

Market Update

Equity

Local Ukrainian stocks avoided a second consecutive session of sharp losses due to new Russian restrictions on the country's exports on Friday (Aug 16). The benchmark finished down just 0.2% at 875 points amid mixed external sentiments and generally light summer trading volumes. Alchevsk Steel (ALMK), Yenakievo Steel (ENMZ), and UkrNafta (UNAF) each fell 1.0% to lead decliners, while Motor Sich (MSICH) inched down in line with the index, ending just above the key support level of UAH 1800. CentrEnergO (CEEN) and UkrSotsBank (USCB) both posted moderate rises of 0.4%, while outside the UX basket, sporadically-traded Bogdan Motors (LUAZ) jumped 9.6% with a last deal at 4 kopecks. In London, Ferrexpo (FXPO) added 3.2%, but MHP (MHPC) continued to slip, dropping another 1.5% to USD 16.75; the company has considerable exposure to the Russian import regime. Kernel (KER) slumped 4.0% in Warsaw to PLN 48, presumably on similar concerns.

Fixed Income

Ukrainian sovereign Eurobonds were down on Friday. Ukraine-23s declined by 0.6p.p. to 86.2/87.2 (9.7%/9.6%) and Ukraine-17s dropped by 0.4p.p. closing at 90.8/91.5 (9.5%/9.3%). Corporate papers were mixed. MHP-15s slid by 0.2p.p. to 105.4/106.5 (6.9%/6.2%) while Metinvest-15s grew by 0.4p.p. and finished at 104.6/105.5 (7.5%/7.0%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1804.00	-0.2%	6.2	115
Enakievo Steel	ENMZ	34.01	-1.1%	1.3	52
Raiffeisen Bank Aval	BAVL	0.100	-0.1%	1.2	129

Growth Leaders

Bogdan Motors	LUAZ	0.04	9.6%	0.06	27
Mariupol Ilyicha	MMKI	0.12	5.9%	0.01	8
Stirol	STIR	9.55	2.0%	0.00	17

Loss Leaders

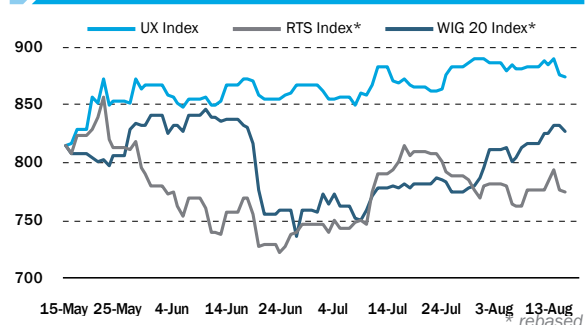
Alchevsk Coke	ALKZ	0.07	-23.4%	0.001	10
Komsomolets Donbasa	SHKD	0.66	-9.0%	0.014	12
Sumy Frunze Engineering	SMASH	2.25	-4.1%	0.001	7

Highlights

POLITICS AND ECONOMICS

- > Putin Advisor Calls Association Agreement "Suicidal" for Ukraine

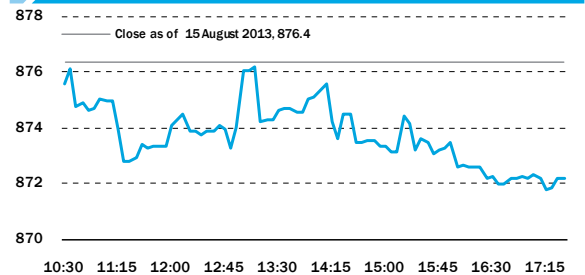
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	874.8	-0.2%	0.6%	-8.0%
RTS	1323.4	-0.3%	-3.3%	-13.3%
WIG20	2445.6	-0.6%	6.2%	-5.3%
MSCI EM	958.1	-0.2%	0.5%	-9.2%
S&P 500	1655.8	-0.3%	-1.2%	18.1%

