

**Market Update**

**Equity**

Ukrainian stocks opened down more than 1% on Tuesday (Aug 20) but spent the remainder of the session crawling back toward the breakeven level. Externally, Frankfurt and Paris both ended lower in the range of 1%, while the S&P 500 rallied in the second half of the day to snap a 4-day losing streak, its longest of the year. The UX index ended lower by 0.2% at 869 points. An announcement by the SPF that a privatization auction for DonbasEnergo will be held today had only a marginal effect on the stock, which edged up by 0.6% to UAH 24.95. Raiffeisen Aval was the day's biggest decliner with a 0.9% drop, and Motor Sich continued to trend lower, moving down 0.5% to UAH 1788. Outside the UX basket, UkrTelecom gained 9.1%, reversing an extended run of losses. In London, MHP remained in the doghouse, slipping another 1.1% to USD 16.40.

**Fixed Income**

Ukrainian sovereign Eurobonds were marginally lower on Tuesday. Ukraine-23s and Ukraine-17s both declined by 0.2p.p., ending at 85.9/86.5 (9.8%/9.7%) and 90.2/91.0 (9.7%/9.4%) respectively. Corporate names showed a mixed trend. UkrLandFarming-18s rose by 0.6p.p. to 95.7/98.3 (12.1%/11.4%) while Metinvest-18s slipped by 0.3p.p. to 96.0/96.9 (9.9%/9.6%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1788.00	-0.5%	6.9	100
Enakievo Steel	ENMZ	33.98	0.2%	2.6	58
Avdyivka Coke	AVDK	3.228	-0.1%	2.2	138

**Growth Leaders**

Ukrtelecom	UTLM	0.15	9.0%	0.21	20
Yasynivsky Coke	YASK	0.56	2.9%	0.22	9
Donbasenergo	DOEN	24.95	0.7%	1.27	161

**Loss Leaders**

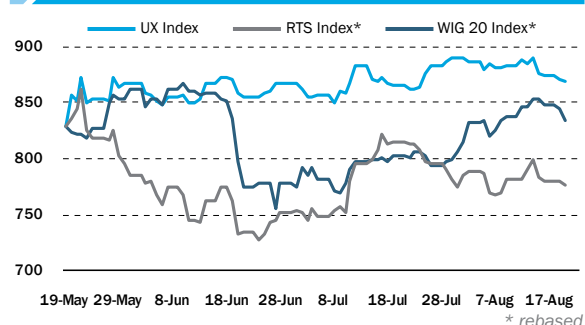
Poltavsky GOK	PGOK	8.04	-19.6%	0.424	14
Pokrovske Mine	SHCHZ	0.42	-6.6%	0.003	16
Dniproenergo	DNEN	197.10	-2.9%	0.046	7

**Highlights**

**STOCKS IN THE NEWS**

- > DonbasEnergo to be Auctioned Today at 11am
- > ISD May Acquire Lugansk Coking Coal Mine

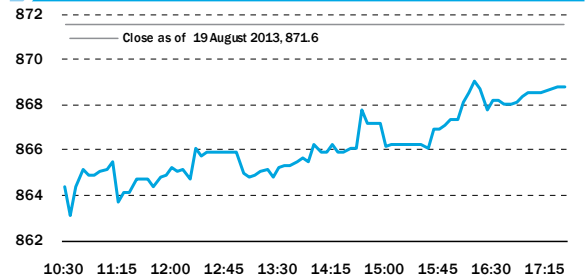
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	869.4	-0.3%	0.5%	-8.5%
RTS	1317.8	-0.3%	-4.7%	-13.7%
WIG20	2405.3	-1.4%	4.0%	-6.9%
MSCI EM	932.2	-1.3%	-1.9%	-11.7%
S&P 500	1652.4	0.4%	-2.3%	17.8%

**UX INTRADAY AUGUST 20, 2013**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	358.1	3.2%	10.1%	32.1%
CDS 5Y UKR	865.9	1.1%	8.9%	38.5%
Ukraine-17	9.5%	0.1 p.p.	0.8 p.p.	2.6 p.p.
Naftogaz Ukr-14	9.9%	0.1 p.p.	0.6 p.p.	2.3 p.p.
Ukraine-23	9.7%	0.0 p.p.	0.5 p.p.	2.2 p.p.
Privatbank-16	13.3%	0.4 p.p.	-0.4 p.p.	-2.0 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	8.13	0.1%	-0.3%	1.0%
EUR	10.91	0.7%	1.8%	2.1%
RUB	0.25	0.2%	-2.0%	-6.9%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	242.2	0.0%	-6.4%	-30.5%
Steel, USD/t	550.0	0.0%	8.4%	3.3%
Oil, USD/bbl	110.2	0.2%	2.7%	2.8%
Gold, USD/oz	1371.2	0.4%	5.8%	-17.2%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## DonbasEnergo to be Auctioned Today at 11am

