

Market Update

Equity

Equity markets in both Europe and the United States were sharply higher on Thursday (Oct 10), amid expectations that the US debt limit quagmire will be taken off the front burner by a compromise between the US President and Congress. As luck would have it, the Ukrainian Exchange was closed for technical reasons yesterday, depriving the local market of the opportunity to piggyback on the rosy external mood. The main indices in Frankfurt and Paris saw gains of nearly 2%, while the S&P 500 was up 1.4% at midday in New York. It was a good day for the major Ukrainian names listed abroad, with JKK Oil & Gas (JKX LN) jumping 5.7% to GBp 69.75 and Ferrexpo (FXPO LN) and Avangard (AVGR LI) adding 4.1% and 2.2% respectively. The situation was no different in Warsaw, as top liquid name Kernel (KER PW) forged ahead by a solid 5.3% to PLN 53.90 and Ovostar (OVO PW) picked up 4.5%.

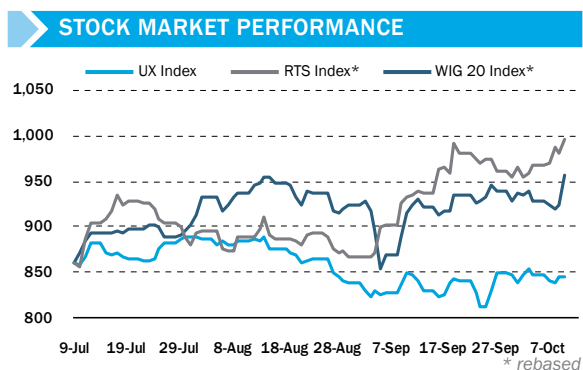
Fixed Income

Ukrainian sovereigns were mostly up on Thursday with Ukraine-23s advancing by 0.5p.p. to 85.9/87.1 (9.8%/9.6%). Corporate papers were mixed. UkrLandFarming-18s increased by 0.9p.p. to 90.5/93.0 (13.7%/13.0%) while MHP-15s inched down by 0.1p.p. closing at 99.8/100.1 (10.8%/10.6%).

Highlights

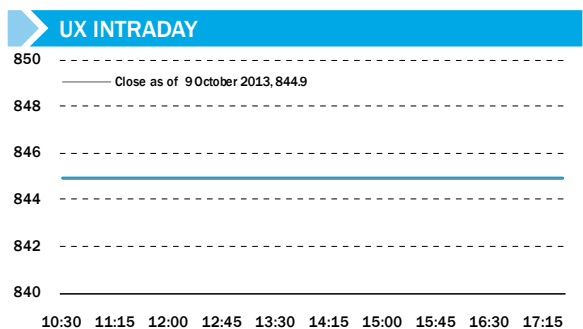
POLITICS AND ECONOMICS

- > Azarov Talks Tough on Russian Gas Imports in Latest Remarks



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	844.9	0.0%	1.0%	-11.1%
RTS	1484.8	1.6%	7.6%	-2.8%
WIG20	2468.7	3.5%	7.8%	-4.4%
MSCI EM	1014.1	0.8%	4.1%	-3.9%
S&P 500	1692.6	2.2%	1.2%	20.7%



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	339.0	-1.1%	-6.6%	25.1%
CDS 5Y UKR	1030.9	-2.5%	18.4%	64.9%
Ukraine-17	10.4%	0.0 p.p.	0.5 p.p.	3.5 p.p.
Naftogaz Ukr-14	16.7%	0.2 p.p.	5.4 p.p.	9.1 p.p.
Ukraine-23	9.7%	-0.1 p.p.	-0.1 p.p.	2.2 p.p.
Privatbank-16	21.5%	0.0 p.p.	7.4 p.p.	6.2 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.19	0.0%	0.3%	1.7%
EUR	11.07	0.0%	2.3%	3.6%
RUB	0.25	0.5%	3.4%	-4.0%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	257.2	0.0%	2.6%	-26.2%
Steel, USD/t	530.0	0.0%	-2.8%	-0.5%
Oil, USD/bbl	111.8	2.5%	-0.5%	6.5%
Gold, USD/oz	1287.6	-1.4%	-7.2%	-22.2%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Azarov Talks Tough on Russian Gas Imports in Latest Remarks

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NEWS

Ukraine could completely stop importing natural gas from Russia in the next few years, if the current gas contract is not revised, Prime Minister Nikolay Azarov told Russian media outlets RIA Novosti and Russia 24 on Thursday (Oct 10). The Prime Minister stated that under the current Russian import price of around USD 400 per 1,000 cubic meters, Ukraine would continue cutting both consumption and import by increasing energy efficiency and switching to alternative sources. Further, Azarov added that Ukraine is ready to prove the absurdity of the current gas contract between NaftoGaz and Gazprom in court, if the Russian company decides to file a suit for non-compliance with the contract. The 10-year agreement links the gas import price to benchmark oil prices, and runs until 2019.

