

Market Update

Equity

Kyiv-listed equities slogged through a rather disappointing session on Tuesday (Sept 17), as the local market failed to rebound much from three previous days of losses associated with the expiration of UX futures contracts on Monday. External sentiments were steady, with global investors already having priced in a small reduction in the US Federal Reserve's bond-buying stimulus to be announced later today. The UX index inched up 0.2% to end at 825 points. Yenakievo Steel (ENMZ) was the day's biggest mover, rising 1.0%, and CentrErgo (CEEN) picked up 0.7% to UAH 5 on the nose. Motor Sich (MSICH) edged up 0.4%, while UkrSotsBank (USCB) and UkrNafta (UNAF) both ended half a percent lower. In London, Ferrexpo (FXPO) eased down 1.1% after ending the previous two sessions unchanged, while MHP (MHPC) gave back most of the 3.5% gain it saw on Monday, closing at USD 16.00.

Fixed Income

Ukrainian sovereigns were up across the board on Tuesday with Ukraine-23s adding 2.1p.p. to 87.2/87.8 (9.6%/9.5%). Meanwhile, corporate papers were down. MHP-20s and DTEK-15s declined by 0.3p.p. closing at 86.9/88.4 (11.1%/10.8%) and 101.3/102.8 (8.9%/7.8%), respectively.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1645.00	0.4%	6.3	121
Avdyivka Coke	AVDK	3.13	0.2%	1.9	92
Azovstal	AZST	0.625	0.1%	1.4	138

Growth Leaders

Komsomolets Donbasa	SHKD	0.74	9.6%	0.02	13
Bank Forum	FORM	0.67	2.0%	0.02	12
Pivnichny GOK	SGOK	7.90	1.8%	0.02	7

Loss Leaders

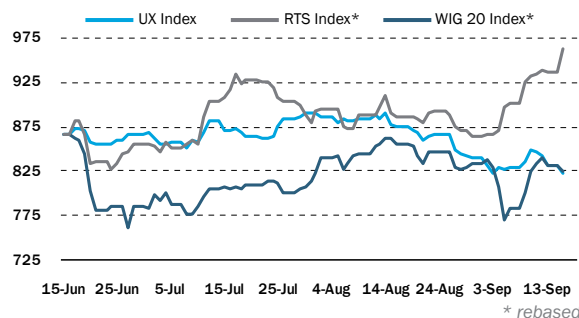
Sumy Frunze Engineering	SMASH	2.41	-11.3%	0.006	11
UkrSotsbank	USCB	0.13	-0.6%	0.746	103
Ukrnafta	UNAF	110.50	-0.5%	0.274	61

Highlights

FIXED INCOME

- > DTEK's EBITDA Slips 12% YoY to USD 879mn in 1H13
- > Mriya Net Profit Declines 13% to USD 114mn in 1H13

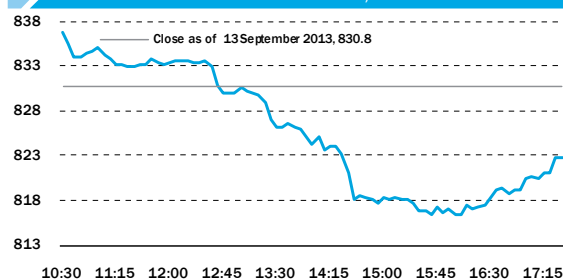
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	825.0	0.2%	-5.7%	-13.2%
RTS	1439.8	0.3%	8.8%	-5.7%
WIG20	2365.4	0.5%	-3.3%	-8.4%
MSCI EM	1002.4	0.1%	4.6%	-5.0%
S&P 500	1704.8	0.4%	3.0%	21.6%

