

Market Update

Equity

Ukrainian stocks opened the week with a correction on Monday (Jul 15) as traders cashed in on recent gains, while global markets were largely flat after in-line growth numbers from China and disappointing US retail sales figures. The UX fell 1.2% to end at 871 points.

DonbasEnergo gave back a 5% chunk of its 13% jump from Friday, and local heavyweights Raiffeisen Aval and Motor Sich lost 1.8% and 1.1% respectively. UkrSotsBank was the session's only blue chip advancer, picking up 0.9% to 13.90 kopecks. Outside the UX basket, Krukiv Wagon surrendered all of last week's rise with an 8.3% drop after Kyiv Subway announced a purchase of 40 railcars from Krukiv's Russian competitor MetroVagonMash. In Warsaw, Astarta picked up 2.2% to PLN 64.60, while Kernel saw its 9-session winning streak come to an end with a 1.9% loss,

Fixed Income

Quotes for Ukrainian 10-year benchmark Eurobonds ended 0.8 p.p. higher yesterday closing at 84.9/86.4 (10.0%/9.7%). In corporate papers, MHP-20s edged up 0.3 p.p. to 89.3/90.9 (10.5%/10.1%) and Metinvest-15s rose 0.5 p.p. to 102.6/104.1 (8.8%/7.9%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1860.00	-1.1%	6.4	190
Donbasenergo	DOEN	24.25	-5.3%	1.9	257
Enakievo Steel	ENMZ	35.600	-1.4%	1.3	96

Growth Leaders

Ukrsotsbank	USCB	0.14	1.0%	1.01	123
Avdyivka Coke	AVDK	3.25	0.0%	1.28	65
Alchevsk Steel	ALMK	0.04	-0.2%	0.89	158

Loss Leaders

Kryukiv Wagon	KVBZ	23.80	-8.3%	0.725	65
Bank Forum	FORM	0.72	-7.4%	0.069	17
Donbasenergo	DOEN	24.25	-5.3%	1.887	257

Highlights

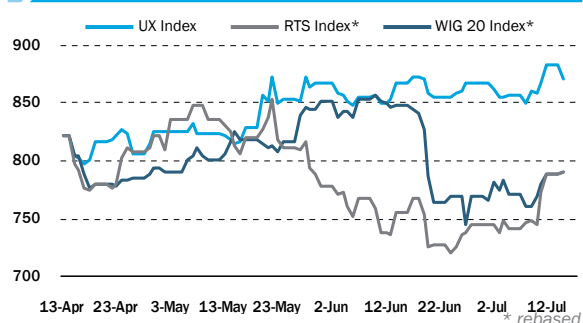
POLITICS AND ECONOMICS

- > UkrStat: Merchandise Trade Surplus of USD 180mn Registered in May

STOCKS IN THE NEWS

- > MHP Reports Record Poultry Sales Volume in 2Q13

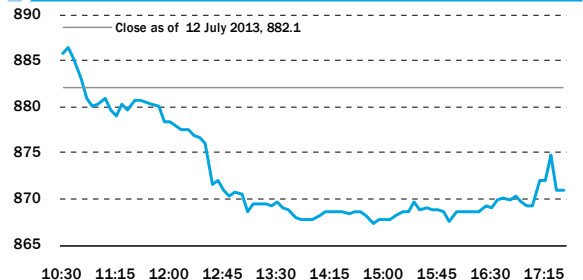
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	871.3	-1.2%	0.5%	-8.3%
RTS	1354.5	0.4%	4.7%	-11.3%
WIG20	2305.8	0.1%	-7.0%	-10.7%
MSCI EM	952.2	0.7%	-0.2%	-9.8%
S&P 500	1682.5	0.1%	3.4%	20.0%

