

Market Update

Equity

Most Ukrainian blue chips were lower on Thursday (Sept 5), although European stocks rose on optimism about the ECB's promise to intervene to maintain low long-term interest rates. In the US, investors reacted unenthusiastically to news that the US services sector grew at the fastest pace in 8 years, as bullish numbers would appear to strengthen the case for a reduction in central bank stimulus starting later this month. If today's US jobs numbers for August (set for release as 3:30pm Kyiv time) are strong, this could be seen as sealing the deal for the Fed's "tapering" announcement at its Sept 17-18 meeting. The UX index edged down 0.4% to close at 826 points. Leading the decline were Raiffeisen Aval, which lost 1.8% to 9.29 kopecks, and Yenakievo Steel, which shed 2.2%. The benchmark was saved from a significantly larger drop by firm support for Motor Sich, which added 1.2% on volume of UAH 5.5mn. In London, Regal Petroleum continued to slide on speculation about the company's upcoming 1H13 financial release, dropping 11.0% to GBp 13.10.

Fixed Income

Ukrainian sovereigns showed negative dynamics on Thursday with Ukraine-23s declining by 0.6p.p. to 85.2/85.9 (9.9%/9.8%). Corporate names were also down across the board. Metinvest-18s slipped by 0.5p.p. finishing at 93.8/95.1 (10.6%/10.2%) and DTEK-15s dropped by 0.7p.p. to 92.2/93.1 (10.0%/9.8%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1599.00	1.2%	5.5	125
Centrenergy	CEEN	5.05	0.0%	1.8	121
Raiffeisen Bank Aval	BAVL	0.093	-1.8%	1.7	261

Growth Leaders

KRAZ	KRAZ	0.03	22.2%	0.13	7
Pivnichny GOK	SGOK	8.40	12.0%	0.36	9
Zakhidenergo	ZAEN	85.70	7.0%	0.55	9

Loss Leaders

Mariupol Ilyicha	MMKI	0.13	-6.9%	0.026	9
Yasynivsky Coke	YASK	0.53	-3.6%	0.073	82
Kryukiv Wagon	KVBZ	20.70	-2.4%	0.229	10

Highlights

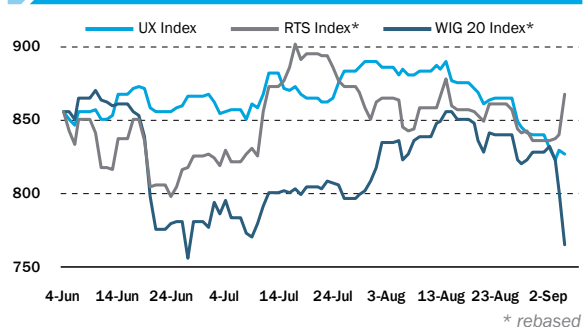
POLITICS AND ECONOMICS

- > Kolesnikov Says No Anti-European Group in PoR

FIXED INCOME

- > UkrLandFarming Acquires Ukrainian Assets of Valinor

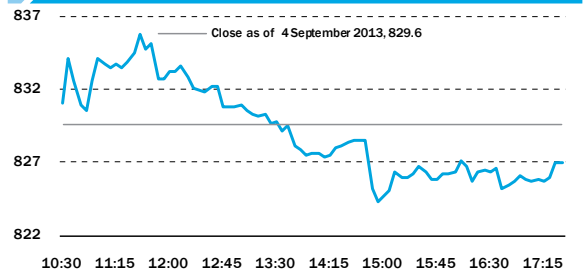
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	826.4	-0.4%	-6.1%	-13.1%
RTS	1339.8	3.2%	0.5%	-12.3%
WIG20	2201.5	-4.6%	-8.5%	-14.8%
MSCI EM	947.7	1.1%	-0.9%	-10.2%
S&P 500	1655.1	0.1%	-3.0%	18.0%

