

Market Update

Equity

Ukrainian stocks were moderately lower on Monday (Aug 19) as the political fuss over the current long delays for Ukrainian exports entering Russia appeared to ease somewhat following talks between Prime Ministers Azarov and Medvedev. External sentiments were largely negative as investor concerns about the US Federal Reserve's intentions for monetary policy continue to build ahead of next month's Fed meeting. The UX index edged down 0.4% to close at 872 points. Yenakievo Steel was the biggest decliner, dropping 1.0% to UAH 33.80, and CentrErgo and Raiffeisen Aval both shed 0.7%. Motor Sich inched down by 0.2% to slip below the UAH 1800 level for the first time this year. Outside the UX basket, DonetskStal-controlled Yasynivsky Coke lost 4.1% to 54 kopecks. In London, Ferrexpo sold off by 4.0%, but JKC Oil & Gas continued its steady rebound from an 8-year low near GBp 50 this past spring; the issue added 2.2% to just below GBp 70.

Fixed Income

Ukrainian sovereign Eurobonds were mostly down on Monday with Ukraine-23s declining by 0.2p.p. to 86.1/86.7 (9.7%/9.6%). Corporate papers also finished in red with DTEK-18s showing the deepest drop of 0.6p.p. and closing at 95.4/96.8 (9.1%/8.7%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1796.00	-0.2%	10.3	117
Enakievo Steel	ENMZ	33.80	-1.0%	1.4	53
Raiffeisen Bank Aval	BAVL	0.100	-0.7%	1.2	136

Growth Leaders

Ukrtelecom	UTLM	0.13	2.3%	0.00	8
Ukrsotsbank	USCB	0.13	0.4%	0.81	47
Azovstal	AZST	0.62	0.2%	1.15	113

Loss Leaders

Komsomolets Donbasa	SHKD	0.60	-10.4%	0.129	14
Yasynivsky Coke	YASK	0.54	-4.1%	0.058	7
Stirol	STIR	9.36	-2.0%	0.008	22

Highlights

POLITICS AND ECONOMICS

- > Industrial Production Fall Slows Marginally to 4.9% YoY in July

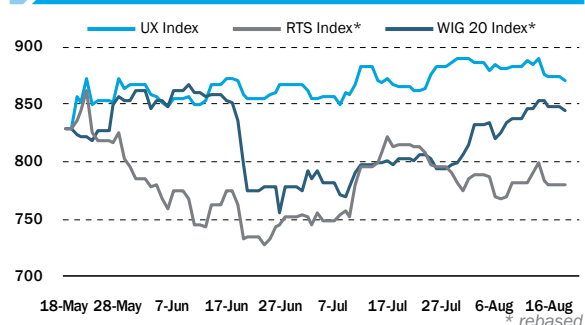
STOCKS IN THE NEWS

- > Sadovaya Group Postpones 1H13 Financial Release Until Sept 30

FIXED INCOME

- > Fitch Downgrades Agroton's Rating to "RD"

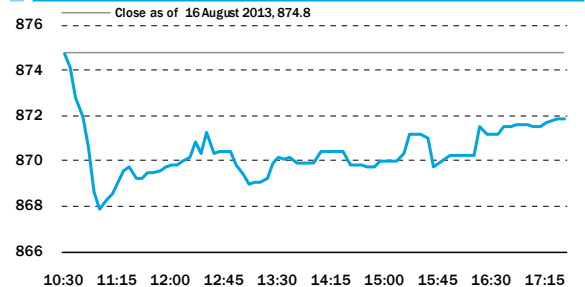
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	871.6	-0.4%	0.7%	-8.3%
RTS	1322.3	-0.1%	-4.3%	-13.4%
WIG20	2438.8	-0.3%	5.4%	-5.6%
MSCI EM	944.9	-1.4%	-0.6%	-10.5%
S&P 500	1646.1	-0.6%	-2.7%	17.4%

