

**Market Update**

**Equity**

Ukrainian stocks were mixed on Wednesday (Jun 12), with the UX basket equally split between winners and losers, while a wave of late-day selling pulled the DAX down by 1% in Frankfurt. The UX index ended essentially flat for the session at 851 points. Volumes were evenly spread around, with 7 different issues reaching UAH 1mn in turnover. Raiffeisen Aval (BAVL) slipped below 10 kopecks with a 1.3% decline and Motor Sich (MSICH) inched down 0.2%, closing at UAH 2000 on the nose. On the upside, DonbasEnergO (DOEN) continued to outperform other local blue chips ahead of a likely privatization announcement later this summer, adding 1.6%, and Yenakievo Steel (ENMZ) picked up 2.1%. In Warsaw, dairy producer Milkiland (MLK PW) gained 3.4%, while the main Ukrainian names listed in London saw few notable changes; Ferrexpo (FXPO LN) appeared to steady, edging up 1% after sliding 18% since the beginning of the month.

**Fixed Income**

Quotes for Ukrainian Eurobonds closed marginally higher yesterday breaking several sessions of sharp losses. The benchmark 10-year papers climbed 0.1 p.p. to 91.3/92.3 (8.8%/8.7%). Medium term Ukraine-17s added 0.6 p.p. to close at 94.4/95.9 (8.3%/7.9%). Among banking debt papers, UkrEximBank-15s rose by 0.7% to 98.4/100.0 (9.4%/8.4%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2000.00	-0.2%	1.8	89
Enakievo Steel	ENMZ	35.58	2.1%	1.7	74
DonbasenergO	DOEN	21.530	1.7%	1.2	97

**Growth Leaders**

Khartsyzk Pipe	HRTR	0.61	11.2%	0.02	11
Mariupol Heavy Machine	MZVM	0.16	6.7%	0.67	83
Yasynivsky Coke	YASK	0.58	2.1%	0.08	13

**Loss Leaders**

Ukrsotsbank	USCB	0.12	-1.4%	0.25	86
Raiffeisen Bank Aval	BAVL	0.10	-1.3%	1.01	98
Azovstal	AZST	0.61	-0.2%	1.18	102

**Highlights**

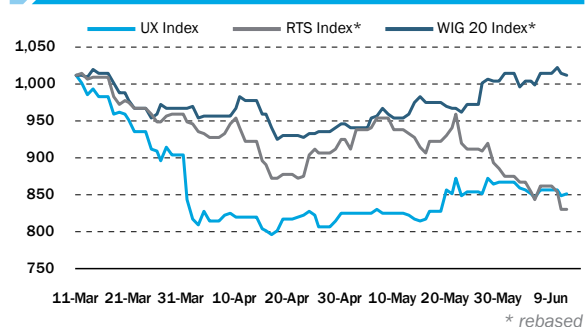
**POLITICS AND ECONOMICS**

- > Interior Minister: EnergoAtom Chief "Overstepped His Authority"

**STOCKS IN THE NEWS**

- > Ukraine Sugar Prices Up 7% Last Week

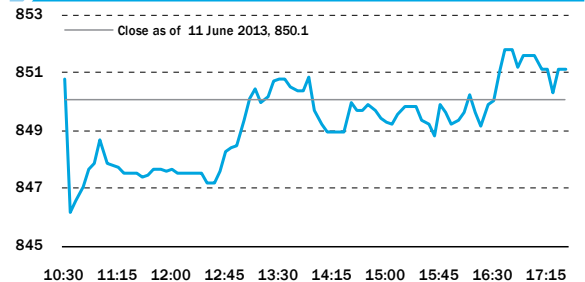
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	850.6	0.1%	3.2%	-10.5%
RTS	1263.7	0.0%	-11.6%	-17.2%
WIG20	2481.6	-0.1%	6.1%	-3.9%
MSCI EM	954.4	0.0%	-9.2%	-9.6%
S&P 500	1612.5	-0.8%	-1.3%	15.0%