UX INTRADAY SEPTEMBER 5, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	368.0	-1.5%	8.9%	35.8%
CDS 5Y UKR	875.1	-0.9%	11.7%	40.0%
Ukraine-17	10.0%	0.2 p.p.	1.0 p.p.	3.0 p.p.
Naftogaz Ukr-14	11.0%	0.2 p.p.	1.6 p.p.	3.4 p.p.
Ukraine-23	9.9%	0.1 p.p.	0.6 p.p.	2.4 p.p.
Privatbank-16	14.2%	0.4 p.p.	0.9 p.p.	-1.1 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.17	0.3%	0.4%	1.5%
EUR	10.70	-0.5%	-0.7%	0.2%
RUB	0.24	0.0%	-1.2%	-7.8%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	250.8	0.0%	-2.1%	-28.0%
Steel, USD/t	547.5	0.0%	5.8%	2.8%
Oil, USD/bbl	115.3	0.3%	6.9%	7.6%
Gold, USD/oz	1367.5	-1.7%	4.9%	-17.4%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Kolesnikov Says No Anti-European Group in PoR

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

NEWS

Party of Regions lawmaker Boris Kolesnikov, who headed Ukraine's organization of the last year's European football championship, told journalists on Thursday (Sept 5) that there is no group of MPs in the PoR which is opposed to European integration, the Ukrayinska Pravda news portal reported. "The European path of Ukraine was determined a long time ago. We don't have a group which is against it", Kolesnikov said.

COMMENTARY

Questions about possible intra-PoR opposition to President Yanukovich's drive to sign an association agreement with the European Union in November heated up this week after a meeting between Yanukovich and the PoR's 178-member parliamentary faction. At the meeting, it was reported that prominent PoR lawmaker Nestor Shufrych had dissented by calling for the government to join the Moscow-led Customs Union, and that he had the support of some 30-40 other faction members. This situation appears only natural to us given that a very large share of PoR voters, if not a majority, favor developing relations with Russia ahead of the EU. We think that Yanukovich will be able to keep the dissenters in line for now, and that bills necessary for the signing of the AA/DCFTA will pass in Parliament. However, tension on such an important issue is likely to result in an eventual splitting-off of the pro-Russian wing of the PoR into a new political party, in our view.

UkrLandFarming Acquires Ukrainian Assets of Valinor

Ivan Dzvinka
i.dzvinka@eavex.com.ua

NEWS

UkrLandFarming, Ukraine's largest agricultural holding in terms of land under lease, is acquiring the Ukrainian assets of Valinor, a Russia-based crop grower, Interfax reported on Thursday (Sept 5). Valinor's land bank in Ukraine amounts to some 123,000 ha. UkrLandFarming is also buying several small agro holdings in Ukraine, and as a result of the deals, the company's land bank will increase to 670,000 ha from the current 532,000 ha. The transactions are set to be completed in the coming months. Neither the pricing nor any other details about the purchases were revealed.

