec 2013	70
UA4000142681	102.1	102.3	5.4%	5.3%	1.8	4.80%	S/A	6 May 2015	40
<b>VAT Bonds</b>									
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

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