**UX INTRADAY JUNE 12, 2013**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	343.9	-1.8%	25.0%	26.9%
CDS 5Y UKR	738.2	-3.7%	28.4%	18.1%
Ukraine-17	8.1%	-0.2 p.p.	1.4 p.p.	1.2 p.p.
Naftogaz Ukr-14	9.0%	-0.3 p.p.	2.9 p.p.	1.4 p.p.
Ukraine-23	8.8%	0.0 p.p.	1.3 p.p.	1.3 p.p.
Privatbank-16	13.8%	0.0 p.p.	0.9 p.p.	-1.5 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	8.14	0.0%	0.4%	1.1%
EUR	10.86	0.3%	3.1%	1.7%
RUB	0.25	0.6%	-2.3%	-4.7%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	305.5	0.0%	-6.1%	-12.3%
Steel, USD/t	517.5	0.0%	-4.2%	-2.8%
Oil, USD/bbl	103.5	0.5%	-0.2%	-3.4%
Gold, USD/oz	1388.9	0.8%	-4.1%	-16.1%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Interior Minister: EnergoAtom Chief "Overstepped His Authority"

by Will Ritter  
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### NEWS

Interior Minister Vitaliy Zakharchenko said on Wednesday (Jun 12) that the acting director of Ukraine's state-owned nuclear energy company EnergoAtom, Vissarion Kim, is being investigated for overstepping his powers while he was the director of the South Ukraine nuclear plant in 2008. Interfax reported that the minister said Kim had signed procurement contracts on behalf of the plant in amounts above what was authorized, incurring losses to the state of some UAH 2.8mn (USD 350,000), and that he may be charged with abuse of office under the national criminal code.

### COMMENTARY

Ukraine's electricity industry, and particularly the 100% state-owned nuclear subsector, are notoriously non-transparent. It had previously been reported that the Ukrainian government was trying to use profitability from EnergoAtom to cover losses in the thermal electricity subsector as well as those at Naftogaz, a strategy that could hardly go down well with EnergoAtom's top management. Given the rather small amount of funds associated with this accusation (each of Ukraine's four nuclear plants have multi-billion dollar annual operations), we suspect that the case may be related to a turf war inside the government-controlled energy sector. Kim was appointed during the tenure of former Energy Minister Yuriy Boyko, who departed in December 2012 in favor of Eduard Stavitskiy; the two are generally viewed as being representatives of competing oligarchic groups.

## Ukraine Sugar Prices Up 7% Last Week

by Dmitry Churin  
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### ▶ ASTARTA (AST PW)

Price: PLN 65.25 Market Cap: USD 511mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2012	1.8	8.9	7.5	0%
2013E	1.5	7.5	6.0	0%

### NEWS

Sugar prices in Ukraine rose by 6.8% last week to UAH 5,600 per tonne, Kyiv business daily *Commersant* reported on Tuesday, citing data from the APK tracking agency. The growth was attributed to seasonal factors and an expected drop in sugar production this year. As we wrote on May 23, Agriculture Minister Mykola Prysiashnuk expects a 36% YoY fall in domestic sugar production to 1.40mn tonnes in 2013/2014 marketing year. According to the latest data from the Agriculture Ministry, Ukrainian farmers have sown about 306,000 hectares with sugar beet this year, down from 540,000 ha in 2012.

### COMMENTARY

Due to plentiful domestic production and strict import quotas, Ukraine has a stand-alone market for sugar, with prices moving independently from the global commodities markets. Astarta, Ukraine's largest sugar producer with a 19% market share, is a prime beneficiary of rising domestic sugar quotes, and the company's share price has ballooned by more than 40% over the last 3 months. In the past week alone, the AST stock is up 15.4%, outperforming the WIG-20 by 13.8 p.p. We forecast that sugar prices will further increase by 10% -15% through the end of the year. We have a BUY recommendation for Astarta with a target price of PLN 96 per share, implying an upside of 47%.