COMMENTARY

ULF's impending acquisition of Valinor's assets was rather expected given leaked reports about negotiations between ULF and Valinor which circulated this past spring. With the recent acquisitions, the company's land bank will have expanded by 60% out of the targeted increase of 225,000 ha planned over 2013-15. In its Eurobond prospectus in early 2013, ULF laid out its strategy to reach a land bank of 755,000 ha by 2015. With the recent acquisition we presume the group will focus more on operating efficiency going forward in light of planned by the company public placement of its stocks in 2015 or 2016. Currently, UkrLandFarming-18 bonds trade with a yield of 12.2%, implying a spread of 220bps to the sovereign Ukraine-17 issue.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, USD per share	Target price, USD per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.08	0.07	-11%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	2.67	3.33	25%	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	1.03	1.77	72%	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	0.73	1.30	77%	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	0.39	0.76	97%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.06	0.42	548%	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	0.05	0.36	570%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	2.53	6.18	144%	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	0.15	0.64	316%	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	196	644	229%	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	0.20	1.52	642%	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	453%	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	2.68	8.90	232%	BUY	DonbasEnergO is Ukraine's next big-ticket privatization object, with an auction expected to be announced in summer 2013.
CenterEnergO	CEEN	0.62	1.84	198%	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	15.5	24.0	55%	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	19.86	30.0	51%	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	10.18	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	826.35	1106.67	758.71	-0.4%	-1.8%	-6.1%	-13.1%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.037	0.06	0.03	-0.5%	-1.8%	-6.5%	-30.3%	-0.1%	0.0%	-0.4%	-17.3%
Azovstal	AZST	0.63	0.97	0.31	0.2%	1.3%	-0.3%	-15.4%	0.5%	3.1%	5.8%	-2.4%
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	33.1	49.9	20.0	-2.2%	-0.4%	-5.3%	-12.8%	-1.8%	1.4%	0.8%	0.2%
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	0.13	0.26	0.10	0.0%	8.3%	-7.1%	-40.9%	0.4%	10.1%	-1.0%	-27.8%
Coke												
Avdivka Coke	AVDK	3.17	4.07	1.61	-1.2%	-0.6%	-3.4%	-3.3%	-0.8%	1.2%	2.8%	9.8%
Yasnyivsky Coking	YASK	0.53	0.99	0.51	-1.9%	-8.6%	-5.4%	-20.9%	-1.5%	-6.8%	0.8%	-7.8%
Iron Ore Mining												
Centralny GOK	CGOK	6.00	7.74	4.00	0.0%	0.0%	-10.4%	-13.0%	0.4%	1.8%	-4.3%	0.0%
Ferrexpo	FXPO	2.67	4.58	2.02	-1.9%	2.6%	-0.2%	-33.6%	-1.5%	4.4%	5.9%	-20.5%
Pivnichny GOK	SGOK	8.40	10.00	5.77	10.5%	12.0%	0.0%	12.9%	10.9%	13.8%	6.1%	26.0%