UX INTRADAY AUGUST 16, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	338.2	0.1%	-1.1%	24.8%
CDS 5Y UKR	840.6	0.2%	-0.2%	34.5%
Ukraine-17	9.3%	0.1 p.p.	-0.1 p.p.	2.4 p.p.
Naftogaz Ukr-14	9.6%	0.0 p.p.	-0.1 p.p.	2.0 p.p.
Ukraine-23	9.6%	0.1 p.p.	-0.2 p.p.	2.1 p.p.
Privatbank-16	12.9%	-0.5 p.p.	-1.4 p.p.	-2.4 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.12	0.1%	-0.4%	0.9%
EUR	10.83	0.0%	0.9%	1.4%
RUB	0.25	-0.2%	-2.1%	-7.1%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	247.1	0.0%	-6.0%	-29.1%
Steel, USD/t	562.5	0.0%	10.8%	5.6%
Oil, USD/bbl	110.4	0.7%	2.8%	3.1%
Gold, USD/oz	1376.9	0.8%	6.6%	-16.8%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Putin Advisor Calls Association Agreement “Suicidal” for Ukraine

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

NEWS

Russian President Putin’s trade advisor Sergey Glazev said that Russia is preparing to toughen its customs regime on Ukrainian products “if Ukraine suddenly takes the suicidal step of signing the Association Agreement with the European Union”. Glazev was quoted in an article that appeared on Sunday (Aug 18) on the website of Kyiv newspaper Dzerkalo Tyzhnya.

COMMENTARY

The unfortunate choice of words of the Russian presidential advisor indicates that the level of Russian resistance and hostile rhetoric is set to rise sharply in the final months ahead of Ukraine’s scheduled signing of the Association Agreement in November. Dzerkalo Tyzhnya also quoted former Swedish foreign minister Carl Bildt as commenting that Russia starting a trade war with Ukraine in order to prevent its European integration would be “very serious”. Such a statement from Bildt, who has consistently been one of the Yanukovych administration’s harshest European critics, suggests that the Kremlin’s trade stance may actually helping President Yanukovych to do what he has thus far failed to manage on his own: unite the EU establishment behind Ukraine’s aspiration of signing the Association Agreement on schedule.

