

**Market Update**

**Equity**

Ukrainian equities remained largely unresponsive to external trends on Monday (Jul 1), as European and US shares rallied to kick off the second half of the year on optimism about the global economic picture. The UX index was near breakeven throughout the session and finished with a small gain of 0.2% at 868 points. Yenakievo Steel (ENMZ) stood head and shoulders above the rest of the field, adding 2.4% to UAH 35.50, and volume leader Motor Sich (MSICH) picked up 0.7% on turnover of UAH 7.1mn. On the losing side, UkrSotsBank (USCB) gave back recent gains with a 1.9% drop, and CentrEnergO (CEEN) eased down by 0.4%. Outside the UX basket, Yasynivsky Coke (YASK) jumped 8.3% to 61 kopecks. In London, Ferrexpo (FXPO LN) bounced off a 45-month low with a 5.6% rise, and MHP (MHPC LI) appreciated by 2.9% to USD 17.50. In Warsaw, Astarta (AST PW) and KSG Agro (KSG PW) moved higher by 2.2% and 1.3% respectively.

**Fixed Income**

Ukrainian sovereign Eurobonds were mixed on Monday. Ukraine-23s slid by 0.2p.p. closing at 88.3/89.5 (9.4%/9.1) while Ukraine-17s finished unchanged at 91.6/92.6 (9.1%/8.8%). Corporate names also closed in a different direction. MHP-15s dropped by 0.6p.p. to 102.8/104.6 (8.7%/7.6%) whilst DTEK-18s moved up by 0.5p.p. to 92.9/95.1 (9.8%/9.2%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1968.00	0.7%	7.2	164
Enakievo Steel	ENMZ	35.45	2.4%	1.3	62
CentrenergO	CEEN	4.751	-0.4%	1.2	139

**Growth Leaders**

Yasynivsky Coke	YASK	0.61	8.4%	0.08	11
Enakievo Steel	ENMZ	35.45	2.4%	1.30	62
Motor Sich	MSICH	1968.00	0.7%	7.23	164

**Loss Leaders**

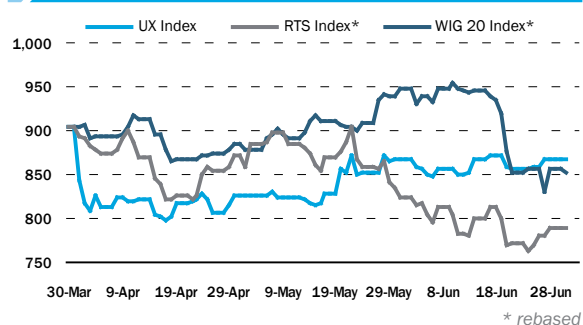
Pivnichny GOK	SGOK	7.65	-6.7%	0.015	9
UkrSotsbank	USCB	0.13	-1.9%	0.705	83
Azovstal	AZST	0.61	-0.7%	0.910	82

**Highlights**

**POLITICS AND ECONOMICS**

- > Arbutov Says He Expects New Sovereign Issue by Early Autumn
- > Ukraine Exported 22.8mn Tonnes of Grains (+5% YoY) in 2012/13

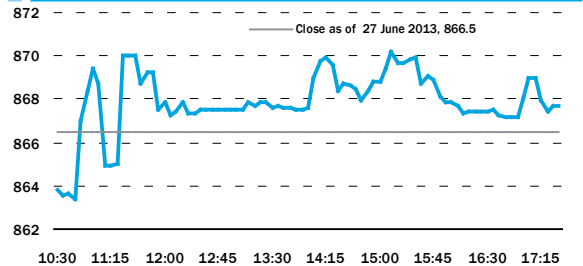
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	867.9	0.2%	0.1%	-8.7%
RTS	1276.9	1.1%	-4.1%	-16.4%
WIG20	2237.3	2.8%	-10.0%	-13.4%
MSCI EM	941.9	2.4%	-6.6%	-10.7%
S&P 500	1615.0	0.1%	-1.0%	15.2%