COMMENTARY

In Azarov's comments, we see another political attempt to force Gazprom to change the terms of the much-maligned contract signed by former PM Yulia Tymoshenko. It appears that, after three years of unsuccessful negotiations, the Yanukovich administration is close to achieving some concrete results. Earlier this week, President Putin said that Gazprom has given Ukraine a discount on gas to be pumped into underground storage facilities, selling it at about USD 260 per 1,000 cubic meters. However, Putin did not mention that the discount is being provided not to Ukrainian state-owned monopoly Naftogaz, but rather to the Ostchem group of industrialist Dmitry Firtash. Firtash has historically had strong ties with Gazprom, having been its local partner during 2006-2009, when an intermediate Gazprom-related entity known as RosUkrEnerg was selling Russian and Turkmen gas to Ukrainian industrial users. As we understand, the discounted price will apply to a 6.0bn cu-m purchase by OstChem, which will act as a special reserve for Gazprom in Ukrainian gas storages intended to ensure smooth gas deliveries to Europe during the upcoming winter months.

Currently Ukraine extracts about 20bn cu-m of natural gas per year out of 55bn cu-m it consumes. This figures strongly suggest that rhetoric about an end to Ukrainian imports of Russian gas is not realistic in either the near or medium terms.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, USD per share	Target price, USD per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.08	0.07	-12%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	2.83	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	1.04	1.77	70%	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	64%	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	514%	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	555%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	2.10	6.18	194%	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	240%	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	194	644	232%	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	64%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	0.23	1.52	550%	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	438%	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	2.85	8.90	213%	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	203%	BUY	CentrEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Consumer						
MHP	MHPC	15.3	22.10	45%	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	23.01	30.0	30%	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	11.40	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	844.91	1061.97	758.71	0.0%	-1.1%	1.0%	-11.1%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.041	0.06	0.02	0.0%	0.2%	8.8%	-23.4%	0.0%	1.4%	7.7%	-12.3%
Azovstal	AZST	0.63	0.90	0.31	0.0%	0.5%	1.1%	-14.2%	0.0%	1.6%	0.1%	-3.1%
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	0.0%	0.8%	0.4%	-11.7%	0.0%	1.9%	-0.6%	-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%	0.0%	-40.9%	0.0%	1.1%	-1.0%	-29.8%
Coke												
Avdivka Coke	AVDK	3.21	4.80	1.60	0.0%	0.2%	1.4%	-2.1%	0.0%	1.3%	0.3%	9.0%