UX INTRADAY AUGUST 19, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	347.0	2.6%	6.7%	28.0%
CDS 5Y UKR	856.8	1.9%	7.7%	37.1%
Ukraine-17	9.4%	0.1 p.p.	0.8 p.p.	2.5 p.p.
Naftogaz Ukr-14	9.7%	0.2 p.p.	0.5 p.p.	2.1 p.p.
Ukraine-23	9.7%	0.0 p.p.	0.5 p.p.	2.2 p.p.
Privatbank-16	12.9%	0.0 p.p.	-0.8 p.p.	-2.4 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.12	0.0%	-0.3%	0.9%
EUR	10.83	0.0%	1.1%	1.4%
RUB	0.25	0.0%	-2.2%	-7.1%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	242.2	0.0%	-6.4%	-30.5%
Steel, USD/t	550.0	-2.2%	8.4%	3.3%
Oil, USD/bbl	109.9	-0.5%	2.5%	2.6%
Gold, USD/oz	1366.0	-0.8%	5.4%	-17.5%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

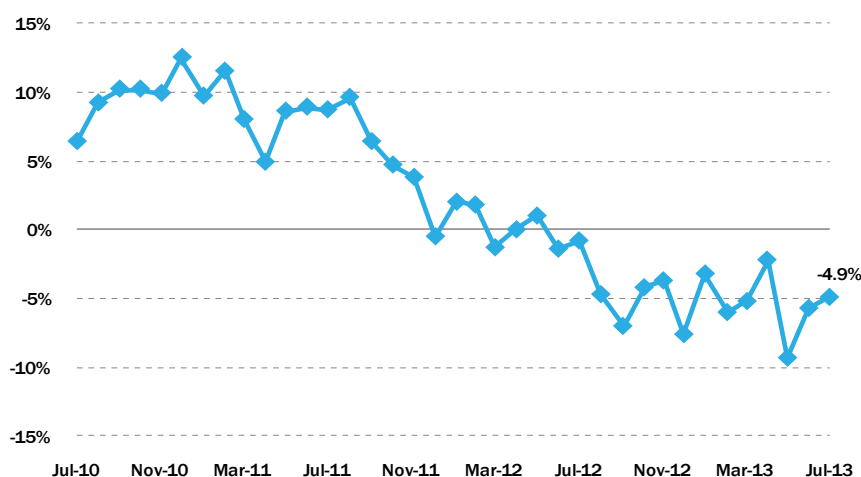
Industrial Production Fall Slows Marginally to 4.9% YoY in July

by Dmitry Churin
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NEWS

Ukraine's industrial production decline slowed to 4.9% YoY in July compared to its drop of 5.7% YoY registered in June, the State Statistics Committee said on Monday (Aug 19). Compared to June, the IP index advanced by 5.1% MoM for July. For 7M13, the IP index is down by 5.3%.

UKRAINE'S MONTHLY INDUSTRIAL PRODUCTION INDEX, YOY



Source: State Statistics Committee

COMMENTARY

The 4.9% year-on-year decline for July is not the figure that optimists were looking for. We are still holding onto our view that the comparison base effects of the sharp drop in output that began in August 2012 should bring the year-on-year change back to flat by this September/October. Meanwhile, the monthly growth in industrial output came largely due to the additional day in July. However, we note an 8.9% MoM rise in utility sector output, which we attribute to higher electricity consumption by heavy industries including the steel subsector (+6.1% MoM) and the electricity equipment subsector (+20.9% MoM).

On a year-on-year basis, the extraction sector's output declined by 5.4% YoY in July. Production in the manufacturing sector fell by 7.5% and in the utility sector decreased by 1.4%.

**Sadovaya Group Postpones 1H13
Financial Release Until Sept 30**

by Ivan Dzvinka
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SADOVAYA GROUP (SGR PW)

Price: PLN 1.07 Market Cap: USD 14.5mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2012	0.63	1.4	3.6	0%
2013E	1.43	neg	neg	0%

NEWS

Lugansk-based, Warsaw-listed coal miner and trader Sadovaya Group is postponing the release of its 1H13 financial results until Sept 30 from the previously planned Aug 29, the company said, without providing a reason.