UX INTRADAY JULY 15, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	346.2	-1.1%	4.9%	27.7%
CDS 5Y UKR	848.9	1.1%	21.3%	35.8%
Ukraine-17	9.8%	0.2 p.p.	1.7 p.p.	2.9 p.p.
Naftogaz Ukr-14	9.8%	0.0 p.p.	1.2 p.p.	2.1 p.p.
Ukraine-23	9.8%	-0.2 p.p.	1.4 p.p.	2.3 p.p.
Privatbank-16	14.7%	0.0 p.p.	0.7 p.p.	-0.6 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.16	0.0%	0.1%	1.3%
EUR	10.65	0.0%	-2.1%	-0.3%
RUB	0.25	0.1%	-2.7%	-5.6%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	262.9	0.0%	-8.1%	-24.6%
Steel, USD/t	507.5	0.0%	-1.9%	-4.7%
Oil, USD/bbl	109.1	0.3%	3.0%	1.8%
Gold, USD/oz	1284.6	-0.1%	-7.6%	-22.4%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

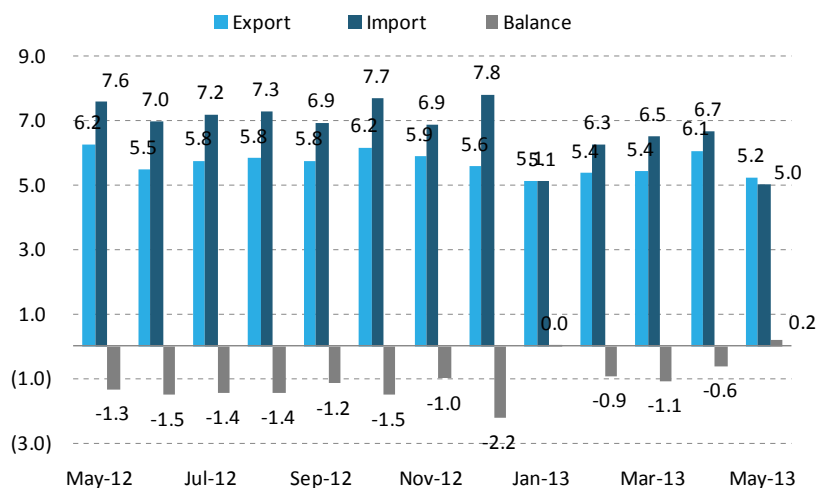
UkrStat: Merchandise Trade Surplus of USD 180mn Registered in May

by Dmitry Churin
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NEWS

Ukraine had a merchandise trade surplus of USD 180mn in May compared to a deficit of USD 1.3bn a year earlier, the State Statistics Committee said on Monday (Jul 15). For 5M13, the country's merchandise trade deficit decreased by 2.4x to USD 2.4bn. Ukraine's exports in the period declined by 3.5% YoY to USD 27.2bn and imports fell by 12.7% YoY to USD 29.6bn.

UKRAINE'S MONTHLY MERCHANDISE TRADE DATA, USD bn



Source: State Statistics Committee

COMMENTARY

The improvement in the merchandise trade balance is mainly result of a sharp cut in natural gas imports from Russia, which fell by 26.8% YoY to USD 3.9bn in 5M13 (accounting for some 13% of total import in USD terms in the period). However, we believe that the Ukrainian government has simply postponed the gas imports, and that purchases will necessarily accelerate ahead of the heating season, which starts in mid-October. We reiterate our full-year 2013 forecast for a current account deficit of USD 11mn or about 5.9% of GDP, compared to a deficit of USD 14.4bn (8.3% of GDP) registered in FY12.

MHP Reports Record Poultry Sales Volume in 2Q13

by Ivan Dzvinka
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MHP (MHPC LI)

Price: USD 17.25 Market Cap: USD 1,823mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2012	2.0	5.9	6.2	6.6%
2013E	1.9	6.7	5.5	5.8%

NEWS

MHP, Ukraine's largest poultry producer, sold 113,600 tonnes of poultry meat in 2Q13, representing growth of 18% YoY and 24% QoQ, the company announced this morning (Jul 16) in a trading update. Poultry export sales surged by 3.1x YoY to 31,600 tonnes in the quarter. The average achieved price dropped by 7.3% YoY to UAH 16.2/kg (ex-VAT), but was nearly unchanged from the 1Q13 price of UAH 16.3/kg. The company also increased its sales of sunflower oil by 26% YoY to 61,900 tonnes in 2Q13, with the average selling price moving down by 3% YoY to USD 1,097 per tonne. MHP also sold 8,800 tonnes of processed meat products in 2Q13 (-3% YoY) at an average selling price of UAH 23.1/kg (+5% YoY).