Yasnyivsky Coking	YASK	0.56	0.85	0.51	0.0%	-3.4%	0.0%	-16.4%	0.0%	-2.3%	-1.0%	-5.3%
Iron Ore Mining												
Centralny GOK	CGOK	6.49	7.74	4.00	0.0%	1.4%	8.2%	-5.9%	0.0%	2.5%	7.1%	5.2%
Ferrexpo	FXPO	2.82	4.58	2.02	4.2%	0.8%	0.5%	-29.9%	4.2%	1.9%	-0.5%	-18.8%
Pivnichny GOK	SGOK	8.50	10.00	5.77	0.0%	10.8%	9.3%	14.2%	0.0%	11.9%	8.2%	25.4%
Coal Mining												
Pokrovske Mine	SHCHZ	0.45	0.80	0.39	0.0%	2.3%	2.3%	-28.6%	0.0%	3.4%	1.2%	-17.5%
Komsomolets Donbasa	SHKD	0.66	1.35	0.27	0.0%	-1.5%	-2.9%	-44.1%	0.0%	-0.4%	-4.0%	-33.0%
Energy Coal	CLE	0.90	5.32	0.59	1.1%	14.8%	31.2%	-70.8%	1.1%	15.9%	30.2%	-59.6%
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	0.61	0.86	0.45	0.0%	-9.0%	1.7%	-12.9%	0.0%	-7.9%	0.6%	-1.7%
Interpipe NMPP	NVTR	0.20	0.51	0.10	0.0%	-9.1%	5.3%	-9.1%	0.0%	-8.0%	4.2%	2.0%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	17.2	29.0	12.0	0.0%	-4.7%	-19.2%	-11.3%	0.0%	-3.6%	-20.2%	-0.2%
Luhanskeplovoz	LTPL	1.54	2.20	1.26	0.0%	-0.6%	2.7%	-17.6%	0.0%	0.5%	1.6%	-6.5%
Stakhanov Wagon	SVGZ	1.30	2.45	1.00	0.0%	-0.8%	4.0%	-24.9%	0.0%	0.3%	3.0%	-13.7%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	0.0%	-12.3%	-28.6%	-36.4%	0.0%	-11.2%	-29.6%	-25.3%
Motor Sich	MSICH	1,589	2,640	1,303	0.0%	-0.6%	-3.4%	-28.1%	0.0%	0.5%	-4.4%	-17.0%
Sumy Frunze Engineering	SMASH	2.45	4.00	0.76	0.0%	18.9%	6.5%	63.3%	0.0%	20.0%	5.5%	74.4%
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	0.21	0.41	0.17	-4.0%	-12.3%	16.4%	-11.2%	-4.0%	-11.2%	15.3%	-0.1%
Telecom												
Ukrtelecom	UTLM	0.15	0.25	0.09	0.0%	-2.6%	-8.4%	-5.6%	0.0%	-1.5%	-9.5%	5.5%
Oil & Gas												
Regal Petroleum	RPT	0.23	0.59	0.20	1.0%	11.1%	-2.5%	-56.9%	1.0%	12.2%	-3.6%	-45.8%
JKX Oil	JKX	1.11	1.29	0.75	5.8%	11.1%	2.0%	-6.9%	5.8%	12.2%	1.0%	4.2%
Ukrnafta	UNAF	109	280	96	0.0%	0.6%	-2.3%	-8.5%	0.0%	1.8%	-3.3%	2.6%
Power Utilities												
Centrenerg	CEEN	4.97	7.40	2.50	0.0%	-0.4%	-2.6%	-21.7%	0.0%	0.7%	-3.7%	-10.6%
Donbasenergo	DOEN	23.3	34.0	15.1	0.0%	-4.0%	4.9%	10.0%	0.0%	-2.9%	3.8%	21.1%
Zakhidenergo	ZAEN	86.0	115.0	70.0	0.0%	-0.6%	5.3%	-11.3%	0.0%	0.5%	4.2%	-0.2%
Consumer												
Agroton	AGT	0.82	4.0	0.36	4.5%	-2.7%	17.5%	-74.8%	4.5%	-1.6%	16.5%	-63.7%
Astarta	AST	23.0	24.4	14.5	-0.6%	0.6%	10.9%	28.7%	-0.6%	1.8%	9.9%	39.8%
Avangardo	AVGR	11.4	12.0	7.61	2.2%	1.3%	7.5%	0.6%	2.2%	2.4%	6.5%	11.7%
Industrial Milk Company	IMC	4.88	5.48	3.63	3.1%	0.3%	4.7%	-8.1%	3.1%	1.4%	3.7%	3.0%
Kernel	KER	17.4	22.6	14.0	5.3%	7.6%	17.3%	-19.6%	5.3%	8.7%	16.3%	-8.5%
Mriya Agro Holding	MAYA	6.03	6.7	5.36	0.1%	-0.7%	7.1%	-7.1%	0.1%	0.4%	6.0%	4.0%
MHPC	MHPC	15.3	19.9	13.58	0.0%	-1.3%	1.7%	0.0%	0.0%	-0.2%	0.6%	11.1%
Milkiland	MLK	4.04	5.5	3.11	1.4%	-4.9%	26.9%	-14.2%	1.4%	-3.8%	25.8%	-3.1%
Ovostar Union	OVO	32.3	33.2	21.3	4.5%	-1.9%	28.5%	11.8%	4.5%	-0.8%	27.4%	22.9%
Sintal	SNPS	n/a	0.39	0.22	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	11.7	17.5	7.1	0.0%	0.7%	41.3%	-12.5%	0.0%	1.8%	40.3%	-1.3%
Banks												
Raiffeisen Bank Aval	BAVL	0.088	0.128	0.061	0.0%	-1.7%	-5.7%	2.6%	0.0%	-0.6%	-6.7%	13.7%
UkrSotsbank	USCB	0.183	0.257	0.107	0.0%	-6.1%	43.3%	41.7%	0.0%	-5.0%	42.2%	52.8%