COMMENTARY

The delay in the release of financials will put the already-beaten-down SGR stock under pressure, in our view, as it represents an obvious failure to meet prior commitments. The company has shown a disastrous operational performance so far this year, with its coal sales volume plummeting by 96% YoY. Additionally, the lack of explanation for the delay generates a negative investor perception for other representatives of the Ukrainian stock universe in Warsaw. While it is hard to predict the reason for the delay, we presume that it could be management's expectation of an improvement in the currently minimal demand for the company's coal, with the possible signing of contract(s) in the coming weeks.

Fitch Downgrades Agroton's Rating to "RD"

by Ivan Dzvinka
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NEWS

The credit rating of Lugansk-based crop grower Agroton has been downgraded by Fitch Ratings to 'RD' from 'C'. The agency based its decision on the restructuring terms for the company's 2014 Eurobonds that were approved by bondholders on Aug 8.

COMMENTARY

This was an expected move by Fitch, as the agency had already downgraded the company's rating from 'CCC' to 'C' in mid-July and warned that it would change Agroton's rating again following the restructuring process. The two options mentioned by Fitch at that time were a change to 'RD' or 'D' (in case of default). With Agroton's management holding a pessimistic outlook for FY13 results, we see a rather low probability of the company rating being upgraded before year-end. More importantly, we do not rule out a move by Agroton to unsubscribe from Fitch's coverage in the coming days.

