

Market Update

Equity

Ukrainian stocks edged lower on Friday (Sept 20) in line with activity on the main European bourses, as investors began to speculate about exactly when the US Federal Reserve might begin to slow its monetary stimulus program. The UX index inched down by two tenths of a percent to close at 842 points. The most notable decliner was top financial name Raiffeisen Aval (BAVL), which dipped back below 9 kopecks with a 1.6% loss, and Alchevsk Steel (ALMK) was down 1.0% on turnover of UAH 1.4mn. Metinvest-controlled metallurgy names Azovstal (AZST) and Avdyivka Coke (AVDK) continued to trade in the very narrow ranges in which they have been stuck since April, indicating that liquidity in these stocks has dried up. In London, JKX Oil & Gas (JKX LN) slid 4.5% to GBp 63, its lowest level since a mid-summer rebound, while Ferrexpo (FXPO LN) moved down by 2.3%.

Fixed Income

Ukrainian sovereigns showed mostly upward trend on Friday. Ukraine-23s edged up by 0.1p.p. closing at 88.7/89.3 (9.3%/9.2%) with Ukraine-17s advancing by robust 1.6p.p. to 92.0/92.8 (9.2%/8.9%). Corporate papers were sluggish. DTEK-18s declined by 0.8p.p. to 92.0/93.0 (10.1%/9.8%) and MHP-20s dropped by 0.2p.p. and finished at 87.1/88.5 (11.1%/10.7%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1736.00	-0.2%	5.7	92
Alchevsk Steel	ALMK	0.04	-1.0%	1.4	104
Centrenerg	CEEN	5.091	-0.2%	1.1	94

Growth Leaders

Interpipe NMPP	NVTR	0.28	50.8%	0.01	22
Yasynivsky Coke	YASK	0.59	6.1%	0.03	70
Stirol	STIR	10.14	2.4%	0.04	19

Loss Leaders

Bogdan Motors	LUAZ	0.03	-11.2%	0.001	10
Raiffeisen Bank Aval	BAVL	0.09	-1.6%	0.917	115
Alchevsk Steel	ALMK	0.04	-1.0%	1.445	104

Highlights

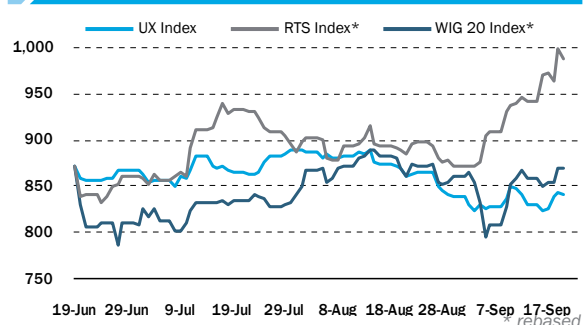
POLITICS AND ECONOMICS

- > Glazev Says Russia Could Back Ukraine Separatists

FIXED INCOME

- > DTEK to Ramp Up Natural Gas Extraction in 2014

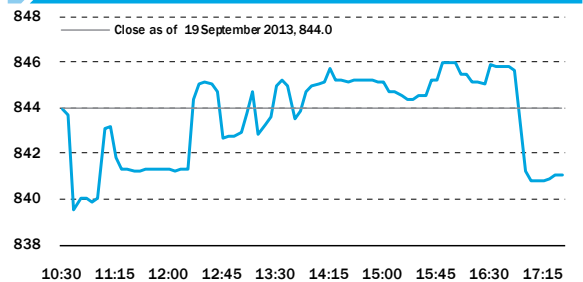
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	842.0	-0.2%	-3.1%	-11.4%
RTS	1462.9	-1.1%	11.0%	-4.2%
WIG20	2408.2	-0.1%	0.1%	-6.8%
MSCI EM	1013.2	-0.9%	8.7%	-4.0%
S&P 500	1709.9	-0.7%	3.5%	21.9%