UX INTRADAY SEPTEMBER 17, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	341.9	-0.7%	1.1%	26.1%
CDS 5Y UKR	883.9	1.6%	5.2%	41.4%
Ukraine-17	9.8%	-0.3 p.p.	0.5 p.p.	2.9 p.p.
Naftogaz Ukr-14	11.2%	-0.1 p.p.	1.6 p.p.	3.6 p.p.
Ukraine-23	9.5%	-0.4 p.p.	-0.1 p.p.	2.0 p.p.
Privatbank-16	16.2%	1.2 p.p.	3.3 p.p.	0.9 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.19	0.1%	0.8%	1.7%
EUR	10.94	0.3%	1.0%	2.4%
RUB	0.25	0.3%	3.2%	-4.1%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	244.8	0.0%	1.1%	-29.8%
Steel, USD/t	545.0	0.0%	-3.1%	2.3%
Oil, USD/bbl	108.2	-1.7%	-1.1%	1.0%
Gold, USD/oz	1310.6	-0.2%	-4.8%	-20.8%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

DTEK's EBITDA Slips 12% YoY to USD 879mn in 1H13

by Dmitry Churin
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NEWS

DTEK, the largest private energy company in Ukraine, posted a drop in its EBITDA by 11.7% YoY to USD 879mn in 1H13, according to the company's financial results published on Tuesday (Sept 17). DTEK's revenue rose by 14.4% YoY to USD 5.48bn in the period, while net profit slumped from USD 372mn in 1H12 to USD 150mn. EBITDA was down by a more moderate 11.7% to USD 879mn in 1H13.

DTEK INTERIM FINANCIAL RESULTS

USD mn	1H13	1H12	Y/Y
Revenue	5,477	4,787	+14.4%
EBITDA	879	996	-11.7%
<i>margin</i>	16.0%	20.8%	-4.8 p.p.
Net Profit	150	372	-59.7%
<i>margin</i>	2.7%	9.2%	-6.5 p.p.

Source: Company Data. Eavex Research

DTEK's revenue was generated by the wholesale supply of electricity to state-owned intermediary EnergoRynok, sales of coal and heating services, and the distribution and sale of electricity to end consumers.

On the balance sheet side, DTEK's total debt was USD 2.92bn as of 30 Jun 2013. Most of DTEK's debt is denominated in USD. The group's Net Debt/EBITDA ratio was 1.3x at the end of 1H13.

COMMENTARY

DTEK's bottom line for the period was below our expectation. The company attributed the drop in its operating profit mostly to a decline in revenue from the coal segment after the average price per tonne fell 23% YoY in the period. Nevertheless, during a conference call on Tuesday, DTEK's management assured investors that the company will hold its leverage within 2.0x Net Debt/EBITDA in the medium term. The covenants for DTEK-15s and DTEK-18s outstanding Eurobonds set a net debt to EBITDA ceiling at 3.0x.

DTEK-18 Eurobonds currently quote at 10.0%/9.8% YTM, which is slightly below the yield on Ukrainian sovereigns of comparable duration.

Mriya Net Profit Declines 13% to USD 114mn in 1H13

by Dmitry Churin
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NEWS

Mriya Agro Holding, a Western-Ukraine based crop grower, saw its net profit decline by 13.4% YoY to USD 114.5mn in 1H13, according to the company's financial report released on Tuesday (Sept 17). The company's total revenue (including a USD 157.0mn net gain on change in fair value of biological assets) rose by 21% YoY to USD 254mn in the period, while EBITDA increased by 7% YoY to USD 177mn.

MRIYA FINANCIAL RESULTS			
USD mn	1H13	1H12	YoY
Total revenue	253.8	209.2	+21%
EBITDA	176.9	165.9	+7%
<i>margin</i>	69.7%	79.3%	-9.6 p.p.
Operating profit	148.0	142.3	+4%
<i>margin</i>	58.3%	68.0%	-9.7 p.p.
Net Income	114.5	133.7	-13.4%
<i>net margin</i>	45.1%	63.9%	-18.8 p.p.

Source: Company data.

On the balance sheet side, the company's total debt amounted to USD 632mn as of 30 Jun 2013. Total assets were USD 1.65bn, and cash and cash equivalents amounted to USD 178.5mn as of the end of 1H13, mostly thanks to proceeds from Mriya's spring Eurobond placement.

COMMENTARY

Although the company's profitability deteriorated as a result of lower crop prices in the reported period, we view the results as quite impressive. Mriya's Net Debt/12M EBITDA ratio was 1.7x as of Jun 30. Most of the debt was denominated in USD, with an estimated weighted average interest rate of 9.1%.