## 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	-9%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	2.27	3.33	47%	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	0.40	0.76	93%	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	490%	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	463%	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	2.83	6.18	119%	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	215%	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	246	644	162%	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	0.31	1.52	391%	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	592%	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	2.64	8.90	237%	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	232%	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	20.47	30.0	47%	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	9.65	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	850.61	1203.21	758.71	0.1%	0.0%	3.2%	-10.5%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.043	0.07	0.04	0.0%	-1.4%	-1.4%	-19.7%	-0.1%	-1.4%	-4.6%	-9.1%
Azovstal	AZST	0.61	1.19	0.56	-0.2%	0.0%	4.7%	-17.9%	-0.2%	0.0%	1.4%	-7.3%
Dniprospezstal	DNSS	845	1,391	700	0.0%	0.0%	20.7%	-15.4%	-0.1%	0.0%	17.5%	-4.9%
Enakievo Steel	ENMZ	35.6	48.9	30.6	2.1%	1.4%	7.8%	-6.4%	2.0%	1.4%	4.6%	4.1%
Arcelor Mittal KR	KSTL	1.20	6.00	1.20	0.0%	0.0%	n/a	n/a	-0.1%	0.0%	n/a	n/a
Mariupol Ilyicha	MMKI	0.17	0.32	0.13	0.0%	0.0%	-10.5%	-22.7%	-0.1%	0.0%	-13.7%	-12.2%
<b>Coke</b>												
Avdivka Coke	AVDK	3.22	4.15	2.40	1.0%	0.3%	7.0%	-1.6%	1.0%	0.3%	3.8%	8.9%
Yasnyivsky Coking	YASK	0.58	1.16	0.52	1.8%	-1.7%	1.8%	-13.4%	1.7%	-1.7%	-1.5%	-2.9%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	6.50	7.74	4.00	0.0%	-3.0%	1.7%	-5.8%	-0.1%	-3.0%	-1.5%	4.7%
Ferrexpo	FXPO	2.27	4.58	2.23	1.9%	-8.5%	-24.0%	-43.6%	1.8%	-8.4%	-27.2%	-33.0%
Pivnichny GOK	SGOK	7.70	11.20	5.77	0.0%	0.0%	1.3%	3.5%	-0.1%	0.0%	-1.9%	14.0%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.52	1.30	0.40	0.0%	2.0%	-7.1%	-17.5%	-0.1%	2.0%	-10.3%	-6.9%
Komsomolets Donbasa	SHKD	0.81	2.00	0.65	-11.0%	-11.0%	-19.0%	-31.4%	-11.1%	-11.0%	-22.2%	-20.8%
Energy Coal	CLE	1.14	5.77	0.85	5.4%	-1.0%	-25.6%	-63.2%	5.4%	-1.0%	-28.8%	-52.7%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.51	0.58	0.003	0.0%	0.0%	n/a	-12.1%	-0.1%	0.0%	n/a	-1.6%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.61	1.29	0.45	10.9%	10.9%	17.3%	-12.9%	10.8%	10.9%	14.1%	-2.3%