UX INTRADAY SEPTEMBER 20, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	325.9	0.7%	-9.0%	20.3%
CDS 5Y UKR	890.1	1.3%	2.8%	42.4%
Ukraine-17	9.0%	-0.5 p.p.	-0.5 p.p.	2.1 p.p.
Naftogaz Ukr-14	10.9%	0.0 p.p.	1.0 p.p.	3.3 p.p.
Ukraine-23	9.3%	0.0 p.p.	-0.5 p.p.	1.8 p.p.
Privatbank-16	15.9%	-0.2 p.p.	2.6 p.p.	0.6 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.17	-0.3%	0.5%	1.5%
EUR	11.05	-0.3%	1.3%	3.4%
RUB	0.26	-0.9%	3.9%	-3.2%

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%	-0.9%	2.3%
Oil, USD/bbl	109.2	0.4%	0.1%	4.1%
Gold, USD/oz	1326.1	-2.9%	-3.3%	-19.9%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Glazev Says Russia Could Back Ukraine Separatists

by Will Ritter
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NEWS

Sergey Glazev, a top advisor to Russian President Putin on trade issues, said at a business/political conference in Yalta on Saturday (Sept 21) that Moscow may back pro-Russian separatist movements in Eastern Ukraine if the Ukrainian government moves forward in signing a comprehensive association pact with the European Union later this year. Glazev, who himself is originally from the Eastern Ukrainian city of Zaporizhia, said he believes that there is enough popular support in Russian-speaking Ukraine to drive an anti-European separatist movement, and that Russia would have legal grounds to back it.

COMMENTARY

Glazev's comments imply that the Kremlin is down to its last card in its efforts to prevent the signing of the AA/DCFTA this November. This year's Yalta conference clearly indicated that there is no support either among President Yanukovich's inner circle nor the political opposition for accession to the Moscow-led Customs Union, and that the EU also appears increasingly focused on making the Vilnius summit a success, although the status of former PM Yulia Tymoshenko remains a thorn in the side of relations. Still, we see the Russian calls for a referendum on joining the Customs Union as carrying significant political risks for Ukraine and for President Yanukovich in particular, given that he was elected largely thanks to the most pro-Russian elements of Ukraine's electorate. There is significant opposition to signing the AA/DCFTA among some rank-and-file MPs from Yanukovich's Party of Regions, and it is unclear to us at this point how Yanukovich could retain the loyalty of pro-Russian voters in the March 2015 presidential election. In terms of a separatist movement in case of the AA/DCFTA signing, the only region of Ukraine where we see this as any kind of a realistic threat would be in Crimea.

DTEK to Ramp Up Natural Gas Extraction in 2014

by Dmitry Churin
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NEWS

DTEK, the largest private energy company in Ukraine, plans to reach natural gas extraction of 1 billion cubic meters in 2014, CEO Maxim Timchenko told journalists at a conference in Yalta on Friday (Sept 20). DTEK owns a controlling stake in NaftoGazVidobuvanya, which is one of the largest E&P companies in Ukraine not controlled by state-owned energy monopoly Naftogaz. This entity has historically extracted 350mn cubic meters of gas per year; DTEK expects to ramp up production to 500mn cu-m this year and to 1.0bn cu-m in 2014.

COMMENTARY

DTEK has announced a large CapEx program of USD 1.45bn for 2013, although the amount to be invested in gas extraction has not been specified. The gas business is a new segment for DTEK, as the company acquired NaftoGasVidobuvanya only in March of this year. In addition to extraction, DTEK recently started to import natural gas from Europe at a rate of about 100mn cu-m per month; the group's enterprises have gas consumption of about 3.0bn cu-m. According to our estimates, the announced vertical integration in the sphere of natural gas could save DTEK at least USD 100mn per year.

