

## Market Update

### Equity

Ukrainian stocks rallied on Friday (Jun 14) ahead of Monday's expiration of rolling six-month UX futures contracts despite lukewarm external sentiments that saw meager gains in Europe and losses in New York. The UX index spent the entire session in positive territory and all 10 local blue chips moved higher. CentrEnerg (CEEN) continued to claw back ground from its nadir below 4 hryvnias touched in April, picking up 2.9% to UAH 4.63. Also adding more than 2% on the day were DonbasEnerg (DOEN), Alchevsk Steel (ALMK), and Raiffeisen Aval (BAVL). Motor Sich's (MSICH) gain was 0.8% on volume of UAH 2.1mn; six other blue chips also reached the UAH 1mn turnover mark. Second-tier issues Yasynivsky Coke (YASK) and Comsomolets Donbasa (SHKD) moved up by 1.3% and 1.0% respectively. The main Ukrainian names in London were mixed, with Ferrexpo (FXPO LN) rebounding from recent losses to jump 4.6%, while Avangard (AVGR LI) slid 4.2% and JKY Oil & Gas (JKY LN) fell further into uncharted territory, giving up 3.3% to GBP 51.25.

### Fixed Income

Ukrainian sovereign Eurobonds were up on Friday. Ukraine-23s improved by 2.0p.p. closing at 93.2/94.2 (8.5%/8.4%). Corporate names were mixed. MHP-20s grew by 0.7p.p. to 104.2/105.2 (7.8%/7.3%) while DTEK-15s slid by 0.4p.p. to 103.6/104.3 (7.5%/7.1%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2001.00	0.8%	2.1	165
Centrenerg	CEEN	4.63	2.9%	1.5	212
Raiffeisen Bank Aval	BAVL	0.102	2.1%	1.4	180

### Growth Leaders

Centrenerg	CEEN	4.63	2.9%	1.49	212
Donbasenerg	DOEN	22.48	2.7%	1.33	84
Alchevsk Steel	ALMK	0.04	2.6%	1.16	159

### Loss Leaders

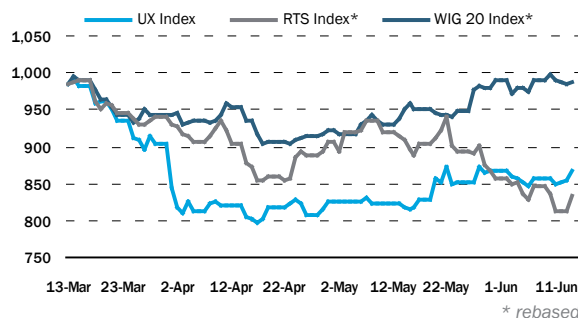
Pokrovsk Mine	SHCHZ	0.46	-7.4%	0.002	12
Stirol	STIR	11.99	-6.9%	0.005	11
Stakhanov Wagon	SVGZ	1.31	-0.8%	0.002	8

## Highlights

### POLITICS AND ECONOMICS

- > Batkivschyna Congress Nominates Tymoshenko for President
- > Trade Deficit Still Trending Lower After April Data

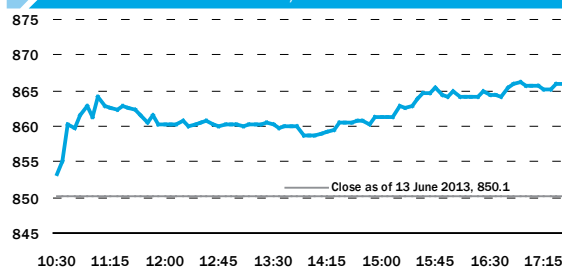
### STOCK MARKET PERFORMANCE



### MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	867.2	2.0%	6.0%	-8.8%
RTS	1293.9	2.4%	-8.4%	-15.3%
WIG20	2478.4	-0.2%	3.8%	-4.0%
MSCI EM	953.7	-0.1%	-8.8%	-9.6%
S&P 500	1626.7	0.0%	-1.4%	16.0%

### UX INTRADAY JUNE 14, 2013



### FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	329.9	-5.8%	19.5%	21.7%
CDS 5Y UKR	700.1	-8.7%	19.7%	12.0%
Ukraine-17	8.1%	-0.1 p.p.	1.3 p.p.	1.2 p.p.
Naftogaz Ukr-14	8.6%	-0.8 p.p.	2.5 p.p.	1.0 p.p.
Ukraine-23	8.4%	-0.3 p.p.	0.8 p.p.	0.9 p.p.
Privatbank-16	14.0%	0.2 p.p.	1.2 p.p.	-1.3 p.p.

### CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.15	0.1%	0.0%	1.2%
EUR	10.88	0.4%	3.3%	1.8%
RUB	0.26	2.4%	-0.9%	-3.0%

### 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	105.9	2.9%	3.5%	-1.1%
Gold, USD/oz	1390.7	0.9%	-2.4%	-16.0%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Batkivschyna Congress Nominates Tymoshenko for President

by Will Ritter  
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### NEWS

The center-left Batkivschyna party, Ukraine's largest opposition grouping, announced after its Friday (Jun 14) congress that long-time party leader Yulia Tymoshenko will be the party's candidate in the 2015 presidential election. Tymoshenko, who is serving a 7-year jail sentence on an abuse of power conviction, sent a letter to the congress expressing her support for Arseniy Yatseniuk, who has been the de facto Batkivschyna leader since mid-2012 in Tymoshenko's absence. At the congress, Batkivschyna also swallowed up several satellite opposition parties, most notably Yatseniuk's Front for Change; however, three additional small parties that ran on the "United Opposition" ticket in the 2012 parliamentary election refused to merge with Batkivschyna.

### COMMENTARY

Batkivschyna's decision to announce Tymoshenko's nomination for president some 20 months prior to the election date looks somewhat farcical to us. Even in the unlikely event that Tymoshenko is released from jail and able to take up the nomination, it is doubtful that she would receive the backing of the entire opposition, which includes Vitaliy Klitschko's center-right UDAR party and the nationalist Freedom Union led by Oleg Tyahnibok. Our main takeaway from Friday's congress is the solidification of the alliance between Yatseniuk and the Batkivschyna establishment; a battle appears to be shaping up between this wing of the opposition and those dissatisfied with Yatseniuk's leadership style, who we believe are likely to gravitate toward supporting the candidacy of Klitschko in the absence of other viable alternatives.

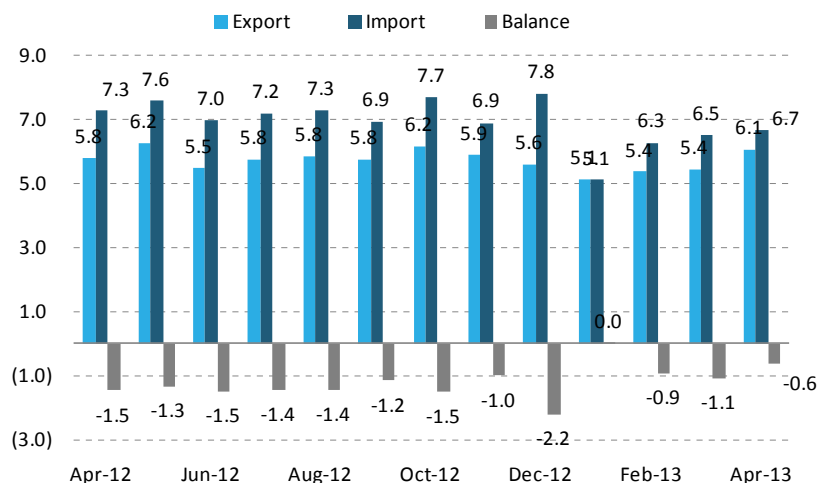
**Trade Deficit Still Trending Lower After April Data**

by Dmitry Churin  
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**NEWS**

Ukraine's merchandise trade deficit fell by 2.4x YoY to USD 608mn in April, the State Statistics Committee said on Friday (Jun 14). Thus far in 2013 (through end-April), the trade deficit is down by 40.6% YoY to USD 2.6bn, the agency said, on flat merchandise exports (USD 22.0bn) and a drop in imports of 6.7% YoY to USD 24.6bn.

**UKRAINE'S MONTHLY MERCHANDISE TRADE DATA, USD bn**



**COMMENTARY**

The lower merchandise trade deficit over 4M13 has been achieved mostly due to a decrease in natural gas imports from Russia by 19.3% YoY, to USD 3.6bn. Ukraine has also limited its coal imports, which fell by 43% YoY to USD 680mn in the period. The government has stated plans to reduce gas imports by 30% in FY13 to 27.3bn cubic meters on the heels of FY12's 24.5% drop. UkrStat said that in 2012, nationwide natural gas consumption was down 7.6% YoY (to 54.7bn cu-m) compared to 2011.