**UX INTRADAY JULY 1, 2013**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	347.6	-3.5%	13.3%	28.3%
CDS 5Y UKR	797.1	-1.3%	32.6%	27.5%
Ukraine-17	9.0%	0.0 p.p.	2.1 p.p.	2.0 p.p.
Naftogaz Ukr-14	9.6%	-0.1 p.p.	2.8 p.p.	2.0 p.p.
Ukraine-23	9.2%	0.0 p.p.	1.4 p.p.	1.7 p.p.
Privatbank-16	14.3%	0.2 p.p.	1.3 p.p.	-1.0 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	8.16	0.0%	0.1%	1.3%
EUR	10.66	0.3%	0.7%	-0.2%
RUB	0.25	-0.5%	-3.1%	-6.7%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	263.2	0.5%	-13.8%	-24.5%
Steel, USD/t	520.0	2.0%	0.5%	-2.3%
Oil, USD/bbl	103.0	0.2%	2.8%	-3.9%
Gold, USD/oz	1252.6	4.3%	-9.8%	-24.4%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Arbuzov Says He Expects New Sovereign Issue by Early Autumn

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

### NEWS

First Deputy Prime Minister Serhiy Arbuzov said the Ukrainian government will issue a new Eurobond by late summer or early autumn if yields decline to an acceptable level, Bloomberg News reported on Monday (Jul 1). The agency quoted Arbuzov as saying, “Emotions will calm down and the [global capital] market will stabilize. We have an opportunity not to be in a hurry and choose the best option for a Eurobond sale so we do not overpay.”

### COMMENTARY

While we generally concur with Arbuzov’s reading for global markets over the next couple of months, the danger is that without a low-interest IMF loan to fall back on, Ukraine has now become fully dependent on external factors to remain solvent. With the recent emerging market bond selloff having driven up the yield on Ukrainian benchmark sovereigns to nearly 10%, temporarily pricing the country out of the bond market, the government will be facing an uncomfortable few weeks waiting and hoping for yields to revert back to their previous levels. Bloomberg reported that Ukraine must redeem USD 2.9bn to the IMF by the end of this year.

## Ukraine Exported 22.8mn Tonnes of Grains (+5% YoY) in 2012/13

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

### NEWS

Ukraine increased its export of grains in the 2012/13 agricultural year (July 2012–June 2013) by 4.7% YoY to 22.82 mn tonnes, the Agriculture Ministry announced on Monday (Jul 1). This amount includes 13.5mn tonnes of corn, 6.8mn tonnes of wheat, and 2.1mn tonnes of barley.

### COMMENTARY

The final Ukrainian grain export total comes in slightly short of the Ministry's expectations; the government had earlier this year forecasted export of grains for the period at 23.2mn tones. With an expected strong harvest of 53-54mn tonnes (+15-17% YoY) expected this year, the export volume could increase to 24-26mn tonnes, according to the Ministry.

## 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	2.14	3.33	56%	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	0.94	1.77	88%	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	0.82	1.30	58%	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	0.40	0.76	91%	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	460%	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	529%	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	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	242	644	166%	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	0.61	1.09	79%	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	0.22	1.52	589%	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	604%	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	2.71	8.90	228%	BUY	DonbasEnergO is Ukraine's next big-ticket privatization object, with an auction expected to be announced in summer 2013.
CenterEnergO	CEEN	0.58	1.84	215%	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	17.5	24.0	37%	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	18.76	30.0	60%	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	8.70	U/R	n/a	U/R	The company ended 1Q13 with a 6% YoY increase in sales thanks to an expansion of the production. Higher operational results failed to compensate for a 8% YoY drop on selling price for eggs further exacerbated by inflated production costs. This led to decline in both EBITDA and net margins by 10p.p. YoY to 45% and 39%, respectively in 1Q13.