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	0.77	1.30	68%	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	95%	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	482%	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	2.51	6.18	146%	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	0.20	0.64	222%	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	213	644	203%	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	0.25	1.52	517%	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	494%	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	2.70	8.90	229%	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	195%	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	16.1	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	22.43	30.0	34%	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	10.93	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	842.01	1071.53	758.71	-0.2%	1.3%	-3.1%	-11.4%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.038	0.06	0.03	-1.0%	0.5%	-3.3%	-28.3%	-0.8%	-0.8%	-0.1%	-16.9%
Azovstal	AZST	0.62	0.91	0.31	0.2%	-0.6%	0.8%	-15.7%	0.4%	-2.0%	4.0%	-4.3%
Dniprospezstal	DNSS	n/a	1,090	700	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Enakievo Steel	ENMZ	33.6	49.9	20.0	0.2%	1.1%	-1.1%	-11.6%	0.5%	-0.3%	2.1%	-0.1%
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%	-1.3%	11.5%	-29.5%
Coke												
Avdivka Coke	AVDK	3.20	4.06	1.61	0.5%	1.4%	-0.8%	-2.2%	0.7%	0.0%	2.3%	9.2%
Yasnyivsky Coking	YASK	0.59	0.94	0.51	5.4%	7.3%	5.4%	-11.9%	5.6%	5.9%	8.5%	-0.5%
Iron Ore Mining												
Centralny GOK	CGOK	6.33	7.74	4.00	0.0%	3.8%	-2.0%	-8.3%	0.2%	2.4%	1.1%	3.2%
Ferrexpo	FXPO	2.92	4.58	2.02	-2.4%	-1.4%	3.5%	-27.5%	-2.1%	-2.7%	6.7%	-16.1%
Pivnichny GOK	SGOK	7.90	10.00	5.77	0.0%	1.8%	-1.3%	6.2%	0.2%	0.5%	1.9%	17.6%
Coal Mining												
Pokrovske Mine	SHCHZ	0.45	0.93	0.39	0.0%	0.0%	7.1%	-28.6%	0.2%	-1.3%	10.3%	-17.2%
Komsomolets Donbasa	SHKD	0.70	1.40	0.27	1.4%	1.4%	11.1%	-40.7%	1.7%	0.1%	14.3%	-29.3%
Energy Coal	CLE	0.80	5.77	0.59	-8.1%	-1.0%	16.2%	-74.1%	-7.9%	-2.3%	19.4%	-62.7%
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	0.65	0.86	0.45	4.8%	8.3%	12.1%	-7.1%	5.1%	7.0%	15.2%	4.3%
Interpipe NMPP	NVTR	0.28	0.60	0.10	47.4%	47.4%	47.4%	27.3%	47.6%	46.0%	50.5%	38.7%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	20.5	29.0	12.0	-0.4%	1.0%	-11.3%	5.7%	-0.2%	-0.4%	-8.2%	17.1%