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### DONBASENERGO (DOEN UK)

Price: UAH 25.0 Market Cap: USD 73mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2012	0.7	0.2	19.1	8.3	1.6%
2013E	0.7	0.2	3.0	3.5	10.0%

## NEWS

A privatization auction for a 60.7% stake of DonbasEnergo, the fifth-largest thermal power generation company in Ukraine, will start at 11am today (Aug 21), with an online broadcast via the State Property Fund's (SPF) website ([www.spfu.gov.ua](http://www.spfu.gov.ua)).

## COMMENTARY

As the SPF said previously, there are only two bidders for the offered stake in DonbasEnergo. The first is TechNova, the company registered in Kyiv which operates several small heating and power stations in central Ukraine. The other bidder is EnergoInvest Holding, an entity established in Donetsk on June 20 of this year with charter capital of UAH 150mn (USD 18.4mn). The ultimate owners of both bidding entities are unknown. However, in our view, EnergoInvest was established specifically for the participation in the auction and will be the winner, while TechNova is merely playing a diversionary role to allow EnergoInvest to avoid the asset valuation procedure prescribed in cases when there is only one bidder at a privatization auction. We also think that the final price for the asset will remain within 2% the starting price of UAH 641mn (USD 79mn) set by the SPF last month.

Yesterday's closing price for DonbasEnergo on the UX was near UAH 25 per share, much lower than the UAH 44.6 per share starting price for the state stake at today's auction. However, the DOEN stock consistently traded near UAH 80 for much of 2010 and 2011, suggesting that the company will be acquired at a bargain.

## ISD May Acquire Lugansk Coking Coal Mine

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### ALCHEVSK STEEL (ALMK UK)

Price: UAH 0.0396 Market Cap: USD 126mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2012	1.04	neg	neg	0%
2013E	1.11	neg	neg	0%

## NEWS

ISD, Ukraine's second largest steelmaking group, is considering an option to acquire Lugansk oblast coal mine from Toronto-listed EastCoal, Interfax reported on Tuesday. The Menzhinsky Mine specializes in the production of coking coal, a key part of the production chain for pig iron. Under the JORC code, Menzhinsky has coal reserves of 4.6mn tonnes, while its resources amount to 40.8mn tonnes.