Source: Eavex Research

**PRICES AND QUOTES**

Name	Ticker	Today, UAH*	52 high, UAH*	52 low, UAH*	Absolute performance				Performance relative to the UX index			
					1d	1w	1m	ytd	1d	1w	1m	ytd
UX Index	UX	867.89	1203.21	758.71	0.2%	1.4%	0.1%	-8.7%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.044	0.07	0.04	0.2%	1.4%	-0.5%	-18.5%	0.1%	0.0%	-0.6%	-9.8%
Azovstal	AZST	0.61	1.19	0.31	-0.7%	-1.1%	-0.5%	-17.9%	-0.8%	-2.6%	-0.6%	-9.2%
Dniprospezstal	DNSS	925	1,300	700	0.0%	0.0%	8.8%	-7.4%	-0.2%	-1.4%	8.7%	1.3%
Enakievo Steel	ENMZ	35.5	48.9	30.6	2.4%	1.8%	2.0%	-6.7%	2.2%	0.4%	1.8%	2.0%
Arcelor Mittal KR	KSTL	n/a	6.00	1.20	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mariupol Ilyicha	MMKI	0.15	0.32	0.13	0.0%	-6.3%	-16.7%	-31.8%	-0.2%	-7.7%	-16.8%	-23.1%
<b>Coke</b>												
Avdivka Coke	AVDK	3.25	4.15	1.61	0.2%	2.2%	0.5%	-0.9%	0.0%	0.8%	0.4%	7.8%
Yasynivsky Coking	YASK	0.61	1.16	0.52	8.9%	7.0%	5.2%	-9.0%	8.8%	5.6%	5.1%	-0.3%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	6.69	7.74	4.00	0.0%	0.0%	-4.2%	-3.0%	-0.2%	-1.4%	-4.3%	5.7%
Ferrexpo	FXPO	2.14	4.58	2.02	3.1%	3.1%	-17.1%	-46.8%	2.9%	1.6%	-17.2%	-38.1%
Pivnichny GOK	SGOK	7.65	10.00	5.77	-6.7%	-0.6%	-1.9%	2.8%	-6.9%	-2.1%	-2.0%	11.5%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.47	1.30	0.40	9.3%	-2.1%	-13.0%	-25.4%	9.1%	-3.5%	-13.1%	-16.7%
Komsomolets Donbasa	SHKD	0.95	2.00	0.65	2.2%	2.2%	23.4%	-19.5%	2.0%	0.7%	23.3%	-10.8%
Energy Coal	CLE	0.83	5.77	0.83	-13.7%	-21.4%	-28.8%	-73.1%	-13.9%	-22.8%	-29.0%	-64.4%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.40	0.58	0.270	0.0%	-20.0%	-21.6%	-31.0%	-0.2%	-21.4%	-21.7%	-22.3%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.70	0.92	0.45	0.0%	18.6%	27.3%	0.0%	-0.2%	17.2%	27.2%	8.7%
Interpipe NMPP	NVTR	0.22	0.60	0.10	0.0%	10.0%	10.0%	0.0%	-0.2%	8.6%	9.9%	8.7%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	23.0	25.9	16.7	-1.7%	4.0%	-8.0%	18.6%	-1.9%	2.6%	-8.1%	27.3%
Luhanskeplovoz	LTPL	1.60	2.20	1.28	0.6%	0.6%	-5.3%	-14.4%	0.5%	-0.8%	-5.4%	-5.7%