Coal Mining												
Pokrovske Mine	SHCHZ	0.44	0.95	0.40	-2.2%	-2.2%	-4.3%	-30.2%	-1.8%	-0.4%	1.8%	-17.1%
Komsomolets Donbasa	SHKD	0.69	1.46	0.27	0.0%	0.0%	-13.8%	-41.5%	0.4%	1.8%	-7.6%	-28.5%
Energy Coal	CLE	0.65	5.77	0.59	-5.4%	-8.3%	-23.8%	-79.0%	-5.0%	-6.5%	-17.7%	-65.9%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.40	0.58	0.270	0.0%	0.0%	-11.1%	-31.0%	0.4%	1.8%	-5.0%	-18.0%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.60	0.86	0.45	0.0%	0.0%	-7.7%	-14.3%	0.4%	1.8%	-1.6%	-1.2%
Interpipe NMPP	NVTR	0.20	0.60	0.10	0.0%	0.0%	5.3%	-9.1%	0.4%	1.8%	11.4%	4.0%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	20.7	29.0	12.0	-2.4%	-9.8%	-11.9%	6.7%	-2.0%	-8.0%	-5.8%	19.8%
Luhanskeplovoz	LTPL	1.26	2.20	1.26	-17.6%	-19.2%	-23.2%	-32.6%	-17.3%	-17.4%	-17.1%	-19.6%
Stakhanov Wagon	SVGZ	1.25	2.70	1.00	4.2%	-6.7%	0.0%	-27.7%	4.6%	-4.9%	6.1%	-14.7%
Specialized Machinery												
Bogdan Motors	LUAZ	0.04	0.13	0.03	1.3%	5.5%	10.7%	-9.6%	1.6%	7.3%	16.8%	3.5%
Motor Sich	MSICH	1,599	2,640	1,399	1.2%	-6.1%	-13.0%	-27.6%	1.6%	-4.3%	-6.9%	-14.6%
Sumy Frunze Engineering	SMASH	2.15	4.00	0.76	-2.3%	2.4%	-18.9%	43.3%	-1.9%	4.2%	-12.8%	56.4%
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	0.18	0.45	0.14	-3.0%	-1.4%	-6.3%	-26.4%	-2.6%	0.4%	-0.2%	-13.3%
Telecom												
Ukrtelecom	UTLM	0.16	0.30	0.09	6.1%	16.7%	9.7%	2.8%	6.5%	18.5%	15.8%	15.9%
Oil & Gas												
Regal Petroleum	RPT	0.20	0.59	0.20	-11.2%	-22.9%	-15.3%	-62.2%	-10.8%	-21.1%	-9.2%	-49.1%
JKX Oil	JKX	1.08	1.34	0.75	1.1%	5.2%	9.6%	-9.4%	1.4%	7.0%	15.7%	3.7%
Ukrnafta	UNAF	108	280	80	0.2%	-1.7%	-6.2%	-8.6%	0.6%	0.1%	-0.1%	4.5%
Power Utilities												
Centrenerg	CEEN	5.05	7.33	3.49	-0.1%	0.6%	-2.4%	-20.5%	0.3%	2.4%	3.7%	-7.4%
Donbasenergo	DOEN	21.9	26.8	15.1	-0.7%	-4.4%	-11.7%	3.3%	-0.3%	-2.6%	-5.6%	16.4%
Zakhidenergo	ZAEN	85.7	116.9	70.0	7.1%	2.6%	2.5%	-11.6%	7.5%	4.4%	8.6%	1.4%
Consumer												
Agroton	AGT	0.66	4.2	0.36	-4.5%	-10.6%	-11.0%	-79.8%	-4.1%	-8.8%	-4.8%	-66.7%
Astarta	AST	19.8	24.4	14.5	-5.2%	-6.4%	-13.3%	11.0%	-4.8%	-4.6%	-7.2%	24.1%
Avangardo	AVGR	10.2	12.0	7.61	1.8%	1.8%	4.4%	-10.2%	2.2%	3.6%	10.5%	2.9%
Industrial Milk Company	IMC	4.61	5.48	3.63	-1.3%	0.5%	-8.3%	-13.0%	-0.9%	2.3%	-2.2%	0.0%
Kernel	KER	14.2	22.6	14.0	-2.4%	-3.0%	-15.0%	-34.6%	-2.0%	-1.2%	-8.9%	-21.5%
Mriya Agro Holding	MAYA	5.87	6.7	5.36	-0.6%	-0.9%	-1.9%	-9.6%	-0.2%	1.0%	4.3%	3.5%
MHPC	MHPC	15.5	19.9	13.58	0.6%	8.4%	-13.9%	1.6%	1.0%	10.2%	-7.8%	14.7%
Milkiland	MLK	3.15	5.8	3.11	-5.5%	-13.5%	-18.5%	-33.0%	-5.1%	-11.7%	-12.3%	-19.9%
Ovostar Union	OVO	23.8	33.8	21.3	-4.0%	-9.7%	-2.1%	-17.5%	-3.6%	-7.9%	4.0%	-4.4%
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	0.49	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chemicals												
Stirol	STIR	8.0	18.5	7.1	-1.5%	-14.5%	-22.5%	-40.1%	-1.1%	-12.7%	-16.4%	-27.0%
Banks												
Raiffeisen Bank Aval	BAVL	0.093	0.128	0.061	-1.7%	-3.0%	-7.2%	8.4%	-1.3%	-1.2%	-1.1%	21.5%
UkrSotsbank	USCB	0.130	0.200	0.107	1.3%	3.1%	-1.4%	0.7%	1.7%	4.9%	4.7%	13.8%