## 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	-11%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	2.40	3.33	38%	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	0.99	1.77	78%	BUY	Secure demand for Pivnichny GOK's iron ore products and lucrative pricing allow the company to operate with high profitability (EBITDA margin of not lower than 45% since 2009). Disadvantages of the stock are its low liquidity and no dividend in 2013 for the first time since 2005.
Centralny GOK	CGOK	0.80	1.30	63%	BUY	Centralny GOK operates in the highly profitable iron ore industry; its EBITDA margin has remained above 35% since 2009. Disadvantages of the stock are its low liquidity and no dividend in 2013 for the first time since 2005.
<b>Coke</b>						
Avdyivka Coke	AVDK	0.41	0.76	88%	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	470%	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	533%	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	2.79	6.18	122%	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.
<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	390%	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	646%	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	2.76	8.90	222%	BUY	DonbasEnergO is Ukraine's next big-ticket privatization object, with an auction expected to be announced in summer 2013.
CenterEnergO	CEEN	0.57	1.84	224%	BUY	CenterEnergO'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	18.4	24.0	31%	BUY	MHP launched production at Phase 1 of its new Vinnytsya 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	20.74	30.0	45%	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	9.20	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	867.20	1203.21	758.71	2.0%	1.3%	6.0%	-8.8%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.044	0.07	0.04	1.6%	-1.1%	0.0%	-18.4%	-0.4%	-2.5%	-6.0%	-9.6%
Azovstal	AZST	0.62	1.19	0.56	2.0%	0.8%	7.5%	-16.1%	0.0%	-0.5%	1.5%	-7.3%
Dniprospezstal	DNSS	845	1,391	700	0.0%	0.0%	20.7%	-15.4%	-2.0%	-1.3%	14.7%	-6.6%
Enakievo Steel	ENMZ	36.2	48.9	30.6	3.9%	2.4%	12.0%	-4.7%	1.9%	1.1%	6.1%	4.0%
Arcelor Mittal KR	KSTL	1.20	6.00	1.20	0.0%	0.0%	0.0%	n/a	-2.0%	-1.3%	-6.0%	n/a
Mariupol Ilyicha	MMKI	0.16	0.32	0.13	-5.9%	0.0%	-11.1%	-27.3%	-7.9%	-1.3%	-17.1%	-18.5%
<b>Coke</b>												
Avdyivka Coke	AVDK	3.31	4.15	2.40	3.7%	3.3%	8.3%	1.0%	1.7%	1.9%	2.3%	9.7%
Yasnyivsky Coking	YASK	0.60	1.16	0.52	5.3%	1.7%	3.4%	-10.4%	3.3%	0.3%	-2.5%	-1.7%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	6.50	7.74	4.00	0.0%	0.0%	1.7%	-5.8%	-2.0%	-1.3%	-4.3%	3.0%
Ferrexpo	FXPO	2.40	4.58	2.23	7.8%	-3.2%	-16.2%	-40.3%	5.8%	-4.6%	-22.1%	-31.5%
Pivnichny GOK	SGOK	8.08	11.19	5.77	4.9%	4.9%	5.2%	8.6%	2.9%	3.6%	-0.8%	17.4%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.46	1.30	0.40	-11.5%	-8.0%	-19.3%	-27.0%	-13.6%	-9.3%	-25.3%	-18.2%
Komsomolets Donbasa	SHKD	0.91	2.00	0.65	0.0%	0.0%	-9.0%	-22.9%	-2.0%	-1.3%	-15.0%	-14.1%
Energy Coal	CLE	1.19	5.77	0.85	10.2%	4.2%	-13.6%	-61.5%	8.2%	2.9%	-19.6%	-52.7%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.51	0.58	0.003	0.0%	0.0%	27.5%	-12.1%	-2.0%	-1.3%	21.5%	-3.3%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.60	0.92	0.45	9.1%	9.1%	15.4%	-14.3%	7.1%	7.7%	9.4%	-5.5%
Interpipe NMPP	NVTR	0.22	0.60	0.10	0.0%	0.0%	29.4%	0.0%	-2.0%	-1.3%	23.4%	8.8%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	22.7	25.9	16.7	-1.4%	-2.8%	-6.3%	16.9%	-3.4%	-4.1%	-12.3%	25.7%
Luhanskeplovoz	LTPL	1.60	2.20	1.28	-3.0%	0.0%	-5.9%	-14.4%	-5.0%	-1.3%	-11.9%	-5.7%
Stakhanov Wagon	SVGZ	1.31	3.15	1.26	0.0%	0.8%	-3.0%	-24.3%	-2.0%	-0.6%	-8.9%	-15.5%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.05	0.22	0.03	0.0%	0.0%	6.1%	1.6%	-2.0%	-1.3%	0.1%	10.3%
Motor Sich	MSICH	2,001	2,640	1,753	-0.1%	-1.6%	1.0%	-9.5%	-2.1%	-3.0%	-5.0%	-0.7%
Summy Frunze Engineering	SMASH	2.17	4.00	0.76	-21.7%	-31.1%	-38.0%	44.7%	-23.7%	-32.5%	-44.0%	53.4%
Turboatom	TATM	3.20	3.60	1.88	0.0%	0.0%	0.0%	n/a	-2.0%	-1.3%	-6.0%	n/a
WESTA ISIC	WES	0.19	0.45	0.13	-8.3%	-8.5%	12.2%	-21.5%	-10.3%	-9.9%	6.2%	-12.7%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.15	0.33	0.12	-4.9%	-1.9%	13.3%	-5.0%	-7.0%	-3.3%	7.4%	3.8%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	0.31	0.59	0.21	0.6%	-7.2%	-11.6%	-42.8%	-1.4%	-8.6%	-17.6%	-34.0%
JKX Oil	JKX	0.80	1.89	0.80	-6.7%	-10.0%	-21.3%	-32.8%	-8.7%	-11.3%	-27.2%	-24.0%
Ukrnafta	UNAF	114	280	80	-0.4%	-1.6%	0.5%	-4.1%	-2.4%	-3.0%	-5.4%	4.6%
<b>Power Utilities</b>												
Centrenerg	CEEN	4.63	7.33	3.76	2.9%	4.3%	14.2%	-27.1%	0.9%	2.9%	8.2%	-18.3%
Donbasenergo	DOEN	22.5	24.8	15.1	6.1%	7.6%	12.3%	6.1%	4.1%	6.3%	6.4%	14.9%
Zakhidenergo	ZAEN	80.0	127.9	70.2	3.9%	3.9%	-2.2%	-17.5%	1.9%	2.6%	-8.2%	-8.8%
<b>Consumer</b>												
Agroton	AGT	0.86	4.2	0.36	2.8%	1.8%	8.6%	-73.6%	0.8%	0.4%	2.6%	-64.8%
Astarta	AST	20.7	22.1	14.5	1.6%	2.5%	23.4%	16.2%	-0.4%	1.2%	17.5%	24.9%
Avangardo	AVGR	9.2	12.0	7.61	-4.7%	-5.6%	3.7%	-18.8%	-6.7%	-7.0%	-2.3%	-10.0%
Industrial Milk Company	IMC	4.47	5.48	2.78	8.9%	16.0%	10.2%	-15.7%	6.8%	14.6%	4.2%	-6.9%
Kernel	KER	16.3	23.0	15.7	-3.3%	-4.7%	-10.3%	-24.6%	-5.3%	-6.0%	-16.3%	-15.8%
Mriya Agro Holding	MAYA	5.65	6.7	5.04	0.3%	0.7%	0.7%	-12.9%	-1.7%	-0.6%	-5.2%	-4.1%
MHPC	MHPC	18.4	19.9	10.48	-0.7%	-0.4%	2.0%	20.5%	-2.7%	-1.8%	-4.0%	29.2%
Milkiland	MLK	3.86	5.8	3.11	7.0%	9.6%	3.5%	-17.9%	5.0%	8.2%	-2.5%	-9.1%
Ovostar Union	OVO	26.7	33.8	23.7	0.9%	-1.6%	-0.2%	-7.6%	-1.1%	-3.0%	-6.2%	1.2%
Sintal	SNPS	n/a	1.21	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	12.0	20.9	10.3	-6.3%	0.8%	3.8%	-10.5%	-8.3%	-0.6%	-2.2%	-1.8%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.102	0.128	0.061	0.8%	-0.8%	1.3%	18.8%	-1.2%	-2.1%	-4.7%	27.6%
UkrSotsbank	USCB	0.120	0.200	0.107	1.7%	0.4%	-0.7%	-7.0%	-0.3%	-0.9%	-6.7%	1.8%