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	2.83	3.33	17%	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	0.79	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	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	532%	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	2.85	6.18	117%	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	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	221	644	191%	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	463%	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	452%	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	3.05	8.90	191%	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	190%	BUY	CenterEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Consumer						
MHP	MHPC	16.6	24.0	45%	BUY	MHP launched production at Phase 1 of its new Vinnitsya 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	23.55	30.0	27%	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	9.85	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	871.55	1106.67	758.71	-0.4%	-1.8%	0.7%	-8.3%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.040	0.06	0.03	-0.3%	0.3%	-6.4%	-26.0%	0.1%	2.1%	-7.1%	-17.7%
Azovstal	AZST	0.62	0.97	0.31	0.2%	-1.6%	-2.1%	-16.5%	0.5%	0.2%	-2.8%	-8.2%
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	33.8	49.9	20.0	-0.6%	-2.1%	-3.7%	-11.1%	-0.2%	-0.2%	-4.4%	-2.7%
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%	-7.7%	-7.7%	-45.5%	0.4%	-5.9%	-8.4%	-37.1%
Coke												
Avdyivka Coke	AVDK	3.23	4.07	1.61	-0.2%	-1.9%	0.6%	-1.3%	0.2%	-0.1%	-0.1%	7.0%
Yasnyivsky Coking	YASK	0.54	0.99	0.52	-5.3%	-3.6%	-6.9%	-19.4%	-4.9%	-1.7%	-7.6%	-11.1%
Iron Ore Mining												
Centralny GOK	CGOK	6.40	7.74	4.00	-2.3%	-2.3%	-0.8%	-7.2%	-1.9%	-0.5%	-1.5%	1.1%
Ferrexpo	FXPO	2.83	4.58	2.02	-3.8%	-5.9%	12.7%	-29.5%	-3.4%	-4.1%	12.0%	-21.2%
Pivnichny GOK	SGOK	8.25	10.00	5.77	0.0%	-1.2%	-2.9%	10.9%	0.4%	0.6%	-3.7%	19.2%
Coal Mining												
Pokrovske Mine	SHCHZ	0.45	1.15	0.40	0.0%	2.3%	-10.0%	-28.6%	0.4%	4.1%	-10.7%	-20.3%
Komsomolets Donbasa	SHKD	0.60	1.46	0.41	-9.1%	-23.1%	-25.9%	-49.2%	-8.7%	-21.3%	-26.7%	-40.8%
Energy Coal	CLE	0.69	5.77	0.59	-0.7%	-12.6%	13.5%	-77.6%	-0.3%	-10.7%	12.8%	-69.3%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.40	0.58	0.270	0.0%	0.0%	0.0%	-31.0%	0.4%	1.8%	-0.7%	-22.7%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.58	0.86	0.45	5.5%	0.0%	-10.8%	-17.1%	5.8%	1.8%	-11.5%	-8.8%
Interpipe NMPP	NVTR	0.19	0.60	0.10	0.0%	-13.6%	5.6%	-13.6%	0.4%	-11.8%	4.8%	-5.3%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	23.1	29.0	12.0	-1.2%	-2.0%	0.1%	19.2%	-0.8%	-0.2%	-0.6%	27.5%
Luhanskeplovoz	LTPL	1.58	2.04	1.28	0.6%	-1.3%	-1.9%	-15.5%	1.0%	0.6%	-2.6%	-7.2%
Stakhanov Wagon	SVGZ	1.28	2.70	1.10	15.3%	-3.0%	-2.3%	-26.0%	15.7%	-1.2%	-3.0%	-17.7%
Specialized Machinery												
Bogdan Motors	LUAZ	0.04	0.13	0.03	0.0%	3.1%	-4.8%	-10.7%	0.4%	4.9%	-5.5%	-2.4%
Motor Sich	MSICH	1,796	2,640	1,399	-0.4%	-3.4%	-3.2%	-18.7%	-0.1%	-1.6%	-3.9%	-10.4%
Sumy Frunze Engineering	SMASH	2.25	4.00	0.76	0.0%	-15.1%	-14.1%	50.0%	0.4%	-13.3%	-14.8%	58.3%
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	0.19	0.45	0.13	-9.4%	-7.4%	1.2%	-22.9%	-9.0%	-5.5%	0.5%	-14.6%
Telecom												
Ukrtelecom	UTLM	0.13	0.30	0.09	0.0%	-0.7%	-8.7%	-16.9%	0.4%	1.1%	-9.4%	-8.6%
Oil & Gas												
Regal Petroleum	RPT	0.27	0.59	0.22	0.2%	-0.3%	17.9%	-50.1%	0.6%	1.5%	17.2%	-41.8%
JKX Oil	JKX	1.09	1.39	0.75	2.4%	4.1%	34.5%	-9.0%	2.8%	6.0%	33.7%	-0.7%
Ukrnafta	UNAF	114	280	80	-0.1%	-1.4%	-0.6%	-4.0%	0.3%	0.4%	-1.3%	4.3%
