

Market Update

Equity

Ukrainian stocks rallied in the afternoon on Monday (Jun 17) after trading in negative territory for most of the session, boosted by the major indices in Europe and the US, which were all higher in the range of 1% on optimism about the upcoming FOMC meeting. The UX index gained 0.6% to close at 872 points. Azovstal (AZST) was the top-performing blue chip, picking up 1.6% to 63 kopecks on the nose. UkrSotsBank (USCB) added 1.5%, while DonbasEnergo (DOEN) and Alchevsk Steel (ALMK) both appreciated by 0.9%. Top liquid issues Motor Sich (MSICH) and CentrEnergo (CEEN) were both unchanged on moderate combined turnover of UAH 7.0mn. Outside the UX basket, there was a major story in state-controlled turbine producer TurboAtom (TATM), which jumped by 56% from its previously listed price to UAH 5.00 on a reported UAH 6.5mn in deals. In London, JKK Oil & Gas (JKX LN) rebounded from a string of losses to add 2.4%.

Fixed Income

Ukrainian sovereign Eurobonds were mixed on Monday. Ukraine-23s declined by 0.3p.p. finishing at 92.9/93.9 (8.6%/8.4%) while Ukraine-17s improved by 1.0p.p. to 95.2/96.7 (8.1%/7.6%). Corporate names were down. The largest drop was demonstrated by Ferrexpo-16s which fell by 0.9p.p. closing at 95.8/97.7 (9.7%/8.8%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Turboatom	TATM	5.00	56.3%	6.5	14
Motor Sich	MSICH	2000.00	-0.1%	5.1	401
Centrenergo	CEEN	4.627	-0.1%	1.9	261

Growth Leaders

Turboatom	TATM	5.00	56.3%	6.49	14
Sumy Frunze Engineering	SMASH	3.14	45.0%	0.05	7
Mostobud	MTBD	14.30	2.1%	0.00	8

Loss Leaders

Pivnichny GOK	SGOK	7.40	-8.4%	0.306	14
Yasynivsky Coke	YASK	0.57	-5.8%	0.069	15
Centrenergo	CEEN	4.63	-0.1%	1.894	261

Highlights

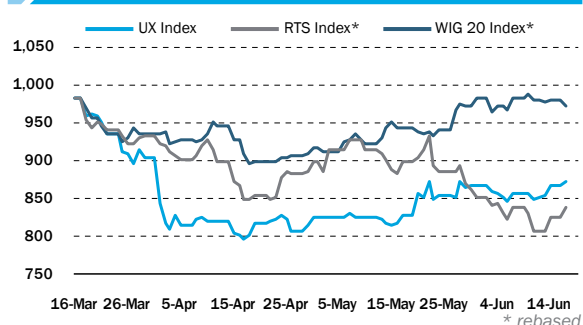
POLITICS AND ECONOMICS

- > Klitschko Tops Presidential Poll With 30% of Committed Voters
- > Industrial Production Down 9% YoY in May on Long Holiday

STOCKS IN THE NEWS

- > IMC to Expand Land Bank by Some 18,000 ha in 2H13

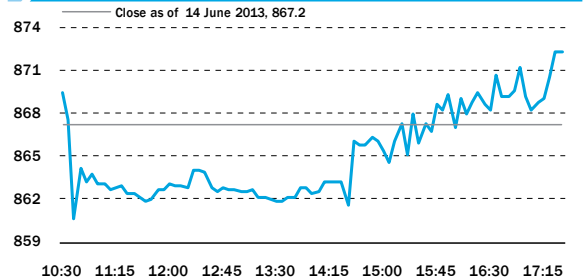
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	872.1	0.6%	5.2%	-8.3%
RTS	1314.0	1.6%	-6.5%	-13.9%
WIG20	2463.4	-0.6%	3.0%	-4.6%
MSCI EM	957.1	0.4%	-8.5%	-9.3%
S&P 500	1639.0	0.8%	-1.7%	16.9%