Interpipe NMPP	NVTR	0.22	0.60	0.10	0.0%	22.2%	15.8%	0.0%	-0.1%	22.2%	12.6%	10.5%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	23.0	25.9	16.0	0.0%	4.5%	-7.6%	18.6%	-0.1%	4.5%	-10.8%	29.1%
Luhanskeplovoz	LTPL	1.65	2.20	1.28	0.0%	3.1%	-2.4%	-11.8%	-0.1%	3.1%	-5.6%	-1.2%
Stakhanov Wagon	SVGZ	1.31	3.15	1.26	0.0%	-7.7%	-10.3%	-24.3%	-0.1%	-7.7%	-13.5%	-13.8%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.05	0.22	0.03	0.0%	1.1%	-12.8%	1.6%	-0.1%	1.1%	-16.0%	12.1%
Motor Sich	MSICH	2,000	2,640	1,753	-0.1%	-2.9%	-0.3%	-9.5%	-0.2%	-2.9%	-3.6%	1.0%
Sumy Frunze Engineering	SMASH	2.77	4.00	0.76	0.0%	-12.1%	4.5%	84.7%	-0.1%	-12.0%	1.3%	95.2%
Turboatom	TATM	3.20	3.60	1.88	0.0%	0.0%	n/a	n/a	-0.1%	0.0%	n/a	n/a
WESTA ISIC	WES	0.20	0.45	0.13	-1.0%	-3.4%	18.1%	-15.3%	-1.1%	-3.4%	14.9%	-4.8%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.16	0.33	0.12	1.6%	8.2%	21.2%	1.6%	1.6%	8.2%	18.0%	12.1%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	0.31	0.59	0.21	0.6%	-5.3%	-12.2%	-42.8%	0.5%	-5.3%	-15.5%	-32.3%
JKX Oil	JKX	0.87	1.89	0.84	0.6%	-4.2%	-20.5%	-27.5%	0.5%	-4.2%	-23.7%	-17.0%
Ukrnafta	UNAF	114	280	80	0.2%	-0.7%	-0.1%	-3.6%	0.1%	-0.7%	-3.3%	6.9%
<b>Power Utilities</b>												
Centrenerg	CEEN	4.51	7.33	3.76	0.2%	3.6%	10.3%	-29.0%	0.1%	3.6%	7.1%	-18.5%
Donbasenergo	DOEN	21.5	24.8	15.1	1.7%	4.2%	6.5%	1.6%	1.6%	4.2%	3.3%	12.1%
Zakhidenergo	ZAEN	77.0	127.9	54.0	0.0%	1.2%	-5.5%	-20.6%	-0.1%	1.2%	-8.7%	-10.1%
<b>Consumer</b>												
Agroton	AGT	0.84	4.2	0.36	0.9%	-3.2%	1.1%	-74.1%	0.8%	-3.2%	-2.1%	-63.6%
Astarta	AST	20.4	22.1	14.5	0.0%	7.9%	21.2%	14.4%	0.0%	8.0%	18.0%	24.9%
Avangardo	AVGR	9.7	12.0	7.61	0.0%	-2.0%	8.4%	-14.8%	-0.1%	-2.0%	5.2%	-4.3%
Industrial Milk Company	IMC	4.52	5.48	2.78	10.0%	23.5%	11.0%	-14.8%	10.0%	23.5%	7.8%	-4.3%
Kernel	KER	17.0	23.0	15.7	1.0%	1.6%	-4.5%	-21.3%	0.9%	1.6%	-7.7%	-10.8%
Mriya Agro Holding	MAYA	5.66	6.7	5.04	0.5%	1.9%	0.7%	-12.7%	0.4%	1.9%	-2.5%	-2.2%
MHPC	MHPC	18.5	19.9	10.06	0.0%	0.0%	-1.9%	21.3%	-0.1%	0.0%	-5.1%	31.8%
Milkiland	MLK	3.75	5.8	3.11	4.0%	9.4%	-2.8%	-20.2%	3.9%	9.4%	-6.0%	-9.7%
Ovostar Union	OVO	27.2	33.8	23.7	2.9%	2.6%	-1.2%	-5.8%	2.8%	2.6%	-4.4%	4.8%
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	12.4	20.9	10.3	-3.5%	3.8%	10.3%	-7.8%	-3.6%	3.8%	7.1%	2.7%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.100	0.128	0.061	-1.3%	-2.0%	-2.2%	16.3%	-1.3%	-2.0%	-5.4%	26.9%
UkrSotsbank	USCB	0.116	0.200	0.107	-1.4%	-1.8%	-3.1%	-9.8%	-1.4%	-1.8%	-6.3%	0.7%