## COMMENTARY

Menzhinsky produced only 34,000 tonnes of coal in 2012, with the entire volume consumed by Metinvest-owned coke makers. However, with a modernization program, the company could potentially expand its output to near 1.0mn tonnes per annum in the medium term, according to EastCoal. This could therefore cover some 25% of ISD's needs in coking coal at today's steel production level. The group currently has no in-house sources of coking coal. We thus see this news as marginally positive for Alchevsk Steel.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, USD per share	Target price, USD per share	Upside, %	Rating	Commentary
<b>Steel&amp;Pipes</b>						
Azovstal	AZST	0.08	0.07	-11%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	2.82	3.33	18%	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	0.98	1.77	80%	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	63%	BUY	Centralny GOK operates in the highly profitable iron ore industry; its EBITDA margin has remained above 35% since 2009. Disadvantages of the stock are its low liquidity and no dividend in 2013 for the first time since 2005.
<b>Coke</b>						
Avdyivka Coke	AVDK	0.40	0.76	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	508%	BUY	Yasynivsky Coke benefits from steady demand for its output both in Ukraine & abroad thanks to the high quality of its coke relative to other domestic producers.
<b>Coal</b>						
Pokrovske Mine	SHCHZ	0.05	0.36	594%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
<b>Railcar Manufacturing</b>						
Krukiv Wagon	KVBZ	2.84	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	229%	BUY	LuganskTeplovoz's incorporation into TransMashHolding should help it to exploit its already-dominant position on the Russian market for diesel locomotives.
<b>Specialized Machinery</b>						
Motor Sich	MSICH	220	644	193%	BUY	Motor Sich should see its sales grow with a 2012-2016E CAGR of 9%, reaching USD 1.2bn. For 2012-2016, we forecast an average EBITDA margin of 35% and a net margin of 28%.
Turboatom	TATM	0.61	1.09	79%	BUY	We model Turboatom's revenue as increasing at 18% CAGR over 2012-2015. Deliveries of hydro and steam turbines to export markets will remain the company's key revenue drivers.
<b>Oil &amp; Gas</b>						
Concern Galnaftogaz	GLNG	0.018	0.030	63%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	0.27	1.52	462%	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	447%	BUY	The launch of extraction at JKX's Russian gas field has lifted output, but the company's higher-margin Ukrainian operations continue to lag behind expectations.
<b>Power Utilities</b>						
DonbasEnergO	DOEN	3.07	8.90	190%	BUY	DonbasEnergO is Ukraine's next big-ticket privatization object, with an auction expected to be announced in summer 2013.
CenterEnergO	CEEN	0.63	1.84	191%	BUY	CenterEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
<b>Consumer</b>						
MHP	MHPC	16.4	24.0	47%	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	23.61	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	869.36	1106.67	758.71	-0.3%	-1.7%	0.5%	-8.5%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.040	0.06	0.03	0.3%	-1.2%	-6.2%	-25.8%	0.5%	0.5%	-6.6%	-17.3%
Azovstal	AZST	0.62	0.97	0.31	0.2%	-1.3%	-1.9%	-16.4%	0.4%	0.4%	-2.4%	-7.8%
Dniprospeztstal	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	0.5%	-1.3%	-3.2%	-10.6%	0.8%	0.4%	-3.7%	-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	0.12	0.26	0.10	0.0%	0.0%	-7.7%	-45.5%	0.3%	1.7%	-8.2%	-36.9%