Stakhanov Wagon	SVGZ	1.32	3.15	1.26	0.0%	3.1%	-5.0%	-23.7%	-0.2%	1.7%	-5.2%	-15.0%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.06	0.19	0.03	0.0%	30.6%	22.2%	22.8%	-0.2%	29.2%	22.1%	31.5%
Motor Sich	MSICH	1,968	2,640	1,753	0.7%	0.8%	-6.5%	-11.0%	0.6%	-0.7%	-6.6%	-2.3%
Sumy Frunze Engineering	SMASH	3.00	4.00	0.76	0.0%	9.1%	-6.3%	100.0%	-0.2%	7.7%	-6.4%	108.7%
Turboatom	TATM	5.00	5.00	1.88	0.0%	0.0%	56.3%	n/a	-0.2%	-1.4%	56.1%	n/a
WESTA ISIC	WES	0.18	0.45	0.13	5.4%	1.7%	-9.9%	-26.0%	5.2%	0.3%	-10.0%	-17.3%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.16	0.31	0.12	0.0%	5.5%	22.6%	0.2%	-0.2%	4.1%	22.5%	8.9%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	0.22	0.59	0.21	-19.6%	-26.1%	-34.6%	-59.2%	-19.8%	-27.5%	-34.8%	-50.5%
JKX Oil	JKX	0.85	1.79	0.75	-0.6%	-0.4%	-7.6%	-28.7%	-0.8%	-1.8%	-7.7%	-20.0%
Ukrnafta	UNAF	118	280	80	0.0%	0.6%	0.0%	-0.5%	-0.2%	-0.8%	-0.1%	8.2%
<b>Power Utilities</b>												
Centrenerg	CEEN	4.75	7.33	3.76	-0.4%	3.7%	5.8%	-25.2%	-0.6%	2.2%	5.7%	-16.5%
Donbasenergo	DOEN	22.1	24.8	15.1	0.1%	1.5%	5.4%	4.1%	0.0%	0.1%	5.3%	12.8%
Zakhidenergo	ZAEN	81.0	127.9	70.0	1.3%	5.2%	3.8%	-16.5%	1.1%	3.8%	3.7%	-7.8%
<b>Consumer</b>												
Agroton	AGT	0.73	4.2	0.36	-0.4%	-5.1%	-15.3%	-77.4%	-0.6%	-6.5%	-15.4%	-68.7%
Astarta	AST	18.7	22.1	14.5	1.6%	-1.6%	6.9%	4.6%	1.5%	-3.1%	6.8%	13.3%
Avangardo	AVGR	8.7	12.0	7.61	-3.3%	0.0%	-9.8%	-23.2%	-3.5%	-1.4%	-10.0%	-14.5%
Industrial Milk Company	IMC	3.92	5.48	3.12	-3.3%	-5.1%	7.1%	-26.2%	-3.4%	-6.6%	6.9%	-17.5%
Kernel	KER	14.4	23.0	14.0	2.7%	-1.0%	-17.2%	-33.4%	2.6%	-2.4%	-17.3%	-24.7%
Mriya Agro Holding	MAYA	5.60	6.7	5.36	1.3%	0.8%	1.8%	-13.6%	1.1%	-0.6%	1.7%	-4.9%
MHPC	MHPC	17.5	19.9	10.75	2.9%	2.9%	-5.9%	14.8%	2.8%	1.5%	-6.0%	23.5%
Milkiland	MLK	3.54	5.8	3.11	3.9%	5.2%	13.1%	-24.8%	3.7%	3.8%	13.0%	-16.2%
Ovostar Union	OVO	22.9	33.8	22.8	-0.3%	-0.8%	-11.2%	-20.7%	-0.5%	-2.2%	-11.4%	-12.0%
Sintal	SNPS	n/a	1.14	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	0.8%	1.7%	1.3%	-11.2%	0.7%	0.3%	1.2%	-2.5%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.102	0.128	0.061	0.5%	0.9%	-3.7%	18.4%	0.3%	-0.5%	-3.8%	27.1%
UkrSotsbank	USCB	0.129	0.200	0.107	-1.9%	1.5%	5.5%	-0.4%	-2.1%	0.1%	5.4%	8.3%