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	136	3.9%	5	1,551	3.7	neg	neg	10.7	neg	neg	0.7	0.9	0.9	535	461	415	\$/tonne
Yenakievo Steel	ENMZ	46	8.8%	4	39	1.5	5.4	neg	neg	neg	neg	0.0	0.0	0.0	15	15	14	\$/tonne
Azovstal	AZST	313	4.1%	13	292	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	52	49	47	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	77	7.5%	6	75	neg	neg	neg	12.2	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
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	936	0.5%	5	935	2.9	9.8	9.0	1.9	3.9	4.6	1.2	1.7	1.8				
Pivnichny GOK	SGOK	2,179	0.5%	12	2,304	2.8	5.0	6.1	2.0	2.8	3.6	1.3	1.5	1.8				
Ferrexpo	FXPO	1,337	24.0%	321	1,587	2.3	6.2	5.1	2.0	3.9	3.6	0.9	1.1	1.0				
<b>Coal Mining</b>																		
Komsomolets Donbasa	SHKD	33	5.4%	2	135	2.2	0.9	1.0	2.0	1.4	1.5	0.7	0.5	0.5	33	32	30	\$/tonne
Coal Energy	CLE	52	11.9%	6	77	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
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	195	2.0%	4	237	2.0	5.8	5.7	1.6	3.2	3.1	0.3	0.4	0.3	377	624	593	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	44	24.0%	11	44	4.9	6.5	5.5	3.2	3.6	2.9	0.2	0.3	0.2				
Kruiw Wagon	KVBZ	324	5.0%	16	326	3.8	3.4	6.4	2.8	2.4	3.5	0.4	0.4	0.5				
Stakhanov Wagon	SVGZ	36	8.0%	3	76	1.8	>30	12.7	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	0.7	0.7				
Motor Sich	MSICH	510	24.0%	123	521	3.0	2.1	1.9	1.8	1.7	1.6	0.7	0.6	0.6				
<b>Telecom</b>																		
Ukrtelecom	UTLM	374	7.2%	27	710	neg	8.3	7.8	3.4	3.5	3.4	0.8	0.8	1.0				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	761	3.0%	23	751	2.8	2.4	3.4	1.7	1.5	1.8	0.2	0.3	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	99	49.0%	49	82	15.5	8.3	4.1	neg	3.6	2.3	4.3	1.6	1.0	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	149	50.4%	75	257	2.5	3.7	3.0	2.2	1.8	1.7	1.1	1.1	1.0	68	47	35	\$/boe
<b>Electric Utilities</b>																		
CentrEnergO	CEEN	205	21.7%	44	287	>30	7.1	6.1	5.9	4.7	4.2	0.3	0.3	0.3	20	20	16	\$/MWh
DonbasEnergO	DOEN	63	14.2%	9	119	neg	16.4	6.2	5.8	6.9	5.0	0.2	0.2	0.2	15	14	14	\$/MWh
<b>Consumer</b>																		
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	1,256	61.8%	776	1,866	5.6	6.0	6.4	6.0	5.8	5.5	1.0	0.9	0.7				
Astarta	AST	510	31.0%	158	657	4.5	10.2	8.6	4.6	6.7	5.4	1.6	1.4	1.2	3332	2028	1685	\$/tonne
Avangardco	AVGR	616	22.5%	139	765	3.1	2.7	2.7	3.0	2.7	2.6	1.4	1.2	1.1	173	131	124	\$/mneggs
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	\$/ha
<b>Banks</b>																		
Raiffeisen Bank Aval	BAVL	368	4.0%	15		>30	>30	12.9	0.5	0.4	0.4	0.05	0.05	0.05				
Ukrsotsbank	USCB	263	1.6%	4		>30	>30	21.8	0.3	0.3	0.3	0.06	0.06	0.06				

