

Market Update

Equity

Ukrainian stocks were sluggish on Thursday (Jul 4) in a low-energy session, despite a furious European rally that saw Frankfurt, Paris and London regain all of their losses of the preceding two sessions on an ECB promise of long-term low interest rates. The UX index ended unchanged at 855 points, with all blue chips moving by less than 1%. Azovstal (AZST) gained 0.98% to 61.80 kopecks, while Motor Sich (MSICH) led on volume with UAH 2.9mn in deals, and edged down 0.4% to slip below the UAH 1900 level. Among actively traded second-tier names, steelmaker Mariupol Ilycha (MMKI) lost 4.4% to 14 kopecks on the nose. In London, Ferrexpo (FXPO LN) caught some late-day momentum to pick up 3.8%, while Regal Petroleum (RPT LN) showed continued volatility with a 5.7% loss. In Warsaw, beaten-down Agroton (AGT PW) added 2.4% to PLN 2.56.

Fixed Income

Ukrainian Eurobonds were almost unchanged yesterday. A notable move was observed only in PUMB-14s which added 0.9 p.p. to close at 101.8/103.2 (10.1%/9.0%). Ukrainian sovereign 10-year debt papers stayed at 87.0/88.2 (9.6%/9.4%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1899.00	-0.4%	2.9	147
Centrenergo	CEEN	4.71	0.1%	1.5	107
Raiffeisen Bank Aval	BAVL	0.100	0.2%	1.3	140

Growth Leaders

Sumy Frunze Engineering	SMASH	2.90	16.0%	0.00	9
Zhytomyroblenergo	ZHEN	0.68	2.9%	0.01	13
Azovstal	AZST	0.62	1.0%	0.93	118

Loss Leaders

Bank Forum	FORM	0.42	-15.6%	0.018	60
Mariupol Ilycha	MMKI	0.14	-4.4%	0.135	15
Poltavsky GOK	PGOK	8.26	-3.4%	0.003	8

Highlights

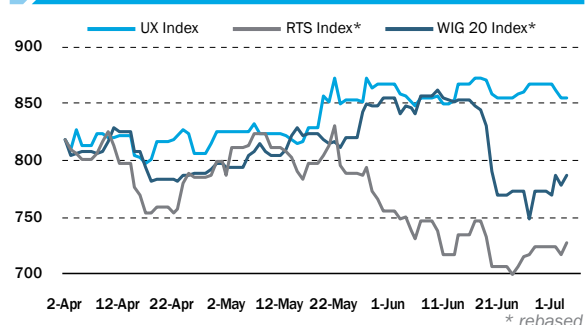
STOCKS IN THE NEWS

- > Ukraine's Daily Steel Output Up 2.2% MoM, Down 2.4% YoY in June
- > SCM Is Likely Consolidating Its SGOK & CGOK Stakes Under Umbrella of Metinvest

FIXED INCOME

- > UkrLandFarming Places Additional USD 75mn Bonds at 12.1%

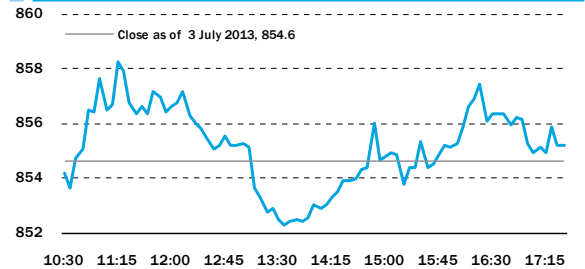
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	855.4	0.1%	-0.4%	-10.0%
RTS	1280.6	1.3%	-2.9%	-16.1%
WIG20	2287.5	1.1%	-6.4%	-11.4%
MSCI EM	922.1	1.1%	-7.7%	-12.6%
S&P 500	1615.4	0.0%	-1.5%	15.2%