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%
Ukrspasbank	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	138	3.9%	5	1,553	3.8	neg	neg	10.7	neg	neg	0.7	0.9	0.9	536	462	416	\$/tonne
Yenakievo Steel	ENMZ	47	8.8%	4	39	1.5	5.5	neg	neg	neg	neg	0.0	0.0	0.0	16	15	15	\$/tonne
Azovstal	AZST	320	4.1%	13	298	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	53	50	48	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	79	7.5%	6	76	neg	neg	neg	12.6	neg	neg	0.1	0.1	0.1	22	17	14	\$/tonne
Yasynivsky Coke	YASK	20	9.0%	2	49	1.3	1.9	1.9	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	935	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	2,285	0.5%	13	2,410	2.9	5.2	6.4	2.1	3.0	3.8	1.3	1.6	1.9				
Ferrexpo	FXPO	1,415	24.0%	340	1,665	2.5	6.6	5.4	2.1	4.1	3.7	0.9	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	54	11.9%	6	79	1.5	1.4	1.3	1.6	1.3	1.2	0.5	0.5	0.4	1.6	1.3	1.2	\$/tonne
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	191	2.0%	4	234	2.0	5.7	5.6	1.6	3.2	3.0	0.3	0.4	0.3	371	616	585	\$/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				
Kruiw Wagon	KVBZ	319	5.0%	16	322	3.8	3.4	6.3	2.7	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	129	3.4	4.8	4.3	2.1	2.7	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	349	7.2%	25	685	neg	7.7	7.3	3.3	3.4	3.3	0.8	0.8	0.9				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	757	3.0%	23	747	2.8	2.4	3.4	1.7	1.5	1.7	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	138	50.4%	70	246	2.3	3.4	2.8	2.2	1.7	1.6	1.0	1.1	1.0	65	45	34	\$/boe
<b>Electric Utilities</b>																		
CentrEnergO	CEEN	210	21.7%	46	293	>30	7.3	6.3	6.0	4.8	4.3	0.3	0.3	0.3	20	20	16	\$/MWh
DonbasEnergO	DOEN	65	14.2%	9	122	neg	17.1	6.4	5.9	7.1	5.1	0.2	0.2	0.2	15	14	14	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	1,940	34.1%	662	2,985	7.5	6.2	7.2	7.4	6.4	5.7	2.4	2.1	1.9	9330	9330	9330	\$/tonne
Kernel	KER	1,203	61.8%	743	1,814	5.3	5.7	6.2	5.9	5.6	5.4	1.0	0.8	0.6				
Astarta	AST	518	31.0%	161	665	4.5	10.4	8.8	4.6	6.8	5.5	1.7	1.5	1.2	3372	2053	1705	\$/tonne
Avangardco	AVGR	588	22.5%	132	736	3.0	2.6	2.5	2.9	2.6	2.5	1.3	1.2	1.0	166	127	119	\$/mneegs
Agroton	AGT	19	44.6%	8	52	neg	1.0	0.9	2.8	1.7	1.6	0.4	0.6	0.5	0.4	n/a	n/a	\$/th/ha
<b>Banks</b>																		
Raiffeisen Bank Aval	BAVL	375	4.0%	15		>30	>30	13.1	0.5	0.4	0.4	0.05	0.05	0.05				
Ukrsotsbank	USCB	271	1.6%	4		>30	>30	21.8	0.3	0.3	0.3	0.06	0.06	0.06				