In its operating update, the company said that in the 2012/13 marketing year it is harvesting crops from 295,000 hectares. The harvesting of potatoes has been performed in line with the production schedule. The start of harvesting of sugar beets and corn is planned for the end of September.

Mriya-16 Eurobonds are currently quoted at 9.8%/8.8%, which is a 20 bps below the sovereign yield curve.

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	2.92	3.33	14%	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	0.97	1.77	83%	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	0.75	1.30	74%	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	0.38	0.76	99%	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	522%	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	558%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	2.50	6.18	148%	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	235%	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	201	644	220%	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	0.22	1.52	588%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	1.0	6.0	476%	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	2.65	8.90	236%	BUY	DonbasEnergO is Ukraine's next big-ticket privatization object, with an auction expected to be announced in summer 2013.
CenterEnergO	CEEN	0.61	1.84	201%	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	16.0	22.10	38%	BUY	MHP is well on track with ramping up its poultry production at launched in late 2012 greenfield Vinnytsia complex with annual capacity of 220,000 tonnes. We think MHP will be able to expand its output by 50% over 2012-15 to 600,000 tonnes of poultry with the lion's share of incremental volume to be exported.
Astarta	AST	22.25	30.0	35%	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	11.30	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	824.98	1085.60	758.71	0.2%	-2.9%	-5.7%	-13.2%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.038	0.06	0.03	0.3%	-0.3%	-3.8%	-28.7%	0.0%	2.6%	1.9%	-15.4%
Azovstal	AZST	0.63	0.94	0.31	0.0%	-1.3%	1.5%	-15.4%	-0.2%	1.6%	7.2%	-2.2%
Dniprospezstal	DNSS	n/a	1.100	700	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Enakievo Steel	ENMZ	33.2	49.9	20.0	0.9%	-2.1%	-2.3%	-12.6%	0.7%	0.8%	3.4%	0.6%
Arcelor Mittal KR	KSTL	n/a	3.98	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%	0.0%	8.3%	-40.9%	-0.2%	2.9%	14.0%	-27.7%
Coke												
Avdivka Coke	AVDK	3.13	4.07	1.61	0.2%	-1.9%	-3.2%	-4.3%	0.0%	1.0%	2.5%	8.9%
Yasnyivsky Coking	YASK	0.55	0.98	0.51	0.0%	-1.8%	-3.5%	-17.9%	-0.2%	1.1%	2.2%	-4.7%
Iron Ore Mining												
Centralny GOK	CGOK	6.10	7.74	4.00	0.0%	1.7%	-6.9%	-11.6%	-0.2%	4.6%	-1.2%	1.6%
Ferrexpo	FXPO	2.92	4.58	2.02	-1.2%	-0.6%	-0.8%	-27.4%	-1.4%	2.3%	4.9%	-14.2%
Pivnichny GOK	SGOK	7.90	10.00	5.77	1.8%	1.5%	-4.2%	6.2%	1.6%	4.4%	1.5%	19.4%