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	137	3.9%	5	1,553	3.8	neg	neg	10.7	neg	neg	0.7	0.9	0.9	535	462	416	\$/tonne
Yenakievo Steel	ENMZ	46	8.8%	4	38	1.5	5.4	neg	neg	neg	neg	0.0	0.0	0.0	15	14	14	\$/tonne
Azovstal	AZST	313	4.1%	13	291	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	52	49	47	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	78	7.5%	6	75	neg	neg	neg	12.3	neg	neg	0.1	0.1	0.1	21	16	14	\$/tonne
Yasynivsky Coke	YASK	20	9.0%	2	49	1.4	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	961	0.5%	5	961	3.0	10.1	9.2	1.9	4.0	4.8	1.2	1.7	1.9				
Pivnichny GOK	SGOK	2,161	0.5%	12	2,285	2.8	5.0	6.0	1.9	2.8	3.6	1.2	1.5	1.8				
Ferrexpo	FXPO	1,259	24.0%	302	1,510	2.2	5.9	4.8	1.9	3.8	3.4	0.8	1.1	1.0				
<b>Coal Mining</b>																		
Komsomolets Donbasa	SHKD	39	5.4%	2	141	2.5	1.0	1.1	2.1	1.4	1.6	0.7	0.6	0.6	34	33	31	\$/tonne
Coal Energy	CLE	38	11.9%	4	63	1.0	1.0	0.9	1.2	1.0	1.0	0.4	0.4	0.3	1.2	1.0	1.0	\$/tonne
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	223	2.0%	4	266	2.3	6.6	6.5	1.8	3.6	3.4	0.3	0.4	0.4	422	699	664	\$/tonne
<b>Railcar Manufacturing</b>																		
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				
Krukiv Wagon	KVBZ	323	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	37	8.0%	3	76	1.8	>30	12.8	2.3	10.6	6.9	0.2	0.2	0.2				
<b>Specialized Machinery</b>																		
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	501	24.0%	120	511	3.0	2.0	1.9	1.8	1.7	1.5	0.7	0.6	0.5				
<b>Telecom</b>																		
Ukrtelecom	UTLM	368	7.2%	27	704	neg	8.1	7.7	3.4	3.4	3.4	0.8	0.8	0.9				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	784	3.0%	24	774	2.9	2.5	3.5	1.8	1.5	1.8	0.3	0.3	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	71	49.0%	35	53	11.1	5.9	2.9	neg	2.3	1.5	2.8	1.1	0.7	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	146	50.4%	74	255	2.5	3.7	2.9	2.2	1.8	1.7	1.1	1.1	1.0	67	47	35	\$/boe
<b>Electric Utilities</b>																		
CentrEnergO	CEEN	215	21.7%	47	298	>30	7.5	6.4	6.1	4.9	4.4	0.3	0.3	0.3	20	21	17	\$/MWh
DonbasEnergO	DOEN	64	14.2%	9	121	neg	16.7	6.3	5.8	7.0	5.1	0.2	0.2	0.2	15	14	14	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	1,849	34.1%	631	2,894	7.1	5.9	6.8	7.2	6.2	5.5	2.4	2.1	1.9	9042	9042	9042	\$/tonne
Kernel	KER	1,062	61.8%	656	1,673	4.7	5.0	5.4	5.4	5.2	4.9	0.9	0.8	0.6				
Astarta	AST	467	31.0%	145	613	4.1	9.3	7.9	4.3	6.3	5.1	1.5	1.3	1.1	3111	1894	1573	\$/tonne
Avangardco	AVGR	556	22.5%	125	704	2.8	2.4	2.4	2.8	2.5	2.4	1.3	1.1	1.0	159	121	114	\$/mneggs
Agroton	AGT	16	44.6%	7	49	neg	0.9	0.8	2.6	1.6	1.5	0.4	0.5	0.5	0.4	n/a	n/a	\$/th/ha
<b>Banks</b>																		
Raiffeisen Bank Aval	BAVL	374	4.0%	15		>30	>30	13.1	0.5	0.4	0.4	0.05	0.05	0.05				
Ukrsotsbank	USCB	290	1.6%	5		>30	>30	21.8	0.4	0.4	0.4	0.06	0.06	0.06				