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%
Ukrspotsbank	USCB	5,032	5,151	5,064	827	814	788	449	451	469	2	2	13	0.2%	0.3%	1.7%

Source: Eavex Research

MAIN TRADING MULTIPLES

Ticker	MCap USD mn	Free Float % USD mn	EV USD mn	P/E			EV/EBITDA			EV/Sales			EV/Output			Units		
				2011	2012	2013E	2011	2012	2013E	2011	2012	2013E	2011	2012	2013E			
Steel																		
Alchevsk Steel	ALMK	129	3.9%	5	1,544	3.5	neg	neg	10.6	neg	neg	0.7	0.9	0.9	532	459	414	\$/tonne
Yenakievo Steel	ENMZ	43	8.8%	4	36	1.4	5.0	neg	neg	neg	neg	0.0	0.0	0.0	14	13	13	\$/tonne
Azovstal	AZST	326	4.1%	13	304	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	54	51	49	\$/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	19	9.0%	2	48	1.2	1.7	1.7	1.7	1.7	1.7	0.1	0.1	0.1	1.7	1.7	1.7	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	929	0.5%	5	928	2.9	9.8	8.9	1.9	3.9	4.6	1.2	1.6	1.8				
Pivnichny GOK	SGOK	2,392	0.5%	13	2,517	3.1	5.5	6.7	2.1	3.1	3.9	1.4	1.7	1.9				
Ferrexpo	FXPO	1,660	24.0%	399	1,911	2.9	7.7	6.3	2.4	4.8	4.3	1.1	1.3	1.2				
Coal Mining																		
Komsomolets Donbasa	SHKD	27	5.4%	1	129	1.8	0.7	0.8	1.9	1.3	1.4	0.7	0.5	0.5	31	30	29	\$/tonne
Coal Energy	CLE	41	11.9%	5	66	1.1	1.1	1.0	1.3	1.1	1.0	0.4	0.4	0.3	1.3	1.1	1.0	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	194	2.0%	4	236	2.0	5.7	5.7	1.6	3.2	3.1	0.3	0.4	0.3	375	621	590	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	41	24.0%	10	41	4.6	6.0	5.1	2.9	3.3	2.7	0.2	0.2	0.2				
Krukiv Wagon	KVBZ	241	5.0%	12	243	2.8	2.5	4.8	2.1	1.8	2.6	0.3	0.3	0.4				
Stakhanov Wagon	SVGZ	36	8.0%	3	75	1.8	>30	12.5	2.3	10.5	6.9	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	403	24.0%	97	413	2.4	1.6	1.5	1.5	1.3	1.3	0.6	0.5	0.4				
Telecom																		
Ukrtelecom	UTLM	345	7.2%	25	681	neg	7.6	7.2	3.3	3.3	3.3	0.8	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	719	3.0%	22	709	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	75	49.0%	37	57	11.7	6.2	3.1	neg	2.5	1.6	3.0	1.1	0.7	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	191	50.4%	96	299	3.2	4.8	3.8	2.6	2.1	2.0	1.3	1.3	1.2	79	55	41	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	224	21.7%	49	307	>30	7.8	6.7	6.3	5.1	4.5	0.3	0.3	0.3	21	21	17	\$/MWh
DonbasEnergO	DOEN	67	14.2%	10	124	neg	17.6	6.6	6.0	7.2	5.2	0.3	0.2	0.2	15	15	14	\$/MWh
Consumer																		
MHP	MHPC	1,611	34.1%	549	2,656	6.2	5.2	5.9	6.6	5.7	5.1	2.2	1.9	1.7	8300	8300	8300	\$/tonne
Kernel	KER	1,282	61.8%	792	1,893	5.7	6.1	6.6	6.1	5.9	5.6	1.0	0.9	0.7				
Astarta	AST	574	31.0%	178	721	5.0	11.5	9.7	5.0	7.4	6.0	1.8	1.6	1.3	3655	2225	1848	\$/tonne
Avangardco	AVGR	728	22.5%	164	876	3.7	3.2	3.1	3.5	3.1	3.0	1.6	1.4	1.2	198	151	142	\$/mneqgs
Agroton	AGT	18	44.6%	8	51	neg	1.0	0.9	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	322	4.0%	13		>30	>30	11.3	0.4	0.4	0.3	0.05	0.05	0.04				
Ukrsotsbank	USCB	411	1.6%	7		>30	>30	21.8	0.5	0.5	0.5	0.06	0.06	0.06				