Power Utilities												
Centrenerg	CEEN	5.16	7.33	3.49	-0.8%	-1.3%	7.2%	-18.7%	-0.4%	0.5%	6.4%	-10.4%
Donbasenergo	DOEN	24.8	26.8	15.1	-1.0%	-1.9%	6.1%	17.1%	-0.6%	-0.1%	5.3%	25.4%
Zakhidenergo	ZAEN	82.3	116.9	70.0	-2.0%	-1.3%	1.2%	-15.2%	-1.6%	0.5%	0.5%	-6.8%
Consumer												
Agroton	AGT	0.73	4.2	0.36	-3.9%	-16.7%	45.3%	-77.4%	-3.5%	-14.9%	44.6%	-69.0%
Astarta	AST	23.5	24.4	14.5	-2.7%	-1.6%	12.8%	31.9%	-2.3%	0.2%	12.1%	40.2%
Avangardo	AVGR	9.9	12.0	7.61	3.7%	-1.5%	19.2%	-13.1%	4.1%	0.3%	18.5%	-4.8%
Industrial Milk Company	IMC	4.89	5.48	3.63	-0.9%	-2.7%	0.5%	-7.8%	-0.5%	-0.8%	-0.2%	0.6%
Kernel	KER	14.6	23.0	14.0	-3.1%	-9.3%	-11.9%	-32.6%	-2.7%	-7.5%	-12.7%	-24.3%
Mriya Agro Holding	MAYA	6.00	6.7	5.36	0.2%	0.2%	-1.1%	-7.5%	0.5%	2.1%	-1.8%	0.9%
MHPC	MHPC	16.6	19.9	13.11	-1.1%	-5.4%	-6.4%	8.6%	-0.8%	-3.5%	-7.2%	16.9%
Milkiland	MLK	3.72	5.8	3.11	-0.2%	-1.5%	4.3%	-20.9%	0.2%	0.3%	3.6%	-12.6%
Ovostar Union	OVO	26.7	33.8	21.3	-1.9%	7.8%	21.2%	-7.6%	-1.6%	9.6%	20.4%	0.7%
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	9.4	18.5	9.3	-2.0%	-1.6%	-17.5%	-30.1%	-1.6%	0.2%	-18.3%	-21.8%
Banks												
Raiffeisen Bank Aval	BAVL	0.100	0.128	0.061	-0.6%	-2.5%	0.8%	16.2%	-0.2%	-0.7%	0.1%	24.5%
UkrSotsbank	USCB	0.130	0.200	0.107	0.9%	-0.7%	-5.0%	0.5%	1.3%	1.1%	-5.7%	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%
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	125	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	36	1.4	5.1	neg	neg	neg	neg	0.0	0.0	0.0	15	14	13	\$/tonne
Azovstal	AZST	319	4.1%	13	298	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	18	9.0%	2	47	1.2	1.7	1.7	1.6	1.6	1.7	0.1	0.1	0.1	1.6	1.6	1.7	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	923	0.5%	5	923	2.8	9.7	8.9	1.9	3.9	4.6	1.1	1.6	1.8				
Pivnichny GOK	SGOK	2,340	0.5%	13	2,464	3.0	5.4	6.5	2.1	3.0	3.9	1.3	1.6	1.9				
Ferrexpo	FXPO	1,669	24.0%	401	1,919	2.9	7.8	6.3	2.4	4.8	4.3	1.1	1.3	1.2				
Coal Mining																		
Komsomolets Donbasa	SHKD	25	5.4%	1	127	1.6	0.6	0.7	1.9	1.3	1.4	0.7	0.5	0.5	31	30	28	\$/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	186	2.0%	4	228	1.9	5.5	5.4	1.6	3.1	2.9	0.3	0.3	0.3	362	600	570	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	43	24.0%	10	43	4.7	6.2	5.3	3.0	3.4	2.8	0.2	0.3	0.2				
Krukiv Wagon	KVBZ	326	5.0%	16	329	3.8	3.4	6.5	2.8	2.5	3.5	0.4	0.4	0.5				
Stakhanov Wagon	SVGZ	36	8.0%	3	75	1.8	>30	12.4	2.2	10.4	6.9	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	459	24.0%	110	469	2.7	1.9	1.7	1.6	1.5	1.4	0.6	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	760	3.0%	23	750	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	87	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	187	50.4%	94	295	3.2	4.7	3.7	2.6	2.0	2.0	1.2	1.3	1.2	78	54	40	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	235	21.7%	51	317	>30	8.1	7.0	6.5	5.2	4.7	0.4	0.3	0.3	22	22	18	\$/MWh
DonbasEnergO	DOEN	72	14.2%	10	129	neg	18.9	7.1	6.2	7.5	5.4	0.3	0.2	0.2	16	15	15	\$/MWh
Consumer																		
MHP	MHPC	1,749	34.1%	597	2,794	6.7	5.6	6.5	7.0	6.0	5.3	2.3	2.0	1.8	8732	8732	8732	\$/tonne
Kernel	KER	1,075	61.8%	664	1,686	4.8	5.1	5.5	5.4	5.2	5.0	0.9	0.8	0.6				
Astarta	AST	589	31.0%	183	735	5.2	11.8	10.0	5.1	7.5	6.1	1.8	1.6	1.3	3729	2270	1885	\$/tonne
Avangardco	AVGR	629	22.5%	142	777	3.2	2.8	2.7	3.1	2.8	2.7	1.4	1.2	1.1	176	134	126	\$/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	\$/ha
Banks																		
Raiffeisen Bank Aval	BAVL	368	4.0%	15		>30	>30	12.9	0.5	0.4	0.4	0.05	0.05	0.05				
Ukrsotsbank	USCB	294	1.6%	5		>30	>30	21.8	0.4	0.4	0.4	0.06	0.06	0.06				