<b>Coke</b>												
Avdivka Coke	AVDK	3.23	4.07	1.61	-0.1%	-2.0%	0.6%	-1.4%	0.2%	-0.3%	0.1%	7.2%
Yasnyivsky Coking	YASK	0.56	0.99	0.52	3.7%	0.0%	-3.4%	-16.4%	4.0%	1.7%	-3.9%	-7.9%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	6.46	7.74	4.00	0.9%	-1.4%	0.2%	-6.4%	1.2%	0.3%	-0.3%	2.2%
Ferrexpo	FXPO	2.82	4.58	2.02	-0.6%	-7.5%	12.0%	-30.0%	-0.3%	-5.8%	11.6%	-21.4%
Pivnichny GOK	SGOK	8.00	10.00	5.77	-3.0%	-3.6%	-5.9%	7.5%	-2.8%	-1.9%	-6.4%	16.1%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.42	1.15	0.40	-6.7%	-4.5%	-16.0%	-33.3%	-6.4%	-2.8%	-16.5%	-24.8%
Komsomolets Donbasa	SHKD	0.63	1.46	0.41	5.0%	-23.2%	-22.2%	-46.6%	5.3%	-21.5%	-22.7%	-38.1%
Energy Coal	CLE	0.69	5.77	0.59	-0.8%	-5.2%	12.7%	-77.7%	-0.5%	-3.5%	12.2%	-69.2%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.40	0.58	0.270	0.0%	0.0%	0.0%	-31.0%	0.3%	1.7%	-0.5%	-22.5%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.58	0.86	0.45	0.0%	0.0%	-10.8%	-17.1%	0.3%	1.7%	-11.2%	-8.6%
Interpipe NMPP	NVTR	0.19	0.60	0.10	0.0%	-13.6%	5.6%	-13.6%	0.3%	-11.9%	5.1%	-5.1%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	23.1	29.0	12.0	0.0%	-1.8%	0.1%	19.2%	0.3%	-0.1%	-0.4%	27.7%
Luhanskeplovoz	LTPL	1.58	2.04	1.28	0.0%	-1.3%	-1.9%	-15.5%	0.3%	0.4%	-2.3%	-7.0%
Stakhanov Wagon	SVGZ	1.25	2.70	1.10	-2.3%	-5.3%	-4.6%	-27.7%	-2.1%	-3.6%	-5.1%	-19.2%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.04	0.13	0.03	-2.5%	2.6%	-7.1%	-12.9%	-2.2%	4.3%	-7.6%	-4.4%
Motor Sich	MSICH	1,788	2,640	1,399	-0.4%	-3.1%	-3.6%	-19.1%	-0.2%	-1.4%	-4.1%	-10.6%
Sumy Frunze Engineering	SMASH	1.90	4.00	0.76	-15.6%	-28.3%	-27.5%	26.7%	-15.3%	-26.6%	-28.0%	35.2%
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	4.5%	-1.2%	5.7%	-19.4%	4.7%	0.5%	5.3%	-10.9%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.15	0.30	0.09	9.0%	4.2%	-0.4%	-9.4%	9.3%	5.9%	-0.9%	-0.8%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	0.27	0.59	0.22	0.1%	-0.1%	18.1%	-50.0%	0.4%	1.6%	17.6%	-41.5%
JKX Oil	JKX	1.10	1.38	0.75	0.9%	4.0%	35.6%	-8.2%	1.1%	5.7%	35.2%	0.3%
Ukrnafta	UNAF	114	280	80	0.4%	-1.5%	-0.3%	-3.6%	0.6%	0.2%	-0.7%	4.9%
<b>Power Utilities</b>												
Centrenerg	CEEN	5.14	7.33	3.49	-0.4%	-0.8%	6.7%	-19.1%	-0.2%	0.9%	6.2%	-10.5%
Donbasenergo	DOEN	25.0	26.8	15.1	0.6%	-0.8%	6.7%	17.7%	0.8%	0.9%	6.2%	26.3%
Zakhidenergo	ZAEN	84.5	116.9	70.0	2.7%	1.3%	3.9%	-12.9%	2.9%	3.0%	3.5%	-4.3%
<b>Consumer</b>												
Agroton	AGT	0.73	4.2	0.36	-0.7%	-14.4%	44.3%	-77.5%	-0.4%	-12.7%	43.8%	-69.0%
Astarta	AST	23.6	24.4	14.5	0.4%	-2.2%	13.2%	32.4%	0.6%	-0.5%	12.7%	41.0%
Avangardo	AVGR	9.9	12.0	7.61	0.0%	-1.3%	19.2%	-13.1%	0.3%	0.4%	18.8%	-4.5%
Industrial Milk Company	IMC	4.91	5.48	3.63	0.4%	-0.9%	0.9%	-7.4%	0.7%	0.8%	0.4%	1.2%
Kernel	KER	14.7	23.0	14.0	0.4%	-8.6%	-11.6%	-32.3%	0.7%	-6.9%	-12.0%	-23.8%
Mriya Agro Holding	MAYA	6.17	6.7	5.36	2.8%	3.5%	1.7%	-4.8%	3.1%	5.2%	1.2%	3.7%
MHPC	MHPC	16.4	19.9	13.11	-1.1%	-6.5%	-7.5%	7.3%	-0.9%	-4.8%	-8.0%	15.9%
Milkiland	MLK	3.65	5.8	3.11	-1.9%	-3.7%	2.3%	-22.5%	-1.7%	-2.0%	1.8%	-13.9%
Ovostar Union	OVO	27.0	33.8	21.3	1.1%	6.7%	22.4%	-6.6%	1.3%	8.4%	22.0%	1.9%
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
<b>Chemicals</b>												
Stirol	STIR	9.4	18.5	9.3	0.1%	-0.3%	-17.4%	-30.1%	0.4%	1.4%	-17.9%	-21.5%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.099	0.128	0.061	-0.7%	-2.9%	0.1%	15.4%	-0.5%	-1.2%	-0.4%	23.9%
UkrSotsbank	USCB	0.129	0.200	0.107	-0.7%	-0.5%	-5.6%	-0.2%	-0.4%	1.2%	-6.1%	8.4%