Source: Eavex Research

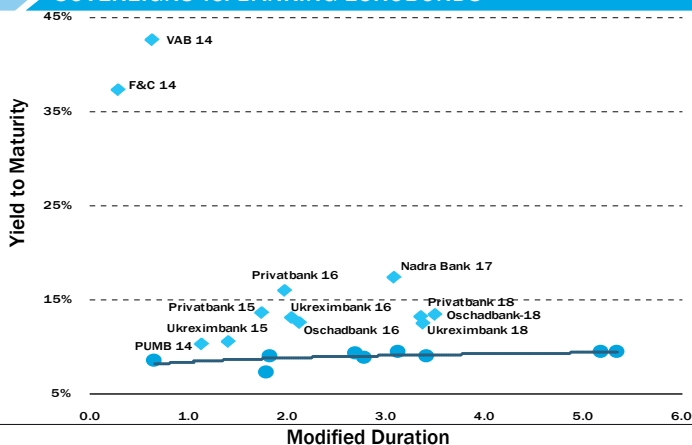
UKRAINIAN EUROBONDS

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	94.8	95.3	17.6%	16.6%	-7.2%	0.6	7.95%	S/A	6 Apr. 2014	1,000	Caa1/B/B
Naftogaz Ukraine, 2014	93.4	94.2	18.7%	17.5%	-8.9%	0.9	9.50%	S/A	30 Sept 2014	1,595	//B
Ukraine, 2015 (EUR)	93.2	96.1	9.0%	7.2%	-2.9%	1.7	4.95%	A	13 Oct 2015	600*	Caa1/B/B
Ukraine, 2015	90.0	91.0	13.2%	12.5%	-10.6%	1.7	6.875%	S/A	23 Sept 2015	500	Caa1/B/B
Ukraine, 2016	88.0	88.8	11.4%	11.1%	-11.5%	2.6	6.58%	S/A	21 Nov 2016	1,000	Caa1/B/B
Ukraine, 2016-2	89.0	90.2	10.5%	10.0%	-10.1%	2.7	6.25%	S/A	17 Jun 2016	1,250	Caa1/B/B
Ukraine, 2017	87.5	88.5	10.7%	10.4%	-11.3%	3.3	6.75%	S/A	14 Nov 2017	700	Caa1/B/B
Ukraine, 2017-2	94.2	95.2	11.3%	10.9%	-11.6%	3.1	9.25%	S/A	24 Jul 2017	2,000	Caa1/B/B
Ukraine, 2017 Infr. projects	83.0	85.0	14.6%	13.8%	-14.5%	3.1	8.375%	S/A	3 Nov 2017	568	Caa1//
Ukraine, 2018 Infr. projects	80.0	82.0	13.9%	13.2%	-14.7%	3.4	7.40%	S/A	20 Apr 2018	690	Caa1//
Ukraine, 2020	88.8	90.5	10.1%	9.7%	-13.0%	5.1	7.75%	S/A	23 Sept 2020	1,500	Caa1/B/B
Ukraine, 2021	89.0	90.5	10.1%	9.8%	-13.6%	5.2	7.95%	S/A	23 Feb 2021	1,500	Caa1/B/B
Ukraine, 2022	86.5	87.1	10.1%	10.0%	-14.0%	5.9	7.80%	S/A	28 Nov 2022	1,250	Caa1/B/B
Ukraine, 2023	85.9	87.1	9.8%	9.6%	-13.5%	6.2	7.50%	S/A	17 Apr 2023	1,250	Caa1/B/B
Corporate Eurobonds											
Agroton, 2014	49.8	57.0	31.8%	26.8%	n/a	3.1	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	99.8	100.1	10.8%	10.7%	-5.3%	1.4	10.25%	S/A	29 Apr 2015	235	Caa1//B
MHP, 2020	80.0	81.9	12.9%	12.4%	-19.1%	4.7	8.25%	S/A	2 Apr 2020	750	/B/B
Avangardco, 2015	98.8	101.4	11.0%	9.5%	4.6%	1.7	10.00%	S/A	29 Oct 2015	200	//B
UkrLandFarming, 2018	90.5	93.0	13.8%	13.0%	-8.2%	3.4	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	97.7	101.0	12.5%	10.8%	-3.5%	2.1	10.95%	S/A	30 Mar 2016	72	/B/B
Mriya, 2018	81.2	83.6	15.4%	14.5%	-17.6%	3.3	9.45%	S/A	19 Apr 2018	400	/B/B