Source: Eavex Research

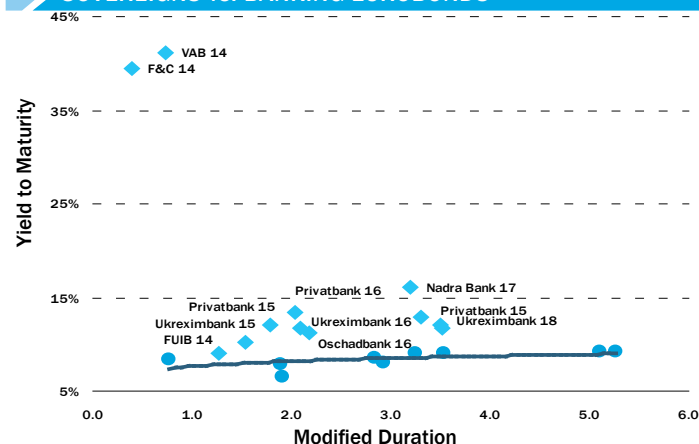
UKRAINIAN EUROBONDS

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	99.3	100.0	9.0%	8.0%	-2.1%	0.7	7.95%	S/A	6 Apr. 2014	1,000	B3/B/B
Naftogaz Ukraine, 2014	99.4	100.0	10.4%	9.8%	-3.2%	1.0	9.50%	S/A	30 Sept 2014	1,595	//B
Ukraine, 2015 (EUR)	96.4	97.1	6.9%	6.5%	-0.8%	1.9	4.95%	A	13 Oct 2015	600*	B3/B/B
Ukraine, 2015	97.4	97.8	8.4%	8.1%	-3.6%	1.8	6.875%	S/A	23 Sept 2015	500	B3/B/B
Ukraine, 2016	92.6	93.8	9.3%	8.9%	-6.7%	2.8	6.58%	S/A	21 Nov 2016	1,000	B3/B/B
Ukraine, 2016-2	92.8	94.1	8.8%	8.4%	-6.2%	2.9	6.25%	S/A	17 Jun 2016	1,250	B3/B/B
Ukraine, 2017	90.4	91.2	9.6%	9.4%	-8.5%	3.5	6.75%	S/A	14 Nov 2017	700	B3/B/B
Ukraine, 2017-2	99.1	99.7	9.6%	9.4%	-7.2%	3.2	9.25%	S/A	24 Jul 2017	2,000	B3/B/B
Ukraine, 2017 Infr. projects	91.8	93.8	11.2%	10.5%	-5.6%	3.3	8.375%	S/A	3 Nov 2017	568	B3//
Ukraine, 2018 Infr. projects	86.8	88.5	11.4%	10.8%	-5.6%	3.6	7.40%	S/A	20 Apr 2018	690	B3//
Ukraine, 2020	90.3	90.9	9.7%	9.6%	-12.0%	5.0	7.75%	S/A	23 Sept 2020	1,500	B3/B/B
Ukraine, 2021	91.2	91.8	9.6%	9.5%	-11.9%	5.2	7.95%	S/A	23 Feb 2021	1,500	B3/B/B
Ukraine, 2022	87.3	87.9	9.9%	9.8%	-13.2%	6.1	7.80%	S/A	28 Nov 2022	1,250	B3/B/B
Ukraine, 2023	86.1	86.7	9.7%	9.6%	-13.6%	6.3	7.50%	S/A	17 Apr 2023	1,250	B3/B/B
Corporate Eurobonds											
Agroton, 2014	65.8	73.3	73.1%	56.4%	n/a	0.7	12.50%	S/A	14 Jul 2014	50	/CCC/C
MHP, 2015	105.1	106.5	7.1%	6.7%	0.3%	1.5	10.25%	S/A	29 Apr 2015	585	B3//B
MHP, 2020	90.9	92.1	10.2%	9.9%	-8.5%	4.8	8.25%	S/A	2 Apr 2020	750	/B/B
Avangardco, 2015	100.1	102.2	10.1%	9.0%	5.7%	1.9	10.00%	S/A	29 Oct 2015	200	//B
UkrLandFarming, 2018	95.9	96.9	12.1%	11.8%	-3.6%	3.4	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	104.2	105.3	9.3%	8.8%	1.7%	2.2	10.95%	S/A	30 Mar 2016	250	/B/B