UX INTRADAY JUNE 17, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	329.2	-0.2%	19.0%	21.5%
CDS 5Y UKR	698.3	-0.3%	17.8%	11.7%
Ukraine-17	7.8%	-0.3 p.p.	1.4 p.p.	0.9 p.p.
Naftogaz Ukr-14	8.6%	0.0 p.p.	2.3 p.p.	1.0 p.p.
Ukraine-23	8.5%	0.1 p.p.	0.9 p.p.	1.0 p.p.
Privatbank-16	13.8%	-0.2 p.p.	1.2 p.p.	-1.5 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.15	0.1%	0.0%	1.3%
EUR	10.90	0.2%	4.1%	2.0%
RUB	0.26	-0.3%	-1.1%	-3.2%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	286.1	0.0%	-7.8%	-17.9%
Steel, USD/t	510.0	-1.4%	-5.6%	-4.2%
Oil, USD/bbl	105.5	-0.4%	1.0%	-1.5%
Gold, USD/oz	1385.4	-0.4%	1.9%	-16.3%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Klitschko Tops Presidential Poll With 30% of Committed Voters

by Will Ritter
w.ritter@eavex.com.ua

NEWS

A poll released by the Kyiv Institute of Sociology on Monday (Jun 17) found that Vitaliy Klitschko, the leader of the center-right Democratic Alliance for Reform, has the support of 15.9% of eligible voters in the 2015 presidential race. President Viktor Yanukovich would receive the votes of 14.3% of those surveyed, while Batkivschyna party leader Arseniy Yatseniuk came third with 9.5%. The poll also reported that 47.4% of voters surveyed were either uncommitted or did not intend to vote. Recalibrating the results to include only committed voters, the support figures rise to 30.2% for Klitschko, 27.2% for Yanukovich, and 18.1% for Yatseniuk. The poll was a nationwide sampling of 2,030 individuals. The Kyiv Institute of Sociology (KIS) is one of the three top polling agencies in the country.

COMMENTARY

While we would avoid reading too much into any polls at this early stage, one thing that this survey makes absolutely clear is that President Yanukovich faces an uphill battle to retain the presidency in 2015. The three opposition candidates (Klitschko, Yatseniuk, and Oleg Tiahnybok) combined for 59% of committed voters, compared to a combined 34% for Yanukovich and Communist Petro Symonenko. Yanukovich will clearly need to beef up his popularity in southeastern Ukraine, where overwhelming support in 2010 led him to victory. The KIS poll reported that a whopping 57% of voters in southeastern Ukraine would either not vote in the election or not support any candidate. Our second takeaway from this poll is that Klitschko has managed to open up a considerable gap between himself and Yatseniuk in the shadow competition for the role of opposition candidate. However, the opposition race could be blown wide open if former PM Yulia Tymoshenko is unexpectedly released from jail prior to the election, due in March 2015.

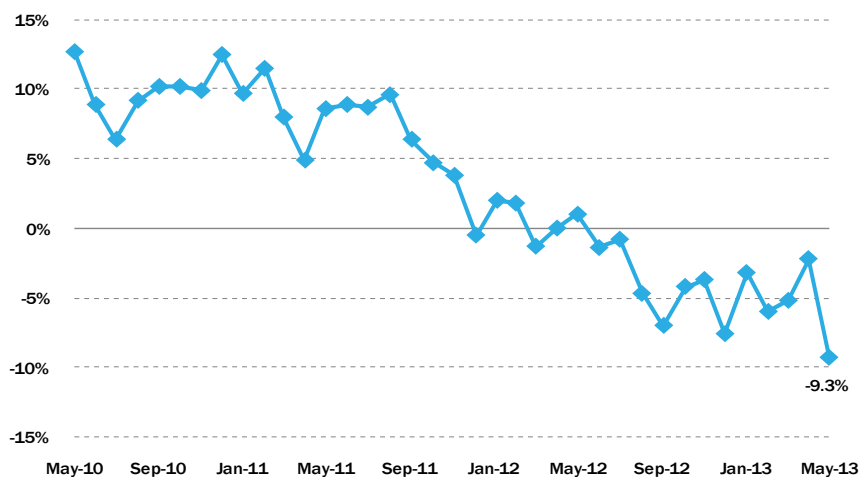
Industrial Production Down 9% YoY in May on Long Holiday