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%
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			
Steel																		
Alchevsk Steel	ALMK	117	3.9%	5	1,533	3.2	neg	neg	10.5	neg	neg	0.7	0.9	0.9	529	456	410	\$/tonne
Yenakievo Steel	ENMZ	43	8.8%	4	35	1.4	5.0	neg	neg	neg	neg	0.0	0.0	0.0	14	13	13	\$/tonne
Azovstal	AZST	322	4.1%	13	300	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	54	51	48	\$/tonne
Coke																		
Avdyivka Coke	AVDK	76	7.5%	6	73	neg	neg	neg	12.0	neg	neg	0.1	0.1	0.1	21	16	13	\$/tonne
Yasynivsky Coke	YASK	18	9.0%	2	47	1.2	1.6	1.6	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	861	0.5%	4	860	2.7	9.1	8.3	1.7	3.6	4.3	1.1	1.5	1.7				
Pivnichny GOK	SGOK	2,370	0.5%	13	2,495	3.0	5.4	6.6	2.1	3.1	3.9	1.4	1.6	1.9				
Ferrexpo	FXPO	1,573	24.0%	378	1,824	2.7	7.3	6.0	2.3	4.5	4.1	1.0	1.3	1.2				
Coal Mining																		
Komsomolets Donbasa	SHKD	28	5.4%	2	130	1.8	0.7	0.8	1.9	1.3	1.4	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	191	2.0%	4	233	1.9	5.7	5.6	1.6	3.1	3.0	0.3	0.4	0.3	371	614	584	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	34	24.0%	8	34	3.8	4.9	4.2	2.4	2.7	2.2	0.2	0.2	0.2				
Kruiw Wagon	KVBZ	291	5.0%	15	293	3.4	3.1	5.8	2.5	2.2	3.2	0.4	0.3	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				
Specialized Machinery																		
Turboatom	TATM	181	5.8%	10	129	3.4	4.7	4.3	2.1	2.7	2.5	0.8	0.7	0.7				
Motor Sich	MSICH	407	24.0%	98	417	2.4	1.6	1.5	1.5	1.3	1.3	0.6	0.5	0.4				
Telecom																		
Ukrtelecom	UTLM	377	7.2%	27	713	neg	8.3	7.9	3.5	3.5	3.4	0.8	0.8	1.0				
Oil & Gas																		
Ukrnafta	UNAF	720	3.0%	22	710	2.6	2.3	3.2	1.6	1.4	1.7	0.2	0.3	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	66	49.0%	32	48	10.3	5.5	2.7	neg	2.1	1.3	2.5	1.0	0.6	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	186	50.4%	94	294	3.2	4.7	3.7	2.6	2.0	2.0	1.2	1.3	1.2	77	54	40	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	228	21.7%	50	311	>30	7.9	6.8	6.4	5.1	4.6	0.3	0.3	0.3	21	22	17	\$/MWh
DonbasEnerg	DOEN	63	14.2%	9	120	neg	16.6	6.3	5.8	7.0	5.0	0.2	0.2	0.2	15	14	14	\$/MWh
Consumer																		
MHP	MHPC	1,637	34.1%	558	2,682	6.3	5.3	6.0	6.7	5.7	5.1	2.2	1.9	1.8	8382	8382	8382	\$/tonne
Kernel	KER	1,044	61.8%	645	1,655	4.6	5.0	5.4	5.3	5.1	4.9	0.9	0.8	0.6				
Astarta	AST	495	31.0%	154	642	4.3	9.9	8.4	4.5	6.6	5.3	1.6	1.4	1.2	3256	1982	1646	\$/tonne
Avangardco	AVGR	650	22.5%	146	798	3.3	2.8	2.8	3.2	2.9	2.7	1.4	1.3	1.1	181	137	129	\$/mneegs
Agroton	AGT	14	44.6%	6	47	neg	0.8	0.7	2.5	1.5	1.4	0.4	0.5	0.4	0.4	n/a	n/a	\$/th/ha
Banks																		
Raiffeisen Bank Aval	BAVL	342	4.0%	14		>30	>30	12.0	0.4	0.4	0.4	0.05	0.05	0.05				
Ukrsotsbank	USCB	293	1.6%	5		>30	>30	21.8	0.4	0.4	0.4	0.06	0.06	0.06				