Driven by acquisitions of agricultural assets in Russia and Ukraine, the company's land bank as of end-1H13 amounted to 360,000 hectares, up from 285,000 ha as of end-2012. Management said it expects MHP's yields across all crops this season to be stronger than in 2012.

COMMENTARY

2Q13 saw MHP set several new operational records. The expansion of capacity utilization at the company's new Vinnytsia complex allowed MHP to reach its highest-ever poultry production, total poultry sales, and export sales volume. Meanwhile, the lower average poultry price was mainly a result of higher export volumes, as the company exports relatively cheaper frozen poultry, in contrast to a Ukrainian sales structure dominated by fresh poultry. Importantly, the higher export volume should not significantly affect the company's earnings, as EBITDA per kg of exported poultry is only slightly lower than that of fresh poultry due to lower sales and distribution costs, according to management. We presume today's news should provide some positive market sentiment for the MHPC stock.

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	2.34	3.33	42%	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	1.00	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	0.79	1.30	65%	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	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	499%	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	479%	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	111%	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	0.19	0.64	241%	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	229	644	182%	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	0.26	1.52	483%	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	659%	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	2.98	8.90	199%	BUY	DonbasEnergO is Ukraine's next big-ticket privatization object, with an auction expected to be announced in summer 2013.
CenterEnergO	CEEN	0.60	1.84	206%	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	17.3	24.0	39%	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	19.73	30.0	52%	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	8.50	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	871.28	1169.50	758.71	-1.2%	2.5%	0.5%	-8.3%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.043	0.07	0.04	-0.2%	1.0%	-2.5%	-20.4%	1.0%	-1.5%	-3.0%	-12.1%
Azovstal	AZST	0.63	1.11	0.31	-0.5%	1.3%	1.3%	-15.0%	0.8%	-1.2%	0.8%	-6.7%
Dniprospezstal	DNSS	925	1,300	700	0.0%	0.0%	9.5%	-7.4%	1.2%	-2.5%	9.0%	0.9%
Enakievo Steel	ENMZ	35.6	42.5	20.0	-1.4%	1.7%	-1.7%	-6.3%	-0.2%	-0.8%	-2.1%	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	0.12	7.1%	15.4%	-6.3%	-31.8%	8.4%	12.9%	-6.7%	-23.5%
Coke												
Avdyivka Coke	AVDK	3.25	4.07	1.61	0.0%	2.0%	-1.8%	-0.8%	1.2%	-0.5%	-2.2%	7.5%
Yasnyivsky Coking	YASK	0.57	1.16	0.52	-3.4%	-1.7%	-5.0%	-14.9%	-2.2%	-4.2%	-5.5%	-6.6%
Iron Ore Mining												
Centralny GOK	CGOK	6.40	7.74	4.00	0.0%	1.6%	-1.5%	-7.2%	1.2%	-0.9%	-2.0%	1.1%
Ferrexpo	FXPO	2.33	4.58	2.02	0.9%	12.5%	-2.9%	-42.0%	2.1%	10.0%	-3.4%	-33.7%