Luhanskeplovoz	LTPL	1.62	2.20	1.26	-1.8%	2.5%	2.5%	-13.4%	-1.6%	1.2%	5.7%	-1.9%
Stakhanov Wagon	SVGZ	1.23	2.70	1.00	-5.4%	-2.4%	-1.6%	-28.9%	-5.2%	-3.7%	1.5%	-17.5%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.03	-11.2%	-13.3%	-23.1%	-33.0%	-11.0%	-14.6%	-19.9%	-21.6%
Motor Sich	MSICH	1,736	2,640	1,399	-0.2%	5.2%	-2.9%	-21.4%	0.0%	3.9%	0.2%	-10.0%
Sumy Frunze Engineering	SMASH	2.46	4.00	0.76	-2.4%	-1.6%	29.5%	64.0%	-2.2%	-2.9%	32.6%	75.4%
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	0.20	0.45	0.17	1.2%	8.1%	5.9%	-14.7%	1.4%	6.8%	9.0%	-3.3%
Telecom												
Ukrtelecom	UTLM	0.16	0.28	0.09	0.0%	4.5%	8.1%	-2.1%	0.2%	3.1%	11.2%	9.4%
Oil & Gas												
Regal Petroleum	RPT	0.25	0.59	0.20	4.1%	3.5%	-8.9%	-54.5%	4.3%	2.1%	-5.8%	-43.1%
JKX Oil	JKX	1.01	1.31	0.75	-4.7%	-4.7%	-8.1%	-15.6%	-4.4%	-6.1%	-4.9%	-4.2%
Ukrnafta	UNAF	114	280	80	0.1%	2.3%	-0.1%	-3.7%	0.3%	1.0%	3.1%	7.7%
Power Utilities												
Centrenerg	CEEN	5.09	6.98	3.49	-0.2%	1.0%	-0.9%	-19.8%	0.0%	-0.4%	2.2%	-8.4%
Donbasenergo	DOEN	22.1	26.8	15.1	-0.3%	2.2%	-11.5%	4.2%	-0.1%	0.9%	-8.4%	15.6%
Zakhidenergo	ZAEN	85.9	115.0	70.0	2.3%	3.6%	1.7%	-11.4%	2.5%	2.3%	4.8%	0.0%
Consumer												
Agroton	AGT	0.76	4.2	0.36	-2.1%	4.0%	3.5%	-76.7%	-1.9%	2.7%	6.7%	-65.3%
Astarta	AST	22.4	24.4	14.5	-2.0%	3.8%	-5.2%	25.5%	-1.8%	2.4%	-2.1%	37.0%
Avangardo	AVGR	10.9	12.0	7.61	-0.6%	-2.4%	11.0%	-3.5%	-0.4%	-3.8%	14.1%	7.9%
Industrial Milk Company	IMC	4.79	5.48	3.63	-2.1%	-0.3%	-2.6%	-9.8%	-1.8%	-1.6%	0.5%	1.6%
Kernel	KER	16.6	22.6	14.0	-2.9%	0.1%	12.9%	-23.6%	-2.6%	-1.3%	16.1%	-12.2%
Mriya Agro Holding	MAYA	5.74	6.7	5.36	0.1%	1.8%	-7.0%	-11.5%	0.3%	0.4%	-3.8%	-0.1%
MHPC	MHPC	16.1	19.9	13.58	-2.1%	1.0%	-2.0%	5.2%	-1.9%	-0.3%	1.2%	16.7%
Milkiland	MLK	3.75	5.6	3.11	0.6%	13.5%	2.7%	-20.4%	0.8%	12.2%	5.8%	-9.0%
Ovostar Union	OVO	29.7	33.2	21.3	-2.7%	7.0%	10.2%	2.9%	-2.5%	5.6%	13.4%	14.3%
Sintal	SNPS	n/a	0.39	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	10.1	17.6	7.1	2.0%	5.0%	8.2%	-24.3%	2.2%	3.6%	11.4%	-12.9%
Banks												
Raiffeisen Bank Aval	BAVL	0.090	0.128	0.061	-1.1%	-2.2%	-9.1%	4.9%	-0.9%	-3.5%	-6.0%	16.3%
UkrSotsbank	USCB	0.127	0.181	0.107	-0.2%	-0.2%	-1.5%	-1.6%	0.0%	-1.6%	1.7%	9.8%