Source: Eavex Research

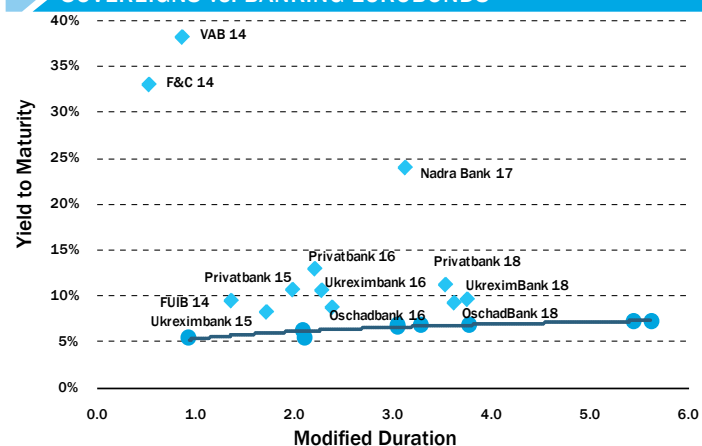
**UKRAINIAN EUROBONDS**

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	100.6	101.3	7.3%	6.6%	-0.9%	0.9	7.95%	S/A	6 Apr. 2014	1,000	B3/B/B
Naftogaz Ukraine, 2014	100.6	101.4	9.2%	8.5%	-2.0%	1.2	9.50%	S/A	30 Sept 2014	1,595	//B
Ukraine, 2015 (EUR)	97.0	98.5	6.4%	5.7%	0.3%	2.1	4.95%	A	13 Oct 2015	600*	B3/B/B
Ukraine, 2015	98.5	99.5	7.6%	7.2%	-2.2%	2.0	6.875%	S/A	23 Sept 2015	500	B3/B/B
Ukraine, 2016	96.0	96.8	7.9%	7.7%	-3.5%	3.0	6.58%	S/A	21 Nov 2016	1,000	B3/B/B
Ukraine, 2016-2	95.8	96.5	7.7%	7.4%	-3.5%	3.0	6.25%	S/A	17 Jun 2016	1,250	B3/B/B
Ukraine, 2017	94.5	95.5	8.3%	8.0%	-4.3%	3.7	6.75%	S/A	14 Nov 2017	700	B3/B/B
Ukraine, 2017-2	104.8	105.3	7.9%	7.7%	-2.0%	3.2	9.25%	S/A	24 Jul 2017	2,000	B3/B/B
Ukraine, 2017 Infr. projects	95.0	96.5	10.0%	9.5%	-2.5%	3.5	8.375%	S/A	3 Nov 2017	568	B3//
Ukraine, 2018 Infr. projects	92.8	94.5	9.4%	8.9%	0.9%	3.9	7.40%	S/A	20 Apr 2018	690	B3//
Ukraine, 2020	96.0	97.0	8.5%	8.3%	-6.3%	5.3	7.75%	S/A	23 Sept 2020	1,500	B3/B/B
Ukraine, 2021	97.0	98.0	8.5%	8.3%	-6.1%	5.5	7.95%	S/A	23 Feb 2021	1,500	B3/B/B
Ukraine, 2022	94.4	95.4	8.7%	8.5%	-5.9%	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	73.0	79.8	46.9%	36.7%	n/a	0.8	12.50%	S/A	14 Jul 2014	50	/CCC/CCC
MHP, 2015	103.9	105.3	8.0%	7.6%	-0.8%	1.7	10.25%	S/A	29 Apr 2015	585	B3//B
MHP, 2020	96.1	97.2	9.0%	8.8%	-3.4%	5.0	8.25%	S/A	2 Apr 2020	750	/B/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	97.9	99.4	11.4%	11.0%	-1.4%	3.6	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	104.8	107.7	9.1%	7.9%	3.2%	2.3	10.95%	S/A	30 Mar 2016	250	/B/B
DTEK, 2015	104.4	105.1	7.0%	6.6%	3.6%	1.7	9.50%	S/A	28 Apr 2015	500	B3//B
DTEK, 2018	98.1	98.9	8.4%	8.2%	-1.5%	3.9	7.88%	S/A	4 Apr 2018	750	B3//B