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	2.95	3.33	13%	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	1.02	1.77	74%	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	0.81	1.30	61%	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	503%	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	547%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	2.88	6.18	115%	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	232%	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	222	644	190%	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	62%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	0.27	1.52	464%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	1.1	6.0	465%	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	3.08	8.90	189%	BUY	DonbasEnergO is Ukraine's next big-ticket privatization object, with an auction expected to be announced in summer 2013.
CenterEnergO	CEEN	0.64	1.84	188%	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	16.8	24.0	43%	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	24.19	30.0	24%	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	9.50	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	874.83	1106.67	758.71	-0.2%	-1.0%	0.6%	-8.0%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.040	0.06	0.03	-1.0%	0.3%	-6.2%	-25.8%	-0.8%	1.3%	-6.8%	-17.9%
Azovstal	AZST	0.62	0.97	0.31	-0.3%	-1.3%	-2.2%	-16.6%	-0.1%	-0.3%	-2.8%	-8.7%
Dniprospezstal	DNSS	n/a	1,300	700	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Enakievo Steel	ENMZ	34.0	49.9	20.0	-0.8%	-1.2%	-3.8%	-10.5%	-0.6%	-0.2%	-4.4%	-2.5%
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	0.12	0.26	0.10	0.0%	0.0%	-7.7%	-45.5%	0.2%	1.0%	-8.3%	-37.5%
Coke												
Avdivka Coke	AVDK	3.24	4.07	1.61	-0.5%	-1.5%	0.1%	-1.2%	-0.3%	-0.5%	-0.5%	6.8%
Yasnyivsky Coking	YASK	0.57	0.99	0.52	1.8%	3.6%	0.0%	-14.9%	2.0%	4.6%	-0.6%	-7.0%
Iron Ore Mining												
Centralny GOK	CGOK	6.55	7.74	4.00	0.0%	1.6%	2.3%	-5.1%	0.2%	2.6%	1.8%	2.9%
Ferrexpo	FXPO	2.95	4.58	2.02	3.5%	-1.6%	20.8%	-26.8%	3.7%	-0.6%	20.2%	-18.8%
Pivnichny GOK	SGOK	8.25	10.00	5.77	-2.9%	-1.2%	-17.5%	10.9%	-2.8%	-0.2%	-18.1%	18.9%
Coal Mining												
Pokrovske Mine	SHCHZ	0.45	1.15	0.40	0.0%	-4.3%	-11.8%	-28.6%	0.2%	-3.3%	-12.4%	-20.6%
Komsomolets Donbasa	SHKD	0.66	1.46	0.41	-5.7%	-14.3%	-17.5%	-44.1%	-5.5%	-13.3%	-18.1%	-36.1%
Energy Coal	CLE	0.70	5.77	0.59	-4.1%	-11.6%	11.3%	-77.4%	-3.9%	-10.6%	10.8%	-69.5%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.40	0.58	0.270	0.0%	0.0%	0.0%	-31.0%	0.2%	1.0%	-0.6%	-23.1%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.55	0.86	0.45	-5.2%	-11.3%	-19.1%	-21.4%	-5.0%	-10.3%	-19.7%	-13.5%
Interpipe NMPP	NVTR	0.19	0.60	0.10	-5.0%	-13.6%	5.6%	-13.6%	-4.8%	-12.6%	5.0%	-5.7%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	23.4	29.0	12.0	0.0%	-0.9%	-2.3%	20.6%	0.2%	0.1%	-2.9%	28.6%
Luhanskeplovoz	LTPL	1.57	2.04	1.28	-1.3%	-1.3%	4.0%	-16.0%	-1.1%	-0.3%	3.4%	-8.1%
Stakhanov Wagon	SVGZ	1.11	2.70	1.10	-13.3%	-15.9%	-15.3%	-35.8%	-13.1%	-14.9%	-15.9%	-27.9%
Specialized Machinery												
Bogdan Motors	LUAZ	0.04	0.13	0.03	9.6%	9.3%	-11.1%	-10.7%	9.8%	10.3%	-11.7%	-2.7%
Motor Sich	MSICH	1,804	2,640	1,399	-0.2%	-2.3%	-3.2%	-18.4%	0.0%	-1.3%	-3.8%	-10.4%
Sumy Frunze Engineering	SMASH	2.25	4.00	0.76	-4.3%	-15.1%	-17.3%	50.0%	-4.1%	-14.1%	-17.9%	58.0%
Turboatom	TATM	n/a	5.00	1.88	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
WESTA ISIC	WES	0.20	0.45	0.13	3.0%	0.3%	10.3%	-14.9%	3.2%	1.3%	9.7%	-6.9%
Telecom												
Ukrtelecom	UTLM	0.13	0.30	0.09	0.0%	-1.5%	-12.2%	-16.9%	0.2%	-0.5%	-12.8%	-8.9%
Oil & Gas												
Regal Petroleum	RPT	0.27	0.59	0.22	0.3%	5.3%	6.5%	-50.2%	0.5%	6.3%	5.9%	-42.3%
JXX Oil	JKX	1.06	1.41	0.75	-0.1%	4.1%	35.2%	-11.2%	0.1%	5.1%	34.6%	-3.2%
Ukrnafta	UNAF	114	280	80	-0.8%	-1.6%	-0.1%	-3.9%	-0.6%	-0.6%	-0.7%	4.1%
Power Utilities												
Centrenerg	CEEN	5.20	7.33	3.49	0.6%	-0.1%	9.2%	-18.1%	0.7%	0.9%	8.6%	-10.1%
Donbasenergo	DOEN	25.1	26.8	15.1	0.2%	0.0%	2.5%	18.2%	0.4%	1.0%	1.9%	26.2%
Zakhidenergo	ZAEN	84.0	116.9	70.0	-1.2%	0.7%	20.0%	-13.4%	-1.0%	1.7%	19.4%	-5.4%
Consumer												
Agroton	AGT	0.76	4.2	0.36	-3.4%	-4.8%	55.6%	-76.4%	-3.2%	-3.8%	55.0%	-68.5%
Astarta	AST	24.2	24.4	14.5	-0.8%	1.5%	22.2%	35.5%	-0.7%	2.5%	21.6%	43.5%
Avangardo	AVGR	9.5	12.0	7.61	-6.9%	-5.0%	11.8%	-16.2%	-6.7%	-4.0%	11.2%	-8.2%
Industrial Milk Company	IMC	4.94	5.48	3.63	-0.8%	-3.7%	2.5%	-6.9%	-0.6%	-2.7%	1.9%	1.1%
Kernel	KER	15.1	23.0	14.0	-4.2%	-7.2%	-8.9%	-30.4%	-4.0%	-6.2%	-9.5%	-22.5%
Mriya Agro Holding	MAYA	5.99	6.7	5.36	0.4%	-0.2%	-1.3%	-7.6%	0.6%	0.8%	-1.9%	0.4%
MHPC	MHPC	16.8	19.9	13.11	-1.5%	-5.6%	-4.8%	9.8%	-1.3%	-4.6%	-5.4%	17.8%
Milkiland	MLK	3.73	5.8	3.11	-1.0%	-0.4%	11.2%	-20.8%	-0.8%	0.6%	10.6%	-12.8%
Ovostar Union	OVO	27.2	33.8	21.3	1.6%	9.3%	19.8%	-5.8%	1.8%	10.3%	19.2%	2.2%
Sintal	SNPS	n/a	0.72	0.19	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	9.6	18.5	9.3	0.5%	-4.4%	-15.0%	-28.7%	0.7%	-3.4%	-15.6%	-20.8%
Banks												
Raiffeisen Bank Aval	BAVL	0.100	0.128	0.061	0.0%	-1.4%	2.1%	16.9%	0.2%	-0.4%	1.5%	24.9%
UkrSotsbank	USCB	0.129	0.200	0.107	0.4%	-1.8%	-9.4%	-0.4%	0.6%	-0.8%	-10.0%	7.6%