Coal Mining												
Pokrovske Mine	SHCHZ	0.45	0.95	0.39	9.8%	2.3%	0.0%	-28.6%	9.5%	5.2%	5.7%	-15.4%
Komsomolets Donbasa	SHKD	0.74	1.42	0.27	8.8%	8.8%	12.1%	-37.3%	8.6%	11.7%	17.8%	-24.1%
Energy Coal	CLE	0.83	5.77	0.59	3.3%	14.1%	19.4%	-73.0%	3.1%	17.0%	25.1%	-59.8%
Mining Machinery												
Svitlo Shakhtara	HMBZ	n/a	0.58	0.270	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.60	0.86	0.45	0.0%	0.0%	9.1%	-14.3%	-0.2%	2.9%	14.8%	-1.1%
Interpipe NMPP	NVTR	0.18	0.60	0.10	-5.3%	-5.3%	-5.3%	-18.2%	-5.5%	-2.4%	0.4%	-5.0%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	20.4	29.0	12.0	-0.4%	-6.0%	-12.9%	5.1%	-0.6%	-3.1%	-7.2%	18.3%
Luhanskeplovoz	LTPL	1.56	2.20	1.26	-1.3%	4.7%	-0.6%	-16.6%	-1.5%	7.6%	5.1%	-3.4%
Stakhanov Wagon	SVGZ	1.28	2.70	1.00	0.0%	2.4%	15.3%	-26.0%	-0.2%	5.3%	21.0%	-12.8%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.03	0.3%	-3.6%	-13.3%	-22.5%	0.0%	-0.7%	-7.6%	-9.3%
Motor Sich	MSICH	1,645	2,640	1,399	0.4%	-2.6%	-8.8%	-25.6%	0.1%	0.3%	-3.1%	-12.4%
Sumy Frunze Engineering	SMASH	2.41	4.00	0.76	-19.7%	0.4%	7.1%	60.7%	-19.9%	3.3%	12.8%	73.9%
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	0.15	-0.2%	-3.4%	-8.5%	-22.1%	-0.4%	-0.5%	-2.8%	-8.9%
Telecom												
Ukrtelecom	UTLM	0.17	0.30	0.09	-0.6%	0.7%	24.1%	3.1%	-0.9%	3.6%	29.8%	16.3%
Oil & Gas												
Regal Petroleum	RPT	0.22	0.59	0.20	-9.8%	-8.0%	-18.1%	-59.2%	-10.0%	-5.1%	-12.4%	-46.0%
JKX Oil	JKX	1.04	1.31	0.75	-0.4%	-4.0%	-1.9%	-12.9%	-0.7%	-1.1%	3.8%	0.4%
Ukrnafta	UNAF	111	280	80	-0.5%	-0.8%	-3.1%	-6.8%	-0.7%	2.1%	2.6%	6.4%
Power Utilities												
Centrenerg	CEEN	5.00	7.10	3.49	0.5%	-4.0%	-3.8%	-21.2%	0.3%	-1.1%	1.9%	-8.0%
Donbasenergo	DOEN	21.7	26.8	15.1	0.2%	-3.3%	-13.6%	2.2%	0.0%	-0.4%	-7.9%	15.4%
Zakhidenergo	ZAEN	81.0	115.0	70.0	0.0%	0.0%	-3.6%	-16.5%	-0.2%	2.9%	2.1%	-3.3%
Consumer												
Agroton	AGT	0.72	4.2	0.36	2.5%	-7.8%	-5.8%	-77.8%	2.3%	-4.9%	-0.1%	-64.6%
Astarta	AST	22.3	24.4	14.5	0.1%	1.3%	-8.0%	24.7%	-0.2%	4.2%	-2.3%	37.9%
Avangardo	AVGR	11.3	12.0	7.61	2.7%	6.6%	18.9%	-0.3%	2.5%	9.5%	24.6%	12.9%
Industrial Milk Company	IMC	4.85	5.48	3.63	0.5%	1.9%	-1.8%	-8.6%	0.2%	4.8%	3.9%	4.6%
Kernel	KER	16.8	22.6	14.0	4.8%	9.9%	11.6%	-22.4%	4.6%	12.8%	17.3%	-9.1%
Mriya Agro Holding	MAYA	5.67	6.7	5.36	0.1%	0.7%	-5.4%	-12.6%	-0.1%	3.6%	0.3%	0.6%
MHPC	MHPC	16.0	19.9	13.58	-3.0%	3.0%	-4.5%	4.9%	-3.3%	5.9%	1.2%	18.1%
Milkiland	MLK	3.24	5.8	3.11	-1.1%	0.6%	-13.2%	-31.2%	-1.3%	3.5%	-7.5%	-18.0%
Ovostar Union	OVO	29.5	33.8	21.3	3.1%	13.8%	8.4%	2.1%	2.9%	16.7%	14.1%	15.3%
Sintal	SNPS	n/a	0.46	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	9.2	18.0	7.1	-6.5%	6.0%	-3.5%	-31.2%	-6.7%	8.9%	2.2%	-18.0%
Banks												
Raiffeisen Bank Aval	BAVL	0.090	0.128	0.061	-0.2%	-5.3%	-10.6%	4.6%	-0.5%	-2.4%	-4.9%	17.8%
UkrSotsbank	USCB	0.126	0.192	0.107	-0.6%	-2.2%	-1.7%	-2.1%	-0.8%	0.7%	4.0%	11.1%