Source: Eavex Research

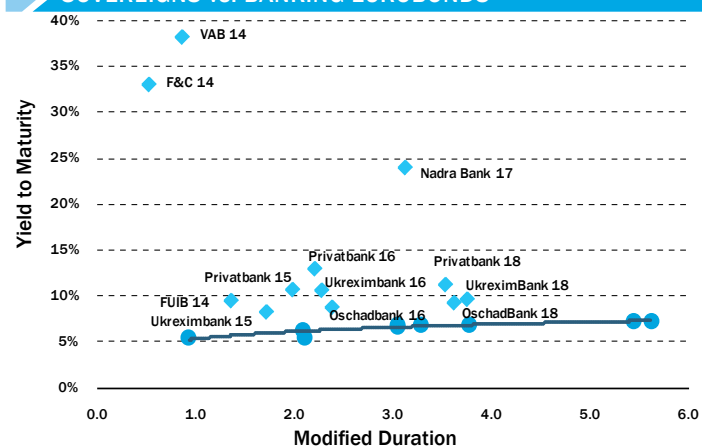
UKRAINIAN EUROBONDS

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%	2.0	4.95%	A	13 Oct 2015	600*	B3/B/B
Ukraine, 2015	98.5	99.5	7.7%	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%	3.1	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%	6.4	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%	2.0	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%	7.0%	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	30.5%	26.1%	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%	11.9%	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	11.8%	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	42.2%	37.4%	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-/