UX INTRADAY JULY 4, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	346.5	0.0%	9.7%	27.9%
CDS 5Y UKR	817.5	0.0%	34.4%	30.8%
Ukraine-17	9.2%	0.0 p.p.	2.3 p.p.	2.2 p.p.
Naftogaz Ukr-14	9.5%	0.0 p.p.	2.6 p.p.	1.9 p.p.
Ukraine-23	9.5%	0.0 p.p.	1.6 p.p.	2.0 p.p.
Privatbank-16	14.3%	0.0 p.p.	1.4 p.p.	-1.0 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.15	0.0%	0.0%	1.3%
EUR	10.52	-0.8%	-1.2%	-1.5%
RUB	0.25	-0.2%	-4.3%	-7.4%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	263.2	0.0%	-13.8%	-24.5%
Steel, USD/t	520.0	0.0%	0.5%	-2.3%
Oil, USD/bbl	105.5	-0.2%	3.7%	-1.5%
Gold, USD/oz	1249.9	-0.2%	-11.4%	-24.5%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Ukraine's Daily Steel Output Up 2.2% MoM, Down 2.4% YoY in June

by Ivan Dzvinka
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NEWS

Ukraine's crude steel output fell by 1.8% YoY to 16.54mn tonnes in 1H13, according to data from industry association MetallurgProm. In June alone, Ukrainian steel mills smelted 2.73mn of steel, a 2.4% YoY decline. In terms of average daily output, however, production in June increased by 2.2% MoM to 90,900 tonnes.

COMMENTARY

Historically, daily steel output in the first month of summer has generally experienced a decline due to the seasonality factor. In this case, we attribute the rise in June output to sluggish demand in the spring months (which created a low comparison base) rather than to any unusual strength in the steel market this summer. As a supportive argument, Ukrainian steel export prices during June fell by up to 4% (1-4% depending on product) MoM, reaching record low levels for some types of products (semi-finished steel) for the last three years.

With stiffening competition from Chinese steel mills on export markets, persistent uncertainty in Europe, and the upcoming 1-month Ramadan holiday in the Middle East (Jul 9 - Aug 8), we stick to our view that a substantial recovery in steel consumption will not begin any earlier than late August.

SCM Is Likely Consolidating Its SGOK & CGOK Stakes Under Umbrella of Metinvest

by Ivan Dzvinka
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NEWS

Several transactions with large stakes in Metinvest-owned Pivnichny GOK (SGOK) and Centralny GOK (CGOK) took place yesterday at PFTS, one of the Ukrainian Stock Exchanges. Notably, 345.7mn shares (15% of shares outstanding) of SGOK changed the hands in two deals and 275.6mn shares (23.5%) of CGOK changed its owner in one deal.

COMMENTARY

With free float of both GOKs amounting to less than 0.5%, the deals with its shares yesterday apparently included its majority shareholder, SCM/ Metinvest. We consider these transactions as a step by SCM, parent of Metinvest to transfer its shares in GOKs to Metinvest in order to consolidate them under umbrella of the latter. As of end 2012, Metinvest owned 63.3% stake in SGOK and 36.2% were owned by SCM. Also, Metinvest was an owner of 76.0% stake in CGOK with 23.5% possessed by SCM.

UkrLandFarming Places Additional USD 75mn Bonds at 12.1%

by Ivan Dzvinka
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NEWS

UkrLandFarming, Ukraine's largest agricultural holding, added USD 75mn to its March USD 275mn 2018 Eurobond placement (at a 10.875% coupon), Interfax reported on Thursday, citing the Irish Stock Exchange. The company had already added USD 150mn to the original placement in May, bringing the total amount of the issue to USD 500mn. The USD 75mn bonds were issued at 96% of par plus accrued interest over March–June.

COMMENTARY

The placement parameters imply a yield of around 12.1%, or within the current bid/ask YTM range of the company's bonds of 12.3%/11.6%. The net proceeds from the placement amount to USD 72mn, according to UkrLandFarming. The company intends to use some USD 5mn of the proceeds for debt repayment, with the remaining amount to be directed for capital expenditures.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, USD per share	Target price, USD per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.08	0.07	-10%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	2.09	3.33	59%	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	79%	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	0.77	1.30	68%	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	0.40	0.76	92%	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	482%	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	551%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	2.92	6.18	112%	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	228%	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	233	644	176%	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.
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	0.25	1.52	512%	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	625%	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	2.65	8.90	236%	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	218%	BUY	CentrEnergo's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Consumer						
MHP	MHPC	17.2	24.0	40%	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	18.52	30.0	62%	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	8.85	U/R	n/a	U/R	The company ended 1Q13 with a 6% YoY increase in sales thanks to an expansion of the production. Higher operational results failed to compensate for a 8% YoY drop on selling price for eggs further exacerbated by inflated production costs. This led to decline in both EBITDA and net margins by 10p.p. YoY to 45% and 39%, respectively in 1Q13.