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

NEWS

Ukraine's industrial production fell by 9.3% YoY and 5.6% MoM, the State Statistics Committee reported on Monday (Jun 17). For 5M13, the IP index is down by 5.2%.

UKRAINE'S MONTHLY INDUSTRIAL PRODUCTION INDEX, YOY



Source: State Statistics Committee

COMMENTARY

Once again, an anomolous factor has conspired to make Ukraine's drop in industrial output look worse than it really is. We believe that the 9% fall in industrial production last month can be partially blamed on an unusually long May holiday period due to the late occurrence of Easter this year. In March, the IP index took a hit from a huge snowstorm, while in February, the year-on-year change was distorted by the 2012 leap-year comparison base.

In the manufacturing sector, output fell 12.7% YoY in May. Especially weak results were seen in machinery production with a drop in output of 18.1% YoY. In the extraction industry, output decreased by 4.0% YoY, while utilities output fell by 3.8% YoY in the period.

IMC to Expand Land Bank by Some 18,000 ha in 2H13

by Ivan Dzvinka
i.dzvinka@eavex.com.ua

INDUSTRIAL MILK COMPANY (IMC PW)

Price: PLN 13.90 Market Cap: USD 137mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2012	2.9	7.3	6.8	0%
2013E	1.8	5.2	4.7	0%

NEWS

Industrial Milk Company (IMC), a Warsaw-listed Ukrainian crop grower, plans to increase its land bank by 16,000-20,000 hectares by 2013 year-end, Interfax reported on Monday (Jun 17), citing the company's CEO. This would imply a 13-16% increase from the 124,500 ha controlled by the company as of end-1Q13.