Metinvest, 2015	104.7	105.8	7.6%	7.1%	1.4%	1.7	10.25%	S/A	20 May 2015	500	B3//B
Metinvest, 2018	98.0	99.0	9.3%	9.0%	1.6%	3.6	8.75%	S/A	14 Feb 2018	750	B3//B
Ferrexpo, 2016	97.4	98.5	9.0%	8.4%	0.5%	2.4	7.875%	S/A	07 Apr 2016	500	/B/B
UZ Rail, 2018	94.9	96.5	10.9%	10.4%	-4.3%	3.8	9.50%	S/A	21 May 2018	500	/B/B-
Interpipe, 2017	77.0	80.1	18.5%	16.9%	-3.8%	2.9	10.25%	S/A	2 Aug 2017	200	/NR/B-
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2014	90.0	92.0	30.1%	25.8%	51.7%	0.5	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	100.9	103.0	10.7%	9.2%	1.0%	1.3	11.00%	Q	31 Dec 2014	275	B//
Nadra Bank, 2017	77.2	82.2	26.4%	21.4%	-3.8%	3.1	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	94.0	95.5	12.7%	11.8%	0.0%	1.9	9.38%	S/A	23 Sept 2015	200	B3//
PrivatBank, 2016	81.2	85.1	14.6%	12.6%	7.7%	2.2	8.75%	S/A	9 Feb 2016	150	B3//
PrivatBank, 2018	96.6	98.1	11.8%	11.4%	-2.6%	3.5	10.88%	S/A	28 Feb 2018	175	B3//B
UkrEximBank, 2015	99.2	99.9	9.0%	8.5%	-0.4%	1.7	8.38%	S/A	27 Apr 2015	750	B3//B
UkrEximBank, 2016	87.0	90.0	11.7%	10.3%	5.0%	2.2	8.40%	S/A	2 Sept 2016	125	B3//B
UkrEximBank, 2018	95.1	96.3	10.1%	9.7%	-4.3%	3.6	8.75%	S/A	22 Jan 2018	500	B3//B
VAB Bank, 2014	77.0	80.0	41.8%	37.0%	45.4%	0.8	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	95.9	97.2	10.1%	9.5%	1.5%	2.3	8.25%	S/A	10 Mar 2016	700	B3//B
Oschadbank, 2018	94.3	95.4	10.5%	10.1%	-5.2%	3.7	8.88%	S/A	20 Mar 2018	500	B3//B
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	95.2	96.8	10.4%	9.6%	2.6%	2.1	8.00%	S/A	6 Nov 2015	250	B3/B-/
City of Kyiv, 2016	95.2	97.2	11.2%	10.5%	2.8%	2.5	9.375%	S/A	30 Jun 2016	300	B3/B-/

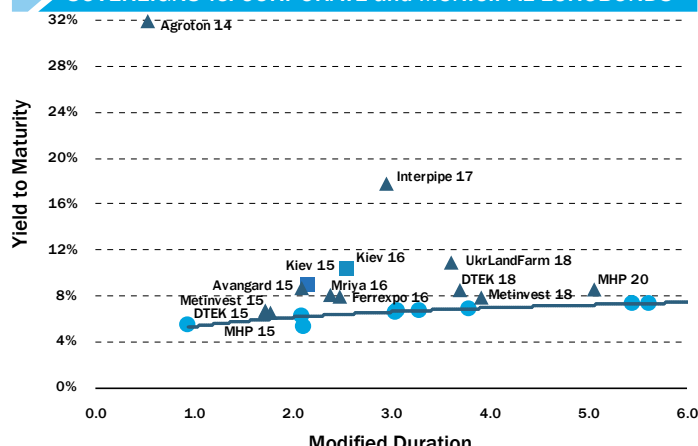
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