Source: Eavex Research

PRICES AND QUOTES

Name	Ticker	Today, UAH*	52 high, UAH*	52 low, UAH*	Absolute performance				Performance relative to the UX index			
					1d	1w	1m	ytd	1d	1w	1m	ytd
UX Index	UX	855.38	1169.50	758.71	0.1%	-1.3%	-0.4%	-10.0%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.043	0.07	0.04	-0.7%	-1.6%	-1.4%	-20.0%	-0.8%	-0.3%	-1.0%	-10.0%
Azovstal	AZST	0.62	1.12	0.31	1.0%	1.1%	1.5%	-16.4%	0.9%	2.4%	1.9%	-6.4%
Dniprospezstal	DNSS	925	1,300	700	0.0%	0.0%	8.8%	-7.4%	-0.1%	1.3%	9.3%	2.6%
Enakievo Steel	ENMZ	35.1	43.7	30.6	0.3%	1.4%	1.2%	-7.6%	0.2%	2.7%	1.6%	2.4%
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	0.14	0.32	0.13	-6.7%	-6.7%	-17.6%	-36.4%	-6.8%	-5.4%	-17.2%	-26.4%
Coke												
Avdivka Coke	AVDK	3.24	4.15	1.61	0.4%	0.0%	1.0%	-1.1%	0.3%	1.2%	1.4%	8.9%
Yasnyivsky Coking	YASK	0.59	1.16	0.52	0.0%	5.4%	1.7%	-11.9%	-0.1%	6.6%	2.2%	-1.9%
Iron Ore Mining												
Centralny GOK	CGOK	6.30	7.74	4.00	0.0%	-5.8%	-6.0%	-8.7%	-0.1%	-4.5%	-5.5%	1.3%
Ferrexpo	FXPO	2.09	4.58	2.02	1.9%	0.8%	-19.2%	-48.0%	1.8%	2.1%	-18.8%	-38.0%
Pivnichny GOK	SGOK	8.06	10.00	5.77	0.1%	-1.7%	4.7%	8.3%	0.0%	-0.4%	5.1%	18.3%
Coal Mining												
Pokrovske Mine	SHCHZ	0.45	1.30	0.40	0.0%	4.7%	-16.7%	-28.6%	-0.1%	5.9%	-16.2%	-18.6%
Komsomolets Donbasa	SHKD	0.88	2.00	0.65	-7.4%	-5.4%	-3.3%	-25.4%	-7.5%	-4.1%	-2.9%	-15.4%
Energy Coal	CLE	0.77	5.77	0.77	-4.3%	-20.0%	-34.6%	-75.1%	-4.4%	-18.7%	-34.1%	-65.1%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.40	0.58	0.270	0.0%	0.0%	-21.6%	-31.0%	-0.1%	1.3%	-21.1%	-21.0%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.71	0.92	0.45	0.0%	1.4%	29.1%	1.4%	-0.1%	2.7%	29.5%	11.4%
Interpipe NMPP	NVTR	0.21	0.60	0.10	0.0%	-4.5%	31.3%	-4.5%	-0.1%	-3.3%	31.7%	5.5%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	23.8	25.9	16.7	0.9%	1.6%	-0.9%	22.5%	0.8%	2.9%	-0.5%	32.5%
Luhanskeplovoz	LTPL	1.59	2.08	1.28	0.0%	0.0%	-4.2%	-15.0%	-0.1%	1.3%	-3.8%	-5.0%
Stakhanov Wagon	SVGZ	1.33	3.03	1.26	-3.6%	0.8%	-5.7%	-23.1%	-3.7%	2.0%	-5.2%	-13.1%
Specialized Machinery												
Bogdan Motors	LUAZ	0.05	0.19	0.03	7.9%	-5.5%	15.6%	16.1%	7.8%	-4.2%	16.0%	26.1%