Source: Bloomberg

\* companies listed abroad are in USD

**MAIN FINANCIAL FORECASTS, USD mn**

Name	Ticker	Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2011	2012E	2013E	2011	2012E	2013E	2011	2012E	2013E	2011	2012	2013E	2011	2012E	2013E
<b>Steel</b>																
Alchevsk Steel	ALMK	2,339	1,695	1,667	145	-21	-2	6.2%	neg	neg	36	-127	-52	1.6%	neg	neg
Enakievo Steel	ENMZ	1,716	1,578	1,577	-108	-84	-69	neg	neg	neg	31	9	-125	1.8%	0.5%	neg
Azovstal	AZST	3,867	2,794	2,788	-102	-173	-64	neg	neg	neg	-64	-333	-170	neg	neg	neg
<b>Coke</b>																
Avdyivka Coke	AVDK	1,457	1,072	1,054	6	-128	-74	0.4%	neg	neg	-32	-137	-97	neg	neg	neg
Yasynivsky Coking	YASK	566	444	448	29	29	28	5.1%	6.5%	6.2%	15	11	11	2.7%	2.4%	2.4%
<b>Iron Ore Mining</b>																
Centralny GOK	CGOK	805	566	508	497	238	202	61.8%	42.0%	39.8%	325	95	104	40.4%	16.8%	20.5%
Pivnichny GOK	SGOK	1,834	1,515	1,301	1,174	813	640	64.0%	53.6%	49.2%	783	436	359	42.7%	28.8%	27.6%
Ferrexpo	FXPO	1,788	1,424	1,566	801	402	445	44.8%	28.2%	28.4%	575	215	263	32.2%	15.1%	16.8%
<b>Coal Mining</b>																
Komsomolets Donbasa	SHKD	192	256	255	67	99	90	35.1%	38.8%	35.3%	15	39	35	8.0%	15.1%	13.7%
Coal Energy	CLE	151	165	199	51	62	64	33.7%	37.5%	32.1%	37	38	43	24.4%	23.2%	21.7%
<b>Pipe Manufacturing</b>																
Khartsyzk Pipe	HRTR	775	659	699	145	74	77	18.7%	11.3%	11.1%	98	34	34	12.7%	5.1%	4.9%
<b>Railcar Manufacturing</b>																
Luhanskteplovoz	LTPL	199	167	213	14	12	15	7.0%	7.4%	7.2%	9	7	8	4.5%	4.1%	3.8%
Kryukiv Wagon	KVBZ	770	887	643	118	134	93	15.3%	15.1%	14.4%	85	95	50	11.0%	10.7%	7.9%
Stakhanov Wagon	SVGZ	437	311	318	33	7	11	7.6%	2.3%	3.4%	20	1	3	4.6%	0.2%	0.9%
<b>Specialized Machinery</b>																
Turboatom	TATM	169	173	193	63	47	52	37.0%	27.3%	26.8%	53	38	42	31.5%	22.1%	21.7%
Motor Sich	MSICH	722	828	933	285	309	330	39.4%	37.4%	35.3%	168	247	270	23.2%	29.8%	28.9%
<b>Telecom</b>																
Ukrtelecom	UTLM	843	858	744	206	205	208	24.5%	23.8%	28.0%	-17	45	48	neg	5.3%	6.5%
<b>Oil &amp; Gas</b>																
Ukrnafta	UNAF	3,051	2,816	2,444	439	507	429	14.4%	18.0%	17.6%	272	312	226	8.9%	11.1%	9.2%
Regal Petroleum	RPT	19	50	80	-4	23	36	neg	45.9%	44.7%	6	12	24	33.7%	24.0%	30.0%
JKX Oil	JKX	237	225	250	114	145	150	48.3%	64.4%	60.2%	59	40	50	24.9%	17.8%	20.0%
<b>Electric Utilities</b>																
Centrenergo	CEEN	894	1,071	1,136	49	61	68	5.4%	5.7%	6.0%	4	29	33	0.5%	2.7%	2.9%
Donbasenergo	DOEN	495	600	665	21	17	24	4.2%	2.9%	3.6%	-3	4	10	neg	0.6%	1.5%
<b>Consumer</b>																
MHP	MHPC	1,229	1,408	1,532	401	468	523	32.6%	33.2%	34.1%	259	311	271	21.1%	22.1%	17.7%
Kernel	KER	1,899	2,157	2,800	310	322	339	16.3%	14.9%	12.1%	226	211	195	11.9%	9.8%	7.0%
Astarta	AST	402	458	549	144	98	121	29.9%	17.8%	18.3%	114	50	59	23.6%	9.1%	9.0%
Avangardco	AVGR	553	629	701	251	280	293	45.3%	44.5%	41.8%	196	228	232	35.5%	36.3%	33.1%
Agroton	AGT	122	93	107	19	31	33	15.3%	33.5%	31.0%	-2	19	21	neg	20.0%	19.5%
<b>Banks</b>																
		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	6,948	7,020	7,476	812	861	924	750	707	646	0	4	29	0.0%	0.5%	3.1%
Ukrstsobank	USCB	5,032	5,151	5,064	827	814	788	449	451	469	2	2	13	0.2%	0.3%	1.7%