Pivnichny GOK	SGOK	8.10	10.00	5.77	0.0%	2.7%	0.2%	8.9%	1.2%	0.2%	-0.2%	17.2%
Coal Mining												
Pokrovske Mine	SHCHZ	0.51	1.29	0.40	0.0%	13.3%	10.9%	-19.0%	1.2%	10.8%	10.4%	-10.7%
Komsomolets Donbasa	SHKD	0.72	2.00	0.65	0.0%	10.8%	-20.9%	-39.0%	1.2%	8.3%	-21.3%	-30.6%
Energy Coal	CLE	0.65	5.77	0.59	-0.9%	-11.4%	-45.0%	-78.8%	0.3%	-13.9%	-45.5%	-70.5%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.40	0.58	0.270	0.0%	0.0%	-21.6%	-31.0%	1.2%	-2.5%	-22.0%	-22.7%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.68	0.88	0.45	0.0%	-2.9%	13.3%	-2.9%	1.2%	-5.3%	12.9%	5.5%
Interpipe NMPP	NVTR	0.18	0.60	0.10	0.0%	-14.3%	-18.2%	-18.2%	1.2%	-16.8%	-18.7%	-9.8%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	23.8	29.0	12.0	-8.4%	0.4%	4.9%	22.7%	-7.2%	-2.1%	4.5%	31.0%
Luhanskeplovoz	LTPL	1.53	2.05	1.28	0.0%	-2.5%	-4.4%	-18.2%	1.2%	-5.0%	-4.8%	-9.8%
Stakhanov Wagon	SVGZ	1.31	2.98	1.22	-0.8%	-1.5%	0.0%	-24.3%	0.5%	-4.0%	-0.5%	-15.9%
Specialized Machinery												
Bogdan Motors	LUAZ	0.05	0.16	0.03	-3.0%	-4.3%	-1.1%	0.4%	-1.8%	-6.7%	-1.6%	8.8%
Motor Sich	MSICH	1,860	2,640	1,753	-1.3%	-0.4%	-7.0%	-15.8%	0.0%	-2.9%	-7.5%	-7.5%
Sumy Frunze Engineering	SMASH	2.72	4.00	0.76	15.7%	-6.2%	25.3%	81.3%	17.0%	-8.7%	24.9%	89.7%
Turboatom	TATM	5.00	5.00	1.88	0.0%	0.0%	56.3%	n/a	1.2%	-2.5%	55.8%	n/a
WESTA ISIC	WES	0.19	0.45	0.13	-1.6%	2.1%	-1.5%	-22.7%	-0.4%	-0.3%	-2.0%	-14.4%
Telecom												
Ukrtelecom	UTLM	0.15	0.31	0.12	0.0%	-2.6%	-0.3%	-5.3%	1.2%	-5.1%	-0.8%	3.0%
Oil & Gas												
Regal Petroleum	RPT	0.26	0.59	0.21	-3.1%	-4.7%	-16.0%	-51.9%	-1.8%	-7.1%	-16.5%	-43.6%
JKX Oil	JKX	0.79	1.65	0.75	-0.7%	-0.6%	-2.0%	-34.1%	0.5%	-3.0%	-2.5%	-25.8%
Ukrnafta	UNAF	115	280	80	-0.3%	-0.7%	0.7%	-3.5%	1.0%	-3.2%	0.2%	4.9%
Power Utilities												
Centrenerg	CEEN	4.89	7.33	3.76	-0.4%	2.6%	5.6%	-23.0%	0.8%	0.1%	5.1%	-14.7%
Donbasenergo	DOEN	24.3	26.8	15.1	-4.9%	11.2%	7.9%	14.4%	-3.7%	8.8%	7.4%	22.8%
Zakhidenergo	ZAEN	81.0	127.9	70.0	0.0%	-3.5%	1.3%	-16.5%	1.2%	-5.9%	0.8%	-8.2%
Consumer												
Agroton	AGT	0.76	4.2	0.36	2.0%	-2.2%	-11.3%	-76.6%	3.3%	-4.6%	-11.8%	-68.2%
Astarta	AST	19.7	22.1	14.5	2.2%	4.0%	-5.1%	10.2%	3.4%	1.5%	-5.6%	18.6%
Avangardo	AVGR	8.5	12.0	7.61	-1.2%	-3.4%	-7.6%	-25.0%	0.1%	-5.9%	-8.1%	-16.6%
Industrial Milk Company	IMC	4.70	5.48	3.45	0.6%	6.0%	5.2%	-11.3%	1.9%	3.5%	4.7%	-3.0%
Kernel	KER	16.2	23.0	14.0	-1.9%	9.9%	-0.7%	-25.1%	-0.7%	7.5%	-1.2%	-16.8%
Mriya Agro Holding	MAYA	6.03	6.7	5.36	-0.2%	4.0%	6.6%	-7.1%	1.0%	1.5%	6.2%	1.3%
MHPC	MHPC	17.3	19.9	11.05	0.3%	0.9%	-6.1%	13.1%	1.5%	-1.6%	-6.6%	21.5%
Milkiland	MLK	3.26	5.8	3.11	3.9%	-2.9%	-15.7%	-30.8%	5.1%	-5.4%	-16.2%	-22.5%
Ovostar Union	OVO	22.4	33.8	22.0	0.7%	-1.5%	-16.2%	-22.6%	1.9%	-4.0%	-16.7%	-14.2%
Sintal	SNPS	n/a	0.98	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	1.3%	5.5%	-4.5%	-14.6%	2.6%	3.0%	-5.0%	-6.2%
Banks												
Raiffeisen Bank Aval	BAVL	0.097	0.128	0.061	-1.8%	1.7%	-4.5%	13.4%	-0.6%	-0.8%	-5.0%	21.8%
UkrSotsbank	USCB	0.139	0.200	0.107	1.0%	8.1%	15.6%	7.5%	2.2%	5.6%	15.1%	15.9%