Source: Eavex Research

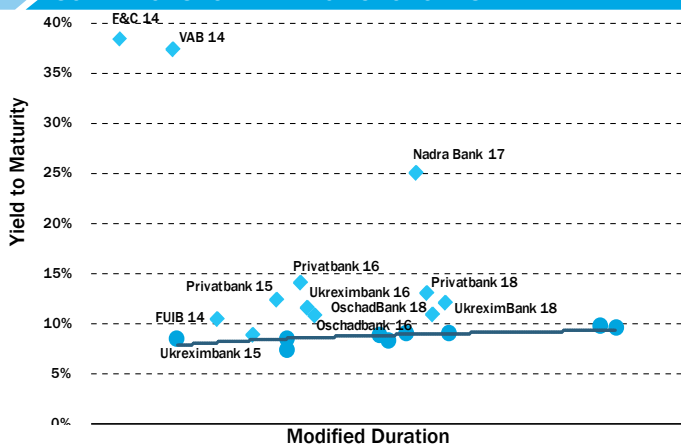
**UKRAINIAN EUROBONDS**

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	99.0	99.8	9.1%	8.2%	-2.4%	0.9	7.95%	S/A	6 Apr. 2014	1,000	B3/B/B
Naftogaz Ukraine, 2014	99.0	100.0	10.6%	9.8%	-3.4%	1.1	9.50%	S/A	30 Sept 2014	1,595	//B
Ukraine, 2015 (EUR)	94.5	95.5	7.7%	7.2%	-2.6%	2.0	4.95%	A	13 Oct 2015	600*	B3/B/B
Ukraine, 2015	96.3	97.3	8.8%	8.3%	-4.4%	2.0	6.875%	S/A	23 Sept 2015	500	B3/B/B
Ukraine, 2016	92.7	93.3	9.2%	8.9%	-6.9%	2.9	6.58%	S/A	21 Nov 2016	1,000	B3/B/B
Ukraine, 2016-2	93.0	94.0	8.6%	8.3%	-6.1%	3.0	6.25%	S/A	17 Jun 2016	1,250	B3/B/B
Ukraine, 2017	90.8	92.0	9.4%	9.0%	-7.9%	3.6	6.75%	S/A	14 Nov 2017	700	B3/B/B
Ukraine, 2017-2	99.3	100.3	9.5%	9.2%	-6.9%	3.2	9.25%	S/A	24 Jul 2017	2,000	B3/B/B
Ukraine, 2017 Infr. projects	95.0	97.0	10.0%	9.4%	-2.3%	3.5	8.375%	S/A	3 Nov 2017	568	B3//
Ukraine, 2018 Infr. projects	95.8	97.5	8.6%	8.1%	4.1%	3.9	7.40%	S/A	20 Apr 2018	690	B3//
Ukraine, 2020	89.8	90.8	9.8%	9.6%	-12.3%	5.2	7.75%	S/A	23 Sept 2020	1,500	B3/B/B
Ukraine, 2021	89.5	90.5	9.9%	9.7%	-13.3%	5.3	7.95%	S/A	23 Feb 2021	1,500	B3/B/B
Ukraine, 2022	87.0	88.0	9.9%	9.8%	-13.3%	6.2	7.80%	S/A	28 Nov 2022	1,250	B3/B/B
Ukraine, 2023	86.8	88.0	9.6%	9.4%	-12.6%	6.5	7.50%	S/A	17 Apr 2023	1,250	B3/B/B
<b>Corporate Eurobonds</b>											
Agroton, 2014	65.0	69.3	63.5%	55.2%	n/a	0.7	12.50%	S/A	14 Jul 2014	50	/CCC/CCC
MHP, 2015	101.6	103.1	9.4%	8.9%	-3.0%	1.6	10.25%	S/A	29 Apr 2015	585	B3//B
MHP, 2020	88.4	90.1	10.7%	10.3%	-10.7%	4.9	8.25%	S/A	2 Apr 2020	750	/B/B
Avangardco, 2015	99.1	101.1	10.6%	9.6%	4.6%	2.0	10.00%	S/A	29 Oct 2015	200	//B
UkrLandFarming, 2018	95.1	97.5	12.3%	11.6%	-3.7%	3.5	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	102.1	104.8	10.2%	9.0%	0.4%	2.3	10.95%	S/A	30 Mar 2016	250	/B/B