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

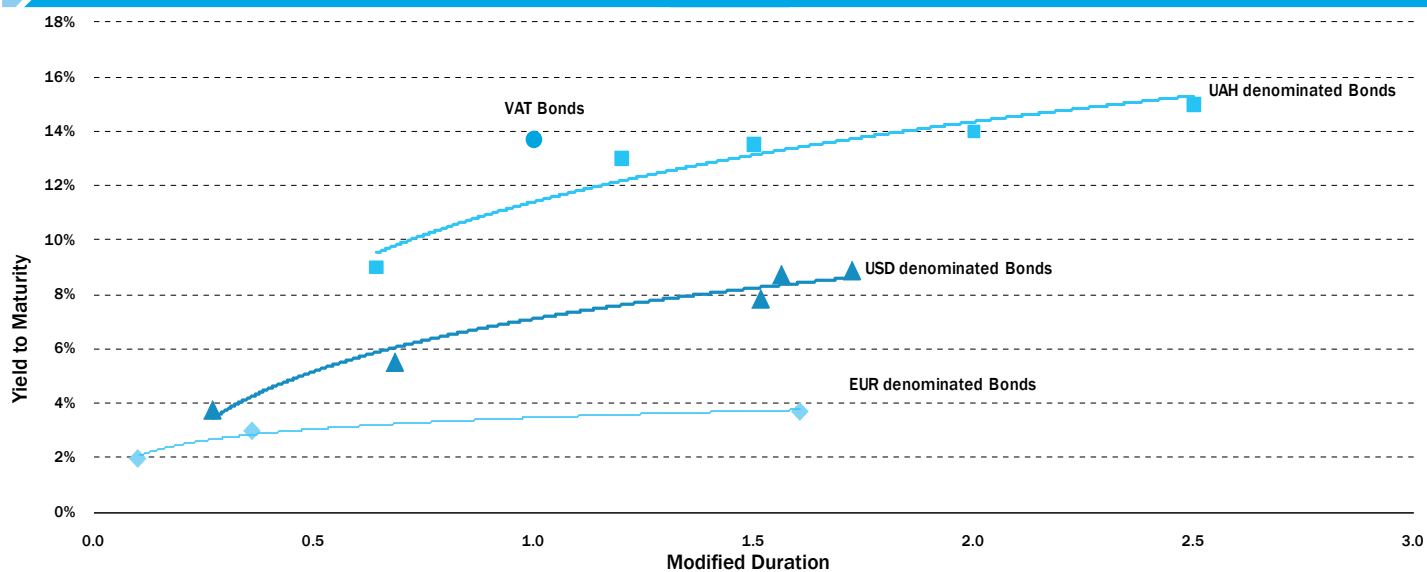
Ticker	MCap USD mn	Free Float % USD mn	EV USD mn	P/E			EV/EBITDA			EV/Sales			EV/Output			Units		
				2011	2012	2013E	2011	2012	2013E	2011	2012	2013E	2011	2012	2013E			
Steel																		
Alchevsk Steel	ALMK	126	3.9%	5	1,541	3.4	neg	neg	10.6	neg	neg	0.7	0.9	0.9	531	458	413	\$/tonne
Yenakievo Steel	ENMZ	44	8.8%	4	37	1.4	5.2	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	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	945	0.5%	5	944	2.9	9.9	9.1	1.9	4.0	4.7	1.2	1.7	1.9				
Pivnichny GOK	SGOK	2,340	0.5%	13	2,465	3.0	5.4	6.5	2.1	3.0	3.9	1.3	1.6	1.9				
Ferrexpo	FXPO	1,734	24.0%	416	1,985	3.0	8.1	6.6	2.5	4.9	4.5	1.1	1.4	1.3				
Coal Mining																		
Komsomolets Donbasa	SHKD	27	5.4%	1	129	1.8	0.7	0.8	1.9	1.3	1.4	0.7	0.5	0.5	32	30	29	\$/tonne
Coal Energy	CLE	32	11.9%	4	57	0.9	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	176	2.0%	4	219	1.8	5.2	5.2	1.5	2.9	2.8	0.3	0.3	0.3	347	575	546	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	42	24.0%	10	42	4.7	6.2	5.2	3.0	3.4	2.8	0.2	0.3	0.2				
Kriviw Wagon	KVBZ	330	5.0%	17	333	3.9	3.5	6.5	2.8	2.5	3.6	0.4	0.4	0.5				
Stakhanov Wagon	SVGZ	31	8.0%	2	70	1.6	>30	10.8	2.1	9.8	6.4	0.2	0.2	0.2				
Specialized Machinery																		
Turboatom	TATM	182	5.8%	11	130	3.4	4.8	4.4	2.1	2.8	2.5	0.8	0.8	0.7				
Motor Sich	MSICH	461	24.0%	111	472	2.8	1.9	1.7	1.7	1.5	1.4	0.7	0.6	0.5				
Telecom																		
Ukrtelecom	UTLM	307	7.2%	22	643	neg	6.8	6.4	3.1	3.1	3.1	0.8	0.7	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	86	49.0%	42	69	13.5	7.2	3.6	neg	3.0	1.9	3.6	1.4	0.9	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	182	50.4%	92	291	3.1	4.6	3.6	2.5	2.0	1.9	1.2	1.3	1.2	77	53	40	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	236	21.7%	51	319	>30	8.2	7.1	6.6	5.3	4.7	0.4	0.3	0.3	22	22	18	\$/MWh
DonbasEnergO	DOEN	73	14.2%	10	130	neg	19.1	7.2	6.3	7.5	5.4	0.3	0.2	0.2	16	15	15	\$/MWh
Consumer																		
MHP	MHPC	1,769	34.1%	604	2,814	6.8	5.7	6.5	7.0	6.0	5.4	2.3	2.0	1.8	8795	8795	8795	\$/tonne
Kernel	KER	1,110	61.8%	686	1,720	4.9	5.3	5.7	5.6	5.3	5.1	0.9	0.8	0.6				
Astarta	AST	605	31.0%	188	751	5.3	12.1	10.3	5.2	7.7	6.2	1.9	1.6	1.4	3811	2320	1927	\$/tonne
Avangardco	AVGR	607	22.5%	137	755	3.1	2.7	2.6	3.0	2.7	2.6	1.4	1.2	1.1	171	130	122	\$/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	370	4.0%	15		>30	>30	13.0	0.5	0.4	0.4	0.05	0.05	0.05				
Ukrsotsbank	USCB	291	1.6%	5		>30	>30	21.8	0.4	0.4	0.4	0.06	0.06	0.06				