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	134	3.9%	5	1,550	3.7	neg	neg	10.7	neg	neg	0.7	0.9	0.9	534	461	415	\$/tonne
Yenakievo Steel	ENMZ	46	8.8%	4	39	1.5	5.4	neg	neg	neg	neg	0.0	0.0	0.0	15	15	14	\$/tonne
Azovstal	AZST	324	4.1%	13	302	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	54	51	48	\$/tonne
Coke																		
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	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	920	0.5%	5	919	2.8	9.7	8.8	1.8	3.9	4.5	1.1	1.6	1.8				
Pivnichny GOK	SGOK	2,288	0.5%	13	2,413	2.9	5.2	6.4	2.1	3.0	3.8	1.3	1.6	1.9				
Ferrexpo	FXPO	1,373	24.0%	330	1,624	2.4	6.4	5.2	2.0	4.0	3.6	0.9	1.1	1.0				
Coal Mining																		
Komsomolets Donbasa	SHKD	30	5.4%	2	131	1.9	0.8	0.8	1.9	1.3	1.5	0.7	0.5	0.5	32	31	29	\$/tonne
Coal Energy	CLE	30	11.9%	4	55	0.8	0.8	0.7	1.1	0.9	0.9	0.4	0.3	0.3	1.1	0.9	0.9	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	217	2.0%	4	259	2.2	6.4	6.4	1.8	3.5	3.4	0.3	0.4	0.4	412	682	648	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	41	24.0%	10	41	4.6	6.0	5.1	2.9	3.3	2.7	0.2	0.2	0.2				
Krukiiv Wagon	KVBZ	335	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	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	474	24.0%	114	484	2.8	1.9	1.8	1.7	1.6	1.5	0.7	0.6	0.5				
Telecom																		
Ukrtelecom	UTLM	348	7.2%	25	684	neg	7.7	7.2	3.3	3.3	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	1.8	0.2	0.3	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	83	49.0%	41	66	13.0	7.0	3.5	neg	2.9	1.8	3.5	1.3	0.8	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	135	50.4%	68	244	2.3	3.4	2.7	2.1	1.7	1.6	1.0	1.1	1.0	64	45	33	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	221	21.7%	48	304	>30	7.7	6.6	6.3	5.0	4.5	0.3	0.3	0.3	21	21	17	\$/MWh
DonbasEnergO	DOEN	70	14.2%	10	127	neg	18.4	6.9	6.2	7.4	5.3	0.3	0.2	0.2	16	15	14	\$/MWh
Consumer																		
MHP	MHPC	1,822	34.1%	622	2,867	7.0	5.9	6.7	7.1	6.1	5.5	2.3	2.0	1.9	8960	8960	8960	\$/tonne
Kernel	KER	1,195	61.8%	738	1,805	5.3	5.7	6.1	5.8	5.6	5.3	1.0	0.8	0.6				
Astarta	AST	492	31.0%	153	638	4.3	9.8	8.3	4.4	6.5	5.3	1.6	1.4	1.2	3238	1971	1637	\$/tonne
Avangardco	AVGR	543	22.5%	122	691	2.8	2.4	2.3	2.8	2.5	2.4	1.2	1.1	1.0	156	119	112	\$/mneggs
Agroton	AGT	16	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	\$/ha
Banks																		
Raiffeisen Bank Aval	BAVL	358	4.0%	14		>30	>30	12.5	0.4	0.4	0.4	0.05	0.05	0.05				
Ukrsotsbank	USCB	313	1.6%	5		>30	>30	21.8	0.4	0.4	0.4	0.06	0.06	0.06				