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%
Ukrspatsbank	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	120	3.9%	5	1,535	3.3	neg	neg	10.6	neg	neg	0.7	0.9	0.9	529	456	411	\$/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	321	4.1%	13	299	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	53	50	48	\$/tonne
Coke																		
Avdyivka Coke	AVDK	75	7.5%	6	72	neg	neg	neg	11.8	neg	neg	0.0	0.1	0.1	21	16	13	\$/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	873	0.5%	5	872	2.7	9.2	8.4	1.8	3.7	4.3	1.1	1.5	1.7				
Pivnichny GOK	SGOK	2,222	0.5%	12	2,347	2.8	5.1	6.2	2.0	2.9	3.7	1.3	1.5	1.8				
Ferrexpo	FXPO	1,720	24.0%	413	1,971	3.0	8.0	6.5	2.5	4.9	4.4	1.1	1.4	1.3				
Coal Mining																		
Komsomolets Donbasa	SHKD	30	5.4%	2	132	2.0	0.8	0.9	2.0	1.3	1.5	0.7	0.5	0.5	32	31	29	\$/tonne
Coal Energy	CLE	38	11.9%	5	63	1.0	1.0	0.9	1.2	1.0	1.0	0.4	0.4	0.3	1.2	1.0	1.0	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	190	2.0%	4	233	1.9	5.7	5.6	1.6	3.1	3.0	0.3	0.4	0.3	370	613	582	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	42	24.0%	10	42	4.7	6.1	5.1	3.0	3.4	2.7	0.2	0.2	0.2				
Krukiw Wagon	KVBZ	286	5.0%	14	288	3.4	3.0	5.7	2.4	2.1	3.1	0.4	0.3	0.4				
Stakhanov Wagon	SVGZ	35	8.0%	3	74	1.8	>30	12.3	2.2	10.4	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	417	24.0%	100	427	2.5	1.7	1.5	1.5	1.4	1.3	0.6	0.5	0.5				
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	732	3.0%	22	722	2.7	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	71	49.0%	35	53	11.1	5.9	2.9	neg	2.3	1.5	2.8	1.1	0.7	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	179	50.4%	90	287	3.0	4.5	3.6	2.5	2.0	1.9	1.2	1.3	1.1	76	52	39	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	226	21.7%	49	308	>30	7.8	6.8	6.3	5.1	4.6	0.3	0.3	0.3	21	21	17	\$/MWh
DonbasEnergO	DOEN	63	14.2%	9	119	neg	16.3	6.2	5.8	6.9	5.0	0.2	0.2	0.2	15	14	14	\$/MWh
Consumer																		
MHP	MHPC	1,690	34.1%	577	2,735	6.5	5.4	6.2	6.8	5.8	5.2	2.2	1.9	1.8	8547	8547	8547	\$/tonne
Kernel	KER	1,239	61.8%	765	1,849	5.5	5.9	6.4	6.0	5.7	5.5	1.0	0.9	0.7				
Astarta	AST	556	31.0%	173	703	4.9	11.1	9.4	4.9	7.2	5.8	1.7	1.5	1.3	3566	2171	1803	\$/tonne
Avangardco	AVGR	722	22.5%	162	870	3.7	3.2	3.1	3.5	3.1	3.0	1.6	1.4	1.2	197	150	141	\$/mneggs
Agroton	AGT	16	44.6%	7	49	neg	0.8	0.7	2.6	1.6	1.5	0.4	0.5	0.5	0.4	n/a	n/a	\$/th/ha
Banks																		
Raiffeisen Bank Aval	BAVL	329	4.0%	13		>30	>30	11.5	0.4	0.4	0.4	0.05	0.05	0.04				
Ukrsotsbank	USCB	284	1.6%	5		>30	>30	21.8	0.3	0.3	0.4	0.06	0.06	0.06				