Source: Eavex Research

**MAIN TRADING MULTIPLES**

Ticker	MCap USD mn	Free Float % USD mn	EV USD mn	P/E			EV/EBITDA			EV/Sales			EV/Output			Units		
				2011	2012	2013E	2011	2012	2013E	2011	2012	2013E	2011	2012	2013E			
<b>Steel</b>																		
Alchevsk Steel	ALMK	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	5.1	neg	neg	neg	neg	0.0	0.0	0.0	15	14	14	\$/tonne
Azovstal	AZST	320	4.1%	13	298	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	53	50	48	\$/tonne
<b>Coke</b>																		
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	19	9.0%	2	48	1.3	1.7	1.7	1.7	1.7	1.7	0.1	0.1	0.1	1.7	1.7	1.7	\$/tonne
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	931	0.5%	5	931	2.9	9.8	8.9	1.9	3.9	4.6	1.2	1.6	1.8				
Pivnichny GOK	SGOK	2,267	0.5%	12	2,392	2.9	5.2	6.3	2.0	2.9	3.7	1.3	1.6	1.8				
Ferrexpo	FXPO	1,659	24.0%	398	1,910	2.9	7.7	6.3	2.4	4.8	4.3	1.1	1.3	1.2				
<b>Coal Mining</b>																		
Komsomolets Donbasa	SHKD	26	5.4%	1	128	1.7	0.7	0.7	1.9	1.3	1.4	0.7	0.5	0.5	31	30	28	\$/tonne
Coal Energy	CLE	31	11.9%	4	56	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
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	185	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
<b>Railcar Manufacturing</b>																		
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				
Kruiiv Wagon	KVBZ	326	5.0%	16	328	3.8	3.4	6.5	2.8	2.5	3.5	0.4	0.4	0.5				
Stakhanov Wagon	SVGZ	35	8.0%	3	74	1.7	>30	12.1	2.2	10.3	6.8	0.2	0.2	0.2				
<b>Specialized Machinery</b>																		
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	457	24.0%	110	467	2.7	1.9	1.7	1.6	1.5	1.4	0.6	0.6	0.5				
<b>Telecom</b>																		
Ukrtelecom	UTLM	334	7.2%	24	670	neg	7.4	7.0	3.3	3.3	3.2	0.8	0.8	0.9				
<b>Oil &amp; Gas</b>																		
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	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	188	50.4%	95	297	3.2	4.7	3.8	2.6	2.0	2.0	1.3	1.3	1.2	78	54	41	\$/boe
<b>Electric Utilities</b>																		
CentrEnergO	CEEN	233	21.7%	51	316	>30	8.1	7.0	6.5	5.2	4.7	0.4	0.3	0.3	22	22	18	\$/MWh
DonbasEnergO	DOEN	73	14.2%	10	129	neg	19.0	7.2	6.3	7.5	5.4	0.3	0.2	0.2	16	15	15	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	1,729	34.1%	590	2,774	6.7	5.6	6.4	6.9	5.9	5.3	2.3	2.0	1.8	8669	8669	8669	\$/tonne
Kernel	KER	1,080	61.8%	667	1,690	4.8	5.1	5.5	5.5	5.2	5.0	0.9	0.8	0.6				
Astarta	AST	591	31.0%	183	738	5.2	11.8	10.0	5.1	7.6	6.1	1.8	1.6	1.3	3740	2277	1891	\$/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
<b>Banks</b>																		
Raiffeisen Bank Aval	BAVL	365	4.0%	15		>30	>30	12.8	0.4	0.4	0.4	0.05	0.05	0.05				
Ukrsotsbank	USCB	292	1.6%	5		>30	>30	21.8	0.4	0.4	0.4	0.06	0.06	0.06				