DTEK, 2015	98.9	99.3	10.7%	10.4%	-2.2%	1.3	9.50%	S/A	28 Apr 2015	200	Caa1//B
DTEK, 2018	86.7	87.4	11.8%	11.6%	-13.0%	3.6	7.88%	S/A	4 Apr 2018	750	Caa1//B
Metinvest, 2015	99.0	99.6	11.3%	10.9%	-4.3%	1.4	10.25%	S/A	20 May 2015	500	Caa1//B
Metinvest, 2018	87.1	88.4	12.8%	12.3%	-9.5%	3.4	8.75%	S/A	14 Feb 2018	750	Caa1//B
Ferrexpo, 2016	92.6	94.3	11.6%	10.6%	-4.1%	2.2	7.875%	S/A	07 Apr 2016	500	/B/B
UZ Rail, 2018	82.0	84.0	15.1%	14.4%	-17.0%	3.3	9.50%	S/A	21 May 2018	500	/B-/B-
Interepipe, 2017	77.0	80.1	19.3%	17.5%	-3.8%	2.8	10.25%	S/A	2 Aug 2017	200	/NR/CCC
JKX Oil&Gas, 2018	107.5	109.6	9.0%	8.4%	8.5%	3.6	8.00%	S/A	19 Feb 2018	40	//
Bank Eurobonds											
Fin&Credit Bank, 2014	88.0	91.0	81.3%	59.6%	39.8%	0.2	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	95.0	100.0	17.2%	12.0%	-4.5%	1.0	11.00%	Q	31 Dec 2014	275	B//
Nadra Bank, 2017	81.3	84.0	21.3%	19.0%	-3.8%	3.0	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	86.5	88.8	18.7%	17.1%	-7.5%	1.6	9.38%	S/A	23 Sept 2015	200	Caa1//
PrivatBank, 2016	70.0	75.0	23.5%	19.9%	-6.0%	1.9	8.75%	S/A	9 Feb 2016	150	Caa1//
PrivatBank, 2018	84.8	87.3	15.8%	14.9%	-14.0%	3.2	10.88%	S/A	28 Feb 2018	175	Caa1//B
UkrEximBank, 2015	88.0	90.0	18.4%	16.6%	-10.9%	1.3	8.38%	S/A	27 Apr 2015	750	Caa1//B
UkrEximBank, 2016	77.3	79.0	18.8%	17.6%	-7.3%	1.9	8.40%	S/A	2 Sept 2016	125	Caa1//B
UkrEximBank, 2018	80.3	82.2	15.2%	14.5%	-18.7%	3.3	8.75%	S/A	22 Jan 2018	500	Caa1//B
VAB Bank, 2014	81.0	83.0	54.6%	48.9%	46.4%	0.6	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	84.7	85.9	16.8%	16.0%	-10.3%	2.0	8.25%	S/A	10 Mar 2016	700	Caa1//B
Oschadbank, 2018	80.2	82.1	15.2%	14.5%	-18.9%	3.4	8.88%	S/A	20 Mar 2018	500	Caa1//B
Municipal Eurobonds											
City of Kyiv, 2015	83.8	86.1	18.3%	16.6%	-9.2%	1.7	8.00%	S/A	6 Nov 2015	250	Caa1/B-/
City of Kyiv, 2016	84.3	86.0	16.8%	15.9%	-9.0%	2.2	9.375%	S/A	30 Jun 2016	300	Caa1/B-/