Source: Eavex Research

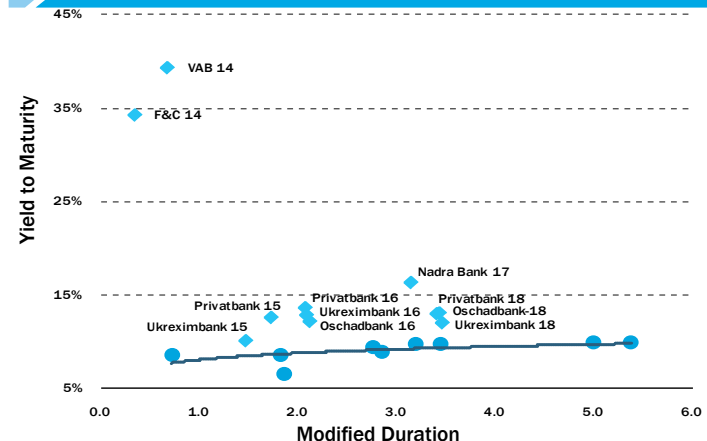
UKRAINIAN EUROBONDS

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	99.9	9.2%	8.2%	-2.2%	0.7	7.95%	S/A	6 Apr. 2014	1,000	B3/B/B
Naftogaz Ukraine, 2014	98.0	98.7	12.3%	11.4%	-4.5%	0.9	9.50%	S/A	30 Sept 2014	1,595	//B
Ukraine, 2015 (EUR)	95.4	95.9	7.6%	7.3%	-1.9%	1.8	4.95%	A	13 Oct 2015	600*	B3/B/B
Ukraine, 2015	96.1	96.6	9.2%	8.9%	-4.9%	1.8	6.875%	S/A	23 Sept 2015	500	B3/B/B
Ukraine, 2016	92.2	93.2	9.6%	9.2%	-7.2%	2.7	6.58%	S/A	21 Nov 2016	1,000	B3/B/B
Ukraine, 2016-2	92.5	93.1	9.0%	8.8%	-6.8%	2.8	6.25%	S/A	17 Jun 2016	1,250	B3/B/B
Ukraine, 2017	89.6	90.1	9.9%	9.8%	-9.5%	3.4	6.75%	S/A	14 Nov 2017	700	B3/B/B
Ukraine, 2017-2	98.2	98.9	9.9%	9.6%	-8.1%	3.1	9.25%	S/A	24 Jul 2017	2,000	B3/B/B
Ukraine, 2017 Infr. projects	89.9	91.5	11.9%	11.3%	-7.7%	3.2	8.375%	S/A	3 Nov 2017	568	B3//
Ukraine, 2018 Infr. projects	84.0	85.6	12.4%	11.8%	-8.6%	3.5	7.40%	S/A	20 Apr 2018	690	B3//
Ukraine, 2020	88.8	89.4	10.1%	10.0%	-13.5%	4.9	7.75%	S/A	23 Sept 2020	1,500	B3/B/B
Ukraine, 2021	88.9	89.6	10.1%	10.0%	-14.1%	5.3	7.95%	S/A	23 Feb 2021	1,500	B3/B/B
Ukraine, 2022	87.5	88.3	9.9%	9.7%	-12.9%	6.0	7.80%	S/A	28 Nov 2022	1,250	B3/B/B
Ukraine, 2023	87.2	87.8	9.6%	9.5%	-12.5%	6.3	7.50%	S/A	17 Apr 2023	1,250	B3/B/B
Corporate Eurobonds											
Agroton, 2014	55.6	69.6	n/a	n/a	n/a	n/a	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	103.9	104.7	7.8%	7.6%	-1.1%	1.5	10.25%	S/A	29 Apr 2015	585	B3//B
MHP, 2020	86.9	88.4	11.1%	10.8%	-12.3%	4.6	8.25%	S/A	2 Apr 2020	750	/B/B
Avangardco, 2015	101.0	103.0	9.7%	8.6%	6.6%	1.8	10.00%	S/A	29 Oct 2015	200	//B
UkrLandFarming, 2018	95.0	96.5	12.3%	11.9%	-4.2%	3.3	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	103.0	105.2	9.8%	8.8%	1.0%	2.1	10.95%	S/A	30 Mar 2016	250	/B/B
DTEK, 2015	101.3	102.8	8.9%	7.8%	0.9%	1.4	9.50%	S/A	28 Apr 2015	500	B3//B