DTEK, 2015	100.3	101.8	9.5%	8.5%	-0.1%	1.6	9.50%	S/A	28 Apr 2015	500	B3//B
DTEK, 2018	91.9	93.7	10.1%	9.6%	-7.2%	3.8	7.88%	S/A	4 Apr 2018	750	B3//B
Metinvest, 2015	101.5	102.9	9.4%	8.6%	-1.5%	1.7	10.25%	S/A	20 May 2015	500	B3//B
Metinvest, 2018	91.2	92.6	11.3%	10.8%	-5.2%	3.5	8.75%	S/A	14 Feb 2018	750	B3//B
Ferrexpo, 2016	91.0	94.0	11.9%	10.4%	-5.1%	2.3	7.875%	S/A	07 Apr 2016	500	/B/B
UZ Rail, 2018	90.2	92.2	12.2%	11.6%	-8.8%	3.7	9.50%	S/A	21 May 2018	500	/B-/B-
Interepipe, 2017	86.0	90.1	15.0%	13.3%	7.4%	3.0	10.25%	S/A	2 Aug 2017	200	/NR/B-
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2014	85.0	90.0	45.0%	32.2%	45.8%	0.4	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	100.0	103.1	11.5%	9.0%	0.6%	1.3	11.00%	Q	31 Dec 2014	275	B//
Nadra Bank, 2017					7.4%	3.3	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	92.0	94.0	13.9%	12.8%	-1.9%	1.9	9.38%	S/A	23 Sept 2015	200	B3//
PrivatBank, 2016	81.1	83.0	14.8%	13.8%	6.3%	2.1	8.75%	S/A	9 Feb 2016	150	B3//
PrivatBank, 2018	93.0	94.9	12.9%	12.3%	-6.0%	3.4	10.88%	S/A	28 Feb 2018	175	B3//B
UkrEximBank, 2015	97.1	98.6	10.3%	9.3%	-2.1%	1.6	8.38%	S/A	27 Apr 2015	750	B3//B
UkrEximBank, 2016	85.1	86.9	12.8%	11.9%	2.6%	2.2	8.40%	S/A	2 Sept 2016	125	B3//B
UkrEximBank, 2018	88.8	90.2	12.0%	11.6%	-10.5%	3.5	8.75%	S/A	22 Jan 2018	500	B3//B
VAB Bank, 2014	79.0	82.0	40.5%	35.6%	49.1%	0.8	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	92.1	94.1	11.9%	11.0%	-2.1%	2.3	8.25%	S/A	10 Mar 2016	700	B3//B
Oschadbank, 2018	88.6	90.6	12.2%	11.5%	-10.4%	3.6	8.88%	S/A	20 Mar 2018	500	B3//B
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	91.8	94.2	12.2%	11.0%	-0.6%	2.0	8.00%	S/A	6 Nov 2015	250	B3/B-/
City of Kyiv, 2016	92.2	98.0	12.5%	10.2%	1.7%	2.4	9.375%	S/A	30 Jun 2016	300	B3/B-/