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%
Ukrspasbank	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	121	3.9%	5	1,536	3.3	neg	neg	10.6	neg	neg	0.7	0.9	0.9	530	457	411	\$/tonne
Yenakievo Steel	ENMZ	43	8.8%	4	36	1.4	5.1	neg	neg	neg	neg	0.0	0.0	0.0	14	14	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	76	7.5%	6	74	neg	neg	neg	12.1	neg	neg	0.1	0.1	0.1	21	16	13	\$/tonne
Yasynivsky Coke	YASK	20	9.0%	2	49	1.3	1.8	1.8	1.7	1.7	1.8	0.1	0.1	0.1	1.7	1.7	1.8	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	908	0.5%	5	907	2.8	9.5	8.7	1.8	3.8	4.5	1.1	1.6	1.8				
Pivnichny GOK	SGOK	2,228	0.5%	12	2,353	2.8	5.1	6.2	2.0	2.9	3.7	1.3	1.6	1.8				
Ferrexpo	FXPO	1,717	24.0%	412	1,968	3.0	8.0	6.5	2.5	4.9	4.4	1.1	1.4	1.3				
Coal Mining																		
Komsomolets Donbasa	SHKD	29	5.4%	2	131	1.9	0.7	0.8	1.9	1.3	1.5	0.7	0.5	0.5	32	31	29	\$/tonne
Coal Energy	CLE	36	11.9%	4	62	1.0	0.9	0.8	1.2	1.0	1.0	0.4	0.4	0.3	1.2	1.0	1.0	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	207	2.0%	4	249	2.1	6.1	6.1	1.7	3.4	3.2	0.3	0.4	0.4	396	656	623	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	43	24.0%	10	43	4.8	6.3	5.4	3.1	3.5	2.8	0.2	0.3	0.2				
Kruiiv Wagon	KVBZ	288	5.0%	14	290	3.4	3.0	5.7	2.5	2.2	3.1	0.4	0.3	0.5				
Stakhanov Wagon	SVGZ	34	8.0%	3	73	1.7	>30	11.9	2.2	10.2	6.7	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	442	24.0%	106	452	2.6	1.8	1.6	1.6	1.5	1.4	0.6	0.5	0.5				
Telecom																		
Ukrtelecom	UTLM	359	7.2%	26	695	neg	7.9	7.5	3.4	3.4	3.3	0.8	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	758	3.0%	23	748	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	79	49.0%	39	61	12.3	6.6	3.3	neg	2.7	1.7	3.2	1.2	0.8	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	173	50.4%	87	282	2.9	4.3	3.5	2.5	1.9	1.9	1.2	1.3	1.1	74	51	39	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	230	21.7%	50	313	>30	8.0	6.9	6.4	5.2	4.6	0.4	0.3	0.3	21	22	18	\$/MWh
DonbasEnergO	DOEN	64	14.2%	9	121	neg	16.7	6.3	5.8	7.0	5.1	0.2	0.2	0.2	15	14	14	\$/MWh
Consumer																		
MHP	MHPC	1,695	34.1%	578	2,740	6.5	5.5	6.3	6.8	5.9	5.2	2.2	1.9	1.8	8564	8564	8564	\$/tonne
Kernel	KER	1,219	61.8%	753	1,830	5.4	5.8	6.3	5.9	5.7	5.4	1.0	0.8	0.7				
Astarta	AST	560	31.0%	174	707	4.9	11.2	9.5	4.9	7.3	5.8	1.8	1.5	1.3	3585	2182	1812	\$/tonne
Avangardco	AVGR	698	22.5%	157	846	3.6	3.1	3.0	3.4	3.0	2.9	1.5	1.3	1.2	191	146	137	\$/mneqgs
Agroton	AGT	16	44.6%	7	50	neg	0.9	0.8	2.7	1.6	1.5	0.4	0.5	0.5	0.4	n/a	n/a	\$/th/ha
Banks																		
Raiffeisen Bank Aval	BAVL	330	4.0%	13		>30	>30	11.6	0.4	0.4	0.4	0.05	0.05	0.04				
Ukrsotsbank	USCB	286	1.6%	5		>30	>30	21.8	0.4	0.4	0.4	0.06	0.06	0.06				