DTEK, 2018	92.2	92.7	10.1%	9.9%	-7.5%	3.5	7.88%	S/A	4 Apr 2018	750	B3//B
Metinvest, 2015	104.1	104.5	7.7%	7.5%	0.5%	1.5	10.25%	S/A	20 May 2015	500	B3//B
Metinvest, 2018	92.5	94.0	11.0%	10.5%	-3.8%	3.5	8.75%	S/A	14 Feb 2018	750	B3//B
Ferrexpo, 2016	95.2	96.4	10.2%	9.5%	-1.6%	2.2	7.875%	S/A	07 Apr 2016	500	/B/B
UZ Rail, 2018	87.0	88.7	13.3%	12.8%	-12.1%	3.5	9.50%	S/A	21 May 2018	500	/B-/B-
Interpipe, 2017	77.0	80.1	19.1%	17.4%	-3.8%	2.8	10.25%	S/A	2 Aug 2017	200	/NR/CCC
JKX Oil&Gas, 2018	104.3	105.8	9.8%	9.3%	5.1%	3.6	8.00%	S/A	19 Feb 2018	40	//
Bank Eurobonds											
Fin&Credit Bank, 2014	92.0	95.0	42.0%	29.5%	55.8%	0.3	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	100.3	102.5	11.5%	9.5%	0.4%	1.1	11.00%	Q	31 Dec 2014	275	B//
Nadra Bank, 2017	83.7	87.7	18.9%	15.9%	-3.8%	3.1	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	92.6	94.1	14.2%	13.2%	-1.5%	1.7	9.38%	S/A	23 Sept 2015	200	B3//
PrivatBank, 2016	77.9	82.3	17.6%	15.0%	3.7%	2.0	8.75%	S/A	9 Feb 2016	150	B3//
PrivatBank, 2018	92.5	93.7	13.1%	12.8%	-6.9%	3.4	10.88%	S/A	28 Feb 2018	175	B3//B
UkrEximBank, 2015	96.6	97.9	11.1%	10.1%	-2.7%	1.4	8.38%	S/A	27 Apr 2015	750	B3//B
UkrEximBank, 2016	84.8	86.8	13.8%	12.6%	1.8%	2.1	8.40%	S/A	2 Sept 2016	125	B3//B
UkrEximBank, 2018	86.8	88.1	12.8%	12.4%	-12.6%	3.4	8.75%	S/A	22 Jan 2018	500	B3//B
VAB Bank, 2014	83.0	85.0	43.9%	39.4%	55.6%	0.6	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	90.3	92.0	13.3%	12.4%	-4.2%	2.1	8.25%	S/A	10 Mar 2016	700	B3//B
Oschadbank, 2018	84.0	85.9	13.8%	13.1%	-15.1%	3.5	8.88%	S/A	20 Mar 2018	500	B3//B
Municipal Eurobonds											
City of Kyiv, 2015	93.1	95.9	12.0%	10.3%	1.0%	1.8	8.00%	S/A	6 Nov 2015	250	B3/B-/
City of Kyiv, 2016	92.4	94.4	12.6%	11.8%	-0.2%	2.3	9.375%	S/A	30 Jun 2016	300	B3/B-/

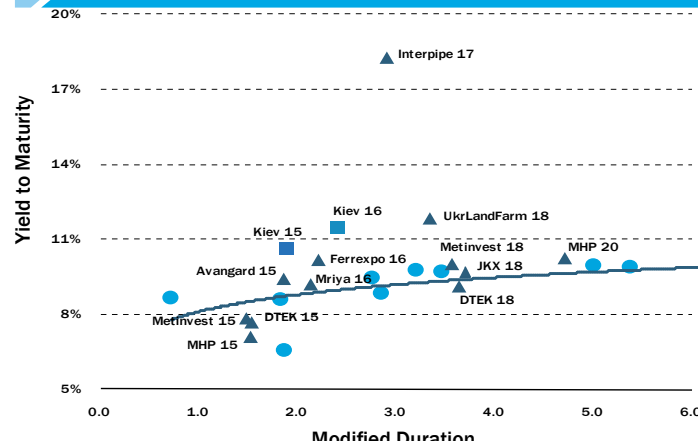
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