DTEK, 2015	102.8	103.7	7.8%	7.2%	2.1%	1.5	9.50%	S/A	28 Apr 2015	500	B3//B
DTEK, 2018	95.4	96.8	9.1%	8.7%	-3.9%	3.7	7.88%	S/A	4 Apr 2018	750	B3//B
Metinvest, 2015	104.4	105.3	7.6%	7.1%	1.0%	1.6	10.25%	S/A	20 May 2015	500	B3//B
Metinvest, 2018	96.2	97.3	9.8%	9.5%	-0.2%	3.6	8.75%	S/A	14 Feb 2018	750	B3//B
Ferrexpo, 2016	94.3	95.8	10.6%	9.7%	-2.4%	2.2	7.875%	S/A	07 Apr 2016	500	/B/B
UZ Rail, 2018	91.4	92.7	11.9%	11.5%	-8.0%	3.6	9.50%	S/A	21 May 2018	500	/B/B-
Interpipe, 2017	77.0	80.1	18.9%	17.2%	-3.8%	2.9	10.25%	S/A	2 Aug 2017	200	/NR/B-
JKX Oil&Gas, 2018	103.5	105.0	9.9%	9.5%	4.2%	3.7	8.00%	S/A	19 Feb 2018	40	//
Bank Eurobonds											
Fin&Credit Bank, 2014	91.0	94.0	37.7%	28.0%	54.2%	0.4	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	102.0	103.5	9.9%	8.7%	1.8%	1.2	11.00%	Q	31 Dec 2014	275	B//
Nadra Bank, 2017	83.8	89.5	18.4%	14.4%	-3.8%	3.2	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	94.4	96.0	12.8%	11.9%	0.4%	1.8	9.38%	S/A	23 Sept 2015	200	B3//
PrivatBank, 2016	84.9	86.0	13.2%	12.6%	10.7%	2.1	8.75%	S/A	9 Feb 2016	150	B3//
PrivatBank, 2018	92.7	95.2	13.1%	12.3%	-6.0%	3.3	10.88%	S/A	28 Feb 2018	175	B3//B
UkrEximBank, 2015	97.3	98.4	10.4%	9.6%	-2.1%	1.5	8.38%	S/A	27 Apr 2015	750	B3//B
UkrEximBank, 2016	86.9	89.4	12.3%	11.0%	5.1%	2.1	8.40%	S/A	2 Sept 2016	125	B3//B
UkrEximBank, 2018	89.4	90.7	11.9%	11.5%	-10.0%	3.5	8.75%	S/A	22 Jan 2018	500	B3//B
VAB Bank, 2014	82.5	84.5	40.3%	36.4%	54.6%	0.7	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	92.6	94.2	11.9%	11.1%	-1.8%	2.1	8.25%	S/A	10 Mar 2016	700	B3//B
Oschadbank, 2018	86.8	87.8	12.7%	12.3%	-12.7%	3.4	8.88%	S/A	20 Mar 2018	500	B3//B
Municipal Eurobonds											
City of Kyiv, 2015	94.8	96.5	10.8%	9.9%	2.3%	1.9	8.00%	S/A	6 Nov 2015	250	B3/B-/
City of Kyiv, 2016	93.9	96.5	11.9%	10.8%	1.8%	2.4	9.375%	S/A	30 Jun 2016	300	B3/B-/