Motor Sich	MSICH	1,899	2,640	1,753	-0.4%	-2.8%	-9.2%	-14.1%	-0.5%	-1.5%	-8.7%	-4.1%
Sumy Frunze Engineering	SMASH	2.90	4.00	0.76	16.0%	-3.3%	-7.9%	93.3%	15.9%	-2.1%	-7.5%	103.3%
Turboatom	TATM	5.00	5.00	1.88	0.0%	0.0%	56.3%	n/a	-0.1%	1.3%	56.7%	n/a
WESTA ISIC	WES	0.20	0.45	0.13	14.0%	18.3%	4.9%	-16.9%	13.9%	19.6%	5.3%	-6.9%
Telecom												
Ukrtelecom	UTLM	0.16	0.31	0.12	-2.4%	-3.0%	19.0%	-2.8%	-2.5%	-1.7%	19.4%	7.3%
Oil & Gas												
Regal Petroleum	RPT	0.25	0.59	0.21	-6.9%	-9.4%	-22.7%	-54.0%	-7.0%	-8.1%	-22.3%	-44.0%
JXX Oil	JKX	0.83	1.79	0.75	-0.8%	-3.3%	-9.9%	-30.6%	-0.9%	-2.0%	-9.4%	-20.6%
Ukrnafta	UNAF	115	280	80	-0.5%	-3.0%	-1.6%	-3.5%	-0.6%	-1.7%	-1.2%	6.6%
Power Utilities												
Centrenerg	CEEN	4.71	7.33	3.76	0.1%	-1.2%	6.3%	-25.8%	0.0%	0.0%	6.8%	-15.8%
Donbasenergo	DOEN	21.6	24.8	15.1	0.3%	-2.0%	4.4%	1.9%	0.2%	-0.7%	4.8%	11.9%
Zakhidenergo	ZAEN	78.8	127.9	70.0	0.0%	-1.5%	3.5%	-18.8%	-0.1%	-0.2%	4.0%	-8.7%
Consumer												
Agroton	AGT	0.77	4.2	0.36	2.6%	4.9%	-8.3%	-76.2%	2.5%	6.2%	-7.9%	-66.1%
Astarta	AST	18.6	22.1	14.5	1.0%	1.1%	5.1%	4.1%	0.9%	2.4%	5.5%	14.1%
Avangardo	AVGR	8.9	12.0	7.61	0.0%	-1.7%	-8.3%	-21.9%	-0.1%	-0.4%	-7.9%	-11.9%
Industrial Milk Company	IMC	4.26	5.48	3.29	-0.8%	5.3%	15.8%	-19.7%	-0.9%	6.6%	16.2%	-9.7%
Kernel	KER	14.6	23.0	14.0	0.2%	3.8%	-13.2%	-32.7%	0.1%	5.1%	-12.8%	-22.7%
Mriya Agro Holding	MAYA	5.97	6.7	5.36	6.8%	7.9%	7.5%	-8.0%	6.8%	9.2%	7.9%	2.0%
MHPC	MHPC	17.2	19.9	10.75	0.3%	1.2%	-6.3%	12.8%	0.2%	2.5%	-5.8%	22.8%
Milkiland	MLK	3.46	5.8	3.11	0.1%	1.6%	0.6%	-26.5%	0.0%	2.9%	1.1%	-16.5%
Ovostar Union	OVO	23.0	33.8	22.8	0.2%	0.0%	-13.5%	-20.5%	0.1%	1.3%	-13.1%	-10.4%
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	0.66	0.22	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chemicals												
Stirol	STIR	11.5	20.9	10.3	0.0%	-3.0%	-2.6%	-14.6%	-0.1%	-1.7%	-2.1%	-4.5%
Banks												
Raiffeisen Bank Aval	BAVL	0.100	0.128	0.061	0.2%	-1.5%	-4.4%	16.1%	0.1%	-0.2%	-4.0%	26.1%
UkrSotsbank	USCB	0.128	0.200	0.107	0.0%	-2.6%	5.4%	-1.1%	-0.1%	-1.3%	5.8%	8.9%