Source: Eavex Research

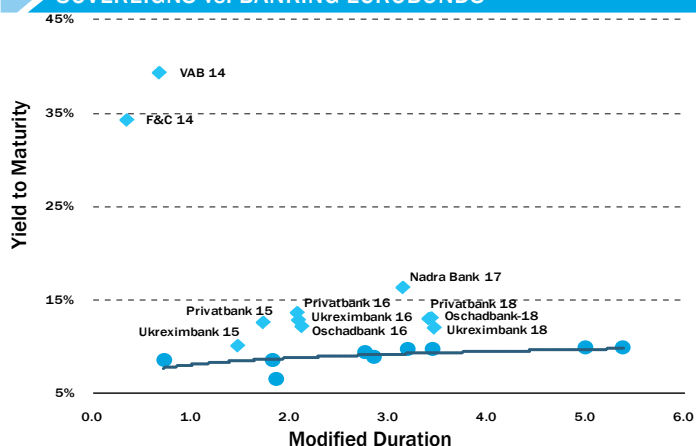
UKRAINIAN EUROBONDS

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	99.8	9.4%	8.4%	-2.3%	0.7	7.95%	S/A	6 Apr. 2014	1,000	B3/B/B
Naftogaz Ukraine, 2014	98.1	98.9	12.0%	11.1%	-4.4%	0.9	9.50%	S/A	30 Sept 2014	1,595	//B
Ukraine, 2015 (EUR)	95.4	95.9	7.5%	7.2%	-1.9%	1.8	4.95%	A	13 Oct 2015	600*	B3/B/B
Ukraine, 2015	96.8	96.9	8.8%	8.7%	-4.3%	1.8	6.875%	S/A	23 Sept 2015	500	B3/B/B
Ukraine, 2016	91.4	92.2	9.8%	9.5%	-8.1%	2.7	6.58%	S/A	21 Nov 2016	1,000	B3/B/B
Ukraine, 2016-2	92.0	92.6	9.2%	8.9%	-7.4%	2.8	6.25%	S/A	17 Jun 2016	1,250	B3/B/B
Ukraine, 2017	88.9	89.4	10.1%	10.0%	-10.1%	3.4	6.75%	S/A	14 Nov 2017	700	B3/B/B
Ukraine, 2017-2	97.6	98.3	10.1%	9.8%	-8.6%	3.2	9.25%	S/A	24 Jul 2017	2,000	B3/B/B
Ukraine, 2017 Infr. projects	89.9	91.5	11.8%	11.3%	-7.7%	3.2	8.375%	S/A	3 Nov 2017	568	B3//
Ukraine, 2018 Infr. projects	83.8	88.5	12.4%	10.9%	-7.2%	3.6	7.40%	S/A	20 Apr 2018	690	B3//
Ukraine, 2020	88.0	88.6	10.3%	10.1%	-14.3%	5.0	7.75%	S/A	23 Sept 2020	1,500	B3/B/B
Ukraine, 2021	88.6	89.3	10.2%	10.0%	-14.4%	5.3	7.95%	S/A	23 Feb 2021	1,500	B3/B/B
Ukraine, 2022	86.3	87.2	10.1%	9.9%	-14.0%	6.0	7.80%	S/A	28 Nov 2022	1,250	B3/B/B
Ukraine, 2023	85.2	85.9	9.9%	9.8%	-14.4%	6.2	7.50%	S/A	17 Apr 2023	1,250	B3/B/B
Corporate Eurobonds											
Agroton, 2014	55.5	67.9	109.3%	73.0%	n/a	0.6	12.50%	S/A	14 Jul 2014	50	/CCC/RD
MHP, 2015	104.0	104.9	7.8%	7.5%	-1.0%	1.5	10.25%	S/A	29 Apr 2015	585	B3//B
MHP, 2020	88.1	89.5	10.8%	10.5%	-11.2%	4.7	8.25%	S/A	2 Apr 2020	750	/B/B
Avangardco, 2015	100.5	103.0	9.9%	8.6%	6.3%	1.8	10.00%	S/A	29 Oct 2015	200	//B
UkrLandFarming, 2018	94.7	96.5	12.4%	11.9%	-4.4%	3.3	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	103.9	105.1	9.4%	8.9%	1.5%	2.1	10.95%	S/A	30 Mar 2016	250	/B/B