Source: Eavex Research

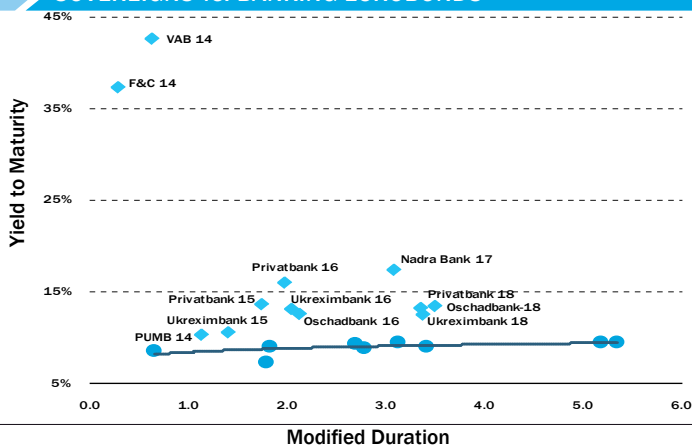
UKRAINIAN EUROBONDS

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	99.4	100.0	9.1%	8.1%	-2.1%	0.6	7.95%	S/A	6 Apr. 2014	1,000	B3/B/B
Naftogaz Ukraine, 2014	98.3	99.1	12.0%	11.1%	-4.2%	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	96.0	97.0	9.3%	8.7%	-4.7%	1.8	6.875%	S/A	23 Sept 2015	500	B3/B/B
Ukraine, 2016	92.1	93.1	9.6%	9.2%	-7.3%	2.7	6.58%	S/A	21 Nov 2016	1,000	B3/B/B
Ukraine, 2016-2	92.4	93.4	9.1%	8.7%	-6.8%	2.8	6.25%	S/A	17 Jun 2016	1,250	B3/B/B
Ukraine, 2017	92.0	92.8	9.2%	8.9%	-6.9%	3.4	6.75%	S/A	14 Nov 2017	700	B3/B/B
Ukraine, 2017-2	98.8	99.6	9.7%	9.4%	-7.5%	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%	11.9%	#VALUE!	3.5	7.40%	S/A	20 Apr 2018	690	B3//
Ukraine, 2020	91.0	92.0	9.6%	9.4%	-11.2%	5.2	7.75%	S/A	23 Sept 2020	1,500	B3/B/B
Ukraine, 2021	91.8	92.3	9.5%	9.4%	-11.4%	5.3	7.95%	S/A	23 Feb 2021	1,500	B3/B/B
Ukraine, 2022	88.9	89.7	9.7%	9.5%	-11.5%	6.1	7.80%	S/A	28 Nov 2022	1,250	B3/B/B
Ukraine, 2023	88.7	89.3	9.3%	9.2%	-11.0%	6.3	7.50%	S/A	17 Apr 2023	1,250	B3/B/B
Corporate Eurobonds											
Agroton, 2014	54.6	69.9	n/a	n/a	n/a	n/a	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	104.0	104.9	7.7%	7.4%	-0.9%	1.4	10.25%	S/A	29 Apr 2015	235	B3//B
MHP, 2020	87.1	88.5	11.1%	10.7%	-12.2%	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	94.9	96.0	12.4%	12.1%	-4.5%	3.4	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	103.0	104.8	9.8%	9.0%	0.9%	2.1	10.95%	S/A	30 Mar 2016	72	/B/B
Mriya, 2018	90.4	92.1	12.2%	11.7%	-8.8%	3.4	9.45%	S/A	19 Apr 2018	400	/B/B
DTEK, 2015	101.3	103.3	8.9%	7.5%	1.1%	1.4	9.50%	S/A	28 Apr 2015	200	B3//B
DTEK, 2018	92.0	93.0	10.1%	9.8%	-7.5%	3.5	7.88%	S/A	4 Apr 2018	750	B3//B
Metinvest, 2015	104.1	105.6	7.7%	6.8%	1.0%	1.5	10.25%	S/A	20 May 2015	500	B3//B
Metinvest, 2018	93.3	94.5	10.8%	10.4%	-3.1%	3.5	8.75%	S/A	14 Feb 2018	750	B3//B
Ferrexpo, 2016	96.1	97.3	9.8%	9.1%	-0.8%	2.2	7.875%	S/A	07 Apr 2016	500	/B/B
UZ Rail, 2018	87.2	88.6	13.3%	12.8%	-12.1%	3.5	9.50%	S/A	21 May 2018	500	/B-/B-
Interepipe, 2017	77.0	80.1	19.2%	17.4%	-3.8%	2.8	10.25%	S/A	2 Aug 2017	200	/NR/CCC
JKX Oil&Gas, 2018	102.9	104.4	10.1%	9.7%	3.7%	3.6	8.00%	S/A	19 Feb 2018	40	//
Bank Eurobonds											
Fin&Credit Bank, 2014	92.0	95.0	43.9%	30.5%	46.1%	0.3	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	100.8	102.5	11.1%	9.5%	0.7%	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	93.0	94.1	14.0%	13.3%	-1.3%	1.7	9.38%	S/A	23 Sept 2015	200	B3//
PrivatBank, 2016	78.0	83.4	17.6%	14.4%	4.5%	2.0	8.75%	S/A	9 Feb 2016	150	B3//
PrivatBank, 2018	92.3	93.6	13.2%	12.8%	-7.0%	3.4	10.88%	S/A	28 Feb 2018	175	B3//B
UkrEximBank, 2015	96.5	98.0	11.1%	10.0%	-2.6%	1.4	8.38%	S/A	27 Apr 2015	750	B3//B
UkrEximBank, 2016	85.1	86.9	13.6%	12.6%	2.6%	2.0	8.40%	S/A	2 Sept 2016	125	B3//B
UkrEximBank, 2018	87.1	88.4	12.7%	12.3%	-12.3%	3.4	8.75%	S/A	22 Jan 2018	500	B3//B
VAB Bank, 2014	83.0	85.0	44.9%	40.2%	50.0%	0.6	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	91.2	92.2	12.8%	12.3%	-3.6%	2.1	8.25%	S/A	10 Mar 2016	700	B3//B
Oschadbank, 2018	84.3	85.7	13.7%	13.2%	-15.0%	3.5	8.88%	S/A	20 Mar 2018	500	B3//B
Municipal Eurobonds											
City of Kyiv, 2015	92.5	95.0	12.4%	10.9%	0.2%	1.8	8.00%	S/A	6 Nov 2015	250	B3/B-/
City of Kyiv, 2016	91.7	95.2	13.0%	11.4%	-0.1%	2.3	9.375%	S/A	30 Jun 2016	300	B3/B-/