COMMENTARY

Following a doubling of the company's landbank over 2012, the plans for 2013 look much more modest – an increase of only around 18% YoY. The company is now likely to focus more on efficiency rather than further expansion of its business operations which is, in our view, a step in the right direction given the current stage of IMC's development.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, USD per share	Target price, USD per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.08	0.07	-12%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	2.37	3.33	41%	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	0.91	1.77	95%	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.
Coke						
Avdyivka Coke	AVDK	0.41	0.76	87%	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	506%	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	493%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	2.72	6.18	127%	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	245	644	163%	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	0.31	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	0.8	6.0	629%	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	2.78	8.90	220%	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.
Consumer						
MHP	MHPC	18.3	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	20.57	30.0	46%	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	9.13	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	872.07	1203.21	758.71	0.6%	1.8%	5.2%	-8.3%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.044	0.07	0.04	0.9%	1.1%	0.9%	-17.6%	0.4%	-0.6%	-4.3%	-9.3%
Azovstal	AZST	0.63	1.19	0.56	1.6%	2.8%	8.2%	-14.7%	1.1%	1.0%	3.0%	-6.5%
Dniprospezstal	DNSS	845	1,391	700	0.0%	0.0%	20.7%	-15.4%	-0.6%	-1.8%	15.5%	-7.2%
Enakievo Steel	ENMZ	36.4	48.9	30.6	0.6%	3.4%	10.1%	-4.2%	0.0%	1.6%	4.9%	4.0%
Arcelor Mittal KR	KSTL	1.20	6.00	1.20	0.0%	0.0%	0.0%	n/a	-0.6%	-1.8%	-5.2%	n/a
Mariupol Ilyicha	MMKI	0.16	0.32	0.13	0.0%	0.0%	-11.1%	-27.3%	-0.6%	-1.8%	-16.3%	-19.0%
Coke												
Avdivka Coke	AVDK	3.33	4.15	2.40	0.8%	4.4%	4.8%	1.8%	0.3%	2.6%	-0.4%	10.1%
Yasnyivsky Coking	YASK	0.57	1.16	0.52	-5.0%	-1.7%	-1.7%	-14.9%	-5.6%	-3.5%	-6.9%	-6.7%
Iron Ore Mining												
Centralny GOK	CGOK	6.49	7.74	4.00	-0.2%	-0.2%	1.6%	-5.9%	-0.7%	-1.9%	-3.6%	2.3%
Ferrexpo	FXPO	2.37	4.58	2.23	-1.3%	1.3%	-17.6%	-41.0%	-1.8%	-0.5%	-22.9%	-32.8%
Pivnichny GOK	SGOK	7.40	11.19	5.77	-8.4%	-3.9%	12.1%	-0.5%	-9.0%	-5.7%	6.9%	7.7%
Coal Mining												
Pokrovske Mine	SHCHZ	0.50	1.30	0.40	8.7%	-3.8%	-12.3%	-20.6%	8.1%	-5.6%	-17.5%	-12.4%
Komsomolets Donbasa	SHKD	0.91	2.00	0.65	0.0%	0.0%	21.3%	-22.9%	-0.6%	-1.8%	16.1%	-14.6%
Energy Coal	CLE	1.23	5.77	0.85	3.2%	12.0%	-18.4%	-60.3%	2.6%	10.2%	-23.6%	-52.0%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.50	0.58	0.003	-2.0%	-2.0%	25.0%	-13.8%	-2.5%	-3.7%	19.8%	-5.5%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.60	0.92	0.45	0.0%	11.1%	15.4%	-14.3%	-0.6%	9.3%	10.2%	-6.0%
Interpipe NMPP	NVTR	0.22	0.60	0.10	0.0%	0.0%	10.0%	0.0%	-0.6%	-1.8%	4.8%	8.3%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	22.2	25.9	16.7	-2.3%	-5.6%	-7.7%	14.2%	-2.9%	-7.4%	-12.9%	22.5%
Luhanskeplovoz	LTPL	1.60	2.20	1.28	0.0%	-3.0%	-5.9%	-14.4%	-0.6%	-4.8%	-11.1%	-6.2%
Stakhanov Wagon	SVGZ	1.31	3.15	1.26	0.0%	0.0%	-0.8%	-24.3%	-0.6%	-1.8%	-6.0%	-16.0%
Specialized Machinery												
Bogdan Motors	LUAZ	0.05	0.22	0.03	0.0%	0.0%	6.1%	1.6%	-0.6%	-1.8%	0.8%	9.8%
Motor Sich	MSICH	2,000	2,640	1,753	0.0%	-2.2%	-1.8%	-9.5%	-0.6%	-3.9%	-7.0%	-1.2%
Sumy Frunze Engineering	SMASH	3.14	4.00	0.76	44.7%	-0.3%	4.7%	109.3%	44.1%	-2.1%	-0.5%	117.6%
Turboatom	TATM	5.00	5.00	1.88	56.3%	56.3%	56.3%	n/a	55.7%	54.5%	51.0%	n/a
WESTA ISIC	WES	0.19	0.45	0.13	1.9%	-6.3%	-9.3%	-20.0%	1.4%	-8.1%	-14.5%	-11.8%
Telecom												
Ukrtelecom	UTLM	0.16	0.33	0.12	2.0%	-3.1%	14.1%	-3.1%	1.4%	-4.9%	8.8%	5.1%
Oil & Gas												
Regal Petroleum	RPT	0.31	0.59	0.21	0.0%	0.8%	-11.2%	-42.7%	-0.5%	-0.9%	-16.4%	-34.5%
JKX Oil	JKX	0.82	1.89	0.80	2.5%	-7.9%	-6.8%	-31.1%	1.9%	-9.7%	-12.0%	-22.8%
Ukrnafta	UNAF	114	280	80	0.6%	-0.5%	-1.5%	-3.5%	0.1%	-2.3%	-6.7%	4.7%
Power Utilities												
Centrenerg	CEEN	4.63	7.33	3.76	-0.1%	3.4%	14.0%	-27.1%	-0.6%	1.6%	8.8%	-18.9%
Donbasenergo	DOEN	22.7	24.8	15.1	0.9%	7.5%	12.5%	7.0%	0.3%	5.8%	7.3%	15.3%
Zakhidenergo	ZAEN	80.0	127.9	70.2	0.0%	2.6%	-1.2%	-17.5%	-0.6%	0.8%	-6.4%	-9.3%
Consumer												
Agroton	AGT	0.88	4.2	0.36	2.4%	5.6%	-1.3%	-72.9%	1.9%	3.8%	-6.5%	-64.7%
Astarta	AST	20.6	22.1	14.5	-0.8%	1.1%	16.5%	15.2%	-1.4%	-0.7%	11.3%	23.5%
Avangardo	AVGR	9.1	12.0	7.61	-0.8%	-6.8%	2.0%	-19.4%	-1.3%	-8.6%	-3.2%	-11.2%
Industrial Milk Company	IMC	4.38	5.48	2.92	-2.1%	8.4%	9.3%	-17.5%	-2.7%	6.6%	4.1%	-9.2%
Kernel	KER	16.1	23.0	15.7	-1.3%	-6.3%	-13.9%	-25.6%	-1.9%	-8.1%	-19.1%	-17.3%
Mriya Agro Holding	MAYA	5.66	6.7	5.04	0.1%	0.7%	2.6%	-12.8%	-0.5%	-1.0%	-2.6%	-4.5%
MHPC	MHPC	18.3	19.9	10.48	-0.4%	-1.1%	-2.4%	20.0%	-0.9%	-2.9%	-7.6%	28.3%
Milkiland	MLK	3.84	5.8	3.11	-0.6%	6.2%	11.2%	-18.4%	-1.1%	4.4%	6.0%	-10.1%
Ovostar Union	OVO	27.1	33.8	23.7	1.4%	1.3%	3.2%	-6.2%	0.9%	-0.4%	-2.1%	2.0%
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
Chemicals												
Stirol	STIR	12.0	20.9	10.3	0.1%	-3.5%	4.8%	-10.4%	-0.5%	-5.2%	-0.4%	-2.2%
Banks												
Raiffeisen Bank Aval	BAVL	0.102	0.128	0.061	0.2%	-0.4%	0.7%	19.0%	-0.4%	-2.2%	-4.5%	27.3%
UkrSotsbank	USCB	0.122	0.200	0.107	1.5%	1.2%	1.5%	-5.6%	0.9%	-0.5%	-3.7%	2.7%