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%
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			
Steel																		
Alchevsk Steel	ALMK	135	3.9%	5	1,550	3.7	neg	neg	10.7	neg	neg	0.7	0.9	0.9	535	461	415	\$/tonne
Yenakievo Steel	ENMZ	45	8.8%	4	38	1.5	5.3	neg	neg	neg	neg	0.0	0.0	0.0	15	14	14	\$/tonne
Azovstal	AZST	319	4.1%	13	297	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	53	50	48	\$/tonne
Coke																		
Avdyivka Coke	AVDK	77	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	1.3	1.8	1.8	1.7	1.7	1.8	0.1	0.1	0.1	1.7	1.7	1.8	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	906	0.5%	5	905	2.8	9.5	8.7	1.8	3.8	4.5	1.1	1.6	1.8				
Pivnichny GOK	SGOK	2,278	0.5%	13	2,403	2.9	5.2	6.4	2.0	3.0	3.8	1.3	1.6	1.8				
Ferrexpo	FXPO	1,232	24.0%	296	1,483	2.1	5.7	4.7	1.9	3.7	3.3	0.8	1.0	0.9				
Coal Mining																		
Komsomolets Donbasa	SHKD	36	5.4%	2	138	2.4	0.9	1.0	2.0	1.4	1.5	0.7	0.5	0.5	34	32	31	\$/tonne
Coal Energy	CLE	35	11.9%	4	60	1.0	0.9	0.8	1.2	1.0	0.9	0.4	0.4	0.3	1.2	1.0	0.9	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	226	2.0%	5	269	2.3	6.7	6.6	1.9	3.6	3.5	0.3	0.4	0.4	427	708	672	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	43	24.0%	10	43	4.8	6.2	5.3	3.0	3.4	2.8	0.2	0.3	0.2				
Kruiiv Wagon	KVBZ	334	5.0%	17	337	3.9	3.5	6.6	2.9	2.5	3.6	0.4	0.4	0.5				
Stakhanov Wagon	SVGZ	37	8.0%	3	76	1.9	>30	12.9	2.3	10.6	7.0	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	484	24.0%	116	494	2.9	2.0	1.8	1.7	1.6	1.5	0.7	0.6	0.5				
Telecom																		
Ukrtelecom	UTLM	357	7.2%	26	693	neg	7.9	7.4	3.4	3.4	3.3	0.8	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	762	3.0%	23	752	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	80	49.0%	39	62	12.5	6.6	3.3	neg	2.7	1.7	3.3	1.2	0.8	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	142	50.4%	72	251	2.4	3.6	2.8	2.2	1.7	1.7	1.1	1.1	1.0	66	46	34	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	214	21.7%	46	296	>30	7.4	6.4	6.1	4.9	4.4	0.3	0.3	0.3	20	21	17	\$/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
Consumer																		
MHP	MHPC	1,817	34.1%	620	2,862	7.0	5.8	6.7	7.1	6.1	5.5	2.3	2.0	1.9	8943	8943	8943	\$/tonne
Kernel	KER	1,073	61.8%	663	1,684	4.7	5.1	5.5	5.4	5.2	5.0	0.9	0.8	0.6				
Astarta	AST	464	31.0%	144	611	4.1	9.3	7.9	4.2	6.3	5.1	1.5	1.3	1.1	3098	1886	1567	\$/tonne
Avangardco	AVGR	565	22.5%	127	714	2.9	2.5	2.4	2.8	2.6	2.4	1.3	1.1	1.0	161	123	116	\$/mneegs
Agroton	AGT	17	44.6%	7	50	neg	0.9	0.8	2.7	1.6	1.5	0.4	0.5	0.5	0.4	n/a	n/a	\$/th/ha
Banks																		
Raiffeisen Bank Aval	BAVL	367	4.0%	15		>30	>30	12.8	0.5	0.4	0.4	0.05	0.05	0.05				
Ukrsotsbank	USCB	288	1.6%	5		>30	>30	21.8	0.4	0.4	0.4	0.06	0.06	0.06				