Source: Eavex Research

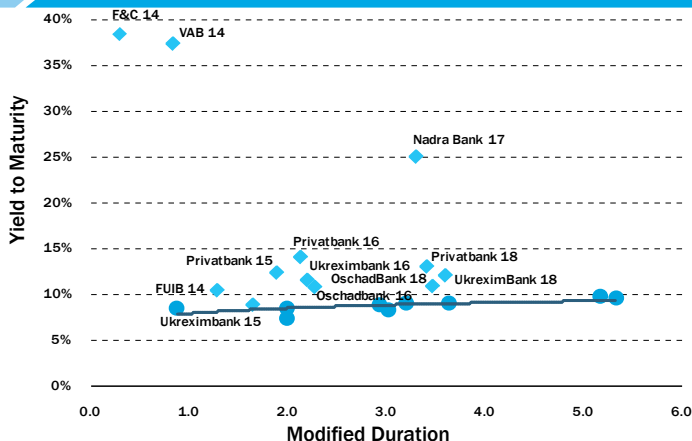
UKRAINIAN EUROBONDS

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	99.1	99.9	9.1%	8.0%	-2.2%	0.8	7.95%	S/A	6 Apr. 2014	1,000	B3/B/B
Naftogaz Ukraine, 2014	99.2	100.2	10.5%	9.6%	-3.2%	1.1	9.50%	S/A	30 Sept 2014	1,595	//B
Ukraine, 2015 (EUR)	94.6	96.2	7.7%	6.9%	-2.2%	1.9	4.95%	A	13 Oct 2015	600*	B3/B/B
Ukraine, 2015	95.3	96.5	9.4%	8.8%	-5.3%	1.9	6.875%	S/A	23 Sept 2015	500	B3/B/B
Ukraine, 2016	90.5	92.0	10.0%	9.5%	-8.6%	2.9	6.58%	S/A	21 Nov 2016	1,000	B3/B/B
Ukraine, 2016-2	97.5	99.0	7.1%	6.6%	-1.4%	3.0	6.25%	S/A	17 Jun 2016	1,250	B3/B/B
Ukraine, 2017	89.0	90.0	10.0%	9.7%	-9.8%	3.6	6.75%	S/A	14 Nov 2017	700	B3/B/B
Ukraine, 2017-2	98.0	99.0	9.9%	9.6%	-8.1%	3.2	9.25%	S/A	24 Jul 2017	2,000	B3/B/B
Ukraine, 2017 Infr. projects	92.0	94.0	11.0%	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%	3.7	7.40%	S/A	20 Apr 2018	690	B3//
Ukraine, 2020	88.0	90.0	10.2%	9.8%	-13.6%	5.1	7.75%	S/A	23 Sept 2020	1,500	B3/B/B
Ukraine, 2021	88.8	90.3	10.1%	9.8%	-13.8%	5.2	7.95%	S/A	23 Feb 2021	1,500	B3/B/B
Ukraine, 2022	86.7	88.0	10.0%	9.8%	-13.4%	6.2	7.80%	S/A	28 Nov 2022	1,250	B3/B/B
Ukraine, 2023	84.9	86.4	10.0%	9.7%	-14.4%	6.4	7.50%	S/A	17 Apr 2023	1,250	B3/B/B
Corporate Eurobonds											
Agroton, 2014	64.5	70.6	67.2%	54.8%	n/a	0.7	12.50%	S/A	14 Jul 2014	50	/CCC/CCC
MHP, 2015	104.5	105.3	7.6%	7.4%	-0.5%	1.6	10.25%	S/A	29 Apr 2015	585	B3//B
MHP, 2020	89.3	90.9	10.5%	10.1%	-9.9%	4.8	8.25%	S/A	2 Apr 2020	750	/B/B
Avangardco, 2015	100.1	102.0	10.1%	9.1%	5.6%	2.0	10.00%	S/A	29 Oct 2015	200	//B
UkrLandFarming, 2018	96.2	97.4	12.0%	11.6%	-3.2%	3.5	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016							10.95%	S/A	30 Mar 2016	250	/B/B
DTEK, 2015	102.0	102.9	8.4%	7.8%	1.3%	1.6	9.50%	S/A	28 Apr 2015	500	B3//B