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
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%
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			
Steel																		
Alchevsk Steel	ALMK	139	3.9%	5	1,554	3.8	neg	neg	10.7	neg	neg	0.7	0.9	0.9	536	462	416	\$/tonne
Yenakievo Steel	ENMZ	47	8.8%	4	40	1.5	5.5	neg	neg	neg	neg	0.0	0.0	0.0	16	15	15	\$/tonne
Azovstal	AZST	325	4.1%	13	303	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	54	51	49	\$/tonne
Coke																		
Avdyivka Coke	AVDK	80	7.5%	6	77	neg	neg	neg	12.7	neg	neg	0.1	0.1	0.1	22	17	14	\$/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	933	0.5%	5	932	2.9	9.8	9.0	1.9	3.9	4.6	1.2	1.6	1.8				
Pivnichny GOK	SGOK	2,091	0.5%	12	2,216	2.7	4.8	5.8	1.9	2.7	3.5	1.2	1.5	1.7				
Ferrexpo	FXPO	1,397	24.0%	335	1,647	2.4	6.5	5.3	2.1	4.1	3.7	0.9	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	56	11.9%	7	81	1.5	1.5	1.3	1.6	1.3	1.3	0.5	0.5	0.4	1.6	1.3	1.3	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	191	2.0%	4	234	1.9	5.7	5.6	1.6	3.1	3.0	0.3	0.4	0.3	371	615	584	\$/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				
Kruiw Wagon	KVBZ	312	5.0%	16	314	3.7	3.3	6.2	2.7	2.3	3.4	0.4	0.4	0.5				
Stakhanov Wagon	SVGZ	36	8.0%	3	75	1.8	>30	12.7	2.3	10.5	6.9	0.2	0.2	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	510	24.0%	122	520	3.0	2.1	1.9	1.8	1.7	1.6	0.7	0.6	0.6				
Telecom																		
Ukrtelecom	UTLM	356	7.2%	26	692	neg	7.9	7.4	3.4	3.4	3.3	0.8	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	761	3.0%	23	751	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	141	50.4%	71	250	2.4	3.5	2.8	2.2	1.7	1.7	1.1	1.1	1.0	66	46	34	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	210	21.7%	46	292	>30	7.3	6.3	6.0	4.8	4.3	0.3	0.3	0.3	20	20	16	\$/MWh
DonbasEnergO	DOEN	66	14.2%	9	122	neg	17.2	6.5	5.9	7.1	5.1	0.2	0.2	0.2	15	14	14	\$/MWh
Consumer																		
MHP	MHPC	1,933	34.1%	659	2,978	7.5	6.2	7.1	7.4	6.4	5.7	2.4	2.1	1.9	9306	9306	9306	\$/tonne
Kernel	KER	1,188	61.8%	734	1,798	5.3	5.6	6.1	5.8	5.6	5.3	0.9	0.8	0.6				
Astarta	AST	514	31.0%	159	661	4.5	10.3	8.7	4.6	6.8	5.5	1.6	1.4	1.2	3351	2040	1694	\$/tonne
Avangardco	AVGR	583	22.5%	131	731	3.0	2.6	2.5	2.9	2.6	2.5	1.3	1.2	1.0	165	126	118	\$/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
Banks																		
Raiffeisen Bank Aval	BAVL	376	4.0%	15		>30	>30	13.1	0.5	0.4	0.4	0.05	0.05	0.05				
Ukrsotsbank	USCB	275	1.6%	5		>30	>30	21.8	0.3	0.3	0.3	0.06	0.06	0.06				