Source: Eavex Research

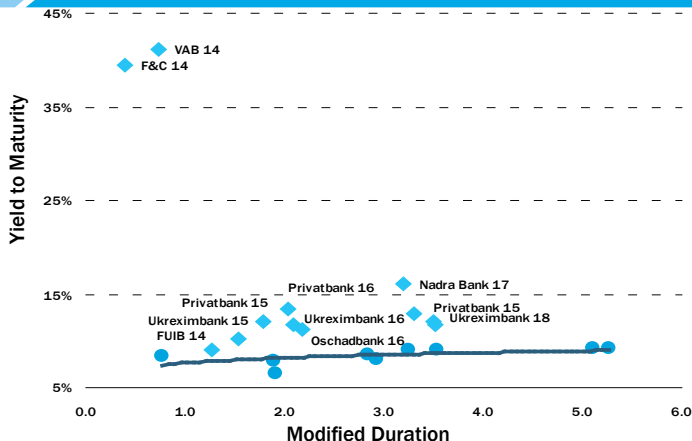
**UKRAINIAN EUROBONDS**

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn USD	Ratings <sup>1</sup>
<b>Sovereign Eurobonds</b>											
Ukraine, 2014	99.2	99.9	9.1%	8.1%	-2.2%	0.7	7.95%	S/A	6 Apr. 2014	1,000	B3/B/B
Naftogaz Ukraine, 2014	99.2	100.0	10.6%	9.9%	-3.3%	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	97.3	97.8	8.4%	8.2%	-3.7%	1.8	6.875%	S/A	23 Sept 2015	500	B3/B/B
Ukraine, 2016	92.5	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	94.0	8.8%	8.4%	-6.3%	2.9	6.25%	S/A	17 Jun 2016	1,250	B3/B/B
Ukraine, 2017	90.2	91.0	9.7%	9.4%	-8.7%	3.5	6.75%	S/A	14 Nov 2017	700	B3/B/B
Ukraine, 2017-2	98.6	99.1	9.7%	9.6%	-7.7%	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	90.1	90.7	9.8%	9.6%	-12.2%	5.0	7.75%	S/A	23 Sept 2020	1,500	B3/B/B
Ukraine, 2021	91.3	91.9	9.6%	9.5%	-11.8%	5.2	7.95%	S/A	23 Feb 2021	1,500	B3/B/B
Ukraine, 2022	87.3	88.0	9.9%	9.8%	-13.2%	6.1	7.80%	S/A	28 Nov 2022	1,250	B3/B/B
Ukraine, 2023	85.9	86.5	9.8%	9.7%	-13.8%	6.3	7.50%	S/A	17 Apr 2023	1,250	B3/B/B
<b>Corporate Eurobonds</b>											
Agroton, 2014	65.8	74.0	73.4%	55.1%	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	90.7	91.9	10.2%	9.9%	-8.7%	4.7	8.25%	S/A	2 Apr 2020	750	/B/B
Avangardco, 2015	102.3	102.3	9.0%	9.0%	7.1%	1.9	10.00%	S/A	29 Oct 2015	200	//B
UkrLandFarming, 2018	95.7	98.3	12.1%	11.4%	-3.0%	3.4	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	104.1	105.2	9.3%	8.8%	1.6%	2.2	10.95%	S/A	30 Mar 2016	250	/B/B
DTEK, 2015	102.8	103.9	7.8%	7.2%	2.2%	1.5	9.50%	S/A	28 Apr 2015	500	B3//B
DTEK, 2018	96.0	96.9	9.0%	8.7%	-3.6%	3.7	7.88%	S/A	4 Apr 2018	750	B3//B
Metinvest, 2015	104.6	105.5	7.5%	6.9%	1.2%	1.5	10.25%	S/A	20 May 2015	500	B3//B
Metinvest, 2018	96.0	96.9	9.9%	9.6%	-0.5%	3.6	8.75%	S/A	14 Feb 2018	750	B3//B
Ferrexpo, 2016	94.6	95.8	10.4%	9.7%	-2.3%	2.2	7.875%	S/A	07 Apr 2016	500	/B/B
UZ Rail, 2018	90.7	92.0	12.1%	11.7%	-8.6%	3.6	9.50%	S/A	21 May 2018	500	/B/B-
Interepipe, 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	103.3	105.3	10.0%	9.5%	4.3%	3.7	8.00%	S/A	19 Feb 2018	40	//
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2014	91.0	94.0	37.9%	28.1%	54.2%	0.4	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	101.6	103.4	10.2%	8.8%	1.5%	1.2	11.00%	Q	31 Dec 2014	275	B//
Nadra Bank, 2017	84.0	89.7	18.3%	14.3%	-3.8%	3.2	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	94.5	96.0	12.8%	11.9%	0.5%	1.7	9.38%	S/A	23 Sept 2015	200	B3//
PrivatBank, 2016	83.7	85.7	13.8%	12.7%	9.8%	2.1	8.75%	S/A	9 Feb 2016	150	B3//
PrivatBank, 2018	92.8	95.2	13.0%	12.3%	-6.0%	3.3	10.88%	S/A	28 Feb 2018	175	B3//B
UkrEximBank, 2015	97.2	98.3	10.5%	9.6%	-2.2%	1.5	8.38%	S/A	27 Apr 2015	750	B3//B
UkrEximBank, 2016	86.3	88.9	12.7%	11.3%	4.5%	2.1	8.40%	S/A	2 Sept 2016	125	B3//B
UkrEximBank, 2018	89.3	90.6	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	40.4%	36.5%	54.6%	0.7	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	92.6	93.8	11.9%	11.4%	-2.1%	2.1	8.25%	S/A	10 Mar 2016	700	B3//B
Oschadbank, 2018	86.8	87.7	12.8%	12.5%	-12.8%	3.4	8.88%	S/A	20 Mar 2018	500	B3//B
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	94.8	96.3	10.8%	10.0%	2.2%	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-/