DTEK, 2018	93.8	95.7	9.5%	9.0%	-5.3%	3.7	7.88%	S/A	4 Apr 2018	750	B3//B
Metinvest, 2015	102.6	104.1	8.8%	7.9%	-0.5%	1.6	10.25%	S/A	20 May 2015	500	B3//B
Metinvest, 2018	94.3	95.8	10.3%	9.9%	-1.9%	3.5	8.75%	S/A	14 Feb 2018	750	B3//B
Ferrexpo, 2016	92.0	93.3	11.5%	10.7%	-4.9%	2.3	7.875%	S/A	07 Apr 2016	500	/B/B
UZ Rail, 2018	91.0	92.5	12.0%	11.6%	-8.3%	3.7	9.50%	S/A	21 May 2018	500	/B/B-
Interpipe, 2017	77.0	80.1	18.7%	17.0%	-3.8%	2.8	10.25%	S/A	2 Aug 2017	200	/NR/B-
JKX Oil&Gas, 2018	97.7	99.0	11.4%	11.0%	-1.6%	3.6	8.00%	S/A	19 Feb 2018	40	//
Bank Eurobonds											
Fin&Credit Bank, 2014	85.0	90.0	48.2%	34.2%	45.8%	0.4	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	100.0	103.0	11.5%	9.1%	0.5%	1.3	11.00%	Q	31 Dec 2014	275	B//
Nadra Bank, 2017	85.0	95.0	17.1%	10.8%	-3.8%	3.3	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	93.7	95.6	13.0%	11.9%	-0.1%	1.8	9.38%	S/A	23 Sept 2015	200	B3//
PrivatBank, 2016	80.0	83.0	15.6%	13.9%	5.6%	2.1	8.75%	S/A	9 Feb 2016	150	B3//
PrivatBank, 2018	92.3	95.2	13.1%	12.3%	-6.2%	3.4	10.88%	S/A	28 Feb 2018	175	B3//B
UkrEximBank, 2015	96.5	98.1	10.7%	9.7%	-2.6%	1.6	8.38%	S/A	27 Apr 2015	750	B3//B
UkrEximBank, 2016	84.5	86.0	13.3%	12.5%	1.7%	2.1	8.40%	S/A	2 Sept 2016	125	B3//B
UkrEximBank, 2018	88.8	90.6	12.0%	11.5%	-10.3%	3.4	8.75%	S/A	22 Jan 2018	500	B3//B
VAB Bank, 2014	79.0	83.0	42.2%	35.3%	50.0%	0.8	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	93.7	94.8	11.2%	10.7%	-0.9%	2.2	8.25%	S/A	10 Mar 2016	700	B3//B
Oschadbank, 2018	88.5	90.0	12.2%	11.8%	-10.8%	3.5	8.88%	S/A	20 Mar 2018	500	B3//B
Municipal Eurobonds											
City of Kyiv, 2015	93.0	95.0	11.7%	10.6%	0.5%	2.0	8.00%	S/A	6 Nov 2015	250	B3/B-/
City of Kyiv, 2016	93.8	95.9	11.9%	11.0%	1.4%	2.5	9.375%	S/A	30 Jun 2016	300	B3/B-/