Source: Eavex Research

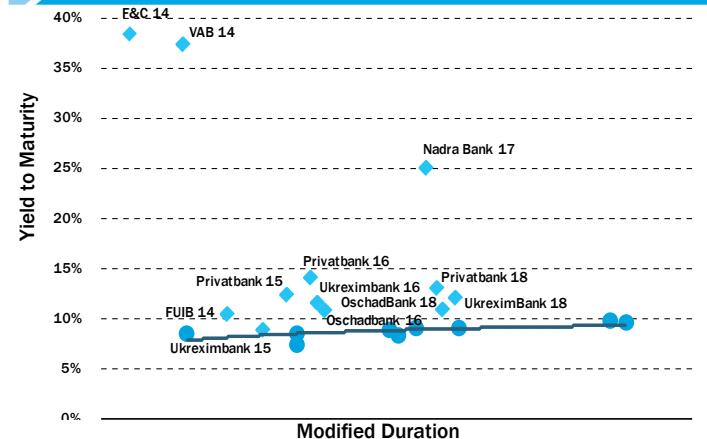
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn USD	Ratings ¹
Sovereign Eurobonds											
Ukraine, 2014	98.9	99.8	9.3%	8.3%	-2.4%	0.9	7.95%	S/A	6 Apr. 2014	1,000	B3/B/B
Naftogaz Ukraine, 2014	99.5	100.4	10.2%	9.3%	-3.0%	1.1	9.50%	S/A	30 Sept 2014	1,595	//B
Ukraine, 2015 (EUR)	95.8	97.0	7.1%	6.4%	-1.2%	2.0	4.95%	A	13 Oct 2015	600*	B3/B/B
Ukraine, 2015	96.7	98.0	8.6%	8.0%	-3.9%	2.0	6.875%	S/A	23 Sept 2015	500	B3/B/B
Ukraine, 2016	92.7	94.0	9.2%	8.7%	-6.5%	2.9	6.58%	S/A	21 Nov 2016	1,000	B3/B/B
Ukraine, 2016-2	92.8	94.1	8.7%	8.3%	-6.2%	3.0	6.25%	S/A	17 Jun 2016	1,250	B3/B/B
Ukraine, 2017	90.8	92.1	9.4%	9.0%	-7.8%	3.6	6.75%	S/A	14 Nov 2017	700	B3/B/B
Ukraine, 2017-2	99.7	101.0	9.4%	9.0%	-6.4%	3.2	9.25%	S/A	24 Jul 2017	2,000	B3/B/B
Ukraine, 2017 Infr. projects	92.0	94.0	10.9%	10.3%	-5.3%	3.4	8.375%	S/A	3 Nov 2017	568	B3//
Ukraine, 2018 Infr. projects	87.0	90.0	11.2%	10.3%	-4.6%	3.8	7.40%	S/A	20 Apr 2018	690	B3//
Ukraine, 2020	91.4	92.6	9.5%	9.2%	-10.7%	5.2	7.75%	S/A	23 Sept 2020	1,500	B3/B/B
Ukraine, 2021	91.7	92.9	9.5%	9.3%	-11.1%	5.3	7.95%	S/A	23 Feb 2021	1,500	B3/B/B
Ukraine, 2022	88.6	89.9	9.7%	9.4%	-11.6%	6.3	7.80%	S/A	28 Nov 2022	1,250	B3/B/B
Ukraine, 2023	87.0	88.2	9.6%	9.4%	-12.4%	6.5	7.50%	S/A	17 Apr 2023	1,250	B3/B/B
Corporate Eurobonds											
Agroton, 2014	55.3	68.4	87.7%	57.9%	n/a	0.7	12.50%	S/A	14 Jul 2014	50	/CCC/CCC
MHP, 2015	102.6	104.4	8.8%	8.2%	-2.0%	1.6	10.25%	S/A	29 Apr 2015	585	B3//B
MHP, 2020	88.6	90.4	10.7%	10.3%	-10.5%	4.8	8.25%	S/A	2 Apr 2020	750	/B/B
Avangardco, 2015	99.8	101.8	10.2%	9.2%	5.3%	2.0	10.00%	S/A	29 Oct 2015	200	//B
UkrLandFarming, 2018	95.0	97.7	12.3%	11.5%	-3.6%	3.5	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	103.5	104.6	9.6%	9.1%	1.0%	2.3	10.95%	S/A	30 Mar 2016	250	/B/B