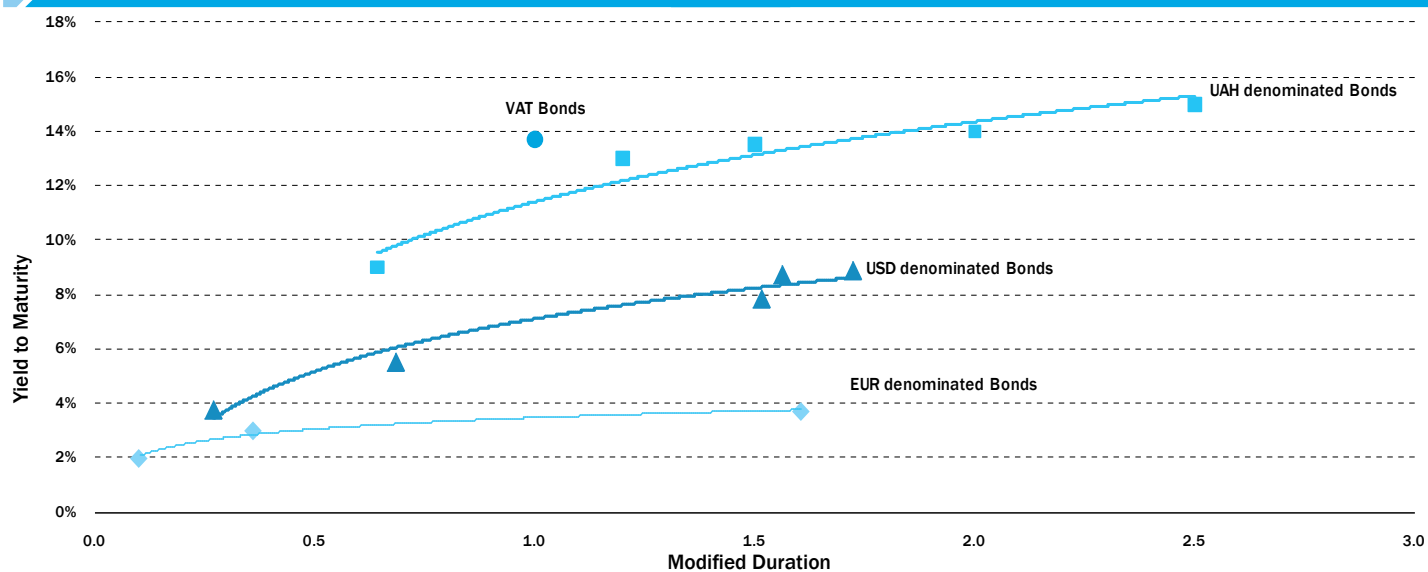
SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



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%	n/a	14.30%	S/A	20 May 2015	31
UA4000142665			18.0%	16.0%	n/a	14.30%	S/A	24 May 2017	184
USD denominated Bonds									
UA4000138002	n/a	n/a	5.3%	3.0%	n/a	9.30%	S/A	27 Nov 2013	86
UA4000140362	n/a	n/a	8.2%	7.0%	n/a	9.20%	S/A	21 May 2014	171
UA4000142699	n/a	n/a	9.1%	8.0%	n/a	9.45%	S/A	22 Apr 2015	312
UA4000141071	n/a	n/a	9.1%	8.0%	n/a	9.45%	S/A	27 May 2015	152
UA4000142673	n/a	n/a	9.2%	8.2%	n/a	4.50%	S/A	17 Jun 2015	175
EUR denominated Bonds									
UA4000137731	n/a	n/a	5.0%	4.9%	n/a	4.80%	S/A	18 Sept 2013	205
UA4000138846	n/a	n/a	5.4%	5.3%	n/a	4.80%	S/A	25 Dec 2013	70
UA4000142681						4.80%	S/A	6 May 2015	40
VAT Bonds									
			14.5%	13.0%	n/a				
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

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