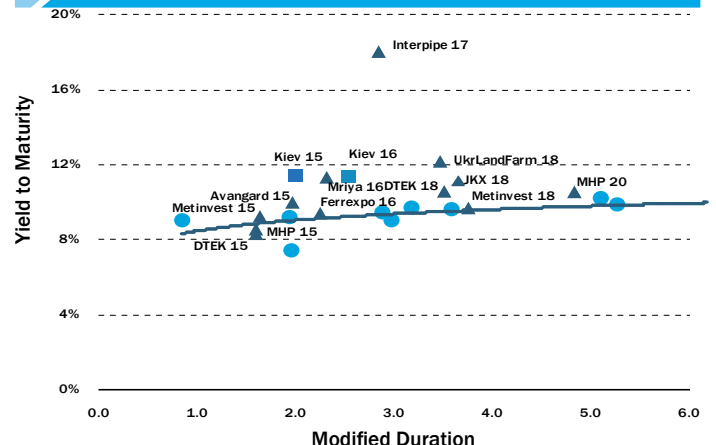
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



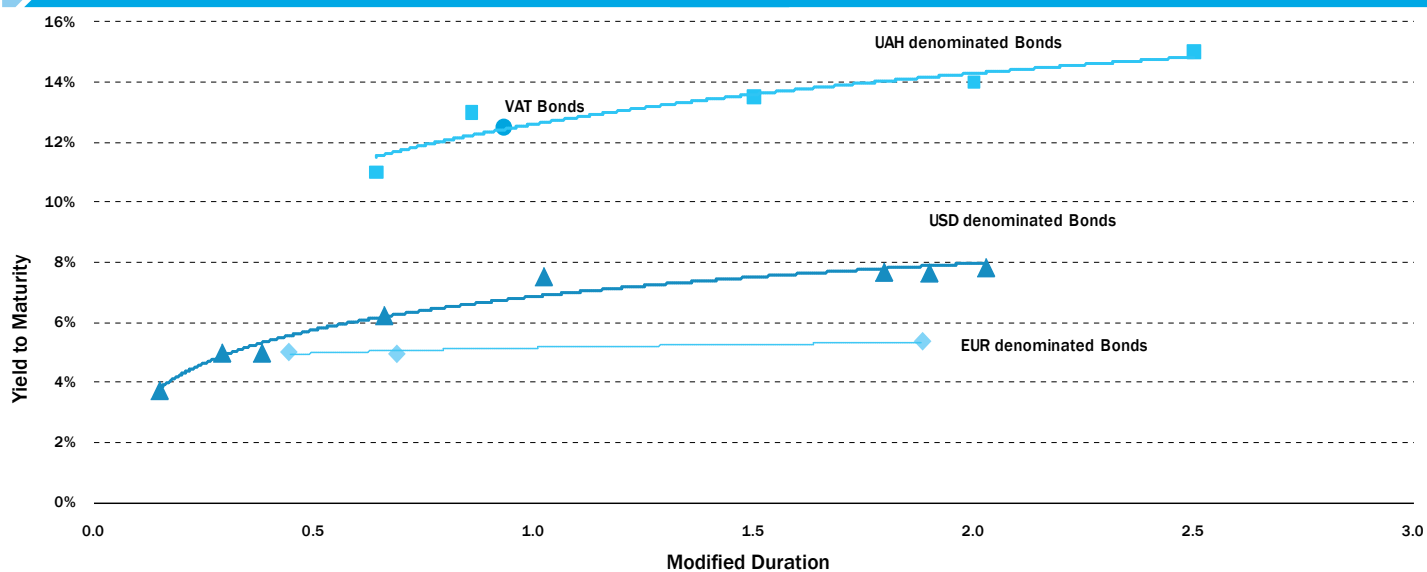
SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



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	100.3	100.4	7.5%	6.0%	0.1	9.27%	S/A	28 Aug 2013	254
UA4000138002	100.0	100.1	7.5%	6.0%	0.3	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	90.6	91.6	9.0%	8.2%	1.7	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	100.6	100.8	6.0%	5.3%	0.4	4.80%	S/A	25 Dec 2013	70
UA4000142681	101.9	102.0	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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