Source: 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			12.3%	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	100.1	100.1	4.5%	3.0%	0.0	9.27%	S/A	28 Aug 2013	254
UA4000138002	100.0	100.1	6.5%	4.5%	0.3	9.30%	S/A	27 Nov 2013	86
UA4000140362	99.9	100.4	8.2%	7.5%	0.7	9.20%	S/A	21 May 2014	171
UA4000142699	101.3	102.8	9.0%	8.5%	1.5	9.45%	S/A	22 Apr 2015	312
UA4000141071	99.5	100.5	9.1%	8.7%	1.6	9.45%	S/A	27 May 2015	152
UA4000142673	91.4	92.4	9.2%	8.8%	1.7	4.50%	S/A	17 Jun 2015	175
EUR denominated Bonds									
UA4000137731	100.3	100.4	5.1%	4.9%	0.1	4.80%	S/A	18 Sept 2013	205
UA4000138846	100.6	100.8	5.0%	4.9%	0.3	4.80%	S/A	25 Dec 2013	70
UA4000142681	102.1	102.3	5.4%	5.3%	1.6	4.80%	S/A	6 May 2015	40
VAT Bonds									
UA4000082531			13.7%	12.8%	n/a	5.50%	S/A	21 Aug 2015	141
UA4000082622			13.7%	12.8%	n/a	5.50%	S/A	24 Aug 2015	571
UA4000083059			13.7%	12.8%	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