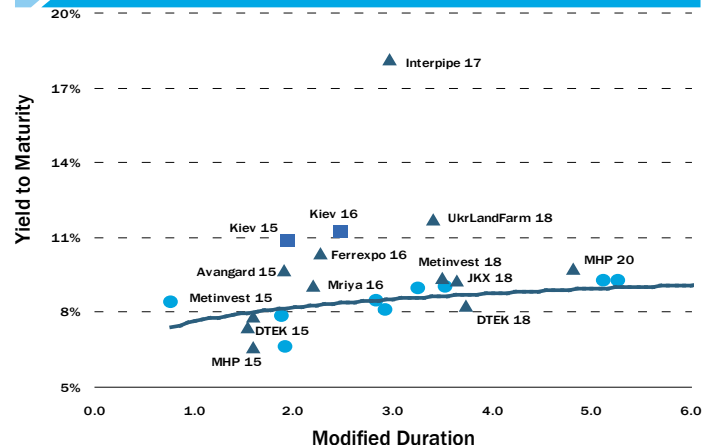
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

Source: Bloomberg, Cbonds, Eavex Research

**SOVEREIGNS vs. BANKING EUROBONDS**



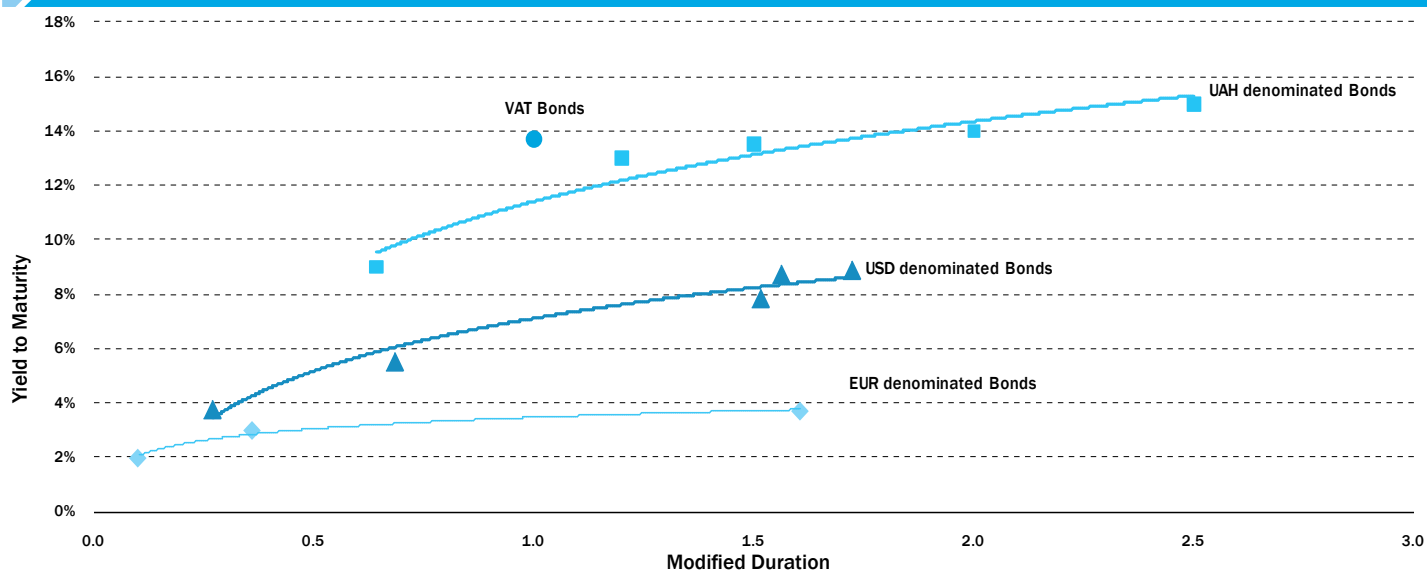
**SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS**



**UKRAINIAN DOMESTIC BONDS**

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn USD
<b>UAH denominated Bonds</b>									
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
<b>USD denominated Bonds</b>									
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	102.7	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
<b>EUR denominated Bonds</b>									
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	102.0	102.1	5.4%	5.3%	1.6	4.80%	S/A	6 May 2015	40
<b>VAT Bonds</b>									
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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