DTEK, 2015	102.1	103.1	8.3%	7.6%	1.4%	1.5	9.50%	S/A	28 Apr 2015	500	B3//B
DTEK, 2018	92.2	93.1	10.0%	9.8%	-7.3%	3.6	7.88%	S/A	4 Apr 2018	750	B3//B
Metinvest, 2015	103.9	104.9	7.9%	7.3%	0.6%	1.5	10.25%	S/A	20 May 2015	500	B3//B
Metinvest, 2018	93.8	95.1	10.6%	10.2%	-2.6%	3.5	8.75%	S/A	14 Feb 2018	750	B3//B
Ferrexpo, 2016	94.7	96.0	10.4%	9.7%	-2.1%	2.2	7.875%	S/A	07 Apr 2016	500	/B/B
UZ Rail, 2018	87.3	89.0	13.2%	12.7%	-11.8%	3.5	9.50%	S/A	21 May 2018	500	/B/B-
Interpipe, 2017	77.0	80.1	19.0%	17.3%	-3.8%	2.9	10.25%	S/A	2 Aug 2017	200	/NR/B-
JKX Oil&Gas, 2018	106.1	108.0	9.3%	8.8%	7.0%	3.7	8.00%	S/A	19 Feb 2018	40	//
Bank Eurobonds											
Fin&Credit Bank, 2014	91.0	94.0	42.2%	30.8%	54.2%	0.3	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	101.0	102.5	10.8%	9.5%	0.8%	1.2	11.00%	Q	31 Dec 2014	275	B//
Nadra Bank, 2017	84.0	89.7	18.4%	14.3%	-3.8%	3.1	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	93.5	95.5	13.5%	12.3%	-0.3%	1.7	9.38%	S/A	23 Sept 2015	200	B3//
PrivatBank, 2016	82.4	84.3	14.8%	13.7%	8.0%	2.0	8.75%	S/A	9 Feb 2016	150	B3//
PrivatBank, 2018	92.4	94.4	13.2%	12.6%	-6.6%	3.4	10.88%	S/A	28 Feb 2018	175	B3//B
UkrEximBank, 2015	96.5	97.7	11.0%	10.1%	-2.8%	1.4	8.38%	S/A	27 Apr 2015	750	B3//B
UkrEximBank, 2016	85.3	87.1	13.4%	12.3%	2.2%	2.1	8.40%	S/A	2 Sept 2016	125	B3//B
UkrEximBank, 2018	87.6	89.1	12.5%	12.0%	-11.7%	3.4	8.75%	S/A	22 Jan 2018	500	B3//B
VAB Bank, 2014	82.5	84.5	42.9%	38.6%	54.6%	0.6	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	90.8	92.2	12.9%	12.2%	-3.8%	2.1	8.25%	S/A	10 Mar 2016	700	B3//B
Oschadbank, 2018	84.6	86.2	13.5%	13.0%	-14.6%	3.4	8.88%	S/A	20 Mar 2018	500	B3//B
Municipal Eurobonds											
City of Kyiv, 2015	93.5	95.9	11.6%	10.3%	1.2%	1.9	8.00%	S/A	6 Nov 2015	250	B3/B-/
City of Kyiv, 2016	93.2	94.5	12.3%	11.7%	0.3%	2.4	9.375%	S/A	30 Jun 2016	300	B3/B-/