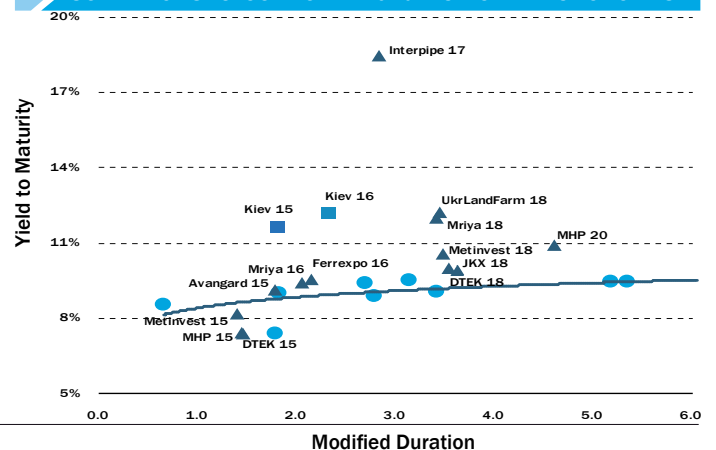
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



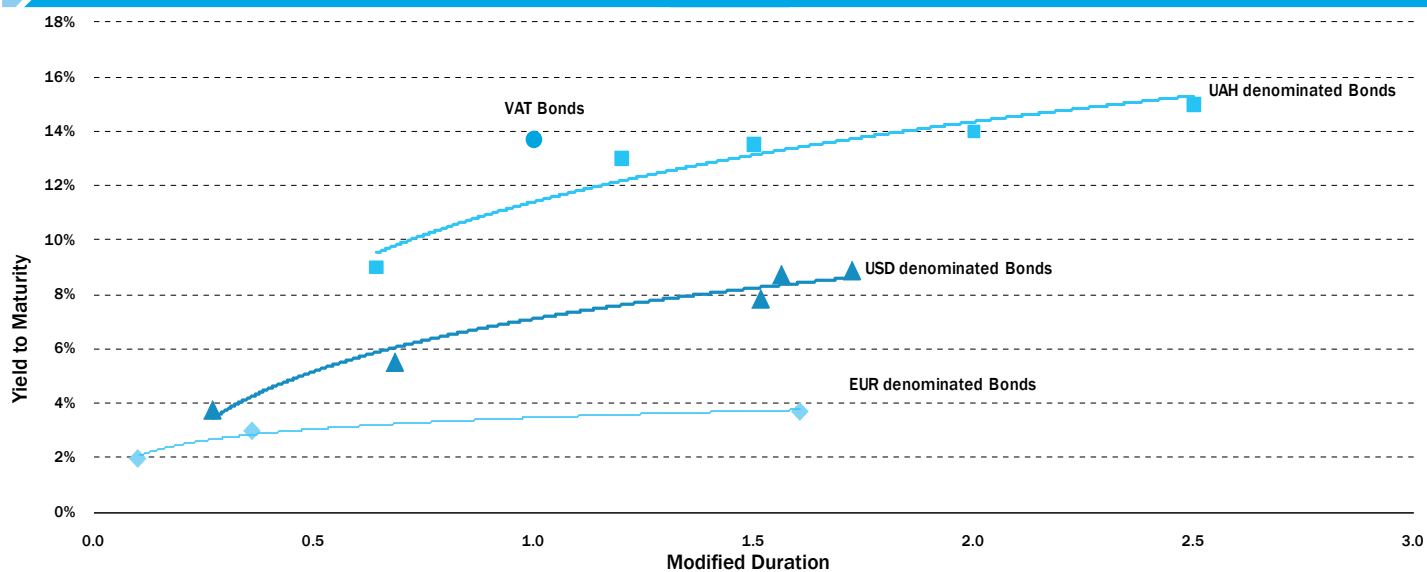
SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



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%	11.5%	n/a	10.75%	S/A	26 Mar 2014	187
UA4000141592			13.5%	12.0%	n/a	14.30%	S/A	20 May 2015	31
UA4000142665			19.0%	17.0%	n/a	14.30%	S/A	24 May 2017	184
USD denominated Bonds									
UA4000138002	n/a	n/a	6.0%	4.5%	n/a	9.30%	S/A	27 Nov 2013	86
UA4000140362	n/a	n/a	8.3%	8.0%	n/a	9.20%	S/A	21 May 2014	171
UA4000142699	n/a	n/a	9.4%	8.4%	n/a	9.45%	S/A	22 Apr 2015	312
UA4000141071	n/a	n/a	9.6%	8.5%	n/a	9.45%	S/A	27 May 2015	152
UA4000142673	n/a	n/a	9.6%	8.5%	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			14.3%	13.8%	n/a	5.50%	S/A	21 Aug 2015	141
UA4000082622			14.3%	13.8%	n/a	5.50%	S/A	24 Aug 2015	571
UA4000083059			14.3%	13.8%	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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