Source: Eavex Research

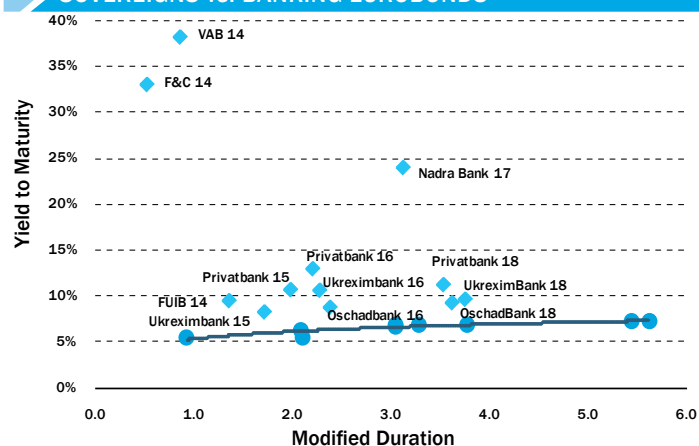
UKRAINIAN EUROBONDS

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	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
Corporate Eurobonds											
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-
Bank Eurobonds											
Fin&Credit Bank, 2014	90.0	92.0	30.6%	26.2%	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	42.3%	37.5%	45.4%	0.8	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	95.9	97.2	10.1%	9.6%	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
Municipal Eurobonds											
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-/