DTEK, 2015	101.2	102.0	8.9%	8.4%	0.5%	1.6	9.50%	S/A	28 Apr 2015	500	B3//B
DTEK, 2018	92.9	94.0	9.8%	9.5%	-6.6%	3.8	7.88%	S/A	4 Apr 2018	750	B3//B
Metinvest, 2015	102.1	103.2	9.1%	8.5%	-1.1%	1.7	10.25%	S/A	20 May 2015	500	B3//B
Metinvest, 2018	92.8	94.4	10.8%	10.3%	-3.4%	3.5	8.75%	S/A	14 Feb 2018	750	B3//B
Ferrexpo, 2016	92.4	93.7	11.3%	10.5%	-4.5%	2.3	7.875%	S/A	07 Apr 2016	500	/B/B
UZ Rail, 2018	91.4	93.4	11.9%	11.3%	-7.6%	3.7	9.50%	S/A	21 May 2018	500	/B-/B-
Interepipe, 2017	77.0	80.1	18.6%	17.0%	-3.8%	2.9	10.25%	S/A	2 Aug 2017	200	/NR/B-
Bank Eurobonds											
Fin&Credit Bank, 2014	85.0	90.0	45.7%	32.6%	45.8%	0.4	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	101.8	103.2	10.1%	9.0%	1.5%	1.3	11.00%	Q	31 Dec 2014	275	B//
Nadra Bank, 2017	85.0	95.0	17.0%	10.7%	-3.8%	3.3	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	93.6	95.4	13.0%	12.0%	-0.3%	1.9	9.38%	S/A	23 Sept 2015	200	B3//
PrivatBank, 2016	81.0	83.2	14.9%	13.7%	6.3%	2.1	8.75%	S/A	9 Feb 2016	150	B3//
PrivatBank, 2018	92.4	94.9	13.1%	12.4%	-6.4%	3.4	10.88%	S/A	28 Feb 2018	175	B3//B
UkrEximBank, 2015	97.6	98.5	10.0%	9.4%	-1.9%	1.6	8.38%	S/A	27 Apr 2015	750	B3//B
UkrEximBank, 2016	84.4	85.5	13.3%	12.7%	1.3%	2.1	8.40%	S/A	2 Sept 2016	125	B3//B
UkrEximBank, 2018	88.9	90.8	12.0%	11.4%	-10.1%	3.4	8.75%	S/A	22 Jun 2018	500	B3//B
VAB Bank, 2014	77.5	81.5	43.5%	36.7%	47.2%	0.8	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	92.8	94.3	11.6%	10.9%	-1.6%	2.2	8.25%	S/A	10 Mar 2016	700	B3//B
Oschadbank, 2018	88.2	90.2	12.3%	11.7%	-10.8%	3.6	8.88%	S/A	20 Mar 2018	500	B3//B
Municipal Eurobonds											
City of Kyiv, 2015	92.4	94.9	11.9%	10.6%	0.1%	2.0	8.00%	S/A	6 Nov 2015	250	B3/B-/
City of Kyiv, 2016	93.6	96.4	12.0%	10.8%	1.5%	2.4	9.375%	S/A	30 Jun 2016	300	B3/B-/