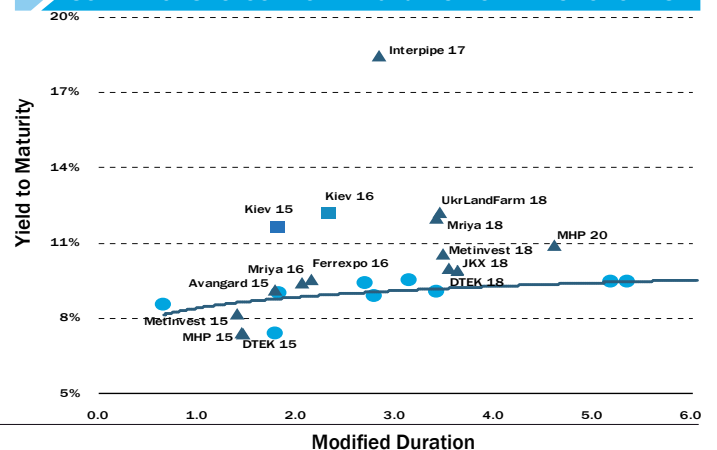
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



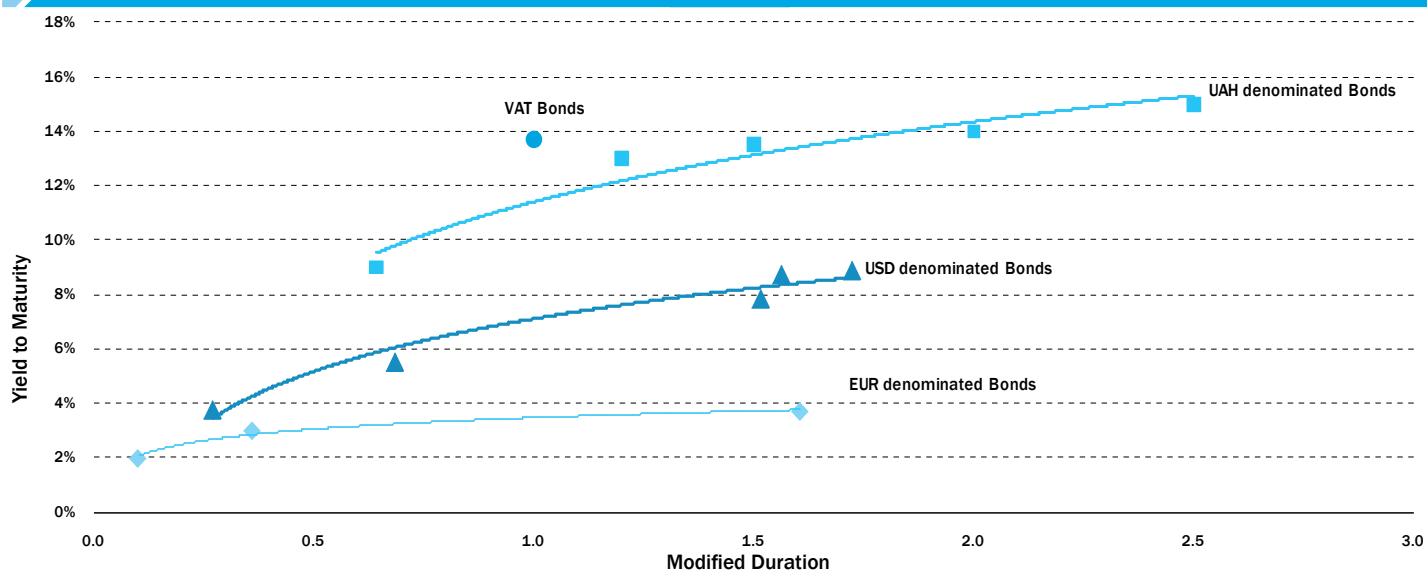
SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



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									
UA4000138846	n/a	n/a	5.0%	4.9%	n/a	4.80%	S/A	25 Dec 2013	70
UA4000142681	n/a	n/a	5.4%	5.3%	n/a	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

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