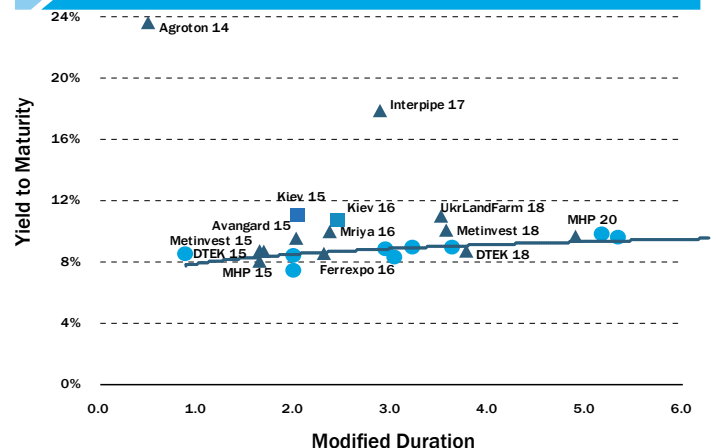
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

Source: Bloomberg, Cbonds, Eavex Research

**SOVEREIGNS vs. BANKING EUROBONDS**



**SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS**



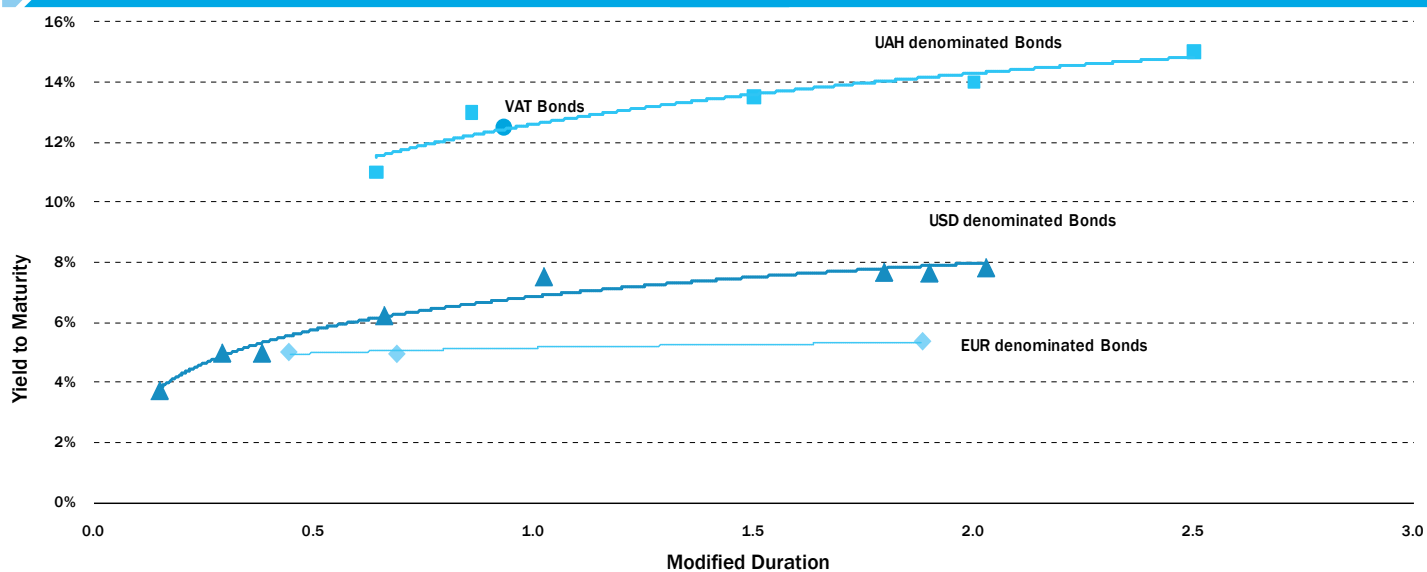
Source: Bloomberg, Cbonds, Eavex Research



**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			13.5%	10.8%	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	100.4	100.6	7.5%	6.0%	0.2	9.27%	S/A	28 Aug 2013	254
UA4000138002	100.0	100.1	7.5%	6.0%	0.4	9.30%	S/A	27 Nov 2013	86
UA4000140362	99.8	100.3	7.9%	7.2%	0.8	9.20%	S/A	21 May 2014	171
UA4000142699	101.5	103.1	8.3%	7.5%	1.6	9.45%	S/A	22 Apr 2015	312
UA4000141071	99.1	100.1	8.8%	7.9%	1.7	9.45%	S/A	27 May 2015	152
UA4000142673	90.5	91.5	9.0%	8.2%	1.9	4.50%	S/A	17 Jun 2015	175
<b>EUR denominated Bonds</b>									
UA4000137731	100.3	100.5	6.0%	5.3%	0.2	4.80%	S/A	18 Sept 2013	205
UA4000138846	100.6	100.8	6.0%	5.3%	0.5	4.80%	S/A	25 Dec 2013	70
UA4000142681	101.0	101.1	7.0%	6.0%	1.7	4.80%	S/A	6 May 2015	40
<b>VAT Bonds</b>									
UA4000082531			14.0%	12.0%	n/a	5.50%	S/A	21 Aug 2015	141
UA4000082622			14.0%	12.0%	n/a	5.50%	S/A	24 Aug 2015	571
UA4000083059			14.0%	12.0%	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