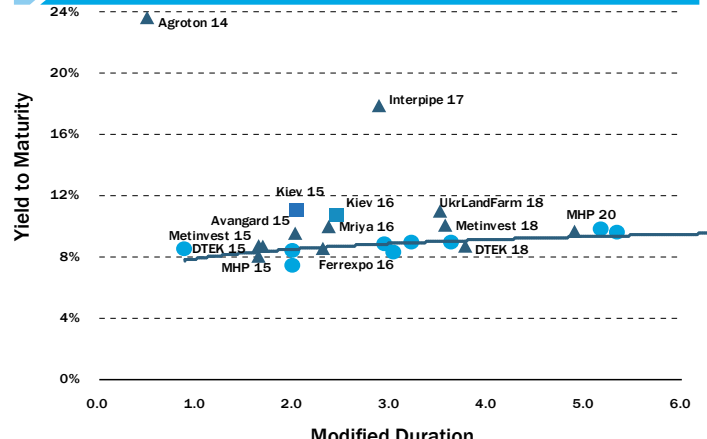
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



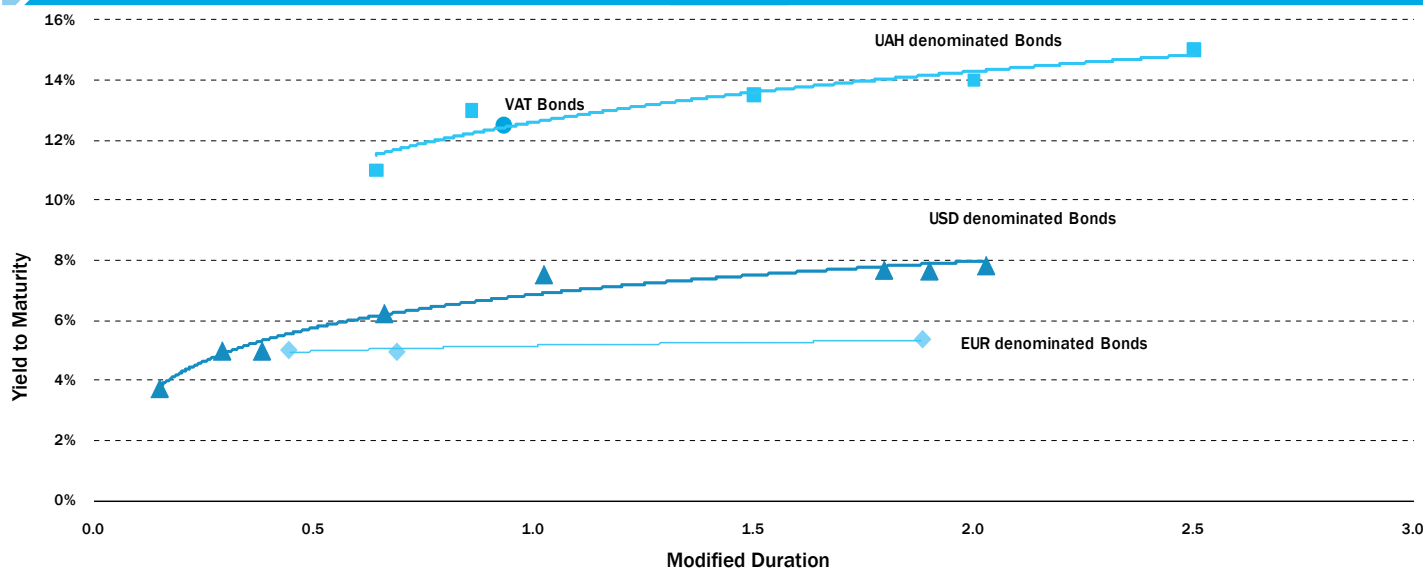
Source: Bloomberg, Cbonds, Eavex Research

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			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
USD denominated Bonds									
UA4000136832	100.4	100.5	7.5%	6.0%	0.1	9.27%	S/A	28 Aug 2013	254
UA4000138002	100.1	100.3	7.5%	6.0%	0.4	9.30%	S/A	27 Nov 2013	86
UA4000140362	100.0	100.5	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	99.5	100.5	8.8%	7.9%	1.7	9.45%	S/A	27 May 2015	152
UA4000142673	90.8	91.8	9.0%	8.2%	1.8	4.50%	S/A	17 Jun 2015	175
EUR denominated Bonds									
UA4000137731	100.3	100.4	6.0%	5.3%	0.2	4.80%	S/A	18 Sept 2013	205
UA4000138846	100.5	100.8	6.0%	5.3%	0.5	4.80%	S/A	25 Dec 2013	70
UA4000142681	101.4	101.5	7.0%	6.0%	1.7	4.80%	S/A	6 May 2015	40
VAT Bonds									
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

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