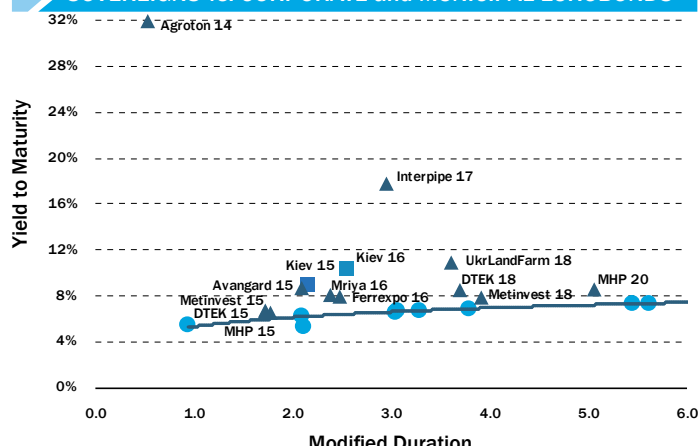
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



Source: Bloomberg, Cbonds, Eavex Research

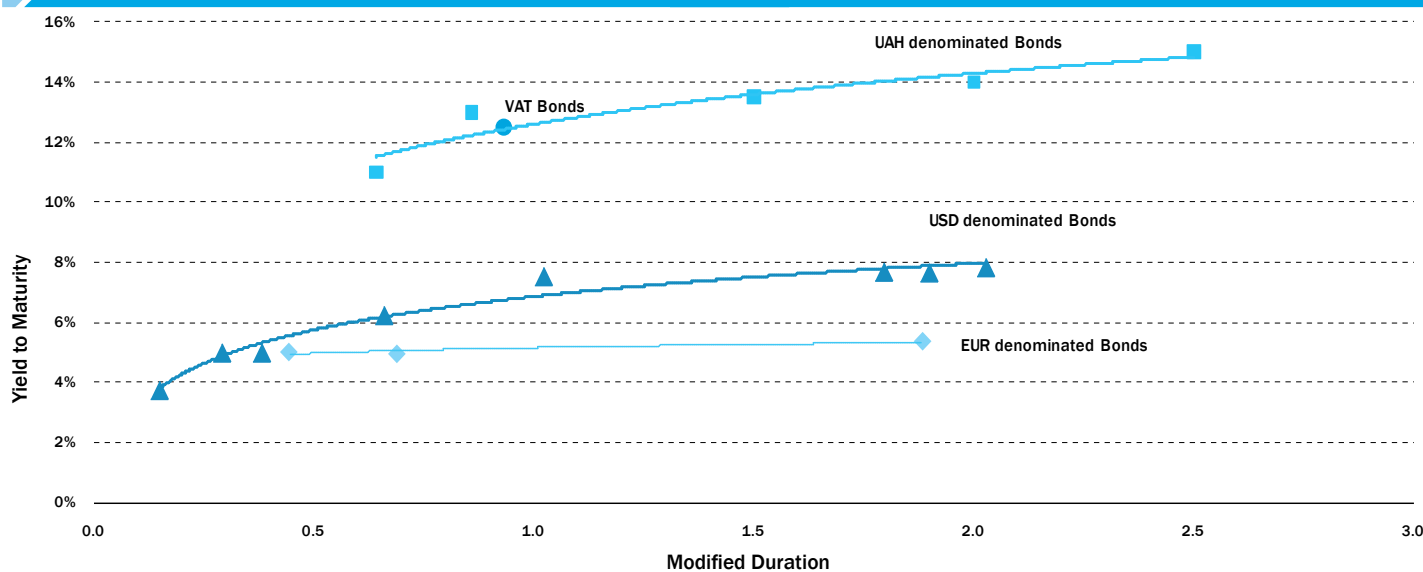


**UKRAINIAN DOMESTIC BONDS**

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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