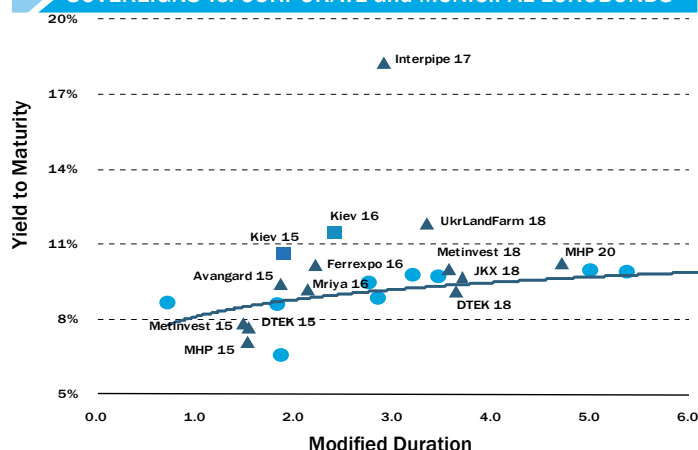
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



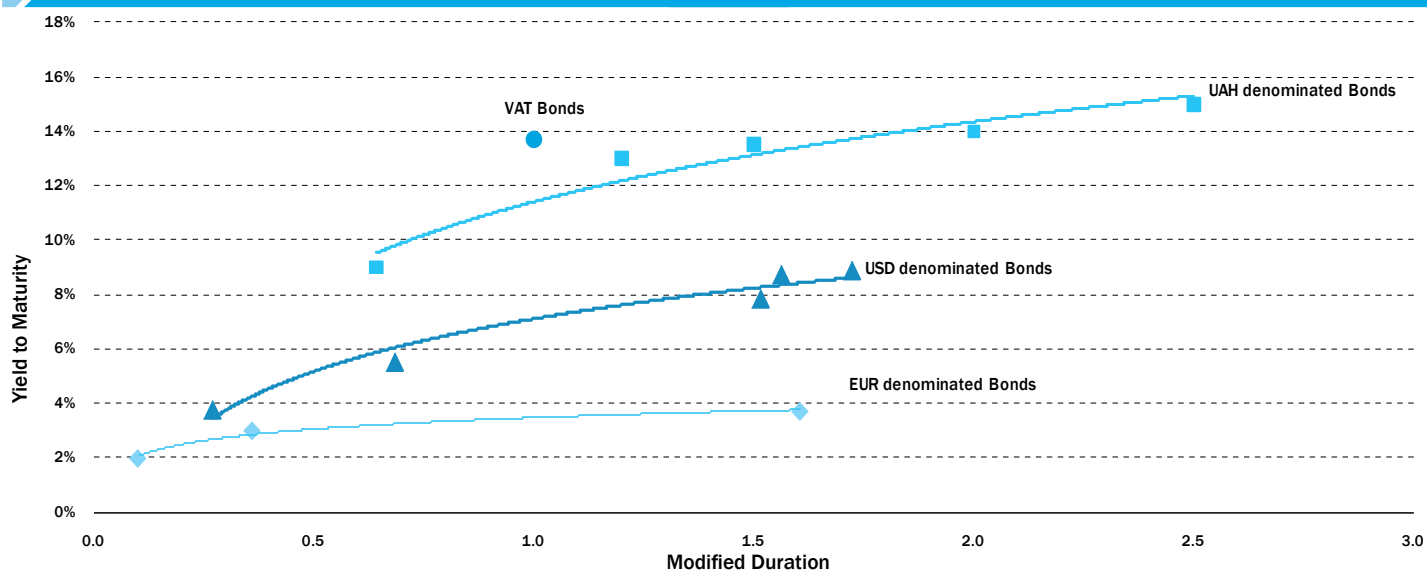
SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



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			12.5%	10.8%	n/a	10.75%	S/A	26 Mar 2014	187
UA4000141592			14.5%	13.0%	1.5	14.30%	S/A	20 May 2015	31
UA4000142665			18.0%	16.0%	2.0	14.30%	S/A	24 May 2017	184
USD denominated Bonds									
UA4000138002	100.9	101.0	6.0%	4.5%	0.4	9.30%	S/A	27 Nov 2013	86
UA4000140362	101.6	102.1	8.2%	7.0%	0.9	9.20%	S/A	21 May 2014	171
UA4000142699	101.3	103.0	9.1%	8.0%	1.7	9.45%	S/A	22 Apr 2015	312
UA4000141071	102.5	103.5	9.1%	8.0%	1.7	9.45%	S/A	27 May 2015	152
UA4000142673	93.4	94.4	9.2%	8.2%	1.9	4.50%	S/A	17 Jun 2015	175
EUR denominated Bonds									
UA4000137731	100.6	100.8	5.1%	4.9%	0.3	4.80%	S/A	18 Sept 2013	205
UA4000138846	101.0	101.3	5.0%	4.9%	0.5	4.80%	S/A	25 Dec 2013	70
UA4000142681	102.5	102.6	5.4%	5.3%	1.8	4.80%	S/A	6 May 2015	40
VAT Bonds									
UA4000082531			14.5%	13.0%	n/a	5.50%	S/A	21 Aug 2015	141
UA4000082622			14.5%	13.0%	n/a	5.50%	S/A	24 Aug 2015	571
UA4000083059			14.5%	13.0%	n/a	5.50%	S/A	25 Aug 2015	415

Source: Bloomberg, Cbonds, Eavex Research

DOMESTIC BONDS YIELD CURVE


Source: Bloomberg, Cbonds, Eavex Research

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