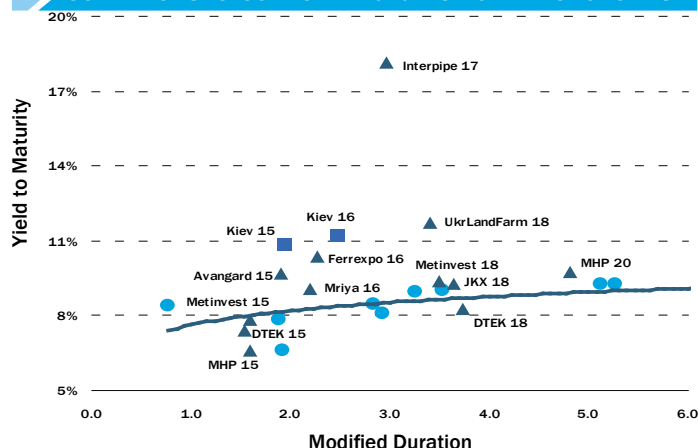
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



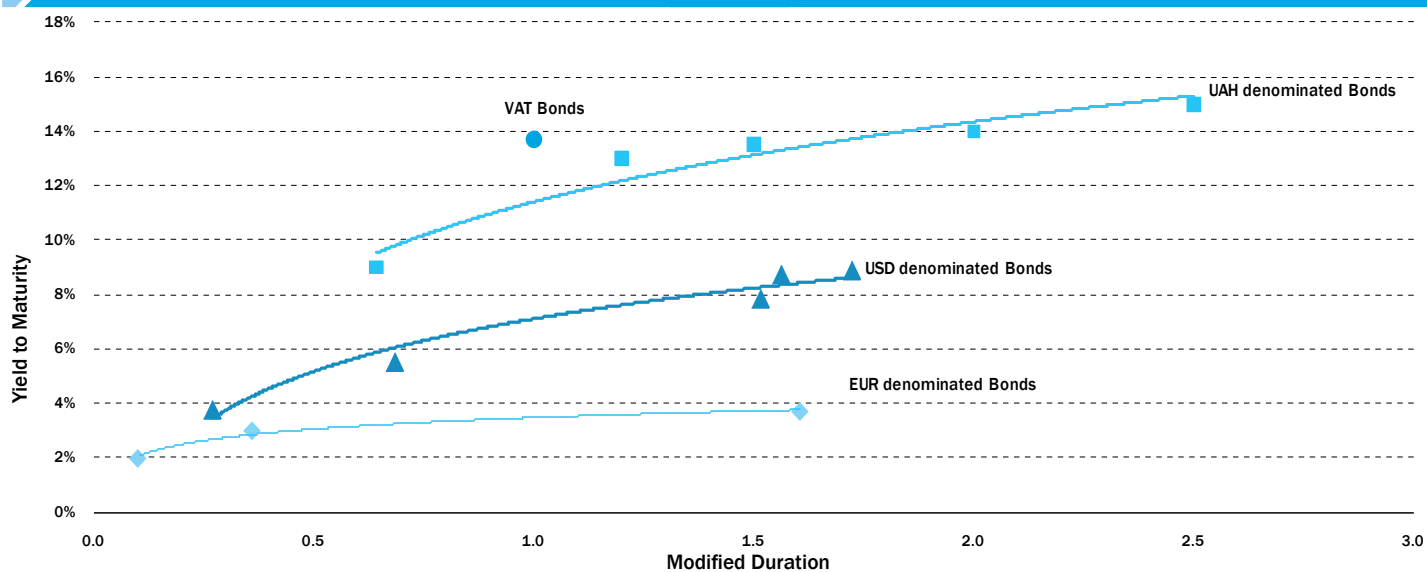
SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



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%	0.2	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	99.6	100.6	9.1%	8.7%	1.6	9.45%	S/A	27 May 2015	152
UA4000142673	91.5	92.5	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

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