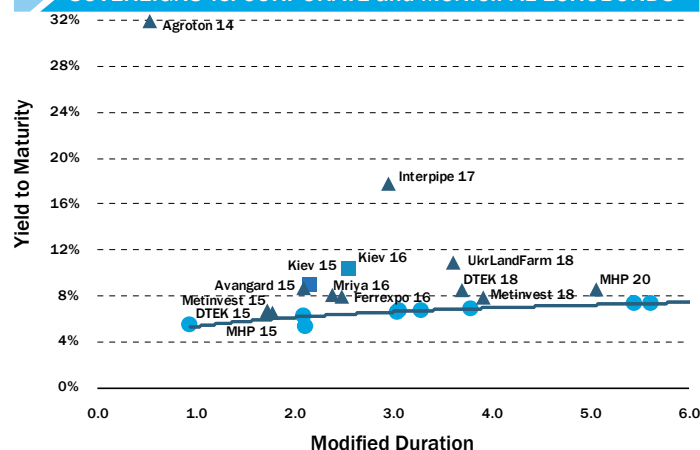
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS

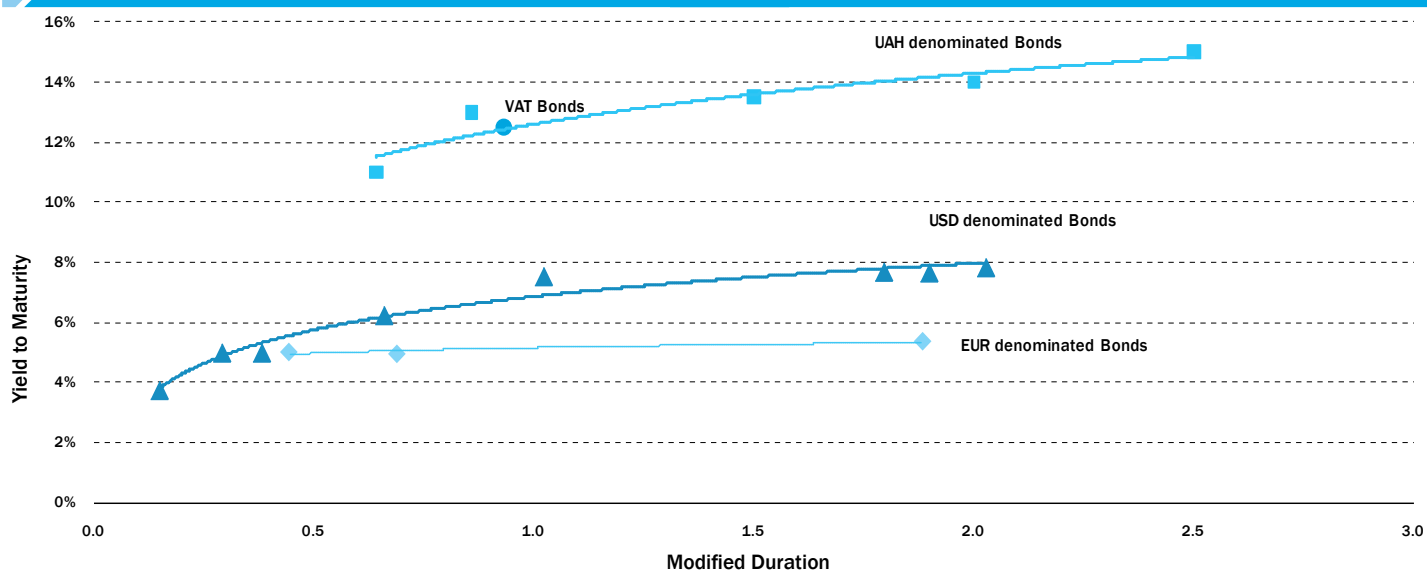


Source: Bloomberg, Cbonds, Eavex Research

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			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
USD denominated Bonds									
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
EUR denominated Bonds									
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
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