Source: Bloomberg, Cbonds, Eavex Research

**SOVEREIGNS vs. BANKING EUROBONDS**



**SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS**



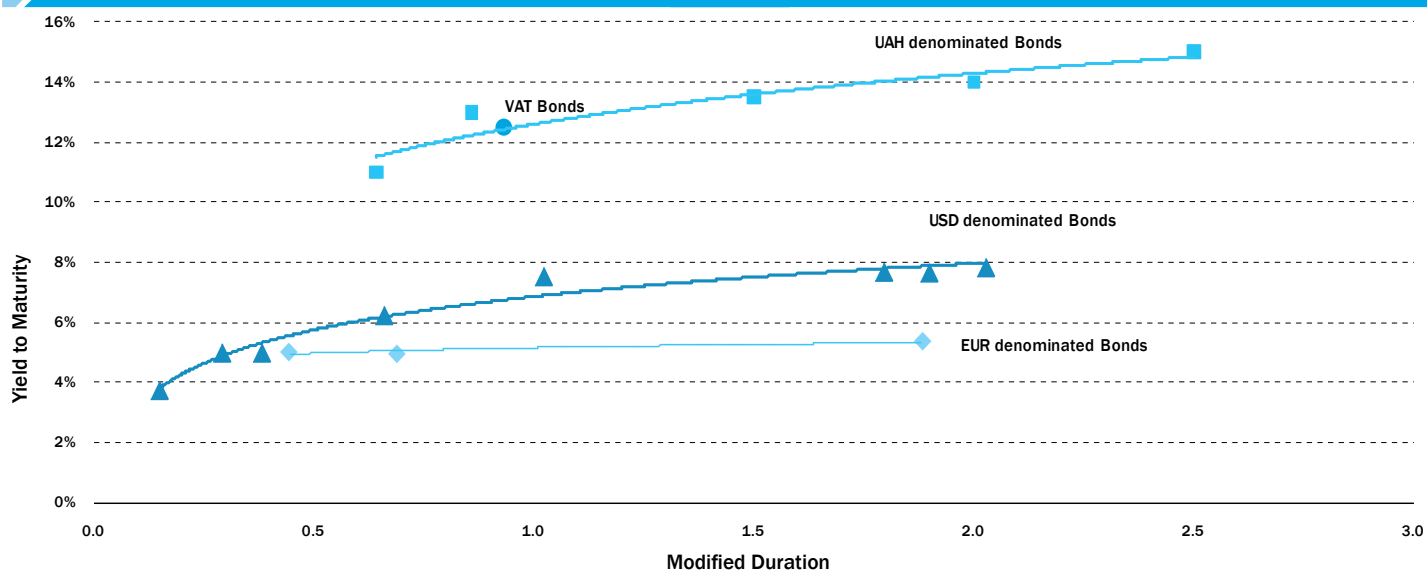
Source: Bloomberg, Cbonds, Eavex Research



**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			11.8%	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			19.0%	17.0%	2.0	14.30%	S/A	24 May 2017	184
<b>USD denominated Bonds</b>									
UA4000136832	100.5	100.8	6.0%	4.5%	0.2	9.27%	S/A	28 Aug 2013	254
UA4000138002	100.8	100.9	6.0%	4.5%	0.4	9.30%	S/A	27 Nov 2013	86
UA4000140362	101.3	101.8	7.1%	6.5%	0.9	9.20%	S/A	21 May 2014	171
UA4000142699	101.3	103.0	7.9%	7.5%	1.6	9.45%	S/A	22 Apr 2015	312
UA4000141071	102.0	102.9	7.9%	7.5%	1.7	9.45%	S/A	27 May 2015	152
UA4000142673	92.9	93.9	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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